

# Agenda Report



**MEETING DATE:** Monday, February 12, 2024

**TO:** City Council

**FROM:** PARKS & COMMUNITY SERVICES DIRECTOR CALUBAQUIB  
RECREATION SUPERINTENDENT NEGRETE

**THROUGH:** CITY MANAGER MENDEZ

**SUBJECT:** RESOLUTION APPROVING A TWO-YEAR LEASE WITH  
COUNTY OF SANTA CRUZ FOR COUNTY PROPERTY,  
WATSONVILLE VETERANS HALL, LOCATED AT 215 EAST  
BEACH STREET

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## **RECOMMENDED ACTION:**

Adopt a resolution approving a two-year lease with one (1) five-year option term between the City of Watsonville and the County of Santa Cruz, a political subdivision of the State of California, for County property at 215 East Beach Street (Watsonville Veterans Memorial Building), Watsonville, California, commencing March 1, 2024 and ending February 28, 2026, and authorizing and directing the City Manager to execute the same and any amendments thereto of a non-substantive nature subject to legal approval.

## **BACKGROUND:**

The City of Watsonville Parks and Community Services Department had previously leased the property at 215 East Beach Street, known as the Watsonville Veterans Memorial Building or Watsonville Vets Hall, from the County of Santa Cruz, Department of Parks, Open Space and Cultural Services. The previous lease agreement expired on June 30, 2011 and the City continued to operate the facility on a month to month basis until March 2020.

## **DISCUSSION:**

The County of Santa Cruz assumed operation of the Watsonville Veterans Memorial Building in March 2020 to provide and locate services for unhoused individuals through the COVID-19 pandemic. Prior to this, the City of Watsonville Parks and Community Services Department managed programming held at this location for several decades. This facility housed facility rentals, youth and adult sports programming and provided a space for various organizations thus being able to generate revenue for the facility rental program

and the sports program. During occupancy, the utilities and minor repairs were paid by the City. The revenue generated from facility rentals helped offset these expenditures.

The proposed lease agreement will allow the Parks and Community Services Department to once again have a venue for youth and adult sports programming and facility rentals. With the renovation of Ramsay Park, the Watsonville Veterans Hall will serve as a much needed venue to be able to continue to offer a space for private rentals, youth and adult sports programming and a meeting space for organizations. Facility expenditures include utilities, miscellaneous minor repairs (as needed) and janitorial services, averaging about \$2500, which will be absorbed through current budget savings in facilities (681) for this Fiscal Year. It is expected that rental and recreation programming revenue will offset these expenses moving forward.

**STRATEGIC PLAN:**

This lease agreement supports the Strategic plan of 4 – Fiscal Health as revenue will be generated from facility rentals and 6 – Community Engagement & Well-Being as the facility will serve as a venue where the community can engage in either sports or other recreational programming being offered at this location.

**FINANCIAL IMPACT:**

Per the lease agreement, the City of Watsonville Parks and Community Services will pay the County of Santa Cruz \$1 per year for each year throughout the term of the agreement, payable on the first lease day of each lease year.

**ALTERNATIVE ACTION:**

The Council may choose not to approve this lease agreement.

**ATTACHMENTS AND/OR REFERENCES (If any):**

None.