



**Department:** Parks and Recreation  
**Cost Center:** 7002  
**For Agenda of:** 2/6/2024  
**Placement:** Consent  
**Estimated Time:** N/A

**FROM:** Greg Avakian, Parks & Recreation Director  
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**SUBJECT:** AUTHORIZE AN AGREEMENT BETWEEN THE CITY OF SAN LUIS OBISPO AND SLO MARTIN PROPERTIES, LLC FOR PARK MAINTENANCE AND OUTDOOR DINING

### RECOMMENDATION

Authorize the City Manager to execute an agreement with SLO Martin Properties, LLC for park maintenance and outdoor dining on City-owned property, located at 2163 Santa Barbara Street.

### POLICY CONTEXT

The Public Art Master Plan notes that the City's public art collection will be maintained and preserved in accordance with Best Management practices for public art. Objective 2.3 likewise encourages staff to "Explore public-private sponsorships for maintenance through the establishment of a sponsorship program of individual art pieces".

Additionally, the park maintenance requirements imposed by the proposed agreement with SLO Martin Properties, LLC are consistent with the City's internal park maintenance standards.

### DISCUSSION

#### Background

In October 2004, Council approved an agreement between the City and Village Host Pizza and Grill, SLO, LLC to maintain the park space located at 2163 Santa Barbara Street, formerly the Water Conservation Demonstration Garden (APN 003-748-035). The previous owner (Pizza Brokers, Inc.) built an outdoor dining area that extended onto City property and, in exchange, the owner was required to maintain the park space and the public art piece for a five-year period. Village Host Pizza and Grill inherited the conditions of the initial agreement with the City when it took over the business (from the previous owners, Pizza Brokers, Inc.) and completed any deficiencies left from the previous owners, including the installation of the public art piece, at an expense of \$12,000. Since 2004, the park space and public art piece have been reasonably maintained to City standards and expectations.

Village Host Pizza and Grill no longer owns the business at the location, and City staff have been working with the new owners, SLO Martin Properties, LLC, to continue the maintenance arrangement in exchange for their use of the City-owned park space. The property owner is currently in the process of retaining a new tenant for the building and active improvements are underway.

**Proposed Agreement**

SLO Martin Properties and City staff concur on a ten (10) year agreement with an optional two (2) year extension. Staff supports the longer-term agreement as there is sufficient language in the new agreement regarding performance expectations by SLO Martin Properties to maintain the area by prescribed standards and steps to rectify any deficiencies should they occur.

The proposed agreement will provide updated conditions for the maintenance of both the public art installation and park space adjacent to the business, in accordance with the Public Art Master Plan and ongoing park maintenance standards established by Public Works. Additionally, SLO Martin Properties is proposing a significant upgrade to the existing landscape, as outlined on the attached Landscape Plan (See Exhibit B of the proposed agreement.) This includes the removal of the turf and many existing plants (leaving the few healthy plants that remain); removal of existing wood borders and addition of new metal borders; decomposed granite; and the introduction of new drought-tolerant landscaping. These proposed improvements have been reviewed and approved by the Parks Maintenance Supervisor. The draft agreement in Attachment A is still being finalized, but should Council authorize the City Manager to enter this agreement, it will be in substantially the same form as that in Attachment A.

**Previous Council or Advisory Body Action**

On June 3, 2003, Council approved an agreement with Pizza Brokers, Inc. for the donation of park improvements at 2163 Santa Barbara Street. On October 19, 2004, the City approved the initial agreement with Village Host Pizza & Grill SLO, LLC. On February 2, 2010, the City entered into an updated agreement with Village Host Pizza and Grill SLO, LLC for a 10-year period. The current agreement has expired, and ownership has changed.

**Public Engagement**

Public comment on the item can be provided to the City Council through written correspondence prior to the meeting and through public testimony at the meeting.

**CONCURRENCE**

The Public Works and Parks and Recreation Departments concur with the recommendation.

**ENVIRONMENTAL REVIEW**

The California Environmental Quality Act does not apply to the recommended action in this report because the action does not constitute a “Project” under CEQA Guidelines Section 15378.

**FISCAL IMPACT**

Budgeted: N/A  
 Funding Identified: N/A

Budget Year: 2023-24

**Fiscal Analysis:**

<b>Funding Sources</b>	<b>Total Budget Available</b>	<b>Current Funding Request</b>	<b>Remaining Balance</b>	<b>Annual Ongoing Cost</b>
General Fund	\$N/A	\$N/A	\$N/A	\$N/A
State				
Federal				
Fees				
Other:				
<b>Total</b>	<b>\$N/A</b>	<b>\$N/A</b>	<b>\$N/A</b>	<b>\$N/A</b>

There is no fiscal impact directly associated with this item. The owners will continue to pay related utility costs and maintain the park space. Without this arrangement with SLO Martin Properties, the City could incur costs of \$2,520 annually for maintenance, plus an estimated utility cost for irrigation and public art lighting of approximately \$2,500/year.

**ALTERNATIVES**

1. **Do not enter into the Agreement.** The City would assume responsibility for the maintenance and utilities of the park space and public art piece at a time when there are no funds allocated in the Parks Maintenance budget for expansion. Another agreement would have to be developed regarding the outdoor dining area and could possibly result in fees charged to SLO Martin Properties for that portion on City property. If such an agreement is not reached, use of the area for outdoor dining by SLO Martin Properties could be precluded. The proposed agreement provides a mutually beneficial situation for both parties, with the City having the property space and public art maintained by the neighboring restaurant ownership and SLO Martin Properties able to offer outdoor seating as a benefit to its customers.
2. **Modify the Terms of the Proposed Agreement.** The new agreement strengthens the previous arrangement between the City and SLO Martin Properties as negotiated. Council could choose to add modifications as deemed necessary.

**ATTACHMENTS**

A - Draft Park Maintenance and Outdoor Dining Agreement