



COUNTY OF SAN DIEGO

LAND USE AGENDA ITEM

BOARD OF SUPERVISORS

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DATE: July 17, 2024

07

TO: Board of Supervisors

SUBJECT

APPROVAL OF LEASE AGREEMENT FOR THE DEPARTMENT OF PARKS AND RECREATION FOR THE REHABILITATION, OPERATION AND MAINTENANCE OF THE MIRA MESA EPICENTRE, AND RELATED CEQA EXEMPTION (DISTRICT: 3)

OVERVIEW

In 2021, the County of San Diego (County) Board of Supervisors (Board) directed the Department of Parks and Recreation (DPR) to negotiate an agreement with the City of San Diego (City) to launch a capital project to rehabilitate the Mira Mesa Epicentre, located at 8450 Mira Mesa Boulevard, San Diego, California (Property), as a County-operated community center offering programs, activities, classes, and events that benefit residents of all ages, interests and abilities, with a special focus on youth and teens.

To best serve the community of Mira Mesa, facility users' feedback on the future facility's design and programming was collected through engagement with community members during community meetings and events, and surveys over the past three years. The Property will be leased to the County by the City for a term of 45 years. The County will refurbish and operate a portion of the Property as an open recreation center for youth, with programs to be offered that reflect the preferences of the community, including tutoring, mentoring, career counseling, performing and visual arts, gardening, cooking, various recreational classes, rentable space for meetings and events, and intergenerational programs. Design features of the facility will include the community's preference for a lounge area, game tables and consoles, workstations and a homework area, a music room, fitness equipment, a stage, a demonstration kitchen, and a multi-purpose space. Preferred exterior amenities include central gathering areas, open turf areas, garden areas, and outdoor sport courts. Over \$1 million of the total project budget of \$10.5 million committed by the County has been encumbered toward the public outreach, conceptual design, and the construction documents needed to implement the community-driven amenities desired at the facility as well as the building's full refurbishment. These funds were committed in Fiscal Year (FY) 2020-21 through Board direction (\$3.65 million), FY 2022-23 through the adopted Operational Plan (\$4.35 million) and FY 2024-25 through the adopted Operational Plan (\$2.5 million). The facility is anticipated to open in FY 2025-26.

Today's request is for the Board's approval of the lease agreement negotiated between the City and County, necessary CEQA determination, and authorization for staff to execute the lease

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agreement contingent on the County being in a position to commence the rehabilitation project. Staff is recommending that execution of the long-term lease be authorized contingent on completion of due diligence, coordination of a Shared Use agreement, permit processing and issuance, utility location, and readiness of County to take possession of and secure the lease premises, as described in the Background section. After the lease agreement is signed, the County will take responsibility for securing and maintaining the premises and will have the right to rehabilitate, operate, and maintain the Mira Mesa Epicentre during the 45-year lease term. The Mira Mesa Epicentre will then be rehabilitated by the County and operated as a youth-focused community center that supports the community's preferred programming needs and serves as headquarters for the county-wide San Diego/Safe Destination Nights (SD Nights) program.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Find that the proposed lease agreement, rehabilitation, and operation of the Mira Mesa Epicentre is exempt from the California Environmental Quality Act (CEQA), pursuant to Sections 15301, 15302, and 15304 of the CEQA Guidelines (Attachment A).
2. Approve and authorize the Director, Department of General Services, in consultation with the Director, Department of Parks and Recreation, to execute the proposed lease agreement for 8450 Mira Mesa Boulevard, San Diego, California following (a) completion of Due Diligence, (b) progress in negotiating a Shared Use agreement with the City and (c) the County achieving Construction Ready status for the rehabilitation project, as specified in the Background section.

EQUITY IMPACT STATEMENT

Investing in today's youth who will become tomorrow's leaders is a high priority for the County of San Diego Department of Parks and Recreation (DPR) and the San Diego/Safe Destination Nights (SD Nights) program. The rehabilitation and operation of the Mira Mesa Epicentre would activate a highly visible public space and improve public safety in the community. The facility will serve as headquarters for DPR's SD Nights program and regional teen center hub, in which staff coordinate events for teens in urban areas to keep them engaged in safe activities during critical hours. The Mira Mesa Epicentre will operate with the intention of diverting youth away from potentially negative behaviors by bringing them into a positive environment that equips them with social, physical, and educational tools that can help them lead healthy and productive lives.

SUSTAINABILITY IMPACT STATEMENT

The approval of the lease agreement contributes to many of the County's Sustainability Goals: providing just and equitable access by improving the layout and wayfinding of the building to accommodate diverse physical and mental abilities; transitioning to a green, carbon-free economy by reducing the building's energy demand by 50%; protecting health and well-being by providing natural daylight, enriching landscaping, and using non-toxic materials; protecting water; protecting ecosystems, habitats, and biodiversity; and reducing pollution and waste. The rehabilitation of the Mira Mesa Epicentre will provide community members and teenagers access to a safe and positive environment that promotes health and well-being through various programming opportunities

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including mentoring, career counseling, performing and visual arts, gardening, cooking, recreational classes, and intergenerational programs.

Because the Mira Mesa Epicentre is an existing facility within an already urban environment, it will support sustainable land use practices. Its location is in proximity to the Mira Mesa Community Park, Senior Center, Library, and Mira Mesa High School and is surrounded by residential and commercial uses. The central location of the facility and location to nearby public transit allows for multi-modal accessibility. Additionally, the facility will be rehabilitated to meet the latest California Green Building Standards and will strive to meet net-zero energy goals in-line with both the City of San Diego's and County's greenhouse gas emission reduction goals.

FISCAL IMPACT

Funds for the rehabilitation project are included in the Fiscal Year (FY) FY 2024-25 Operational Plan in the Capital Outlay Fund for Capital Project 1024823 Mira Mesa Epicentre Youth and Community Center. Total rehabilitation project costs and revenue are \$10.5 million. The funding sources are General Fund fund Balance (GFFB) (\$8.0 million) and General Purpose Revenue (GPR) (\$2.5 million). There will be no change in net General Fund cost and no additional staff years.

Funds for the lease are included in the FY 2024-25 Operational Plan of the Department of Parks and Recreation (DPR). If approved, this lease agreement will result in costs and revenue of approximately \$1 per calendar month in base rent. Total lease costs and revenue are \$12 in FY 2024-25, and total of \$540 for the term of the 45-year lease. The funding source is DPR GPR. There will be no change in net General Fund cost and no additional staff years.

Upon completion of the project, the initial purchase of minor equipment and start-up costs are estimated at \$100,500. Ongoing operations are estimated at \$518,985 annually, which will include an estimated \$202,694 for two additional full-time staff, programming costs, facility maintenance, and utilities. The facility is projected to open in FY 2025-26, and these costs will be included in future Operational Plans starting in FY 2025-26. The funding source will be DPR GPR and park user fee revenue.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

The Mira Mesa Epicentre, owned by City of San Diego (City) and located in the heart of the community, served Mira Mesa from 1977 to 2016. Originally built as a library, the Mira Mesa Epicentre facility later served as a community and teen center. Since the community center's

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closure in 2016 due to financial hardship experienced by the operator, the facility has been vacant except for a portion occupied by the San Diego Police Department Retired Senior Volunteer Patrol.

On March 16, 2021 (24), the County of San Diego (County) Board of Supervisors (Board) identified the Mira Mesa Epicentre as a high-priority capital project and community investment that could advance equity, inclusion, youth development, and arts and educational opportunities. The Board directed the Department of Parks and Recreation (DPR) to negotiate an agreement with the City to launch a capital project that could rehabilitate the facility to ultimately operate the youth and community center, including programs for teens, like the San Diego/Safe Destination Nights (SD Nights) program. On May 18, 2021 (19), the Board directed funds to support and begin the redevelopment process of the Mira Mesa Epicentre. Following a facilities conditions assessment in February 2022, the rehabilitation scope was defined, and the planning, outreach, and design of the facility commenced.

Community feedback has been incorporated in the building design through the inclusion of facilities that can host a wide variety of programming opportunities recommended and supported by community members. To understand the recreational offerings the Mira Mesa Community is interested in having at the Epicentre, DPR distributed a survey to local schools and met with students at Mira Mesa High School, located across from the Mira Mesa Epicentre, in early 2022. The same survey was distributed to the community at large, shared at the 2022 Mira Mesa Street Fair and online in fall 2022. Two public meetings were held on November 10, 2022, and January 24, 2023, to collect feedback on the rehabilitation concept designs. On January 12, 2023, DPR staff hosted an event at the Mira Mesa High School where proposed improvements were discussed and students were asked to share feedback on the rehabilitation concept design and programming preferences. In summer 2023, DPR staff attended the community's Independence Day event to collect additional input on the concept designs and program opportunities. On July 6, 2023, a community event was hosted with DPR's SD Nights program at the Mira Mesa Recreation Center where attendees could provide feedback on the updated schematic design and proposed programs that could be offered at the facility. Additionally, DPR staff have attended numerous meetings with community organizations, including a community information session on November 1, 2023, in collaboration with the City and Mira Mesa High School. This extensive community outreach was used as the basis of the construction and programmatic designs. Over \$1,000,000 of the total project budget of \$8,000,000 committed by the County has been encumbered toward the public outreach, conceptual design, and the construction documents needed to implement the community-driven amenities desired at the facility. An additional \$2,500,000 in construction funding is included in the FY 2024-25 Operational Plan. This funding will address additional costs to supply infrastructure for desired programming.

DPR intends to open the facility for residents of all ages, interests, and abilities via a wide variety of activities, programs, events, and meetings, with an emphasis on youth, and through collaboration with neighboring City parks, senior center, libraries, schools, the San Diego Police force, and community organizations. From the programming feedback received, the Mira Mesa community preferred to have programs including tutoring, mentoring, career counseling, performing and visual arts, gardening, cooking, various recreational classes, daily drop-in

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recreational and social opportunities, and intergenerational programs. Preferred interior amenities include a lounge area, game tables and consoles, workstations and a homework area, a music room, fitness equipment, a stage, a demonstration kitchen, and a multi-purpose space. Preferred exterior amenities include central gathering areas, open turf areas, garden areas, and outdoor sport courts. The community facility will also function as a central gathering space for youth in the Mira Mesa community and serve as a regional hub for DPR's ongoing youth and teen programs. The \$518,985 in annual operating costs will be supplemented by existing resources from DPR's Safe Destinations/San Diego Nights (SD Nights) program, including two full time staff totaling approximately \$200,000. The Epicentre will serve as headquarters for the SD Nights program and will provide a centralized location within the County to support their activities and events throughout the region. The SD Nights program was introduced in 2018 to expand youth programming opportunities throughout the County and supplement existing efforts at teen centers DPR already operated in Lakeside and Spring Valley. The SD Nights (short for "Safe Designation Nights") program provides safe places where teens can recreate during critical hours, including providing activities that are designed to educate and entertain while equipping teens with essential life skills and empowering them to make a difference in their communities. These facilities and programs demonstrate how DPR makes a positive difference in the lives of youth, providing opportunities for middle and high school youth to grow through physical fitness, art expression and leadership development, community service, college and career planning, and educational activities while enhancing self-esteem, communication skills, problem solving, and community involvement. They provide teenagers a safe place for recreation and enrichment through programs and events, provide presentations on topics like bullying prevention and drug/alcohol awareness, and provide an opportunity for social interaction. The programs also connect teens to law enforcement, providing them with a positive experience with public safety officials.

For DPR to rehabilitate, operate, and maintain the Mira Mesa Epicentre, the City and County have negotiated a lease agreement for most of Assessor's Parcel Number 311-041-07, 8450 Mira Mesa Boulevard, San Diego, California, which includes the existing Mira Mesa Epicentre building and surrounding exterior site. The lease agreement acknowledges the County's significant investment in the rehabilitation of the facility through a lease term of 45 years in which the County will be the sole operator of the facility. The City of San Diego Council approved the lease agreement with a vote of 7-0 on July 2, 2024.

Because of the complexity of the project, the County is not yet prepared to take possession of and long-term responsibility for the Premises. County staff is conducting ongoing due diligence of the Property, which includes (a) receipt and review of the City's existing documents and information about the Property, (b) completion and review of a Phase I environmental site assessment, (and, if recommended by the Phase I, a Phase II environmental site assessment), (c) performance and evaluation of equipment and system startup testing, and (d) location of and assessment of the suitability of the essential utility facilities serving the Premises ((a) - (d) collectively, the Due Diligence).

The County's contemplated use of the Premises will rely on (a) parking on, (b) waste receptacles on, and (c) ingress/egress rights over an adjacent City Parks and Recreation Department property

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((a) - (c), collectively, the Shared Uses). Such Shared Uses are essential to County's long-term use of the Premises. Accordingly, County staff-initiated discussions with the City to negotiate a shared use agreement between the two agencies, which would be effective throughout the lease term.

Finally, County staff is in an intermediate design phase for the project, which it is permitting through the City. To ensure success of the initial rehabilitation project, County needs to be at the "Construction Ready" stage before signing the lease agreement, which will be achieved when the (a) City has assigned a development project manager for the project, (b) County moves to implementation of the construction contract for the project, (c) City has identified and granted County access to an appropriate site for construction staging purposes, and (d) City has issued the permits necessary to start construction.

For those reasons, staff recommends that execution of the 45-year lease be approved contingent on the completion of Due Diligence, the agencies making progress in negotiations of the Shared Use Agreement, and the County being Construction Ready.

LEASE PROVISION	PROPOSED LEASE
LESSOR	City of San Diego
PREMISES	Most of Assessor's Parcel Number 311-041-07, including an approximately 8,000 square foot building, located at 8450 Mira Mesa Boulevard, San Diego, CA 92126
TERM	45 years
OPTIONS TO EXTEND TERM	None
EARLY TERMINATION	None
RENT ADJUSTMENTS	None
UTILITIES	Lessee responsible
MAINTENANCE	Lessee responsible
CUSTODIAL	Lessee responsible
MONTHLY OCCUPANCY COST	\$1.00

ENVIRONMENTAL STATEMENT

Today's action to approve the lease agreement that will result in the rehabilitation and operation of the Mira Mesa Epicentre is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15301 (Existing Facilities), 15302 (Replacement or Reconstruction), and 15304 (Minor Alterations to Land) of the CEQA Guidelines (Attachment A). Section 15301 is appropriate because it involves the lease of an existing building undergoing renovations, involving negligible or no expansion of the existing use. Section 15302 applies to the project because the proposed improvements will be on the same site as existing facilities and the improvements will have substantially the same purpose and capacity as the existing facilities. Section 15304 is applicable because minor land disturbance may be required for the project. The project is not subject to any of the exceptions to the Categorical Exemptions listed in Section 15300.2 of the CEQA Guidelines.

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LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed action to approve the lease agreement for the Mira Mesa Epicentre supports the Equity and Community Initiatives in the County of San Diego's 2024-2029 Strategic Plan by promoting an environment where a community has a safe space to access recreation and enrichment opportunities.

Respectfully submitted,



AMY HARBERT
Interim Deputy Chief Administrative Officer

ATTACHMENT(S)

ATTACHMENT A – Notice of Exemption