



AGENDA REPORT SUMMARY

Meeting Date: February 19, 2019

Subject: License Agreement between Los Altos Hills County Fire District (“LAHCFD”) and DACO Construction, Inc. (“DACO”) for use of the LAHCFD vacant lot located at 275800 Arastradero Road (“District Lot”) effective February 4, 2019 (“License Agreement”).

Prepared by: J. Logan, General Manager
Jennifer Beyers, Esq.

Attachment(s):

1. None

Initiated by: Los Altos Hills County Fire District (LAHCFD) Board President and General Manager

Previous Commission Consideration:

None

Fiscal Impact: DACO submitted and the LAHCFD deposited an Administrative fee of \$500 and License fee of \$1,500 in the LAHCFD General Operating Fund. DACO will continue to pay a monthly usage fee of \$1,500 on the 4th of each month starting March 4, 2019, if the License Agreement is extended pursuant to Paragraph 10 of the License Agreement. As set forth in the License Agreement, DACO is also required to reimburse the LAHCFD for all attorneys’ fees incurred by the LAHCFD in preparing, revising, and amending the License Agreement.

Policy Question(s) for Fire Commission Consideration:

- Will the Board of Commissioners of the LAHCFD confirm the License Agreement and Resolution No. 19-4?
- Will the Board of Commissioners of the LAHCFD provide direction to staff and/or direction on policy and practices of licensing of District Lot?
- Will the Board of Commissioners of the LAHCFD authorizes the LAHCFD General Manager/President to review and sign future license agreements that substantially conform with the terms of the License Agreement without the need for the Commission to approve each individual license agreement.

Summary:

- The LAHCFD has historically issued license agreements for use of the District Lot as a staging area to contractors while performing work that benefits the community

- DACO construction was retained by Purissima Hills Water District for an emergency repair of 500 feet of pipeline and requested use of the District Lot for purposes of staging repair equipment.
- LAHCFD Board President exercised his authority to execute agreements on behalf of the LAHCFD in emergency circumstances to sign the License Agreement.
- The LAHCFD entered into License Agreement with DACO effective February 4, 2019
- The Board of Commissioners of the LAHCFD is requested to now confirm the License Agreement and ratify and approve the License Agreement and adopt Resolution No. 19-4
- Contractors continue to express interest in use of the District Lot as a staging area while they perform work for local agencies for the benefit the community
- For efficient response to requests to use District Lot, it is recommended the LAHCFD Board of Commissioners authorize the LAHCFD General Manager/President to review and sign future license agreements that substantially conform with the terms of the License Agreement without the need for the Commission to approve each individual license agreement.

Staff Recommendation:

Confirm License Agreement, ratify and approve License Agreement, adopt Resolution No. 19-4 and provide direction to staff for a future agenda item that authorizes the LAHCFD General Manager/President to review and sign future license agreements that substantially conform with the terms of the License Agreement without the need for the Commission to approve each individual license agreement.

Purpose:

Confirm License Agreement, ratify and approve License Agreement, adopt Resolution No. 19-4 and provide direction to staff for a future agenda item that authorizes the LAHCFD General Manager/President to review and sign future license agreements that substantially conform with the terms of the License Agreement without the need for the Commission to approve each individual license agreement.

Background

In January 2019, LAHCFD received a request from DACO to use the District Lot as a staging area while it performed emergency work to repair 500 feet of pipe in the Town of Los Altos Hills (“Town”) on behalf of the Purissima Hills Water District.

The LAHCFD has historically authorized license agreements to use its District Lot as a staging area with contractors completing work for the benefit of the community and on behalf of local agencies. On average, each fiscal year, the District Lot is licensed to a contractor for approximately three months, creating an average annual income for the LAHCFD of \$4,500.

Discussion/Analysis

On January 25, 2019, DACO executed the License Agreement and on January 27, 2019, LAHCFD Board President executed the License Agreement. DACO started using the District Lot on February 4, 2019. Since the License Agreement was not ready for review and execution until after the LAHCFD January 2019 meeting, the LAHCFD Board President exercised his authority to execute agreements on behalf of the LAHCFD in emergency circumstances to sign the License Agreement. The LAHCFD should now confirm the License Agreement and ratify and approve the License Agreement.

The LAHCFD anticipates that contractors will desire to use the District Lot as a staging area for future work that benefits the community. Recently, the LAHCFD received two additional inquires for such use of the District Lot. The requests to use the District Lot are usually on short notice (less than one month).
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month before work will commence). The short notice makes it untimely in most cases to place the request and draft license agreement on the Agenda for LAHCFD Board of Commissioners to consider, comment, and/or approve. Therefore, staff recommends the LAHCFD Board of Commissioners to authorize the LAHCFD General Manager/President to review and sign future license agreements that substantially conform with the terms of the License Agreement without the need for the Commission to approve each individual license agreement.

Options

- 1) Confirm License Agreement, ratify and approve License Agreement, adopt Resolution No. 19-4.
Advantages: Confirms action of LAHCFD President under emergency circumstances, provides income to LAHCFD and provides benefit to community for timely repair of the water pipe.
Disadvantages: None identified.
- 2) Deny Resolution and terminate License Agreement immediately.
Advantages. None identified.
Disadvantages: LAHCFD loses income and creates delay in water pipe repair..
- 3) Provide direction to staff for a future agenda item that authorizes the LAHCFD General Manager/President to review and sign future license agreements that substantially conform with the terms of the License Agreement without the need for the Commission to approve each individual license agreement.
Advantages: Streamline the process of LAHCFD approval for license agreements to use District Lot.
Disadvantages: none identified.

Recommendation

- 1) Confirm License Agreement, ratify and approve License Agreement, adopt Resolution No. 19-4.
- 2) Provide direction to staff for a future agenda item that authorizes the LAHCFD General Manager/President to review and sign future license agreements that substantially conform with the terms of the License Agreement without the need for the Commission to approve each individual license agreement.