



County of San Mateo

Inter-Departmental Correspondence

Department: PARKS

File #: 22-198

Board Meeting Date: 3/22/2022

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Nicholas J. Calderon, Parks Director
Subject: Ground lease with CuriOdyssey for real property located at 1651 Coyote Point Drive in the Coyote Point Recreation Area

RECOMMENDATION:

Adopt a resolution:

- A) Authorizing the President of the Board of Supervisors to execute a ground lease with CuriOdyssey for the real property located at 1651 Coyote Point Drive, San Mateo, California, in the Coyote Point Recreation Area; and
- B) Directing the Parks Director to file a Notice of Exemption for a California Environmental Quality Act Categorical Exemption.

BACKGROUND:

CuriOdyssey is a not-for-profit science and wildlife center that operates on County-owned land within the Coyote Point Recreation Area pursuant to a lease agreement with the County. Through educational programs, interactive exhibits, and a wildlife center, CuriOdyssey helps children develop the tools necessary to understand the changing world.

In 2019-the last full year before the COVID-19 pandemic-CuriOdyssey served over 207,000 visitors, including 687 children in summer camps, approximately 11,000 students and teachers (28 percent of whom were not charged for admission), and 4,559 students attending education and wildlife workshops. It is of note that 2,451 visitors received reduced admissions and over 3,800 visitors attended free community days.

In order to continue providing services to its members, visitors, and program participants, CuriOdyssey desires to construct significant upgrades to its campus. As part of its campus overhaul, CuriOdyssey intends to construct eight new buildings/exhibits that will create new science exhibit space, exhibit workshops, learning labs, field station for observations, animal exhibits, administration space, and concessions. These facilities will be complimented by the Whooosh! Playground - an all-

abilities playground that opened to the public in November 2021. While it is anticipated that construction will occur over a 10-year period, CuriOdyssey's actual timeline will be based on the success of its capital fundraising campaign.

CuriOdyssey's current lease is set to expire in 2024. Given the financial commitment necessary to recognize this vision for the campus and to ensure CuriOdyssey can continue to provide the much-desired services, a new long-term ground lease is required. To ensure CuriOdyssey has the legal authority to expand its leasehold, construct new buildings/exhibits, and remove existing facilities, County staff recommend granting CuriOdyssey a new ground lease. To assist CuriOdyssey in recognizing its vision for a new campus, in addition to negotiating a new ground lease, the County has committed \$1 million toward construction of the first new building.

DISCUSSION:

County staff and CuriOdyssey have negotiated the terms of a proposed ground lease that would allow CuriOdyssey to continue to occupy the real property located at 1651 Coyote Point Drive, in the Coyote Point Recreation Area. Pursuant to the terms of the proposed ground lease, CuriOdyssey would continue to operate a science and wildlife center at the premises. It would also be authorized to upgrade its campus in accordance with Exhibit A, including expanding its leasehold to accommodate construction of new buildings/exhibits and demolition of the existing museum building (which is owned by the County) to construct a new administration building.

CuriOdyssey is responsible for raising all funds necessary to construct the new campus, and County has no legal obligation to contribute financial resources to the project. The proposed ground lease would commence upon execution by both parties and has a term of 30 years with two 15-year extensions (for a maximum term of 60 years). Upon termination of the ground lease, ownership of the buildings would transfer to the County with CuriOdyssey obligated to remove all animal exhibits.

The proposed ground lease makes CuriOdyssey responsible for all costs associated with utilities, maintenance, and insurance. Further, CuriOdyssey will pay to the County one percent of its annual earned revenue. Earned revenue includes funds raised through admissions, facility rentals, special events, retail sales and membership fees, but not programming offered via virtual platform or at a remote location.

Prior to CuriOdyssey assuming maintenance responsibility for the existing museum building, the County will conduct approximately \$48,000 in repairs to the roof and siding. The County will cover these costs because the condition of the roof and siding deteriorated during the term of the existing lease, which assigns maintenance responsibility to the County.

California Government Code section 25536.5 authorizes the Board of Supervisors, by a four-fifths vote, to enter into an agreement with a lessee to amend any existing lease relating to improved property to permit the permanent improvement or alteration of the county-owned, -leased, or -managed property at the expense of the lessee.

Staff has determined that the proposed expansion project is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to section 15302 of the CEQA Guidelines, which exempts from CEQA review the replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have the same purpose and capacity as the structure replaced. CuriOdyssey has planned that the new museum facility will be built on the same location as the existing facility and that its purpose and capacity will remain materially the same. Staff therefore recommends that the Board of Supervisors

find this project exempt from CEQA review and direct the Parks Director to file a Notice of Exemption.

County Counsel has reviewed and approved the ground lease and resolution to form and content.

FISCAL IMPACT:

In accordance with the terms of the proposed ground lease, the County will receive one percent of CuriOdyssey's annual earned revenue. It is estimated that this amount will be approximately \$20,000 per year at the commence of the lease and will escalate over time as CuriOdyssey sees increases in revenue as a result of the new campus and new programming. Furthermore, under the proposed lease, the costs of utilities, maintenance, and insurance, which have historically been paid for by the Parks Department, will be the sole responsibility of CuriOdyssey. This will serve as an on-going cost-saving measure for the Parks Department.

Pursuant to the current lease, the County is responsible for maintaining the existing museum building. Therefore, the County will conduct approximately \$48,000 in repairs to the roof and siding before transferring all future maintenance obligations to CuriOdyssey in accordance with the new ground lease.