

EUGENE CITY COUNCIL

AGENDA ITEM SUMMARY



Approval of Kaufman Senior Center Lease

Meeting Date: May 10, 2010
Department: LRCS/Recreation
www.eugene-or.gov

Agenda Item Number: 2C
Staff Contact: Craig Smith
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ISSUE STATEMENT

The City Manager proposes leasing the Kaufman Senior Center to Cascade Health Solutions Adult Center program for two (2) years beginning July 1, 2010.

BACKGROUND

The current lease agreement for use of the Kaufman Senior Center by the Emerald Empire for Council on Aging (EECA) will expire on June 30, 2010. For the past five years, EECA has subleased a large portion of the building to the Cascade Health Solutions (CHS) Adult Center to provide services for individuals with physical and mental disabilities.

Although CHS's services benefit the community, they do not specifically offer the community center services identified when the City entered into an agreement with EECA in 2005. EECA is no longer able to meet the senior community center service requirements of the contract, and is not requesting a new lease. There is no other identified entity prepared to step in and provide those services. However, closing the facility while other options are pursued is not desirable because the building would be a financial liability and an attractive nuisance that could attract vandalism and other problems associated with empty buildings.

A short-term lease agreement with CHS will allow the City the opportunity to explore other options for the building. A short-term lease agreement with CHS will also provide it with sufficient time to transition its program services to another location.

History:

1972: Trude Kaufman donated the home to the City of Eugene to benefit senior citizens. It became a City of Eugene Community Center for senior services.

1997 – 2003: The City of Eugene initiated budget cuts that eliminated its recreation program services at the Kaufman Senior Center. The City entered into a cooperative agreement with Lane Community College (LCC) to allow Retired Senior Volunteer Program (RSVP) to operate as a neighborhood community center serving seniors. City of Eugene provided the building, LCC provided the operating capital, and RSVP provided the programming and staffing.

2003: Lane Community College withdrew its financial support to RSVP. Council Resolution 4773 authorized an initial two-year agreement between the City of Eugene and the newly formed non-profit

organization Emerald Empire Council on Aging (EECA) to lease Kaufman Senior Center for \$1.00/year, with the intention of allowing EECA the opportunity to become fully self-sufficient in providing community-based senior services.

2005-2010: Council Resolution 4846 authorized a five-year lease for EECA to provide support services, recreation, and community center activities for seniors. The lease rate was below fair market value and capped at \$10,000 per year by the resolution. The City of Eugene provided preventative and major maintenance for the building.

Finances: The City of Eugene has spent an average of \$30,000 per year over the last five years for preventative maintenance and capital improvements. No capital preservation projects are scheduled for the building over the next two years, so an annual lease rate of \$24,000 per year can be considered to be fair market value and should be adequate to cover operating and maintenance costs the City would be responsible for as landlord.

Timing: A new lease needs to be signed prior to the current lease expiration date of June 30, 2010.

RELATED CITY POLICIES

Eugene Code 2.872: The City Manager has the authority to present a proposal for the disposition of real property that is not within a development plan, that has not been declared surplus property and for which no other procedure is specified in the Code or a council-approved intergovernmental agreement to the City Council for its action.

Eugene Code 2.860: A lease is defined as a form of disposal of surplus real property.

Council Goal - Fair, Stable & Adequate Financial Resources: If left empty, the property would be an economic liability to the City of Eugene. Leasing the building for fair market value will allow the City to cover its expected costs while other options for the building are pursued.

COUNCIL OPTIONS

1. Lease the building to CHS for up to two (2) years, to allow time for the City to explore the best options to surplus the property while maintaining income to the City.
2. Mothball the property at the end of the current lease and explore surplus options for the property.

CITY MANAGER'S RECOMMENDATION

The City Manager recommends Option 1 – to execute a short-term lease of the Kaufman Senior Center to CHS for up to two (2) years, to allow time for the City to explore the best options to surplus the property while maintaining income to the City.

SUGGESTED MOTION

Move to direct the City Manager to negotiate a lease for up to two years with Cascade Health Solutions, based on fair market value, for use of the Kaufman Senior Center.

FOR MORE INFORMATION

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