



Office of the City Manager

CONSENT CALENDAR

April 11, 2023

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Scott Ferris, Director, Parks Recreation and Waterfront

Subject: Lease Amendment: Cazadero Performing Arts Camp (CPAC),  
5385 Cazadero Hwy, Cazadero, CA 95421

RECOMMENDATION

Adopt first reading of an Ordinance authorizing the City Manager to execute an amendment to a lease agreement with Cazadero Performing Arts Camp (CPAC), at 5385 Cazadero Hwy, Cazadero, CA 95421, for City to disburse up to \$400,000 to tenant to implement capital improvements to satisfy City's obligations under the lease.

FISCAL IMPACTS OF RECOMMENDATION

The total budget required to complete capital improvements that are the City's obligation under the lease is approximately \$400,000. In December 2020, Council included Cazadero projects in the Phase 2 list, authorizing the use of Measure T1 to fund these improvements. Funding in the amount of \$400,000 is available in the Measure T1 Fund (Fund 511).

CURRENT SITUATION AND ITS EFFECTS

CPAC has been operating at the City-owned property at 5385 Cazadero Hwy, Cazadero, CA for the past 60 years. On December 1, 2020, Council adopted Ordinance No. 7,737-N.S., extending their lease term for 25 years, with one 10-year option. The lease identified \$1.2 million in high priority capital improvements to be implemented over the first 10 years, with responsibility shared between the City and the tenant (see Exhibit B). The estimated value of the improvements for the tenant was approximately \$800,000 and \$400,000 for the City.

On December 15, 2020, Council adopted the final list of projects for implementation in Phase 2 of the Measure T1 Infrastructure Bond Program. The project list includes dining hall and ADA improvements at Cazadero Camp and the budget allocated is \$400,000.

This amendment provides funds for CPAC to complete the City's required improvements. Upon City's approval, up to \$300,000 will be advanced; the remaining \$100,000 will be disbursed upon project completion. The City and tenant agree that this disbursement satisfies the City's obligations towards capital improvements under the lease.

**BACKGROUND**

The property at 5385 Cazadero Hwy, Cazadero, CA was acquired by the City in 1927. From the 1930s to the 1950s, the property was used much like Echo Lake Camp and Tuolumne Camp to offer Berkeley residents recreational and family camp opportunities. In 1959, Bob Lutt, Berkeley High Band Director, became the operator of the Camp, and started a music camp. The City maintained the facilities until 1978, when Prop 13 cut funding for recreation programs statewide, and the budget for the Camp was significantly stripped away. From 1979 through the 80s, the City leased the property to Camps Inc. During that period, the buildings significantly deteriorated.

In 1995, Berkeley-based non-profit CPAC negotiated the current 25-year lease agreement with the City. This transferred responsibility to the tenant to maintain and improve camp structures. Today the camp serves over 1,200 young musicians each year, ages 10-18, from across the Bay Area and beyond.

The rent is \$45,000/year, increased annually based on CPI. CPAC will complete capital and ADA improvements to the property estimated at approximately \$800,000 for the first 10 years, and will invest at similar levels in future years. Tenant will complete tree maintenance up to \$15,000/year. Tenant will also offer \$10,000-\$20,000 in scholarships. Revenue from this lease will be deposited into the Camps Fund, budget code 330-5995-363.30-01.

**ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS**

This lease amendment with Cazadero Performing Arts Camp will enable the Camp to continue providing opportunities for Berkeley residents to engage in the natural environment.

**RATIONALE FOR RECOMMENDATION**

City and Tenant agree that the most cost-effective and timely way to complete the Cazadero Camp improvements is for Tenant to implement those improvements subject to approval and oversight by City.

**CONTACT PERSON**

Scott Ferris, Director, Parks, Recreation & Waterfront, 981-6711

Christina Erickson, Deputy Director, Parks, Recreation & Waterfront, 981-6703

**Attachments:**

1: Ordinance

Exhibit A: Lease Amendment

ORDINANCE NO. -N.S.

LEASE AMENDMENT TO CAZADERO PERFORMING ARTS CAMP FOR THE  
PROPERTY AT 5385 CAZADERO HWY, CAZADERO, CA 95421

BE IT ORDAINED by the Council of the City of Berkeley as follows:

Section 1.

The City Manager or designee is hereby authorized to execute an amendment to a lease agreement, with Cazadero Performing Arts Camp, for the property at 5385 Cazadero Hwy, Cazadero, CA 95421. Such lease amendment shall be on substantially the same terms as set forth in Exhibit A.

Section 2.

On December 15, 2020, Council adopted the final list of projects for implementation in Phase 2 of the Measure T1 Infrastructure Bond Program. The main provisions of this amendment to authorized the disbursement of Measure T1 Funds, up to \$400,000 to Cazadero Performing Arts Camp for implementation of projects list in Phase 2. This amendment provides funds for Cazadero Performing Arts Camp to manage and complete the City's required improvements.

Section 3.

Copies of this Ordinance shall be posted for two days prior to adoption in the display case located near the walkway in front of the Maudelle Shirek Building, 2134 Martin Luther King Jr. Way. Within 15 days of adoption, copies of this Ordinance shall be filed at each branch of the Berkeley Public Library and the title shall be published in a newspaper of general circulation.

Exhibit A: Lease Amendment

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AMENDMENT TO LEASE AGREEMENT

This lease amendment ("**Amendment**") is made as of \_\_\_\_ May 2023 between the CITY OF BERKELEY ("**Landlord**") and Cazadero Performing Arts Camp ("**Tenant**"), who agree as follows:

This Amendment is made with reference to the following facts and objectives, to which Landlord and Tenant respectively acknowledge and agree:

A. Landlord and Tenant entered into a Lease Agreement effective March 1, 2021 ("**Lease**") to use and manage the Landlord's property located at 5385 Cazadero Hwy, Cazadero, CA 95421 ("**Cazadero Camp**"), as set forth in the Lease. A copy of the Lease is attached hereto as Exhibit A.

B. The Initial Term of the Lease expires on December 31, 2045, subject to a 10-year option to renew.

C. The Lease provides for specified Capital Improvements and Repairs at Cazadero Camp.

1. Tenant is required to complete property improvements as set forth in Table 1 of the Lease during the first 10 years of the Term. The cost of such Tenant property improvements is estimated at \$815,843.
2. Landlord agreed to make its best efforts to complete property improvements as set forth in Table 2 of the Lease and further agreed that inability to fund such property improvements on or before February 28, 2026 would entitle Tenant to a rent reduction for the period from March 1, 2026 through February 28, 2031. The cost of such Landlord property improvements is estimated at \$404,710.

D. On December 15, 2020, Landlord's City Council adopted the final list of projects for implementation in Phase 2 of the Measure T1 Infrastructure Bond Program; the project list includes dining hall and ADA improvements at Cazadero Camp with a budget allocated of \$400,000 ("**Cazadero Camp T1 Funds**").

E. Landlord and Tenant agree that the most cost-effective and timely way to complete the Cazadero Camp dining hall and ADA improvements is for Tenant to implement those improvements subject to approval and oversight by Landlord.

Therefore, Landlord and Tenant agree to amend the Lease as follows:

1. Section 3. "Capital Improvements and Repairs", subsection c., of the Lease is deleted in its entirety and replaced by the following:

- c. Landlord will disburse Cazadero Camp T1 Funds in an amount not to exceed \$400,000 to Tenant, and Tenant shall use such funds to manage and complete the property improvements set forth in Table 2. Landlord and Tenant agree that such disbursement of the Cazadero Camp T1 Funds satisfies Landlord's obligations towards capital improvements under the Lease.

The Cazadero Camp T1 Funds will be disbursed according to the following schedule:

- Tenant will develop project scopes and budgets to complete the property improvements set forth in Table 2 and submit it to Landlord for review.
- Upon Landlord's approval of each project scope and budget, the lesser of 75% of the estimated project costs or \$300,000 will be advanced.
- Tenant will submit to Landlord all permits, invoices, and payment receipts.
- The lesser of any remaining project costs actually incurred or \$100,000 will be paid to Tenant upon completion each project, subject to Landlord's inspection and approval.

Tenant expressly acknowledges and agrees that all work must be completed in time for Landlord to disburse payments by December 31, 2025. Tenant further expressly acknowledges and agrees that total payments will not exceed \$400,000. Notwithstanding the foregoing, if any of the capital improvements set forth in Table 2 cannot be completed solely with the Cazadero Camp T1 Funds, Landlord and Tenant shall meet and negotiate in good faith to identify the best strategy for completing the work.

**IN WITNESSS WHEREOF, City** and Lessee have executed this Amendment as of the date written on the first paragraph above.

CITY OF BERKELEY

By:

\_\_\_\_\_  
City Manager City Attorney

REGISTERED BY:

\_\_\_\_\_  
City Auditor Deputy City Clerk

LESSEE:

\_\_\_\_\_  
BY:  
Title:

\_\_\_\_\_  
City of Berkeley Business License No.