

Memo

Carmichael



RECREATION AND
PARK DISTRICT

To: Advisory Board of Directors

From: Tarry Smith, District Administrator
Stephanie Young, Administrative Analyst

Subject: Approval of the Letter of Intent between Carmichael Recreation and Park District and California Montessori Project Inc.

Date: September 20, 2018

Introduction/Background:

California Montessori Project, Inc. (CMP) has been a Lease Tenant at La Sierra Community Center since December of 2011. CMP leases 68,602 square feet of space where approximately 700 students attend school, from Transitional Kindergarten through 8th grade.

In 2016, CMP approached CRPD about potential improvements to the blacktop area on the La Sierra Community Center Campus. The area serves as a play area for CMP students during their regular school hours and is accessible to the public outside of CMP's school hours.

Both CMP and CRPD collaborated on initial concepts of what the improvements would include and preliminary discussions with The HLA Group assisted both parties with what the project would entail as it relates to design and cost.

CMP agreed to accept initial responsibility for all payments related to the completed design and construction plans, demolition, paving and striping for the area not to exceed \$300,000.00. Once completed, CRPD will reimburse CMP for half of the actual project expenses up to a sum of \$150,000.00.

Discussion:

Staff presented this concept to the CRPD Advisory Board Facility Committee on two separate occasions; December of 2017 and again in May of 2018. After lengthy discussion regarding the proposed terms, the Facility Committee gave direction to move forward by drafting the Letter of Intent between CMP and CRPD (see attached) clarifying the terms and conditions. The Letter of Intent will serve as the foundation for the Memorandum of Understanding (MOU) between the two agencies.

CRPD staff drafted a preliminary timeline for the project which includes MOU approval by the CMP Board, CRPD Advisory Board, and Sacramento County Board of Supervisors, as well as the conceptual design process, schedule of payments, bid process, and construction timeline (weather permitting). Construction could begin as early as April of 2019, with project completion occurring as early as May of 2019.

CMP has been an excellent tenant and CRPD recognizes the value of this long-standing relationship. Past and present collaborations have benefitted both agencies as well as the local community. CRPD appreciates the site improvements CMP has made over the years. The current annual lease payments exceed \$960,000.00, providing greater financial stability for the District. This agreement has served to strengthen the vitality of each organization and both parties look forward to continuing this successful affiliation.

Recommendation:

The Advisory Board Facility Committee and Staff recommend that the Advisory Board of Directors of the Carmichael Recreation and Park District approve the Letter of Intent between the Carmichael Recreation & Park District and California Montessori Project and to authorize the District Administrator to sign and direct Staff to work with County Counsel to draft the Memorandum of Understanding for further consideration and adoption by the Advisory Board and Board of Supervisors.

Letter of Intent

The intent of this Letter is to provide a written expression of the mutual interest of the following Parties:

**Carmichael Recreation and Park District (CRPD) and California Montessori Project, Inc. (CMP)
for a Playground Paving Improvement Project.**

This “Letter of Intent” outlines the terms and conditions that will be used as a basis of a contractual agreement, regarding the renovation of the playground area at La Sierra Community Center, owned by the Carmichael Recreation and Park District and used by both the CMP Montessori School during regular school hours and the general public. The future agreement will require further documentation and approvals and the preparation of a contract which would set forth the material terms and payment process of the agreement.

Authority to Enter Letter of Intent

The parties signing this letter affirm they are an authorized representative of their respective agencies and have authority to enter into this Letter of Intent.

Prospective Transaction

The transaction, which the Parties have expressed a mutual interest in, involves the construction of a joint use playground on the site of La Sierra Community Center, owned by the CRPD and portions thereof leased to CMP.

The Prospective Transaction would involve payment from CMP to CRPD under the following terms and conditions.

Terms

CMP accepts initial responsibility for all payments related to the completed design and construction plans, demolition, paving and striping for the specified asphalt playground area, not to exceed \$300,000.

CMP will provide written proof that \$300,000 has been designated and is available to execute this project.

CMP will provide \$150,000 as a first installment as seed money to cover project costs that will be incurred by the CRPD. CRPD will bill CMP every two weeks for actual project costs in excess of the initial \$150,000 not to exceed the total project costs of \$300,000.

CRPD will reimburse CMP for half of the actual project expenses up to a sum of \$150,000 at the completion of the project.

CMP will not charge interest during the re-payment period.

Letter of Intent between the Carmichael Recreation and Park District and California Montessori Project, Inc.

CRPD will grant CMP a credit of \$1,000 toward use of the John Smith Community Hall during the fiscal year 2019/2020.

CRPD will grant use to CMP of the playground during regular school hours or as agreed upon by both parties concurrent with the term of Lease Agreement.

CRPD will own all the improvements and will be responsible for the maintenance of the facility and amenities.

CMP will provide CRPD with written approval from their Board of Directors to execute this project.

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Letter of Intent between the Carmichael Recreation and Park District and California Montessori Project, Inc.

Accepted and Agreed to by:

Tarry Smith, District Administrator
Carmichael Recreation and Park District

Date: _____

Gary Bowman, Executive Director
California Montessori Project, Inc.

Date: _____