

STAFF REPORT

City of Lancaster

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MVB

Date: July 9, 2013

To: Mayor Parris and City Council Members

From: Kelvin Tainatongo, Assistant to the City Manager
Luis Garibay, Sr. Projects Coordinator

Subject: **Lease Agreement with California State University, Long Beach to utilize the Lancaster University Center**

Recommendations:

- a. Approve Lease Agreement with California State University, Long Beach to utilize the Lancaster University Center, and authorize the City Manager, or his designee, to sign all documents.
- b. Approve appropriations:

101-4633-301 Maintenance Srvs	\$19,000
101-4633-651 Phones	\$ 5,000
101-4633-652 Electricity	\$26,000
101-4633-655 Gas	\$ 5,000
101-4633-406 Janitorial Supplies	\$ 1,500
101-4633-402 Maint. Supplies	<u>\$ 3,500</u>
TOTAL	<u>\$60,000</u>
- c. Increase estimated revenues in Account No. 101-3610-200 in the amount of \$90,000 for the monthly lease payment of \$7,500.

Fiscal Impact:

Lease will generate \$90,000 in annual revenue. Cost for maintenance and utilities will be approximately \$60,000 per year.

Background:

Since 2004, the City of Lancaster has partnered with The California State University to offer undergraduate and graduate degree programs in Lancaster. Until recently, both California State University Bakersfield (CSUB) and California State University Long Beach (CSULB) utilized classroom and lab space at the Lancaster University Center. However, effective July 1, 2013, California State University Bakersfield decided to consolidate its programs and will begin offering classes exclusively out of their facility located at the Antelope Valley College campus.

In July 2013, staff met with representatives from California State University, Long Beach and they expressed interest in continuing to utilize the Lancaster University Center for their Degree Completion Program, more commonly known as the Antelope Valley Engineering Program (AVEP). CSULB would lease the Lancaster University Center for \$7,500 per month or \$90,000 per year. This would be an all-inclusive lease where the city would pay for the utility costs and maintenance of the facility including janitorial, landscaping and waste refuse.

AVEP provides students the opportunity to earn a Bachelor of Science Degree in either Mechanical Engineering or Electrical Engineering after completing admission requirements at a community college or another university. The AVEP is a highly structured self-supporting program funded exclusively from direct and indirect external sources and from student fees. Some of AVEP's partnerships include the Air Force Research Laboratory, the Naval Air Warfare Center Weapons Division and Mojave Air & Space Port.

KT: lg

Attachment:

Lease Agreement