TOWN COUNCIL STAFF REPORT

Title: Lease Agreement with Mammoth Disposal.

Meeting Date: March 16, 2022

Prepared by: Haislip Hayes, PE Public Works Director
Dan Holler, Town Manager

RECOMMENDATION:

Staff recommends that the Town Council authorize the Town Manager to execute a lease agreement with Mammoth Disposal Company for use of 312 Industrial Circle in the Sierra Business Park.

BACKGROUND:

The Town of Mammoth Lakes is the owner of two lots in the Sierra Business Park located off HWY 395 across from the Mammoth Yosemite Airport. Lots 36 and 37 (312 & 294 South Industrial Circle) were purchased by the Town to provide storage of Town equipment and bins owned by Mammoth Disposal. The Town developed plans and specifications for the improvement of these lots to accommodate these uses. In May of 2021 the Town Council awarded a contract for these improvements. Work was completed in the fall of 2021.



ANALYSIS:

The two Sierra Business Park lots were purchased by the Town and improved for the storage of equipment owned by Town of Mammoth Lakes and Mammoth Disposal. The Town has determined that one lot is sufficient for the needs of the Town. The Town in consultation with Mammoth Disposal has determined the easterly lot, 312 Industrial Circle, is better for Mammoth Disposal's needs. The Town will retain and use the westerly lot, 294 Industrial Circle, for its storage needs. A chain link fence currently separates the lots, and each lot has its own access gate and utility connections. The site improvements the Town recently completed support the uses proposed in the draft lease agreement.

The proposed lease would permit Mammoth Disposal to use the lot for the following:

- Storage of waste and recycling bins and containers and parts.
- Maintenance and repair of waste and recycling bins and containers.
- Storage of vehicles and equipment.
- Interior storage of paint, oils, fuels, and other materials used to service bins.

Uses and conditions that are explicitly not permitted on the leased site include:

- Committing or allowing any waste, nuisance, or other such act or omission to occur on the property.
- Activity which may disturb the quiet enjoyment of those occupying the surrounding properties.
- Storage of solid waste, refuse, recyclable materials, or hazardous materials on the property.
- Permitting water or other runoff from washing bins, cans, or other receptables for solid waste, refuse, or recyclable materials to leave the property. All such water or other runoff shall be contained within systems or structures on the property.
- Permitting odors from its operations on the property to escape from the Property.

The term of the lease agreement is proposed to include an initial term of eight (8) years and automatic renewals of five (5) years in order to align with the termination of the franchise agreement in 2040. During this term Mammoth Disposal will be responsible for maintenance, repairs, and any Town approved improvements to the site. Any improvements will be at Mammoth Disposals cost. A draft lease agreement has been drafted and generally reviewed by both sides. The final agreement will be substantially similar however, final approval by the Town Manager and Town Attorney is required. The recommendation in this report would allow the Town Manager to take the necessary steps to facilitate the execution of the lease.

FINANCIAL CONSIDERATIONS:

The draft lease proposes a monthly rent of $1,200 and includes a cost escalator of between 2-5% per year based on the consumer price index (CPI) for Los Angeles. Mammoth Disposal would be required to pay for any and all utility costs. Mammoth Disposal would provide a $5,000 security deposit and be required to maintain the site at their costs. The rent amount is set to cover the Town's HOA fees and other incidental admirative costs.

ATTACHMENTS:

Attachment A – Draft Lease Agreement