

Agenda Item A.9 **CONSENT CALENDAR**

Meeting Date: September 5, 2023

TO: Mayor and Councilmembers

FROM: Peter Imhof, Planning and Environmental Review Director

CONTACT: Lisa Prasse, Current Planning Manager

Luisa Negrete, Planning Permit Technician

SUBJECT: Covenant and Use Agreement between 550 S. Patterson Avenue and 5305

Ekwill Street; APNs 065-090-029 and 065-090-040

RECOMMENDATION:

Authorize the City Manager to execute the Covenant and Use Agreement Regarding Use and Maintenance of Buildings located at 550 S. Patterson Avenue and 5305 Ekwill Street.

BACKGROUND:

The buildings located at 550 S. Patterson Avenue and 5305 Ekwill Street are separately owned by Scoby-Meeker Industrial Company (550 S. Patterson) and Ekwill Partners (5305 Ekwill Street). However, both buildings are leased by a single tenant, namely Jordano's Inc. Jordano's would like to operate the separate properties as a single warehouse use across both properties. To facilitate use of the buildings as a single warehouse, physical improvements are needed, including a ramp and new internal opening on the common wall between the buildings.

DISCUSSION:

While the use of either building by the tenant is not subject to City approval, the authorization to effectively combine the buildings together through the creation of an opening between the buildings to function as a single facility requires the issuance of building permits. However, Building Code provisions do not allow internal access between two separate buildings on two separate parcels. To satisfy the applicable Building Code standards, the applicants have proposed the attached proposed Covenant and Use Agreement ("Use Agreement" provided as Attachment 1). This Use Agreement serves as a mechanism to allow the proposed improvements, which facilitates the joining of the two buildings into one building for Building Code purposes.

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Allowing the buildings to function as one building would permit the tenant (Jordano's) access to either building internally and aid in efficient business operations. Further, the Use Agreement enables maintaining fire and life safety systems necessary for the business operations of the buildings. The ramp will be within the 550 S. Patterson Avenue building, and the interior door opening would be created in the common building walls thereby creating a passage over the property line between 550 S. Patterson Avenue and 5305 Ekwill Street. With the Use Agreement in place, the interior door opening between the buildings would not violate the Building Code. The two buildings and two parcels would essentially be considered a single building on a single parcel. If the Use Agreement is not authorized by the City, then the buildings would need to remain separate and Jordano's would have to continue to use the buildings in the current manner that Jordano's staff finds inefficient. The site and floor plans are provided as Attachment 2 and a letter from Jordano's explaining the purpose is provided as Attachment 3.

In the event Jordano's vacates either 550 S. Patterson Avenue or 5305 Ekwill Street, the City will be able to terminate the Agreement and require the removal of the improvements within 30 days of written notice given by the City (refer to Section 2, Provision 3 of the Use Agreement). In addition, either of the property owners can terminate the agreement with proper notice and the improvements would also then be required to be removed (refer to Section 2, Provision 5 of the Use Agreement).

Lastly, the circumstances warranting this agreement are unusual as most agreements are a result of conditions of approval imposed upon a development application. In those instances, the authority to sign agreements on behalf of the City has been given to the City Manager by the City Council. However, the need for the Use Agreement is a result of a Building Code standard and the City Council has not delegated its authority in this matter to the City Manager. Hence the reason for this item for City Council consideration.

FISCAL IMPACTS:

There is no fiscal impact to the City associated with this item. The costs associated with the preparation and review of the agreement and the recordation costs have been/will be the responsibility of the applicant.

ALTERNATIVES:

If the City Council does not approve this item, then the business operations will remain unchanged.

Reviewed By: Legal Review By: Approved By:

Megan K.

Kristine Schmidt
Assistant City Manager

Megan Garibaldi City Attorney Robert Nisbet City Manage

Meeting Date: September 5, 2023

ATTACHMENTS:

1. Covenant and Use Agreement Regarding Use and Maintenance of Buildings located at 550 S. Patterson Avenue and 5305 Ekwill Street

- 2. Jordano's Site and Floor Plans
- 3. Letter from Jordano's Inc.

Attachment 1

Covenant and Use Agreement Regarding Use and Maintenance of Buildings located at 550 S. Patterson Avenue and 5305 Ekwill Street

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

City of Goleta Planning and Environmental Review Department 130 Cremona Drive, Suite B Goleta, CA 9311

(Space Above For Recorder's Use)

COVENANT AND AGREEMENT REGARDING USE AND MAINTENANCE OF BUILDINGS

This Covenant and Agreement Regarding the Use and Maintenance of Buildings ("Covenant and Agreement") is made and entered into as of this _____ day of ______, 2023, by and between the City of Goleta, a California municipal corporation, Scoby-Meeker Industrial Company, a general partnership, Ekwill Partners, a California General Partnership, and Jordano's Inc., a California corporation.

SECTION 1. Recitals.

- A. Scoby-Meeker Industrial Company owns the real property located at 550 S. Patterson Avenue in the City of Goleta, California (the "City") and known as APN **065-090-029**, and legally described on Exhibit A, attached hereto and incorporated herein by this reference. Ekwill Partners owns the property located at 5305 Ekwill Street in the City and known as APN **065-090-040** and legally described on Exhibit B, attached hereto and incorporated herein by this reference. Collectively, 550 S. Patterson and 5305 Ekwill are referred to herein as the "Properties," and individually as a "Property." Jordano's Inc. is the existing tenant at both the Properties. Scoby-Meeker Industrial Company and Ekwill Partners are separately referred to herein as an "Owner" and collectively referred to herein as the "Owners." Jordano's Inc. is referred to herein as "Tenant."
- B. In consideration of the City allowing the Tenant to operate the Properties as a single warehouse use (the "Conjunctive Use") across the Properties in accordance all other applicable provisions of law including, but not limited to, the Goleta Municipal Code ("GMC"), the Owners and Tenant do hereby covenant and agree to and with the City as set forth herein.

SECTION 2. Covenant and Agreement.

- 1. The Owners agree to accept joint and several responsibility for any violation of this Agreement, violations at the Properties as set forth in the GMC, and any violation of federal, state or local law connected in any way to either or both of the Properties, use thereof, or activities occurring thereon.
- 2. The Owners consent that Tenant will have authority to act on behalf of both Owners in implementing the requirements of this Agreement and any other City requirement and

complying with applicable laws and regulations. Tenant will have authority to immediately provide the City with access to the Properties. The Tenant and Owners hereby agree to accept service of all notices and communications related to either or both of the Properties by delivery:

(a) by email to jjordano@jordanos.com, georgemeeker2@gmail.com, and bevclarksb@gmail.com; (b) by deposit in U.S. Mail, postage prepaid, addressed to Jeff Jordano, Jordano's Inc., 550 South Patterson Ave, Goleta, CA 93111; George Meeker, 32460 Timberidge Court, Westlake Village, CA 91361; Beverly Clark, 1470 E. Valley Rd #5607, Santa Barbara, CA 93108 (c) by overnight delivery addressed the same as for US mail; (d) by personal delivery to the Tenant; or (e) in any other manner provided by law.

- 3. During the period this Agreement is in effect, the Owners covenant and warrant that the Tenant shall be the only tenant at the Properties and will operate the Properties as single warehouse and use improvements that include, but are not limited to,construction of a ramp at 550 S. Patterson and a new building opening at both Properties so that the Properties can be used a single warehouse. Attached hereto as Exhibit "C" are plans showing the planned improvements at the Properties. These improvements shall not be permitted nor shall use of the Properties as a Conjunctive Use be authorized until this Agreement is executed and recorded. In the event the Tenant vacates either 550 S. Patterson or 5305 Ekwill, the City, in its sole discretion, shall be able to terminate this Agreement upon five (5) days' notice. Upon termination the planned improvements contemplated by this Agreement shall be removed within thirty (30) days and all use of the planned improvements shall cease upon written notice of termination by the City.
- 4. Owners covenant and agree that the Properties shall be used as a single warehouse by the Tenant and its affiliated companies and subsidiaries at all times during this Agreement, unless approved in writing by City and this Agreement is amended to permit another tenant. This covenant is for the benefit of, and shall be enforceable by, the City.
- 5. In the event the Owners desire to cease operation of the Conjunctive Use, the Owners will provide the City written notice of the same within thirty (30) days of the cessation of operations. In entering this Agreement, the Owners acknowledge that the cessation of the operation of the Conjunctive Use by the Tenant, will result in the termination of the Conjunctive Use and Tenant will remove the planned improvements contemplated by this Agreement, and be subject to other possible enforcement action by the City should the improvements not be removed after direction from the City.
- 6. This Covenant and Agreement shall run with all of the above-described land and shall be binding upon the parties, any future owners, encumbrances, successors, heirs or assignees and shall continue in effect until released by the authority of the City Planning Director, as set forth below. Upon request in writing by the Owners, the Planning Director shall release this Agreement, provided the following occurs: (1) the Planning Director determines the Properties are no longer being used for the Conjunctive Use; (2) the Owners have signed an agreement, in a form approved by the City Attorney, that acknowledges and accepts the termination of Conjunctive Use and agrees to release, waive, indemnify, defend and hold harmless the City and all City officials, employees, and agents from any and all claims, demands, losses, injuries, costs or other liabilities, including costs and attorneys' fees, which may arise from or in connection with said agreement; (3) the Planning Director finds there are no outstanding code enforcement actions, violations, legal actions, compliance issues or liability issues that would

be negatively impacted by the termination of this Agreement; and (4) the Planning Director finds this Agreement is no longer required to ensure compliance with the Owners' responsibilities set forth herein, or other applicable state or local law or regulations, including (but not limited to) the GMC. The Planning Director's release of this Agreement pursuant to this paragraph shall not be unreasonably delayed or withheld.

- 7. The existence of this Agreement shall be recited in any Real Property or Title Report, Deed of Trust, Deed or other instrument required for, or related to, the sale of either of the Properties. Any purchaser of either of the Properties shall be provided written notice of this Agreement.
- 8. Owners shall cause this Agreement to be recorded against the title to each of the Properties in Official Records of the County of Santa Barbara, the burdens and benefits of which shall run with the land for the benefit of City in the performance of its duties under its Municipal Code and enforcement of the conditions of this Agreement.
- 9. The Tenant covenants and agrees to indemnify, defend and hold harmless the City and all City officials, employees, and agents from any and all claims, demands, loses, injuries, costs or other liabilities, including costs and attorneys' fees, which may arise from or in connection with the performance, breach and/or terms of this Agreement by Owners and/or Tenant, including but not limited to liability arising from any violations of laws or regulations.
- 10. The City shall have the right to enforce this Agreement. In the event of any such action to enforce this Agreement, the prevailing party in such action shall be entitled to recover its costs and expenses, including without limitation taxable court costs and reasonable attorneys' fees, as awarded by a court of competent jurisdiction. All terms, covenants, conditions, restrictions and agreements contained herein are made for the direct, mutual and reciprocal benefit of each and every part of the Properties and are intended to be equitable servitudes and burdens on the Properties.
- 11. This Agreement shall be interpreted, construed and enforced in accordance with the laws of the State of California.
- 12. This Agreement may not be amended, modified or terminated without approval of the City in accordance with the terms of this Covenant and Agreement. In order to be effective, any amendment, modification or termination must be signed by the City and the-Owners and recorded in the Official Records of Santa Barbara County, California.
- 13. In the event any limitation, condition, restriction, covenant or provision contained in this Agreement is held to be invalid, void or unenforceable by any court of competent jurisdiction, the remaining portions of this Agreement shall, nevertheless be and remain in full force and effect.
- 14. Each party warrants that the individuals who have signed this Covenant and Agreement have the legal power, right and authority to make this Agreement and bind the party for whom he or she is signing. No consent, waiver, approval or authorization is required from any person or entity in connection with the execution and delivery of this Covenant and Agreement or the restrictions contemplated hereby by the Owners.

IN WITNESS WHEREOF, this Cov, 202	renant and Agreement has been executed as of the day of
ATTEST:	CITY OF GOLETA, a municipal corporation
City Clerk	City Manager
APPROVED AS TO FORM:	
Megan Garibaldi City Attorney	
	OWNER: Scoby-Meeker Industrial Company, a general partnership,
	By: Beverly Clark Its: Partner Date:
	By: George Meeker Its: Partner Date:
	OWNER: Ekwill Partners, a California general partnership
	By:Bevely Clark Its: Partner Date:
	By:

George Meeker, Jr.		
Its: Partner		
Date:		
By:		
Jeff Jordano		
Its: Partner		
Date:		
TENANT:		
Jordano's Inc., a California Corporation		
By:		
Jeffrey Jordano		
Its:President		
Date:		

Exhibit A

Property Description - 550 South Patterson Avenue

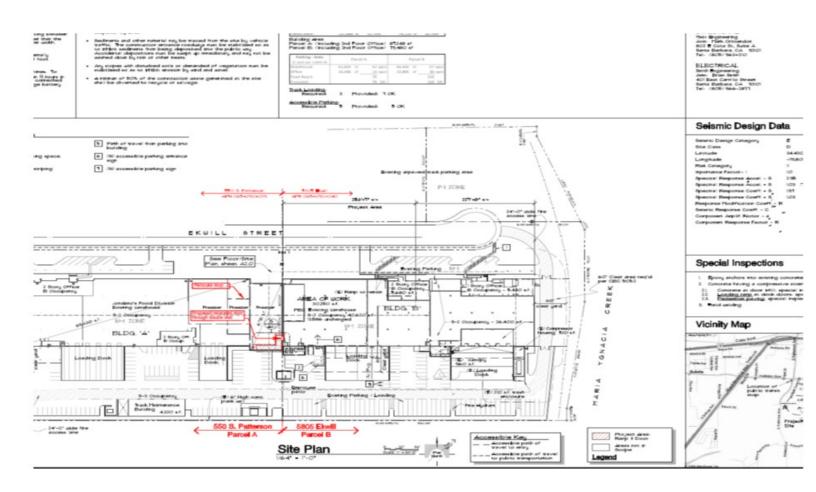
Lot 1 of tract 12529 in County of Santa Barbara, State of California, as shown on Map filed in Book 95, Pages 10 and 11 of Maps, in the office of the County Recorder of said County.

Exhibit B

Property Description - 5305 Ekwill Street

That certain real property in the City of Goleta, County of Santa Barbara, State of California described as Parcel 1 in Lot Line Adjustment No 11-073-LLA recorded in the office of the County Recorder os Said County as instrument No 2011-76954 of Official Records of said County.

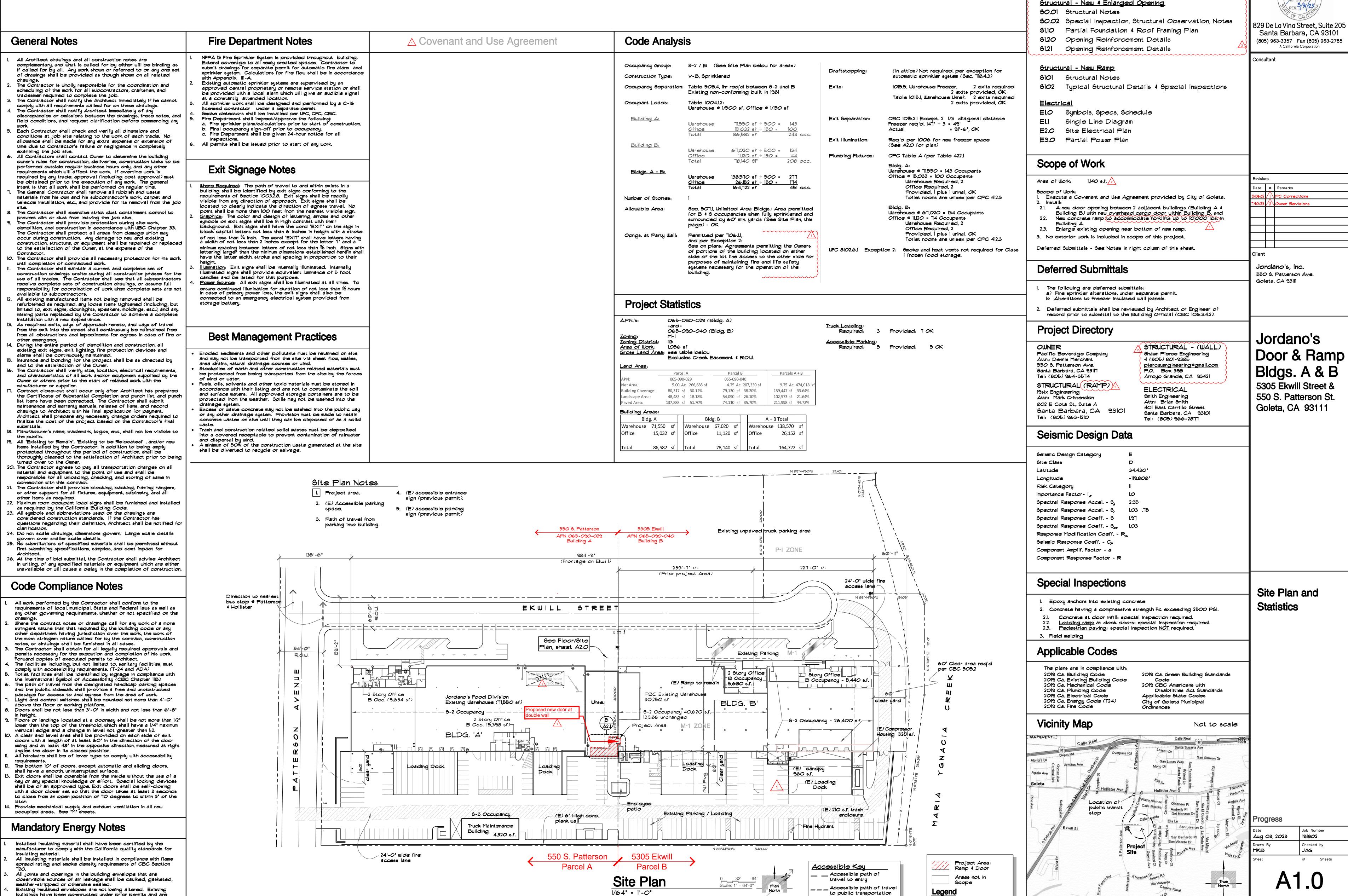
Exhibit C -Improvements



Attachment 2

Jordano's Site & Floor Plans

Jordano's Door & Ramp - Bidgs. A & B



to public transportation

91802d010-Site-plan.dwg

buildings have been constructed under prior permits and are

approved conditioned spaces.

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ARCHITECTS

Sheet Index

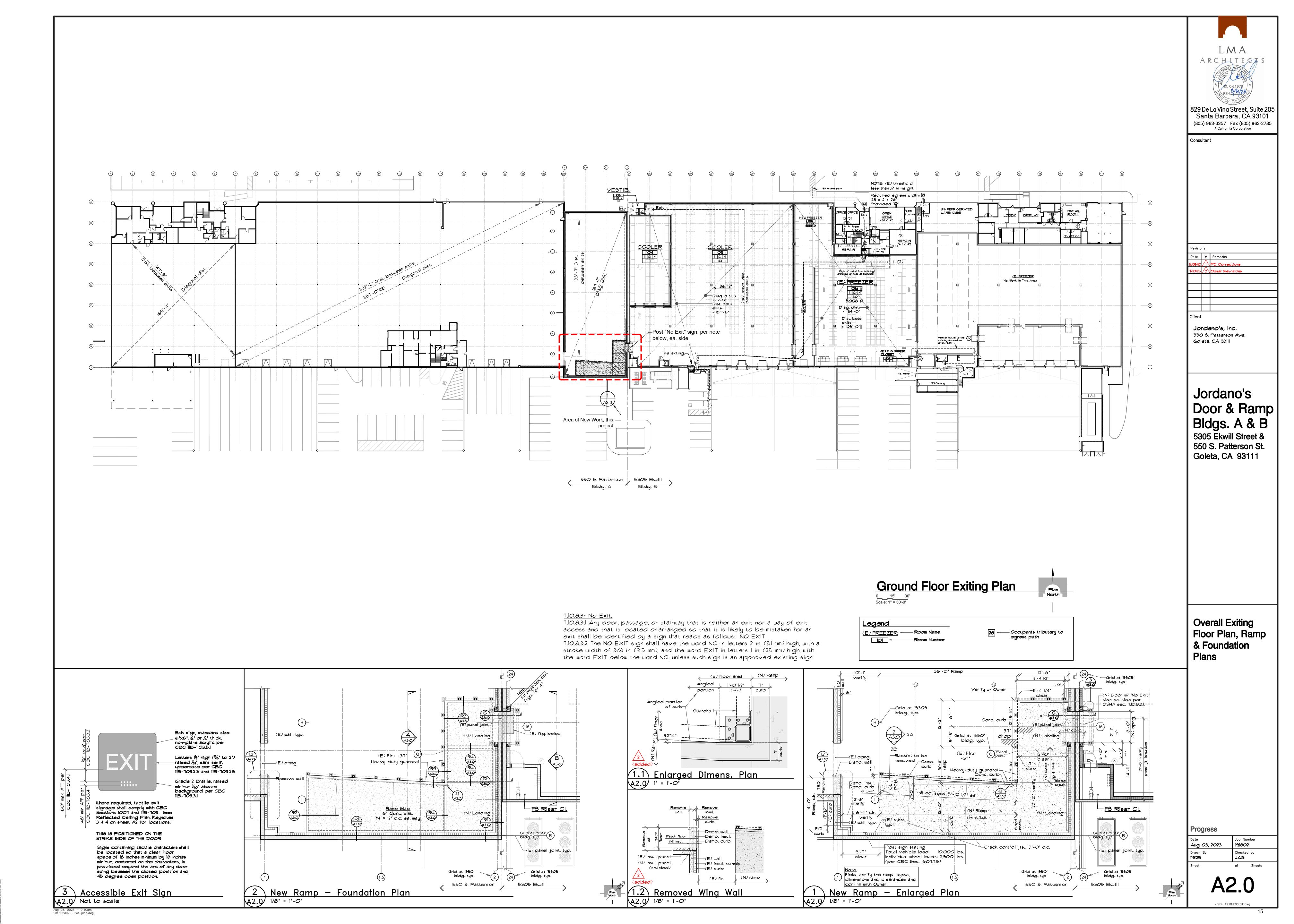
ALO Site Plan, Statistics

Details: Opening

Exiting Plan, Ramp & Foundation Plan

A3.0 Sectional Elevations, Ramp Details

Architectural



Attachment 3

Letter from Jordano's Inc.



August 14, 2023

Lisa Prasse Luisa Negrete Planning and Environmental Review Department City of Goleta

Re: Covenant and Agreement for Jordano's Inc at 550 S. Patterson Ave and 5305 Ekwill Street

I am writing to ask for the approval of the Goleta City Council to provide the City Manager with the authority to execute a Covenant and Agreement regarding the use and maintenance of the adjacent warehouses at 550 S. Patterson Avenue and 5305 Ekwill Street. We operate Jordano's Foodservice out of both buildings which are approximately 145,000 square feet combined.

In 2022 we were in the process of a remodel of the 5305 Ekwill building which included an expansion of the refrigerated and frozen modules in the building. In May of 2022 we initiated discussions with the city planning department about cutting a door through the two buildings and building a ramp on the 550 South Patterson side because the elevation of the 550 South Patterson building is about four feet lower. We feel that the access inside and through the two buildings is necessary to:

- 1. Significantly reduce the outside traffic of our materials handling equipment such as forklifts and pallet jacks. Operating this equipment at night and in rainy conditions is a safety concern.
- 2. Reduce the movement of trailers at night for loading at the docks of the different temperature zones; ambient, refrigerated, and frozen.
- 3. Improve our overall efficiency by reducing miles traveled and energy consumption.

We feel confident that the installation of an inside passage will also make us a better neighbor because we operate Jordano's Foodservice 24 hours a day, 6 ½ days a week.

The Covenant and Agreement is necessary because the ownership of the two buildings is different. We have a long-term lease on the 550 South Patterson building and are partners in the 5305 Ekwill building. In the Covenant and Agreement negotiated with the City Attorney Jordano's agrees to restore the buildings to their existing condition at the end of our use and indemnifies the City of Goleta for our actions. Our landlord and partners have agreed to the terms of this agreement.

We would greatly appreciate the City Council's approval of the appropriate authority for the City Manager to execute our Covenant and Agreement.

Thank you for your consideration.

Sincerely,

Jeff Jordano

President

Jordano's Inc.