



## Legislation Text

---

File #: 20-596, Version: 1

---

### Memorandum

**Date:** July 7, 2020

**To:** The Honorable Moke Simon, Chair, Lake County Board of Supervisors

**From:** Lars Ewing, Public Services Director

**Subject:** Consideration of John T. Klaus Trust and Direction to Staff for Future Efforts

**Executive Summary:** (include fiscal and staffing impact narrative):

The County of Lake, specifically Lake County Parks and Recreation, is named as the major beneficiary of property and other assets of the John T. Klaus 1994 Trust. Sometime in the 2000s, the trustee coordinated with County staff to work out the terms of the Trust. According to the terms, the County is to use 600+ acres of land in Clearlake Oaks, located generally east and north of the Clearlake Lava rock quarry near the roundabout at Highway 20 and Highway 53, as a new public park. Also included in the estate are funds from other trust assets - which include other off-site properties, bank accounts, and a commercial property lease in the bay area - with the purpose of paying for park improvements and ongoing park maintenance costs.

Public Services staff has toured the property and is of the opinion that it is an excellent opportunity for a park, particularly given the dedicated financial resources that come with it. The trustee has provided inventory and appraisal documents that list bank accounts totaling approximately \$1.5 million, appraisal values of properties owned by the trust and not yet sold amounting to approximately \$650,000, and recurring annual lease income of approximately \$127,000 from a property in Livermore that has been leased to an oil change business for over twenty years.

The conditions of the Trust include certain restrictions on the use of the property and the funds. First, the name of the park shall be "John T. Klaus Park". Additionally, one-third of the land on the "rear of the property" is to be reserved as a refuge for wildlife, with areas of the rest of the park to be developed for sporting and athletic activities for youth. Furthermore, all funds from the Trust, profits generated by the Trust assets, or fees received from activities at the park are to be used solely for improvement and maintenance costs of the park and are to be held in an account that is not to be commingled with any general County fund or other County parks and recreation fund. Lastly, an independent auditor/accountant is to annually review the account for conformance to these conditions.

At this time staff is seeking direction from your Board. Should your Board recommend moving forward with the acceptance of the trust assets, staff proposes to take the following next steps, a

number of which will eventually come back to your Board for approval:

- A. Carry out a property title search
- B. Establish the appropriate finance mechanisms to accept receipt of the assets
- C. Prepare a resolution accepting the trust assets
- D. Initiate the appropriate CEQA review

**FISCAL IMPACT:** \_\_\_ None \_\_\_ Budgeted X Non-Budgeted  
Estimated Cost: TBD  
Amount Budgeted:  
Additional Requested:  
Annual Cost (if planned for future years): TBD

**FISCAL IMPACT (Narrative):** TBD

**STAFFING IMPACT (if applicable):** TBD

**If not budgeted, fill in the blanks below only:**

Estimated Cost: \_\_\_\_\_ Amount Budgeted: \_\_\_\_\_ Additional Requested: \_\_\_\_\_ Future Annual Cost: \_\_\_\_\_

**Consistency with Vision 2028 and/or Fiscal Crisis Management Plan** (check all that apply):

- |   |  |  |  |
|---|--|--|--|
| <input checked="" type="checkbox"/> Well-being of Residents | <input type="checkbox"/> Public Safety               | <input checked="" type="checkbox"/> Infrastructure | <input type="checkbox"/> Not applicable                        |
| <input checked="" type="checkbox"/> Economic Development    | <input type="checkbox"/> Disaster Recovery           | <input type="checkbox"/> County Workforce          | <input checked="" type="checkbox"/> <i>Technology Upgrades</i> |
| <input checked="" type="checkbox"/> Community Collaboration | <input type="checkbox"/> Business Process Efficiency | <input type="checkbox"/> Clear Lake                | <input checked="" type="checkbox"/> <i>Revenue Generation</i>  |
|   |  |  | <input type="checkbox"/> <i>Cost Savings</i>                   |

**If request for exemption from competitive bid in accordance with County Code Chapter 2 Sec. 2-38, fill in blanks below:**

Which exemption is being requested?

How long has Agreement been in place? N/A

When was purchase last rebid? N/A

Reason for request to waive bid?

**Recommended Action:** Direct staff to take the necessary steps to accept the trust assets and initiate park development planning