

TOWN COUNCIL STAFF REPORT

Title: Approve Lease Agreement with Mammoth Disposal.

Meeting Date: December 15, 2021

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

RECOMMENDATION:

Approve a lease agreement with Mammoth Disposal for use of 312 Industrial Circle at the Sierra Business Park (APN 037-260-037-000).

BACKGROUND:

The Town of Mammoth Lakes purchased two lots in the Sierra Business Park. The lots were developed with industrial uses in mind. In early 2021 a contract was awarded to construct gates, fencing, paved areas, stormwater infrastructure, and other improvements. All work was done to comply with regulations and standards set by the Sierra Business Park HOA. This work is substantially complete, and the sites are ready to be used for industrial purposes.

ANALYSIS:

The Town of Mammoth Lakes and Mammoth Disposal over the years strengthened their relationship in order maintain services for the community. With recent and forthcoming impacts to solid waste services both agencies have taken measures to prepare for these changes. Mammoth Disposal has begun the process of constructing a new transfer station and recycling center. In order to provide more space for these services Mammoth Disposal needs a location to store and service its various bins and containers. Both parties have generally agreed upon terms to use the recently completed site at Sierra Business Park for these purposes. The use fits well with the character of the industrial area and immediately helps to support solid waste and recycling needs of the community.

The proposed lease terms are proposed to be evaluated and executed in 5-year increments. The initial term of five years may be extended twice, five years each by mutual agreement. The Town set this schedule to generally corollate with the term of the franchise agreement but retain some flexibility in case the needs of the community change. Permitted uses include storage and maintenance of trash and recycling containers. Mammoth Disposal may construct improvements at their cost to better service their equipment. As a lessee they will be responsible for all costs of the improvements and utility costs. The fee for the lease is set to cover the Town's HOA fees and other incidentals. As a partner in the success of the Solid Waste Program Staff recommends that the lease agreement be structured to facilitate their success. Staff believes the terms of the draft agreement accomplishes this goal and furthers the Town's public interest and purpose of meeting State mandates related

to solid waste and recycling services which have in part been delegated to Mammoth Disposal through the franchise agreement.

FINANCIAL CONSIDERATIONS:

The draft lease agreement proposes a monthly fee of \$1,200. This amount will be adjusted annually to keep up with inflation. Staff and the lessee may review and reset the fee at the 5-year renewal. Staff believes the proposed lease amount will cover the Town's financial obligations associated with ownership.

Attachments:

Draft Lease Agreement