



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL** **DATE: APRIL 11, 2017**

**FROM: PARKS, RECREATION AND COMMUNITY SERVICES DEPARTMENT** **WARD: 6**

**SUBJECT: APPROVE FOURTH AMENDMENT TO LEASE WITH RIVERSIDE COUNTY OFFICE OF EDUCATION AT ARLANZA YOUTH AND FAMILY RESOURCE CENTER FOR HEAD START PROGRAM, GENERATING \$37,495.92 FROM SEPTEMBER 1, 2017 - AUGUST 31, 2022**

## **ISSUE:**

Approve a Fourth Amendment to the Lease Agreement with Riverside County Office of Education at the Arlanza Youth and Family Resource Center to be used for the Head Start Program, generating \$37,495.92 in revenue from September 1, 2017 through August 31, 2022.

## **RECOMMENDATIONS:**

That the City Council:

1. Approve the Fourth Amendment to the Lease Agreement with Riverside County Office of Education allowing a five-year extension to the term; and
2. Authorize the City Manager, or his designee, to execute necessary documents for the Fourth Amendment to the Lease Agreement with Riverside County Office of Education.

## **BACKGROUND:**

On March 3, 2008, the City and Riverside County Office of Education (RCOE) entered into a Lease Agreement for the Arlanza Youth and Family Resource Center at 7940 Philbin Avenue for a five-year term commencing on September 1, 2007 through August 31, 2012.

On December 7, 2010, the City Council approved the First Amendment to the Lease Agreement, which reduced the rental rate for the RCOE due to economic constraints and dwindling funding sources.

On March 6, 2012, the City Council approved a Second Amendment to the Lease to allow construction of a picnic shelter adjacent to the childcare center, on leased premises, for use by

children of the center as protection from the sun. As a permanent fixture to the property, the picnic shelter remained the property of the City and shall not be removed by RCOE.

On November 27, 2012, the City Council approved a Third Amendment to the Lease, allowing a five-year extension to the term.

RCOE offers a Head Start childcare center at this facility, located at Bryant Park. Over 34 families are currently enrolled in the Head Start program. Services provided include childcare, free screenings for vision, dental, and hearing, parenting classes, and nutrition services.

The lease consists of 1,632 square feet of classroom and office space, approximately 9,350 square feet of adjacent outdoor play area, use of a picnic shelter, and playground.

### **DISCUSSION:**

The City and the RCOE have mutually agreed to extend the term of the Lease Agreement for five years, commencing September 1, 2017 through August 31, 2022. All terms and conditions of the Lease Agreement, First, Second, and Third Amendment not inconsistent with the Fourth Amendment will remain in effect. The Fourth Amendment includes a 5% annual rental rate increase as illustrated in the following table:

<b>Rental period</b>	<b>Monthly rent</b>	<b>Monthly rent percent increase from previous rental period</b>
9/1/2007-8/31/2017	\$ 538.56	
9/1/2017-8/31/2018	\$ 565.48	5%
9/1/2018-8/31/2019	\$ 593.76	5%
9/1/2019-8/31/2020	\$ 623.45	5%
9/1/2020-8/31/2021	\$ 654.62	5%
9/1/2021-8/31/2022	\$ 687.35	5%

### **FISCAL IMPACT:**

\$37,495.92 in revenue from the lease will be deposited into the Park Rental Revenue Account No. 0000101-343610.

Prepared by: Adolfo Cruz, Parks, Recreation and Community Services Director  
 Certified as to availability of funds: Scott G. Miller PhD, Chief Financial Officer/City Treasurer  
 Approved by: Alexander T. Nguyen, Assistant City Manager  
 Approved as to form: Gary G. Geuss, City Attorney

### **Attachments:**

1. Fourth Amendment to Agreement
2. Original Agreement