



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL** **DATE: JUNE 25, 2024**

**FROM: PARKS, RECREATION AND COMMUNITY SERVICES DEPARTMENT** **WARD: 2**

**SUBJECT: FOURTH AMENDMENT TO LEASE AGREEMENT WITH CONCILIO CHILD DEVELOPMENT CENTERS TO OPERATE THE NATI FUENTES CENTRO DE NIÑOS AT BORDWELL PARK FOR \$2,684.72 PER MONTH AND EXTEND THE TERM FOR AN ADDITIONAL ONE-YEAR PERIOD FROM JULY 1, 2024, THROUGH JUNE 30, 2025**

## **ISSUE:**

Approve Fourth Amendment to the Lease Agreement with Concilio Child Development Centers for 14,635 square-foot Nati Fuentes Centro de Niños Childcare Center at Bordwell Park for total monthly rent in the amount of \$2,684.72 and extend the term for an additional one-year period from July 1, 2024, through June 30, 2025.

## **RECOMMENDATIONS:**

That the City Council:

1. Approve the Fourth Amendment to the Lease Agreement with Concilio Child Development Centers, with total monthly rent of \$2,684.72 for an additional one-year period through June 30, 2025; and
2. Authorize the City Manager, or designee, to execute the Third Amendment to the Lease Agreement with Concilio Child Development Centers, including making minor and non-substantive changes.

## **BACKGROUND:**

Concilio Child Development Centers (Concilio) is licensed to operate the Nati Fuentes Centro de Niños to provide childcare services for low to moderate-income families. According to the license agreement previously approved by the City Council, Concilio was not required to pay rent for lease of City property during the initial three years of operation starting in 2008.

Effective January 1, 2013, following negotiations, Concilio agreed to start paying a monthly rent of \$1,500 per month, and be open to negotiation every two years.

Effective November 1, 2016, Concilio and Staff from Parks, Recreation and Community Services Department (PRCSD) renegotiated the terms of the agreement to include maintenance responsibilities. Concilio requested PRCSD take on additional maintenance responsibilities including on-going maintenance of HVAC system, fire and security alarms monitoring and certification, additional landscaping and irrigation, refuse services, as well as as-needed, non-routine maintenance items. Additional rent in the amount of \$1,029 per month above the base rent of \$1,500 per month was negotiated in exchange for the PRCSD taking additional maintenance responsibilities. Both parties entered into a five-year agreement with the option to extend for five additional one-year extensions for the term of July 1, 2016, through June 30, 2021.

On June 15, 2021, City Council approved the first amendment to the agreement with Concilio to extend the lease period of July 1, 2021, through June 30, 2022. Per the original agreement a 2.5% increase was applied to the base rent increasing the amount to \$1,537.50.

On April 26, 2022, City Council approved the second amendment to the agreement with Concilio to extend the lease period of July 1, 2022, through June 30, 2023. Per the original agreement a 2.5% increase was applied to the base rent increasing the amount to \$1,575.94.

On April 25, 2023, City Council approved the third amendment to the agreement with Concilio to extend the lease period of July 1, 2023, through June 30, 2024. Per the original agreement a 2.5% increase was applied to the base rent increasing the amount to \$1,615.34.

## **DISCUSSION:**

The Fourth Amendment to the Lease Agreement will continue having PRCSD providing routine maintenance services to Concilio. Non-routine maintenance services will be charged at cost for Concilio requests to be completed by PRCSD Staff.

Concilio is licensed to operate the Nati Fuentes Centro de Niños to provide childcare services for low to moderate-income families. PRCSD confirms the services provided by Concilio benefits the Riverside community, and the Department is agreeable to continuing the lease agreement.

## **STRATEGIC PLAN ALIGNMENT:**

The agreement with Concilio Child Development Centers aligns with **Strategic Priority 1 – Arts, Culture, and Recreation**, which aims to provide diverse community experiences and personal enrichment opportunities for people of all ages.

The agreement with Concilio Child Development Centers contributes to **Strategic Goal 1.5** *“Support programs and amenities to further develop literacy, health, and education of children, youth and senior throughout the community.”*

The item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – Childcare is deemed a critical need for many families. This lease agreement assists the community by supporting non-profits who can provide affordable childcare to the community.
2. **Equity** – This lease agreement promotes affordable childcare services to low income and

moderate income communities.

3. **Fiscal Responsibility** – Lease agreements generate rental income for the City assisting in offsetting costs for facility maintenance and lease administration.
4. **Innovation** – Lease agreement with non-profits assist the City in providing social services to address the community's needs.
5. **Sustainability & Resiliency** – This lease agreement partners City of Riverside and Concilio in ensuring critical social service needs will continue to be met and accessible to the community.

### **FISCAL IMPACT:**

The total fiscal impact of this action is \$32,216.64 for the one-year amendment of this agreement. The rent component of this agreement is for a base rent of \$1,655.72 and additional rent for maintenance services of \$1,029 for a total of \$2,684.72 per month. Funds will be deposited in the General Funds, Parks & Recreation-Parks, Land and Building Rental Revenue account 5215000-373100.

Prepared by:	Gabriella Garcia, Administrative Services Manager
Approved by:	Pamela M. Galera, Parks, Recreation and Community Services Director
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Kris Martinez, Assistant City Manager
Approved as to form:	Phaedra A. Norton, City Attorney

Attachment: Fourth Amendment to Lease Agreement