

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: Honorable City Council

FROM: Jeremy Laurentowski, Parks and Recreation Director *SL*

BY: Jessica Sandifer, Management Analyst *[Signature]*

DATE: July 8, 2014 (CC Mtg. July 16, 2014)

SUBJECT: Consider Rescinding Previous City Council Action of December 18, 2013 and Re-Approve Second Amendment to Lease Agreement with Moorpark/Simi Valley Neighborhood For Learning, First 5 Ventura County

BACKGROUND & DISCUSSION

This item was first brought to the City Council's attention on December 18, 2013. The original amendment that was approved by the City Council at that time required that the City pay for the cost of the shade structure upfront, with Moorpark/Simi Valley Neighborhood For Learning, First 5, Ventura County (First 5) repaying the City for the cost of the structure and the long term maintenance. The amendment extended the lease an additional five years and increased the lease amount by an additional \$260/month. After the initial five year lease term, the additional monthly costs would be set aside for replacement of the shade fabric and any future maintenance costs associated with the supporting structure.

The First 5 Board of Directors (Board) reconsidered the proposal and requested that the City pay for half the cost of the shade structure. The Board believes that there is a certain benefit to the City for the upgrade, particularly if First 5 were unable to continue their lease, as the Board believes that the outside play area is not useable during the warmer months without a shade canopy.

Staff estimates the total cost of the shade canopy, including installation, to be approximately \$17,000. First 5 will pay for half of the installation cost and the City will pay for the other half. First 5 will also pay for the cost to replace the shade fabric after the first ten years. This is estimated to cost \$5,000. The total cost to First 5 will be \$13,500 and will be recaptured through a lease extension of seven years at a cost increase of \$112/month, with the increase in the lease terms staying the same until year ten. After year ten, the additional lease terms to cover maintenance will be reduced to \$42/month (based on \$5,000 amortized over ten years), or equivalent cost of the

replacement fabric at that time. The lease amendment starts a new seven-year lease term and adds the monthly repayment cost of the shade structure and fabric. The amendment to the lease would be executed prior to construction of the shade structure.

The proposed Second Amendment will also correct the name of the organization responsible for the lease. The Boys and Girls Club of Simi Valley is the recipient organization of the 1998 Proposition 10 – Cigarette Tax, which created the First 5 Neighborhood for Learning program. The lease is being corrected to reflect the organization responsible for the lease. The tenant name will be changed from Moorpark/Simi Valley Neighborhood for Learning (NfL), First 5 Ventura County to Boys and Girls Club of Simi Valley dba Moorpark/Simi Valley Neighborhood for Learning, First 5 Ventura County. This reflects the correct organizational structure in that the non-profit Boys and Girls Club of Simi Valley runs the Moorpark/Simi Valley NfL housed at the Ruben Castro Human Services Center. This name will now also match the rental payments which have been coming from the Moorpark/Simi Valley Boys and Girls Club since the lease inception.

FISCAL IMPACT

As stated, the estimated cost of the shade structure is \$17,000. Staff is proposing to use remaining RDA 2006 Bond Funds to construct the shade structure. A staff report will be prepared for the Successor Agency board to approve the construction agreement and fund allocation for the shade structure at the next meeting of the City Council/Successor Agency Board. The additional rent payment will go back to the General Fund to reimburse the cost of the shade structure and be set aside for future replacement and maintenance costs.

STAFF RECOMMENDATION

Approve Revised Amendment No. 2 to the First 5 Neighborhood for Learning lease, reflecting the tenant name change to Boys and Girls Club of Simi Valley, extending the term and providing for repayment of half of the construction costs for a shade structure, and authorize City Manager to sign the amendment, subject to final language approval of the City Manager.

Attachments:

1. Amendment

**AMENDMENT NO. 2
TO LEASE AGREEMENT BETWEEN THE CITY OF MOORPARK AND
MOORPARK/SIMI VALLEY NEIGHBORHOOD FOR LEARNING, FIRST 5 VENTURA
COUNTY**

This Amendment No. 2 to the Lease Agreement between the City of Moorpark, a municipal corporation ("City"), and Boys and Girls Club of Simi Valley dba Moorpark/Simi Valley Neighborhood for Learning, First 5 Ventura County, a non-profit organization, ("Tenant"), is made and entered into the _____ day of _____, 2014.

RECITALS

WHEREAS, on August 30, 2012, the City and Tenant entered into a Lease Agreement for 612 Spring Road, Suite 401 at the Ruben Castro Human Services Center (RCHSC); and

WHEREAS, on February 12, 2014, the City and Tenant entered into an Amendment No. 1 for the Lease Agreement authorizing Tenant to park a mobile service recreational vehicle at the Moorpark Public Services Facility; and

WHEREAS, Tenant desires to correct the name on the lease to accurately reflect the actual organization responsible for the lease; and

WHEREAS, Tenant needs a shade structure to be built over the outdoor play area adjacent to Suite 401; and

WHEREAS, City agrees to provide construction of said shade structure; and

WHEREAS, Tenant agrees to pay City an additional rental sum for half of the cost to construct the shade structure, the maintenance of the shade structure and future replacement of the shade sail cloth for a total cost of thirteen thousand five hundred dollars (\$13,500); and

WHEREAS, the City and Tenant now desire to amend the Agreement to reflect Tenant's agreement to pay for fifty percent (50%) of the construction cost of the shade structure and to extend the lease agreement for seven (7) years and increase the rental rate by one hundred twelve dollars (\$112) per month as payment for half of the cost of the shade structure, the maintenance of the shade structure and future replacement of the shade sail cloth over the outdoor play area adjacent to Suite 401 at the RCHSC, and document said agreement to amend by jointly approving Amendment No. 2 to the Agreement.

NOW, THEREFORE, it is mutually agreed by and between the parties to the Agreement as follows:

I. The name of the organization responsible for the lease is hereby changed from Moorpark/Simi Valley Neighborhood for Learning, First 5 Ventura County a non-profit organization, to Boys and Girls Club of Simi Valley dba Moorpark/Simi Valley

Neighborhood for Learning, First 5 Ventura County to reflect the fact that the Boys and Girls Club of Simi Valley is the responsible organization for the Moorpark/Simi Valley Neighborhood for Learning program.

II. Section 2, TERM, is amended by replacing this section in its entirety as follows:

“The term of this Lease shall commence on August 1, 2014, and all terms and conditions of the lease shall continue for a seven (7) year term to July 31, 2021, unless sooner terminated as provided for in this agreement.

City’s obligations hereunder shall be contingent upon Tenant’s payment in full of any obligations described in Section 5 below, and Tenant’s complying with all other provisions set forth herein.”

III. Section 3, OPTION TO EXTEND is amended by adding the following:

“The first three (3) year option to extend will include an additional rental amount for the construction and maintenance of the shade structure as outlined in Section 5. All options to extend after the first option, will include a maintenance fee only for the shade structure as outlined in Section 5.”

IV. Section 5, RENT, is amended by replacing the first paragraph of Section 5 in its entirety with the following language:

“Monthly rent for Premises shall be \$1.35 per square foot based upon 3,077 square feet totaling four thousand one hundred fifty-three dollars and ninety-five cents (\$4,135.95) per month during the first two (2) years of the initial term from August 1, 2014 to July 31, 2016. In August 1, 2016, the rental rate will be increased by three percent (3%) to four thousand two hundred eighty dollars and eleven cents (\$4,280.11). The rental rate will be further increased by three percent (3%) for each of the extended terms contemplated by Section 3, if Tenant should elect to extend the Lease Agreement. In addition to the rental amounts outlined above, Tenant will also pay an additional rental amount of one hundred twelve dollars (\$112) per month for half of the cost to construct the shade structure, the maintenance of the shade structure, and future replacement of the shade sail cloth beginning upon August 1, 2014 until July 31, 2021. The one hundred twelve dollars (\$112) per month will continue through the first three (3) year extension. After the initial repayment term and three (3) year extension for construction of the shade structure, the additional rental fee will be reduced to forty-two dollars (\$42) per month to cover future maintenance costs and will be assessed during future lease extensions as outlined in Section 3.

In the event Lease is terminated prior to the end of the initial seven year term, pursuant to Section 8 or Section 44 of this Lease Agreement, the payments for construction and maintenance costs of the shade structure shall be accelerated and Tenant shall pay City the remaining lump sum balance owed upon Lease termination."

V. Section 17, MAINTENANCE is amended by adding the following paragraph:

"City shall provide repair and/or replacement of the shade structure to be constructed over the outside play area next to Tenant's Lease Space (612 Spring Road, Building B, Space D (Suite 401). Tenant shall pay an additional sum, as defined in Section 5 to offset the repair and/or replacement activities undertaken by the City."

VII. Remaining Provisions:

Except as revised by this Amendment No. 2, all of the provisions of the Agreement shall remain in full force and effect.

In Witness Whereof, the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF MOORPARK

BOYS AND GIRLS CLUB OF SIMI VALLEY dba MOORPARK/SIMI VALLEY NEIGHBORHOOD FOR LEARNING, FIRST 5 VENTURA COUNTY

By: _____
Steven Kueny, City Manager

By: _____
Virginia Hayward, President and CEO

Attest:

Maureen Benson, City Clerk