



## **Staff Report**

**Date:** June 7, 2016

**To:** City Council

**From:** Valerie J. Barone, City Manager

**Reviewed by:** Steve Voorhies, Director of Parks and Recreation

**Prepared by:** Marla Parada, Program Manager  
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**Subject:** **Approval of the Second Amendment to the Lease Agreement with the First 5 Contra Costa Children and Families Commission for the Use of the Monument Community First 5 Center, extending the current lease by one year**

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### **Report in Brief**

This proposed Second Amendment to the Lease Agreement with the First 5 Contra Costa Children and Families Commission is necessary for the continued use of the First 5 Center (Attachment 1). The Center provides programs for children ages 0-5 and their families. The term of the Second Amendment to the Lease Agreement is for one year and is the final year of renewal. Continued occupancy of the building by First Five after this extension expires will require a new lease agreement with the City.

### **Recommended Action**

Staff recommends that the City Council approve the Second Amendment to the Lease Agreement with the First 5 Contra Costa Children and Families Commission and authorize the City Manager, or her designee, to execute the agreement.

### **Background**

In 2003, the City and Monument Community Partnership (MCP) collaboratively applied for a grant to the First 5 Commission for programs that support the healthy development of children ages 0-5 and their families in the Monument Corridor. The First 5 Commission allocates money that is generated through the tobacco tax initiative, Proposition 10, which was approved by California voters in 1998. The Commission approved the MCP/City application in June 2003. Almost all funds in the first year

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allocation of the grant, \$490,000, were designated for capital costs associated with providing a building to conduct programs. The City provided \$240,000 to augment the funding for construction costs. The First 5 Center is located in a modular building near the Keller House on the north end of Ellis Lake Park.

Additionally, program funds have been provided by the First 5 Commission on an annual basis for the operation of the center. City staff launched the programs and in 2005, the City subcontracted with MCP for the daily operations of the Center and the City assumed the role of fiscal agent for the program agreement. Monument Community Partnership operated the Center until June 2012.

In July 2012, First 5 awarded funding for operations of the Center to Aspiranet, a nonprofit organization, which also operates the First 5 Center in Brentwood.

In July 2012, the City entered into a Lease Agreement with First 5 for the continued use of the building for programs for children ages 0-5 and their families. First 5 subsequently subcontracted with Aspiranet for the day-to-day operations. The initial Lease Agreement was for a three-year term ending on June 30, 2015 with two one-year renewal options. The first renewal term was approved by Council on July 1, 2015 to start on the same day and will expire in June 30, 2016. The second renewal option will commence on July 1, 2016 and will expire on June 30, 2017. A new Lease Agreement will need to be approved next year for subsequent years.

The building was initially funded by a forgivable loan by First 5 in 2004 and supplemented by City funds. Terms of the forgivable loan included ensuring that the primary use of the building was early childhood education. After five years, the City fulfilled the obligation of the forgivable loan and the City now owns the building with no restrictions.

The First 5 Center has successfully provided parent education and programs for ages 0-5 at no cost to the participants. The center has served thousands of children and parents including the large Hispanic population in the Monument community. It has drawn enthusiasm from families of many languages and backgrounds, creating a comfortable, diverse environment. The center has been a cornerstone in Central County for providing best practice programs. City staff encourages the continuation of such programs for early childhood development and education of positive parenting skills.

The Second Amendment to the Lease Agreement with First 5 would provide the continuation of these programs to benefit families in the community.

#### **Financial Impact**

Fiscal impact – The City will receive monthly rent of \$1,060 which will be used to offset building maintenance provided by the City.

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**Public Contact**

The City Council Agenda was posted.

**Attachments**

1. Second Amendment to Lease Agreement with First 5 Contra Costa Children  
and Families Commission

## SECOND AMENDMENT TO LEASE

THIS SECOND AMENDMENT TO LEASE (“**Second Amendment**”) is made and entered into as of July 1, 2016 (“**Effective Date**”) by and between the **CITY OF CONCORD**, a California municipal corporation in its capacity as a property owner and lessor rather than as a public entity (“**Landlord**” or “**City**”), and **CONTRA COSTA CHILDREN & FAMILIES COMMISSION**, a Public Entity Separate from Contra Costa County (“**Tenant**” or “**First 5**”), who agree as follows:

### RECITALS

- A. Landlord and Tenant entered into that certain Lease for certain Premises located at 1736 Clayton Road, Concord, California dated July 1, 2012 (“**Lease**”).
- B. A First Amendment to Lease was entered into on July 1, 2015 for the term expiring June 30, 2016.
- C. Lease Section 2.b provides Tenant with two options to extend the Term. Lease Section 3.c sets Rent for the Second Renewal Term.
- D. Landlord and Tenant desire to amend and extend the Lease, all as set forth below.

### AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

- 1. Capitalized Terms. Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Lease.
- 2. Extension of Term. The Term is hereby extended for an additional period of one (1) year commencing on July 1, 2016 and expiring on June 30, 2017 (“**Second Renewal Term**”).
- 3. Rent. Rent for the Second Renewal Term shall be One Thousand Sixty dollars (\$1,060.00) per month.
- 4. Certified Access Specialist Inspection. As of the Effective Date, neither the Premises nor the Building have been inspected by a Certified Access Specialist.
- 5. Brokers. Tenant and Landlord each represents and warrants that it has had no dealings with any real estate broker or agent in connection with this Second Amendment. Each party shall indemnify and hold harmless the other from and against all claims, demands, costs or liabilities (including, without limitation, attorneys’ fees) asserted by any party based upon dealings of said party with any real estate broker or agent in connection with this Second Amendment.
- 6. Lease in Effect. Landlord and Tenant acknowledge and agree that, except as expressly amended by this Second Amendment, the Lease remains unmodified and in full force and effect in accordance with its terms.

*[signatures follow on next page]*

IN WITNESS WHEREOF, the parties have executed this First Amendment as of the Effective Date.

**LANDLORD:**  
CITY OF CONCORD,  
a California municipal corporation

**TENANT:**  
CONTRA COSTA CHILDREN & FAMILIES  
COMMISSION, a Public Entity Separate from  
Contra Costa County

\_\_\_\_\_  
Valerie J. Barone, City Manager

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Attest:

By: \_\_\_\_\_

\_\_\_\_\_  
Joelle Fockler, CMC, City Clerk

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Approved as to Form:

\_\_\_\_\_  
Susanne Brown, City Attorney