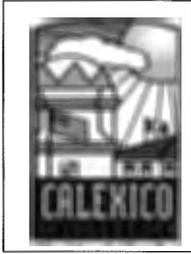


**AGENDA  
ITEM**

**12**



# CITY COUNCIL AGENDA STAFF REPORT

DATE: June 6, 2018

TO: Mayor and City Council

APPROVED BY: David Dale, City Manager *David Dale*

PREPARED BY: Miguel Figueroa, Community and Economic Development Director *MF*

SUBJECT: Approve And Authorize the City Manager to Sign the Enclosed Lease Agreement with United Families Inc.

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### Recommendation:

Consideration to approve and authorize the City Manager to sign the enclosed Lease Agreement with United Families Inc. located at 827 7<sup>th</sup> St., Calexico, CA.

### Background:

United Families, Inc. provides child development services and employment opportunities throughout Imperial County. In addition to these services, United Families Inc. follows a philosophy based on the belief that each child has a unique pattern and timing of growth, they are entitled to protection, respect and equal education.

### Discussion & Analysis:

The lease agreement will be for the period beginning October 22, 2017 through October 21, 2022. The monthly rent payment shall be \$4,811.20 with a three percent annual increase over the term of the lease.

### Fiscal Impact:

October 22, 2017	October 21,2018	\$4,811.20
October 22, 2018	October 21,2019	\$4,955.54
October 22, 2019	October 21,2020	\$5,104.20
October 22, 2020	October 21,2021	\$5,257.33
October 22, 2021	October 21,2022	\$5,415.05

Funds are deposited to General Fund.

AGENDA  
ITEM  
*12*

**Coordinated With:**

City Manager's Office.

**Attachment:**

1. City of Calexico - Lease Agreement with United Families Inc.

**LEASE AGREEMENT BETWEEN THE CITY OF CALEXICO AND  
UNITED FAMILIES INC. (827 7<sup>th</sup> STREET)**

This lease agreement by and between the City of Calexico (“Lessor”) and United Families, Inc. (“Lessee”), is for lease of the real property owned by Lessor and located at 827 7<sup>th</sup> Street, Calexico, California, for the purpose of a child development center. This lease is for a period of five years and based upon the following findings and conditions:

**RECITALS**

**WHEREAS**, Lessee United Families, Inc. is a 501(c)(3) non-profit agency providing child development services under a program administered by the State of California, and specifically serving low income families; and

**WHEREAS**, the State of California transferred to United Families Inc. an existing child development services program at 827 7<sup>th</sup> Street in Calexico, which had previously been run by another agency; and

**WHEREAS**, because this program is operating on City property, there is a need for United Families Inc. and the City to enter into a lease agreement for use of the property, so that the child development services provided by United Families, Inc. at that location can continue.

**IT IS HEREBY AGREED THAT:**

**I PARTIES**

The City of Calexico is hereinafter referred to as “Lessor”. United Families, Inc. is hereinafter referred to as “Lessee”. Collectively, the Lessor and Lessee are referred to as the “Parties”.

**II LEASE PROPERTY**

Lessor, for and in consideration of the terms, conditions and covenants herein contained, does hereby lease to the Lessee, and the Lessee hereby leases from Lessor, that certain real property owned by the City of Calexico described as follows: 827 7<sup>th</sup> Street Calexico, California.

**III PURPOSE**

It is agreed by the Parties hereto that Lessee intends to use said premises for the purpose of operating a child development center. Lessee shall not use the premises for any other purpose without first obtaining the written consent of Lessor. Using the premises for any other purpose shall constitute a default and material breach of the terms of this lease.

#### **IV TERM**

The term of this lease shall be for a period of Five (5) years commencing October 22, 2017 and ending October 21, 2022.

#### **V RENT**

The monthly rental payment shall be the sum of \$4,811.20 and shall be payable on the first day of each month. (See Exhibit "A"). Said rental payment is to be adjusted annually by a 3 percent annual increase for each year of the lease. After one year, Lessor reserves the right to negotiate an increase in rent should the number of children in regular monthly attendance exceed 50 students.

#### **VI CONDITION OF PROPERTY AND RIGHT OF ENTRY**

Lessee has inspected this property and agrees to lease the property as is, with the exception of certain repairs to be completed by Lessor, repairs have been completed. Lessor hereby retains the right to enter the premises at reasonable times for the purpose of inspecting the facility and to perform repairs.

#### **VII COMPLIANCE WITH LAWS**

The Lessee hereby agrees to comply with all City, County, State, and Federal ordinances and statutes that are applicable to this lease agreement and the operation of a child development center.

#### **VIII LICENSES AND CERTIFICATION**

The Lessee will not conduct any business activity nor offer any services without obtaining and maintaining in current status at all times all licensing and/or certification as may be required by applicable Federal, State and local authorities.

#### **IX ASSIGNMENT AND SUBLETTING**

Lessee shall not sublet the premises or any part thereof, nor assign this lease, or any rights therein, without first obtaining the written consent of the Lessor. Any sublease or assignment of this lease without first obtaining the written consent of Lessor shall allow Lessor the option of terminating this lease.

#### **X INDEMNIFICATION OF LESSOR**

Lessee agrees to save and hold LESSOR harmless from any injury to person or damage to property arising out of or in connection with Lessee's occupancy of the premises covered by this lease.

Lessee agrees to indemnify Lessor for any and all damages that may result to Lessor from Lessee's use of the facility pursuant to this agreement.

## **XII LIABILITY INSURANCE**

Lessee shall provide liability insurance for personal injury or property damage arising out of or in connection with Lessee's occupancy of the premises in an amount of not less than Two Million Dollars (\$2,000,000.00). The Lessee shall provide the Lessor with a Certificate of Insurance naming the City of Calexico as an "additional insured" covering such liability.

## **XIII MAINTENANCE**

Lessee agrees to keep the premises of this lease, including all improvements thereon, clean, neat and painted and otherwise reasonably maintained.

## **XIV REPAIRS**

Some repairs to the interior of the building upon mutual consent will be made by the Lessee at their own expense.

## **XV UTILITIES**

Lessee agrees to pay for all utilities and services furnished to said premises.

## **XVI DEFAULT**

If Lessee, after notice from Lessor, fails to remedy within 15 days any default in the payment of any sum due under this lease, or in its compliance with any other term, covenant or condition of this lease, then the Lessor or its agents may enter upon the premises, take possession thereof, and remove all persons therefrom and at Lessor's option, either terminate this lease and all the Lessee's rights herein, or rent said premises for the account of the Lessee, or follow any other remedy provided by law. Any holding over beyond the term prescribed herein shall be constructed as a month-to-month tenancy.

## **XVII ALTERATIONS**

Lessee must receive prior written approval from Lessor before any alterations or additional improvements are made to the property. A violation of this section of the lease shall be cause for default by the Lessee.

## **XVIII CALIFORNIA LAW AND IMPERIAL COUNTY VENUE**

The parties agree that California Law shall be used to resolve all disputes that may arise. The place of trial should any litigation occur between the parties arising from this lease shall be in the Imperial County Superior Court.

#### **XIX POSSESSORY INTEREST**

Lessee recognizes and understands that this lease may create a possessory interest subject to property taxation and that the Lessee may be subject to the payment of property taxes levied on such interest.

#### **XX EMERGENCY DISASTER PLAN**

Lessee agrees to develop and post in full view of all employees and visitors to this site an Emergency Disaster Plan.

#### **XXI BINDING UPON HEIRS AND ASSIGNS**

The covenants and agreements contained in this lease shall inure to the benefit of and be binding on the parties hereto their heirs legal representatives successors or assigns.

#### **XXII NOTICE**

Wherever in this lease it shall be required or permitted that notices of demand be given or served by either party to this lease to or on the other such notice or demand shall be given or served and shall not be deemed to have been duly given or served unless in writing and forwarded by certified or registered mail addressed as follows:

**LESSOR:** City of Calexico, 608 Heber Avenue, Calexico, CA 92231  
Attn: City Manager

**LESSEE:** United Families, Inc., 1561 South 4<sup>th</sup> Street, El Centro, CA 92243 Attn:  
Executive Director

#### **XXIII AGREEMENT MODIFICATION**

This agreement constitutes the full agreement between the parties. Any modification shall be in writing and must be signed by both parties.

#### **XXIV TERMINATION OF LEASE**

Lessor or Lessee may terminate this lease upon giving sixty (60) days written notice of said intent to the other party.

**XXV ACCEPTANCE OF PARTIAL RENT PAYMENT**

Lessee acknowledges and agrees that Lessor's acceptance of a partial rent payment does not constitute a waiver or any rights, including any rights the landlord may have to recover possession of the property.

**XXVI SEVERANCE**

If any provision of this lease is determined to be void by a court of competent jurisdiction, then such determination shall not affect any other provision of this lease, and all such other provisions shall remain in full force and effect. It is the intention of the parties hereto that if any provision of this lease is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders valid.

IN WITNESS WHEREFORE, the parties hereto have executed this agreement in duplicate on the day and year above written.

**LESSOR: CITY OF CALEXICO**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
City Manager

**LESSEE: UNITED FAMILIES, INC.**

By:  \_\_\_\_\_ Date: 05/01/18  
Executive Director

(The California Government Code requires that all leases of City property be recorded at the Office of the County Recorder Therefore the signatures on this page must be notarized.)

**EXHIBIT "A"**

**UNITED FAMILIES, INC. SCHEDULE OF LEASE PAYMENTS (3% Annual Increase)**

Year 1	October 22, 2017 - October 21, 2018	\$57,734.40 (\$4,811.20 monthly)
Year 2	October 22, 2018 - October 21, 2019	\$59,466.43 (\$4,955.54 monthly)
Year 3	October 22, 2019 - October 21, 2020	\$61,250.42 (\$5,104.20 monthly)
Year 4	October 22, 2020 - October 21, 2021	\$63,087.93 (\$5,257.33 monthly)
Year 5	October 22, 2021 - October 21, 2022	\$64,980.57 (\$5,415.05 monthly)