

CITY OF  
ANDERSON



# AGENDA ITEM

February 16, 2010 City Council Meeting

Approved for Submittal By:
City Manager <i>Dana Shigley</i>
To Be Presented By:
Ken Hartman <i>[Signature]</i>

To: Honorable Mayor and Members of the Anderson City Council

Through: Dana Shigley, City Manager  
Telephone 378-6646

From: Ken Hartman, Parks & Recreation Director  
Telephone: 378-6660

Date: February 16, 2010

## SUBJECT

Request by Shasta Head Start to replace and add two buildings for classrooms located in the City's Veterans Park.

## RECOMMENDATION

The Parks and Recreation Director recommends that the City Council:

Adopt a resolution approving the lease agreement with Shasta Head Start for the relocation and placement of new modular classrooms located at Veterans Park and authorizing the City Manager to sign the lease agreement.

## FISCAL IMPACT

All expenses for provision of the facility, maintenance and operation of the new buildings will be done by Shasta Head Start.

## **DISCUSSION and BACKGROUND**

In October of 1985 the City entered into an agreement with Shasta Head Start to utilize the Veterans Park for Head Start services.

In September of 1996 the City modified the existing lease and entered into a ground lease with Head Start. This ground lease allowed Head Start to locate buildings on the site with certain conditions.

Now Head Start is asking to replace and relocate the existing modular and add an additional modular for providing services and classroom education. Along with new modules a new playground and parking lot will be constructed.

All work and costs will be covered by Head Start (sidewalk, basketball court, etc.).

Under the new lease agreement Head Start's monthly payment to the City will increase from \$400 to \$600, with periodic increases in 2015 and 2020. Head Start will continue to pay for electric, water and sewer services.

When Head Start is not using the outdoor facilities (during operational hours) those facilities will be made available to the general public.

We have enjoyed the mutually beneficial relationship we have had with Head Start over the years and recommend approving their planned expansion.

## **ATTACHMENTS**

1. Resolution (with lease and site plan as exhibits)

**RESOLUTION NO. 10-**

**A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF ANDERSON  
EXTENDING AND MODIFYING EXISTING LEASE AGREEMENT**

**WHEREAS**, the City of Anderson (Lessor) and Shasta Head Start (Lessee) entered into an agreement in 1985; and

**WHEREAS**, in 1996 the City entered into a ground lease agreement with Shasta Head Start to construct a classroom and playground; and

**WHEREAS**, Shasta Head Start now wants to invest more money into improving the facilities it uses at the Veterans Park location; and

**WHEREAS**, Shasta Head Start proposes to remove, relocate and install two new classroom modules and one playground on the east side of the park facility; and

**WHEREAS**, Shasta Head Start recognizes that any permanent improvements will belong to the City of Anderson as soon as they are constructed; and

**WHEREAS**, the City Council acknowledges that the proposed project and lease are mutually beneficial and now desires to approve the proposal.

**NOW, THEREFORE BE IT RESOLVED**, by the City Council of the City of Anderson as follows:

1. Approves the improvements, extensions and modifications with Shasta Head Start as shown on the site plan, attached as Exhibit B.
2. Authorizes the City Manager to sign the lease agreement, attached as Exhibit A.

**PASSED AND ADOPTED** at the regular meeting of the City Council of the City of Anderson this 16<sup>th</sup> day of February, 2010, by the following vote:

AYES:

NOES:

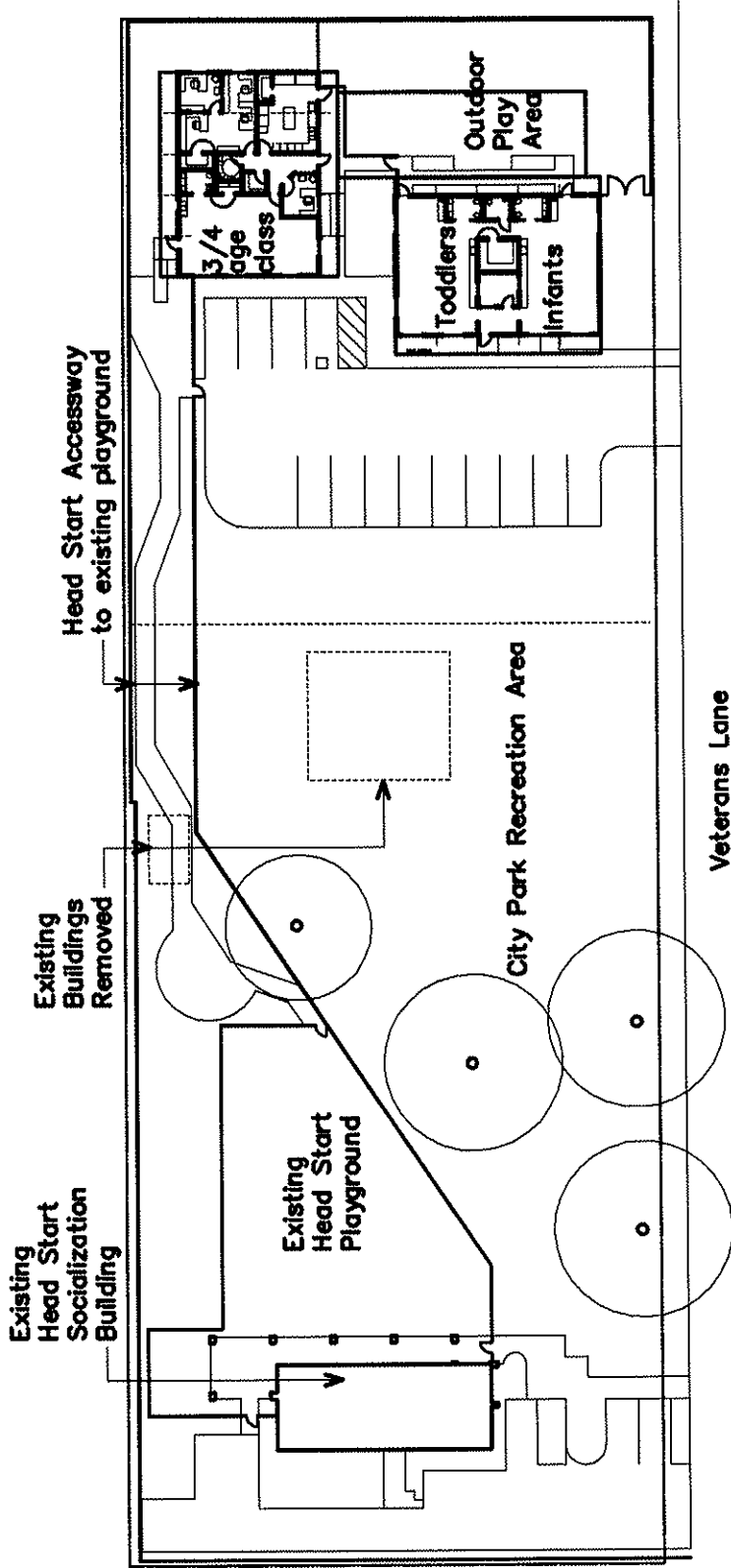
ABSTAIN:

ABSENT:

\_\_\_\_\_  
Norma Comnick, Mayor of the City of Anderson

ATTEST:

\_\_\_\_\_  
Juanita Barnett, City Clerk



SITE PLAN  
1" = 50'-0"



SHASTA EARLY HEAD START EXPANSION  
● CITY OF ANDERSON VETERANS LANE PARK

## LEASE AGREEMENT

This agreement is made and entered into this 1st day of September, 2010, by and between Shasta Head Start Child Development, Inc., hereafter referred to as "HEAD START", a non-profit federally funded corporation, and the City of Anderson, hereafter referred to as "CITY".

### WITNESSETH

WHEREAS, the CITY and HEAD START desire to cooperate with each other and enter into an agreement for the purpose of utilizing community resources to provide educational and social opportunities for preschool aged children.

NOW, THEREFORE, it is mutually understood and agreed by and between the parties hereto as follows:

1. PREMISES LEASED. City grants to HEAD START the right to use that portion of Vets Park more specifically identified in Exhibit A hereto as the location for classroom buildings and playground facility for the purposes of operating a Head Start program for preschool aged children. HEAD START has previously constructed one portable building and one permanent building currently located on the leased premises.
2. LEASE. CITY is the "Lessor", and HEAD START is the "Lessee" of the premises identified above subject to the following terms and conditions.
3. LEASE PAYMENTS. As compensation for this lease, HEAD START agrees to pay the sum of \$600.00 per month on the first day of each month. Effective September 1, 2015, the monthly rent amount shall increase to \$700 per month. Effective September 1, 2020, the monthly rent amount shall increase to \$800 per month. Effective September 1, 2025, the monthly rent amount shall increase to \$900 per month.
4. BUILDING ON PREMISES. HEAD START shall be permitted to construct, or reconstruct, two portable buildings to all applicable CITY and State building, fire and safety code standards on said property and to expand the children's playground there as well. Prior to commencement of construction, HEAD START will seek and obtain approval from the CITY of site plan and building plans. HEAD START will be fully responsible for all costs associated with the construction and maintenance of the new buildings and expanded playground area. CITY will not financially participate in the construction of these proposed facilities.

5. TITLE TO PREMISES AND IMPROVEMENTS. Fee title to the land shall at all times remain with the CITY. All improvements other than the portable buildings, whether currently on-site or to be constructed in the future, (i.e., playground, equipment, fences, exterior lighting, concrete pad and sidewalks, etc.) shall be owned by the CITY. The permanent building currently present on site is and shall continue to be owned by the CITY. The portable buildings on site shall be owned by HEAD START. The portable buildings and the improvements which are not fixtures and which are located inside both the permanent and portable buildings themselves shall belong to and be owned by HEAD START during the lease term and at the termination thereof. If and when during the initial term of this lease HEAD START no longer is occupying and using the buildings constructed by it on the premises pursuant to this agreement, CITY will terminate this agreement and HEAD START will remove the portable buildings within 90 days of the date of termination. Upon termination of the lease for any reason, CITY will take possession of the permanent building constructed on the premises for use in its sole discretion. However, CITY will, before taking over the use of said facility or leasing it to someone else, first seek in good faith to obtain written approval from the Health and Human Services (“HHS”) awarding agency (the agency which provided the funds to construct the building) for the building to be leased and used by another federally sponsored project (i.e., award) or program. In seeking any such other lessee, CITY will attempt in good faith to find a lessee which will conduct an activity on the premises under programs that have purposes consistent with those authorized for support by the HHS awarding agency.
6. PROPERTY TAX. HEAD START acknowledges having been informed by CITY that California Revenue and Taxation Code section 107.6 states, in part, that the property interest HEAD START is acquiring through this lease may be subject to property taxation (“possessory interest tax”) and that, if there are such taxes imposed on HEAD START’s interest herein, HEAD START will have sole responsibility to pay such taxes in a timely fashion.
7. UTILITIES.
  - a. Water and Sewer. HEAD START will pay the costs of connecting to existing water and sewer services at the park, including CITY connection fees and charges that may apply. CITY will waive the periodic user fees for water and sewer services because of the mutual benefit HEAD START and CITY derive from this use.
  - b. Electricity and Lighting. HEAD START will pay all costs of having electricity connected to their building and shall pay all monthly charges for electricity and lighting of the building and playground. The CITY shall be entitled to connect such fixtures as it deems reasonably

necessary (i.e., to improve park security lighting and water sprinkling services) to the foregoing electrical service.

8. USE OF PREMISES. HEAD START shall use the leased premises for a preschool facility only and for no other purpose without written consent of CITY. CITY will have sole use of the leased site, including the playground areas, but not including the buildings, during the evenings and weekends when HEAD START is not conducting programs on site for community recreational purposes, all at no expense to the CITY. HEAD START will have sole use of such facilities the remainder of each year.
9. MAINTENANCE AND REPAIRS. HEAD START at its sole expense will provide custodial, janitorial and repair services on the buildings, playground equipment and other improvements to the premises. The CITY's repair obligations will not extend beyond minor repairs of items which have broken due to use by or negligence of CITY agents or employees. CITY will provide normal care and watering of shrubs, trees and lawn areas and care of all turfed areas. CITY will not be responsible for any damage caused to the premises and improvements thereon (i.e., building, playground equipment, etc.) caused by vandalism except that CITY will be responsible for damages directly resulting from recreational programs conducted by CITY.
10. INSURANCE. HEAD START shall maintain premises liability insurance coverage on the leased premises in a form acceptable to CITY with minimum coverage of \$1 million per person and per incident, naming the CITY, its officers, agents and employees as "additional insureds." HEAD START will obtain written assurance from the carrier (and provide the same to CITY) that CITY will be given written notification of any threatened lapse in coverage prior to such lapse occurring.
11. TERM. The term of this lease shall be twenty (20) years beginning September 1, 2010 and continuing until August 31, 2030. A default in material terms hereof may cause earlier termination if, following a minimum of thirty (30) days advance written notice to Lessee, such default is not cured.
12. ATTORNEY FEES AND COSTS. If legal action is instigated to enforce any of the terms or conditions herein, the prevailing party shall be entitled to a reasonable award of attorney fees and costs.
13. NOTICES. Any notices required to be given pursuant to this Agreement shall be deemed to have been given by their deposit, postage prepaid, in the United States Postal Service, addressed to the parties as follows:

a. TO CITY:

City Manager  
City of Anderson  
1887 Howard Street  
Anderson CA 96007

b. To HEAD START:

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Shasta Head Start Child Development, Inc.  
375 Lake Boulevard, Suite 100  
Redding, CA 96003

Nothing hereinabove shall prevent either CITY or HEAD START from personally delivering any such notices to the other.

14. ENTIRE AGREEMENTS. This Agreement supercedes all previous leases and agreements between HEAD START and CITY concerning lease of the premises, including a Ground Lease Agreement dated September 23, 1996 and an Extension and Modification of Lease dated May 18, 2004, and constitutes the entire understanding of the parties hereto.
15. INDEMNIFICATION. Each party to this agreement shall release, defend, indemnify upon the request of the indemnified party, and hold the other harmless, including the elected officials, officers, employees, agents and volunteers of the other party against all claims, suits, actions, costs, expenses, and liability for injuries or property damages ( including, but not limited to, reasonable attorneys' fees of the indemnified party's own employed attorney and counsel retained by such party, expert fees, litigation costs, investigation costs, damages, judgments or decrees) resulting from or caused by the negligent acts, willful acts, or errors or omissions of such party. Where any such injury, death, loss or damage is the result of the joint negligence or willful misconduct of both parties, the parties agree to indemnify each other in proportion to their respective share of such joint negligence or misconduct as determined by the mutual agreement of the parties or their respective insurers.
16. VENUE. The laws of the State of California shall govern any dispute between the parties regarding the interpretation of this agreement. Any litigation shall be venued in Shasta County.
17. AMENDMENTS. No changes, amendments or alterations shall be effective unless in writing and signed by both parties.
18. SEVERABILITY. If any portion of this agreement or application thereof to any person or circumstance is declared invalid by a court of competent jurisdiction, or if it is found in contravention of any federal or state statute or regulation or ordinance, the remaining provisions of

this agreement, or the application thereof, shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this agreement are severable.

Dated:

SHASTA HEAD START CHILD DEVELOPMENT, INC.

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

Dated:

CITY OF ANDERSON

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