



CITY COUNCIL AGENDA REPORT

MEETING DATE: APRIL 19, 2005

ITEM NUMBER:

SUBJECT: LEASE AGREEMENT RENEWAL COSTA MESA CHILD'S PACE INC.
DATE: APRIL 6, 2005
FROM: ADMINISTRATIVE SERVICES DEPARTMENT / RECREATION DIVISION
PRESENTATION BY: JANA M. RANSOM, RECREATION MANAGER
FOR FURTHER INFORMATION CONTACT: JANA M. RANSOM, 714-754-5300

RECOMMENDATION:

That City Council enter into the proposed agreement with Child's Pace Inc. at the Downtown Recreation Center for one year, effective May 1, 2005, with automatic one year renewals, and authorize Mayor to sign on behalf of the City.

BACKGROUND:

Child's Pace Inc. is a year round, non-profit, State subsidized program operated by the Child's Pace Foundation's Board of Directors. Child's Pace is licensed to care for up to 35 children ages 5 – 14 has been renting portions of City facilities since 1978 including the old Downtown Community Center (DTCC) and the new Downtown Recreation Center (DRC) since its opening in October 2001. The space currently occupied by Child's Pace in the DRC was designed for their needs and the building was designed to accommodate this rental. Child's Pace has been in good standing with the City during this time by making timely payments and giving notice of upcoming events and activities. Child's Pace uses the facility Monday through Friday and at times evenings and on the weekends for special events.

The lease agreement between the City and Child's Pace Inc. expired June 18, 2000 (Attachment 1). The agreement has been on a month-to-month basis under the expiring terms and conditions, with mutual consent, during this time while the DRC was constructed and the facility opened in 2001. Operations continued smoothly and neither party pursued the contract. During recent discussions, staff and Child's Pace indicated they would like to return to a formal contractual relationship and staff is presenting the proposed agreement (Attachment 2) for Council approval.

ANALYSIS:

Child's Pace is currently renting the multi-purpose room, kitchen and office space at the Downtown Recreation Center (Attachment 3). A rent increase to four hundred and fifty-three dollars (\$453.00) per month, in advance till June 30, 2005 and an increase to five hundred dollars (\$500) per month, in advance after July 1, 2005 is recommended at this time. In addition, the amount of rent for the use of the Downtown Recreation Center shall be increased each additional year by the Consumer Price Index for all Urban Consumers (CPIU).

ALTERNATIVES CONSIDERED:

Do not approve the lease and give Child’s Pace notice to vacate.

Maintain agreement on a month-to-month basis

FISCAL REVIEW:

The Child’s Pace program is currently paying the City four hundred and thirty-two dollars a month (\$432) per month for an annual fee of \$5,184.00. The proposed rent increase will generate an annual fee of \$6,000.00.

LEGAL REVIEW:

Legal has reviewed the documents and approved them as to form.

CONCLUSION:

Child’s Pace has had a long-term successful relationship with the City for many years. Staff and Child’s Pace Inc. would like to return to a more formal contractual relationship, rather than the current month to month tenancy. It is therefore recommended that the City Council enter into the proposed agreement with Child’s Pace Inc. at the Downtown Recreation Center for one year, effective May 1, 2005, with automatic one year renewals and authorize Mayor to sign on behalf of the City.

JANA M. RANSOM
Recreation Manager

STEPHEN N. MANDOKI
Administrative Services Director

MARC R. PUCKETT
Director of Finance

RUTH A. RAHEB
Recreation Supervisor

DISTRIBUTION: City Manager
Assistant City Manager
Recreation Coordinator, DRC
Child’s Pace Inc

ATTACHMENTS: 1 [Expiring Lease Agreement](#)
2 [Proposed Agreement](#)
3 [Lease Space Layout](#)