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APR 11 2013
Chandler
All-America City
2010

MEMORANDUM NEIGHBORHOOD RESOURCES – COUNCIL MEMO NO. HD13-04

DATE: MARCH 27, 2013
TO: MAYOR AND CITY COUNCIL
THRU: RICH DLUGAS, CITY MANAGER *RD*
JEFF CLARK, FIRE CHIEF *JC*
JENNIFER MORRISON, NEIGHBORHOOD RESOURCES DIRECTOR *JM*
FROM: KURT KNUTSON, HOUSING AND REDEVELOPMENT MANAGER *KK*
SUBJECT: INTRODUCTION OF ORDINANCE NO. 4437 AUTHORIZING AND APPROVING A TWO-YEAR LEASE AGREEMENT BETWEEN THE CITY OF CHANDLER PUBLIC HOUSING AUTHORITY (HOUSING DIVISION) AND MARICOPA COUNTY FOR SPACE IN THE RECREATION BUILDING AT 660 SOUTH PALM LANE FOR USE AS A HEAD START FACILITY.

RECOMMENDATION: Staff and the Housing and Human Services Commission recommend introduction and tentative approval of a two-year lease agreement between the City of Chandler, Public Housing Authority and Maricopa County, for space in the Recreation Building at 660 S. Palm Lane, for use as a Head Start facility.

BACKGROUND/DISCUSSION: The Maricopa County Head Start organization has operated a Head Start pre-school program in a portion of the Recreation Building at 660 S. Palm Lane since 1993. In 1993, the County contributed \$60,000 towards expanding and the remodeling of the existing Public Housing Recreation Building to meet Head Start’s licensing requirements.

The existing lease with Maricopa County Head Start ends June 30, 2013. The current annual lease rate is \$4,000.00 and the Housing Division pays all utility costs and does the principle maintenance associated with the Head Start building. Under the proposed lease agreement, the lease rate would continue to be \$333.33 per month.

The lease is written as a two-year lease with an option to extend the lease for two additional one-year terms. All other terms and conditions of the lease will remain unchanged.

The Head Start Program serves Public Housing residents’ children and neighborhood children. Head Start is a valuable resource that better prepares low-income and disadvantaged children to integrate into a school environment.

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FINANCIAL IMPLICATIONS: All costs associated with the lease and the Head Start program are paid for by Maricopa Head Start or by grants through the Public Housing operating budget.

PROPOSED MOTION: Move to introduce Ordinance No. 4437 authorizing and approving a two-year lease agreement between the City of Chandler Public Housing Authority and Maricopa County for space in the recreation building at 660 South Palm Lane for use as a Head Start facility.

Attachments: Ordinance No. 4437
Exhibit A – Amendment No. 5 to the Lease Agreement and the Amended and Restated Lease

ORDINANCE NO. 4437

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, AUTHORIZING AND APPROVING A TWO-YEAR LEASE AGREEMENT BETWEEN THE CITY OF CHANDLER PUBLIC HOUSING AUTHORITY (HOUSING DIVISION) AND MARICOPA COUNTY, FOR SPACE IN THE RECREATION BUILDING AT 660 SOUTH PALM LANE, FOR USE AS A HEAD START FACILITY.

BE IT ORDAINED by the City Council of the City of Chandler, Arizona, as follows:

SECTION 1. The City Council of the City of Chandler, Arizona, does hereby authorize and approve a lease in the form attached as Exhibit "A" for a portion of the space in the recreation building known as Number 4 at 660 S. Palm Lane for a Head Start Preschool Facility. This is a two-year lease with an option for two, additional one-year terms.

SECTION 2. The lease rate will be four thousand dollars (\$4,000.00) per year, payable in monthly installments of \$333.33 per month.

INTRODUCED AND TENTATIVELY approved by City Council of the City of Chandler, Arizona, this ____ day of _____, 2013.

ATTEST:

CITY CLERK

MAYOR

PASSED AND ADOPTED by the City Council of the City of Chandler, Arizona, this ____ day of _____, 2013.

ATTEST:

CITY CLERK

MAYOR

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Ordinance No. 4437 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on ____ day of _____, 2013 and that a quorum was present thereat.

APPROVED AS TO FORM:

CITY CLERK

CITY ATTORNEY



**AMENDMENT to LEASE AGREEMENT
BETWEEN
CITY of CHANDLER (“LESSOR”)
AND
MARICOPA COUNTY (“LESSEE”)**

RECITALS

- A. Lessor and Lessee (the “Parties”) are Parties to that certain Lease Agreement No. L-7178 approved by the Maricopa County Board of Supervisors on December 1, 2004, and subsequently amended November 14, 2007, February 11, 2010, January 3, 2012, and October 31, 2012. The Lease is for premises at 660 South Palm Lane, Chandler, Arizona consisting of 2,200 square feet of classroom space.
- B. The term of the Lease expires on June 30, 2013.
- C. Lessor and Lessee now mutually desire to amend the Lease to create a new lease term.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing and other valuable considerations, Lessee and Lessor agree to amend Lease Agreement No. L-7178 as follows:

- 1. The term of the current Lease Agreement is hereby amended to renew on July 1, 2013 and to terminate on June 30, 2015. This Agreement is subject to termination pursuant to the provisions of A.R.S. 38-511.
- 2. Lessor grants Lessee the option to renew this Lease for two additional one (1) year terms. To exercise this option, Lessee shall provide Lessor with written notice of their intent to renew no later than ninety (90) days prior to the expiration of this lease.
- 3. The effective date of this amendment is the date of execution by the City of Chandler Mayor.
- 4. The foregoing paragraphs contain all the changes made by this amendment. All other terms and conditions of the original Agreement and subsequent amendments remain the same and in full force and effect.

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IN WITNESS WHEREOF, the Parties have signed this Amendment

LESSOR: City of Chandler,
an Arizona Municipal Corporation

LESSEE: Maricopa County Board of
Supervisors, a political subdivision of the
State of Arizona

Mayor Date

Chairman of the Board Date

Attest:

Attest:

City Clerk Date

Clerk of the Board Date

Approved as to form:

Approved as to form:

City Attorney *GAB* Date

Deputy County Attorney Date

AMENDED AND RESTATED LEASE

C-22-05-115-4-02

THIS LEASE made and entered into this 11th day of, February 2010, by and between the City of Chandler, an Arizona municipal corporation, hereinafter referred to as "Lessor", and Maricopa County, a political subdivision of the State of Arizona, hereinafter called "Lessee";

WITNESSETH

1. Leased Premises. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, approximately 1000 square feet of the recreation building located at 660 South Palm Lane, Chandler, Arizona to include the covered patio and playground area.

2. Term. The term of this Lease shall be for two (2) years, commencing on January 28, 2010 and terminating on January 28, 2012, with an automatic option to extend this Lease for one (1) successive one-year term at the rental rate of 4,000.00 per year through January 28, 2013, unless otherwise notified by either party to decline the option in writing. This agreement is subject to termination pursuant to the provision of A.R.S. 38-511.

3. Rent. Lessee shall pay to Lessor as rent for the Leased Premises the sum of \$4,000.00 per year, payable in monthly installments of \$333.33 plus any applicable rental tax. The first payment shall be payable in advance on the first day of the term of this Lease, and subsequent payments shall be payable in advance on the same day of each consecutive month thereafter during the term of this Lease. The rent shall be paid without notice, demand, deduction or any set-off whatsoever, at the address of Lessor at P.O. Box 4008, Mail Stop 101, Chandler, Arizona 85244, or to any other place designated by Lessor in writing.

4. Use. Lessee shall use the Leased Premises only for the purposes of operating a Head Start Program. The Leased Premises shall not be used for any purpose in violation of any zoning or other laws or of any regulation of any governmental body having jurisdiction over the Leased Premises. Lessee is hereby granted a non-exclusive right to use in common with Lessor, other tenants and occupants and other parties authorized by Lessor, their respective employees, agents, contractors, customers and invitees, such sidewalks, hallways, stairways, toilets, elevators and other

____Initial____

common areas and facilities as Lessor shall from time to time designate for common use ("Common Areas").

5. Lessee Responsibilities. Lessee will provide Head Start/Preschool services to eligible City of Chandler Public Housing residents and surrounding eligible area residents. Lessee shall provide a semi-annual report to the City of Chandler, Housing and redevelopment Division that denotes the number of Public Housing residents that the programs has served in the previous six month period.

6. Modification of Agreement. No amendment or modification of this Contract shall be valid or binding unless reduced to writing and executed by the parties hereto in the same manner as this agreement is executed.

7. No Assignment. No party may assign or transfer its rights or obligations under this agreement without the prior written consent of the other party hereto.

8. Taxes.

(a) Lessee shall pay before delinquent, as additional rent, all personal property taxes and assessments levied or assessed by any governmental authority against any personal property, or fixtures of Lessee in, on or about the Leased Premises.

b) Lessor shall pay any real property taxes and assessments levied or assessed against the Leased Premises if not otherwise exempted.

9. Utilities. Lessor shall pay all utilities, including water, sewer, electric and gas.

10. Insurance.

(a) On all policies of insurance the City of Chandler shall be named as an additional named insured as it's interest may appear. If a government agency is self-insured, the above portion of this section is not applicable as long as that agency provides to Lessor, along with the signed Lease, a copy of the certificate verifying such self-insurance.

(b) Lessee shall not commit or permit any acts or failure to act in or about the Leased Premises which may in any way impair or invalidate such policy or policies of insurance for

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the building. Lessee shall cooperate with Lessor in connection with the collection of any insurance monies that may be due in the event of loss and shall execute and deliver to Lessor such proofs of loss and other instruments as may be required for the purpose of facilitating the recovery of any such insurance monies.

(c) Lessee shall be responsible for obtaining any fire, flood or extended coverage (self)insurance for personal property improvements of Lessee and for all goods, commodities and materials stored by Lessee in, on or about the Leased Premises.

11. Casualty. If the Leased Premises are wholly or partially destroyed by fire or other casualty insured against by Lessor, Lessee shall give immediate notice thereof in writing to Lessor, and shall fully cooperate with Lessor in filing all necessary proofs of claim with insurance companies. The proceeds of such insurance applicable to the Leased Premises shall be paid to Lessor, and Lessor shall rebuild, repair or restore the Leased Premises to their condition at the time immediately preceding the loss or damage; provided, however, that Lessor may elect to retain such insurance proceeds other than proceeds relating to Lessee's personal property and shall not be required to rebuild, repair or restore the Leased Premises. This lease shall be terminated if such damage or destruction occurs within the last twelve (12) months of the term of this lease, or if more than one-third (1/3) of the Leased Premises is damaged or destroyed. In the event of total destruction of the Leased Premises, the rent shall abate during the period of rebuilding, repair or restoration by Lessor or, in the event of partial destruction of the Leased Premises, the rent shall abate pro rata based upon the portion of the Leased Premises rendered unusable during the period of rebuilding, repair or restoration by Lessor.

12. Liability Insurance. During the term of this Lease, Lessee at Lessee's expense shall maintain comprehensive general liability (self) insurance to cover claims for injury, wrongful death or property damage occurring upon, in or about the Leased Premises and the appurtenances thereto in companies and in form acceptable to Lessor. Both Lessor and Lessee shall be adequately covered under limits of liability in an amount not less than One Million Dollars (\$1,000,000.00) in the event of one accident, and in an amount not less than One Million Dollars (\$1,000,000.00) in respect to property damage. Such (self) insurance will be obtained and evidence thereof delivered to Lessor prior to any occupancy of the Leased Premises by Lessee or upon the commencement of the Lease term, whichever shall first occur, and Lessee shall pay the renewal premiums on such insurance not less than ten (10) days

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prior to expiration of such insurance and shall deliver evidence of such renewal to Lessor and any mortgagee of the Leased Premises. The City of Chandler shall be named as an additional named insured as its interest may appear on the insurance policy.

13. Liability. Each party (as "indemnitor") agrees to indemnify, defend and hold harmless the other party (as "indemnitee") from and against any and all claims, losses, liability, costs or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as "claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such claims are caused by the act, omission, gross negligence, misconduct, or other fault of the indemnitor its officers, official, agents, employees, or volunteers.

14. Repairs.

(a) Lessor shall make all necessary repairs to the exterior walls, roof and doors of the building of which the Leased Premises are a part. Lessor shall also maintain and keep in good repair the exterior lighting, parking areas, play areas, sidewalks, shrubs and plants appurtenant to the building of which the Leased Premises are a part. Exterior litter and trash caused or permitted by Lessee or its agents are to be removed by the Lessee. Associated cleaning and operational supplies for the maintenance of the building will be at Lessee expense.

(b) Lessor shall maintain and make all necessary repairs to the Leased Premises, all plumbing, electrical wiring, windows, and air refrigeration units in or about the Leased Premises. Any damage or excessive wear caused or permitted by Lessee or Lessee's employees, agent, members, licensees, subtenants, or invitees to the Leased Premises shall be repaired by Lessee or, at Lessor's election, Lessor may repair such damage at the expense of Lessee and Lessee shall reimburse Lessor for such expense upon Lessor's demand.

15. Lessee's Improvements. Lessee at Lessee's expense may make such alterations and improvements to the interior of the Leased Premises as may be necessary or desirable for the conduct of business of Lessee; provided, however, that Lessee shall make no alterations or improvements which may impair the structural strength of the building of which the Leased Premises are a part on or against the Leased Premises; and provided, further, that Lessee shall first obtain Lessor's written consent for such alterations and improvements, which consent shall not be

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unreasonably withheld. Lessor may require, as a condition to consenting to such alterations or improvements, that the work therefor be done by Lessor's own employees or under Lessor's direction, but at the expense of the Lessee. Lessor also may require that Lessee give security that the work will be completed free and clear of liens and in a manner satisfactory to Lessor. Any alteration or improvement made by Lessee shall be completed expeditiously, subject to any delays beyond the control of Lessee, and in compliance with all laws and ordinances and all rules and regulations of any and all governmental authorities having jurisdiction of or over the Leased Premises. All such alterations and improvements shall be and remain the property of Lessor and shall be removed by Lessee at the option of Lessor at the termination of this Lease. Lessee at its expense shall repair all damages to the Leased Premises which shall have been occasioned by the installation or removal of Lessee's improvements or alterations. Lessor shall not be responsible or liable for any loss of or damage to Lessee's improvements or alterations.

16. Liens. If the Leased Premises or any part thereof, or Lessee's leasehold interest therein, shall at any time during the term of this Lease become subject to any vendor's, mechanic's, laborer's, or materialmen's lien based upon the furnishing of material or labor to Lessee, Lessee shall cause the same, at Lessee's expense, to be discharged within one hundred and twenty (120) days after notice thereof, unless the lien and the claim occasioning it is litigated in good faith by Lessee.

17. Nuisance. Notwithstanding anything in this Lease to the contrary, including without limitation the use by Lessee of the Leased Premises in accordance with Article 4 hereunder, Lessee shall not commit or permit any nuisance or other act, whether noise, odor, smoke, sewage, chemical wastes or otherwise, which may disturb the quiet enjoyment of any other tenants of Lessor in the building of which the Leased Premises are a part. Lessee shall not obstruct or cause to be obstructed any public or private roadways, sidewalks or common areas appurtenant to the building of which the Leased Premises are a part, or any parking areas or docking areas of other tenants of Lessor in the building of which the Leased Premises are a part. In the event Lessee commits or permits any nuisance or act set forth in this Article, the same shall be a material breach of this Lease.

18. Condition of Premises. Lessee shall take the Leased Premises "as is" and in such physical condition as they are upon the commencement of the term of this Lease.

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19. Assignment and Subletting. Lessee shall not assign this Lease or sublet the Leased Premises, or any part thereof, for a period of more than thirty (30) days without the prior written consent of Lessor. Any assignment or subletting shall not release Lessee hereunder, and any assignee or subtenant shall expressly assume all of Lessee's obligations hereunder.

20. Termination Before End of Term; Non-appropriation. Lessor and Lessee each reserve the right to terminate this Lease at any time by giving Ninety (90) days written notice to the other. Specifically, the Lessee may terminate this Lease at the end of any fiscal year during the term of the lease provided that funds are not available from the governing legislature or funding body for the continuation of this Lease. Lessee's fiscal year ends on June 30 of each year. Further, this Lease is subject to A.R.S. 38-511 and may be cancelled pursuant thereto. In the event Lessor or Lessee terminates this Lease during the term hereof, the rent payment heretofore made by Lessee shall be pro rated on the number of days remaining in the final month of occupancy. Lessor shall refund the pro rated amount to Lessee within Thirty (30) days after termination.

21. Legal Expenses. In the event of any suit instituted by either Lessor or Lessee against the other in any way connected with this Lease, or for the recovery of rent or possession of the Leased Premises, the successful party to any such action shall recover from the other party reasonable attorneys' fees and court costs in connection with said suit.

22. Lessor's Right. In the event that Lessee does not pay before delinquent any increase in taxes, assessments or any other charges to be paid hereunder by Lessee, Lessor shall have the right to make such payment and to thereupon charge Lessee for the amount of such payment, together with interest thereon from the due date of such payment to the date of repayment by Lessee to Lessor at the highest rate of which then may be contracted for in writing.

23. Subordination and Attornment. Upon written request of Lessor, or any first mortgage or first deed of trust beneficiary of Lessor, or ground lessor of Lessor, Lessee shall, in writing, subordinate its rights under this lease to the lien of any first mortgage or first deed of trust, or to the interest of any ground lease in which the Lessor is the lessee, and to all advances made or hereafter to be made thereunder. However, before signing any subordination agreement Lessee shall have the right to obtain from any lender or ground lessor requesting such subordination,

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an agreement in writing providing that, as long as Lessee is not in default hereunder, this Lease shall remain in effect for the full term. The holder of any security interest may, upon written notice to Lessee, elect to have this Lease prior to its security interest regardless of the time of the granting or recording of such security interest. In the event of any foreclosure sale, transfer in lieu of foreclosure or termination of ground lease in which Lessor is the lessee, Lessee shall attorn to the purchaser of the transferee of Lessor as the case may be, and recognize that party as Lessor under this Lease, providing such party acquires and accepts the premises subject to this Lease.

24. Signs. No signs, advertisements or notice shall be placed by Lessee on any part of the outside of the building of which the Leased Premises are a part, whether walls, roofs, windows, doors or otherwise, except such as shall be approved by Lessor. If such approval by Lessor is given, such signs, advertisements or notices shall be installed and maintained at Lessee's expense and shall conform to all applicable governmental laws, rules and regulations.

25. Public Housing Rules. Lessee shall abide by all City of Chandler, Housing and Redevelopment Division Public Housing rules and regulations of the project imposed by Lessor for the good order and reasonable use of the Leased Premises and contiguous real estate and buildings by all tenants of Lessor and clients, customers and employees.

26. Right of Entry. Lessor may, during the term of this Lease, at all reasonable times and during usual business hours, enter upon the Leased Premises for the purpose of inspecting the same, and in addition may, at any time within the last six (6) months of the term of this Lease, show the Leased Premises to prospective lessees or prospective purchasers after 48 hours notice to Lessee.

27. Surrender. Upon the expiration of the term of this Lease, or upon the earlier termination of this Lease, Lessee shall surrender peaceable possession of the Leased Premises in the same condition as the Leased Premises were at the commencement of this Lease, reasonable wear and tear and acts of God excepted.

28. Notices. Any notice required or permitted to be given or served by either to this Lease shall be deemed to have been given or served when made in writing, by certified or registered mail, addressed as follows:

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Lessor: City of Chandler
Attn: Housing & Redevelopment Division
P.O. Box 4008, Mail Stop 101
Chandler, Arizona 85244

Lessee: Maricopa County Department of Finance
Real Estate Services Manager
301 W. Jefferson Street, Suite 960
Phoenix, AZ 85003

Copies: Human Services Department
Head Start Services
234 N. Central Avenue, Suite 3201
Phoenix, AZ 85004

All rental payments shall be made to Lessor at the above address.
Either party may change its address from time to time by serving
notice on the other party as provided above.

29. Nondiscrimination. Lessee shall not discriminate
against any individual in any way on account of such individual's
race, color, religion, sex, age, handicap or national origin.
Executive Order Number 75.5 of the State of Arizona is hereby
incorporated into this Lease by reference, as if set forth in full
herein when and where applicable.

30. Broker. Lessor and Lessee each represent to the other
that there are no broker's commissions in connection with this
Lease.

31. No Waiver. Any waiver by any of the parties hereto of
any breach of this Lease or of any right of any party shall not
constitute a waiver of any other breach or of any other right.

32. Entire Agreement. This Lease contains the entire
agreement between the parties hereto, and no term or provision
hereof may be changed, waived, discharged or terminated unless the
same be in writing executed by both parties hereto.

33. Applicable Law. The laws of Arizona shall govern the
construction, performance and enforcement of this Lease.

34. Time of Essence. Time shall be of the essence in the
performance of every term, covenant and condition of this Lease.

35. Headings. The Article headings contained herein are
inserted only for convenience of reference and are in no way to be

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construed as a part of this Lease or as a limitation of the scope of the particular Articles to which they refer.

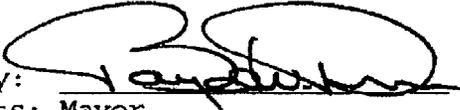
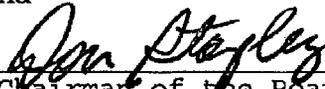
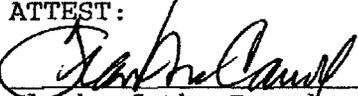
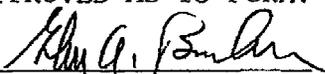
36. Benefit. This Lease shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns.

37. Parking and Common Areas. Lessee shall have the nonexclusive right to use the parking and common areas around the Leased Premises during the term of this Lease.

38. Quiet Enjoyment. So long as Lessee is not in default under the terms of this Lease, Lessee shall be entitled to the quiet enjoyment and use of the Leased Premises according to the terms of this Lease.

36. Partial Invalidity. If any term, covenant, condition or provision of this Lease is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

IN WITNESS WHEREOF, the parties hereto have executed this Lease this 11th day of February, 2010.

<p>LESSOR: CITY OF CHANDLER, an Arizona municipal corporation</p> <p>By:  Its: Mayor Date: <u>2/3/10</u></p>	<p>LESSEE: MARICOPA COUNTY BOARD OF SUPERVISORS, a political subdivision of the State of Arizona</p> <p>By:  Its: Chairman of the Board Date: <u>FEB 11 2010</u></p>
<p>ATTEST:</p> <p> City Clerk Date: <u>2/4/2010</u></p>	<p>ATTEST:</p> <p> Clerk of the Board Date: <u>FEB 11 2010</u> 011210</p>
<p>APPROVED AS TO FORM:</p> <p> City Attorney Date:</p>	<p>APPROVED AS TO FORM</p> <p> Attorney Date: <u>2/10/10</u></p>

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