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MEMORANDUM - COMMUNITY & NEIGHBORHOOD SERVICES DEPARTMENT – PHAC MEMO NO. HD15-05

DATE: APRIL 28, 2015

TO: PUBLIC HOUSING AUTHORITY COMMISSION

THRU: RICH DLUGAS, CITY MANAGER RD
NACHIE MARQUEZ, ASSISTANT CITY MANAGER NM
JENNIFER MORRISON, COMMUNITY AND NEIGHBORHOOD SERVICES DIRECTOR JM

FROM: KURT KNUTSON, HOUSING AND REDEVELOPMENT MANAGER KK

SUBJECT: RESOLUTION NO. H0118 AUTHORIZING A ONE YEAR LEASE EXTENSION BETWEEN THE CITY OF CHANDLER HOUSING DIVISION AND MARICOPA COUNTY FOR SPACE IN THE RECREATION BUILDING AT 130 N. HAMILTON STREET, CHANDLER, ARIZONA, FOR USE AS A HEAD START FACILITY.

RECOMMENDATION: Staff and the Housing and Human Services Commission recommend to the Public Housing Authority Commission (PHAC) the adoption of Resolution No. H0118 authorizing an option for a one year lease extension between the City of Chandler, Housing Division and Maricopa County, for space in the Recreation Building at 130 N. Hamilton Street, for use as a Head Start facility.

BACKGROUND/DISCUSSION: The Maricopa County Head Start organization has operated a Head Start pre-school program in the Recreation Building at 130 N. Hamilton Street since 1991. In 1995, the County contributed $70,000 towards the remodeling of the existing Public Housing Recreation Building to better accommodate Head Start's licensing needs.

The original amended and restated lease with the current terms, conditions and rent amount was executed in 2010. The current lease extension with Maricopa County Head Start ends June 30, 2015. The current lease amount is $4,000 per year and is paid in quarterly installments. The existing lease includes an option to extend the lease for two additional one year periods at an annual rate of $4,000 per year. Maricopa County is requesting to exercise the option to extend the lease for one year under the same terms and conditions outlined in the current lease.

The Head Start Program serves both children residing in Public Housing and neighborhood children. Head Start is a valuable resource that better prepares low-income and disadvantaged children for a school environment.

FINANCIAL IMPLICATIONS: All costs associated with the lease and the Head Start program are paid for by Maricopa County Head Start or by the U. S. Department of Housing and Urban Development through the Public Housing Operating budget.

PROPOSED MOTION: Move to approve Resolution No. H0118 authorizing the PHAC Chairman/Mayor to sign a one year lease extension, between the City of Chandler, Housing Division and Maricopa County, for space in the Recreation Building at 130 N. Hamilton Street, for use as a Head Start facility.

Attachments: Resolution No. H0118
Amendment No. 5 to Lease Agreement

RESOLUTION NO. H0118

A RESOLUTION OF THE PUBLIC HOUSING AUTHORITY COMMISSION OF THE CITY OF CHANDLER ARIZONA, AUTHORIZING A ONE YEAR LEASE EXTENSION BETWEEN THE CITY OF CHANDLER HOUSING DIVISION AND MARICOPA COUNTY FOR SPACE IN THE RECREATION BUILDING AT 130 N HAMILTON STREET, CHANDLER, ARIZONA, FOR USE AS A HEAD START FACILITY.

WHEREAS, the existing phase of the lease, between the Public Housing Division and Maricopa County for the Head Start facility will expire on June 30, 2015; and

WHEREAS, the lease contains an option for an additional year at a rental rate of $4,000.00 per year, payable in monthly amounts of $333.33, under the same terms and conditions; and

WHEREAS, in 1995 Maricopa County facilitated specific tenant improvements in the building at 130 N. Hamilton Street in the amount of $70,000 to service low-income preschool children;

NOW, THEREFORE, BE IT RESOLVED by the Public Housing Authority Commission of the City of Chandler, Arizona, as follows:

Section 1. THAT the lease extension between the City of Chandler Housing Division and Maricopa County for the Head Start Program space at 130 N. Hamilton Street, Chandler, Arizona is approved as outlined in Amendment No. 5 to Lease Agreement, attached as Exhibit "A" for the portion of the Recreation Building to be used as a pre-school/educational facility. This is an execution of a one year extension as provided for by the option clause in the lease. This action affirms the option to renew the lease as requested by Maricopa County.

PASSED AND ADOPTED by the Public Housing Authority Commission of the City of Chandler, Arizona, this ___ day of _____, 2015.

ATTEST:

_____ _____

CITY CLERK CHAIRMAN

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Resolution No. H0118 was duly passed and adopted by the Public Housing Authority Commission of the City of Chandler, Arizona, at a regular meeting held on ____ day of _____, 2015 and that a quorum was present thereat.

APPROVED AS TO FORM:

_____ _____

CITY ATTORNEY KSM CITY CLERK

AMENDMENT No. 5 ("Amendment") to LEASE AGREEMENT
Between
CITY of CHANDLER ("Lessor")
And
MARICOPA COUNTY ("Lessee")

RECITALS

A. Lessor and Lessee (collectively, the "Parties") are Parties to that certain Lease Agreement No. C-6552 (the "Agreement") dated and approved on April 13, 2005 by the Maricopa County Board of Supervisors and subsequently amended on May 21, 2008, July 13, 2010, July 9, 2012 and April 26, 2013. The Agreement is for the use of approximately 1,788 square feet of the City of Chandler owned recreation building located at 130 N. Hamilton Street, Chandler, Arizona.

B. The term of the Agreement expires on June 30, 2015.

C. Lessor and Lessee now mutually desire to extend the Agreement to create a new lease term.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing and other valuable consideration, Lessor and Lessee now agree to amend Lease Agreement No. C-6552 as follows:

1. The term of the current Agreement is hereby extended one (1) year, commencing on July 1, 2015 and expiring on June 30, 2016, with an option to renew for one additional one (1) year term. 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 date of this Amendment. The Agreement, as amended hereby, is subject to termination pursuant to the provisions of A.R.S. §38-511.

2. Lessee agrees to pay as base rent in equal monthly installments, the sums as follows:

Monthly	Fiscal Year
$333.33	$4,000.00 plus rental tax

3. The effective date of this Amendment is the date of execution by the Maricopa County Board of Supervisors.

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.

Lease No. C-6552
C-22-06-098-4-05

Amendment No. 5

IN WITNESS WHEREOF, the Parties have signed this Amendment.

LESSOR: City of Chandler, an Arizona Municipal Corporation

Mayor

ATTEST:

City Clerk Date

APPROVED as to FORM:

City Attorney KSm Date

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

Chairman of the Board

ATTEST:

Clerk of the Board Date

APPROVED as to FORM:

Deputy County Attorney Date