

PHAC #3

MAY 09 2016



**MEMORANDUM - COMMUNITY & NEIGHBORHOOD SERVICES DEPARTMENT -
PHAC MEMO NO. HD16-06**

DATE: MAY 9, 2016

TO: PUBLIC HOUSING AUTHORITY COMMISSION

THRU: MARSHA REED, CITY MANAGER *MR*
NACHIE MARQUEZ, ASSISTANT CITY MANAGER *NM*

FROM: LEAH POWELL, ACTING HOUSING AND REDEVELOPMENT MANAGER *LP*

SUBJECT: RESOLUTION NO. H0125 AUTHORIZING A ONE YEAR LEASE
EXTENSION WITH MARICOPA COUNTY FOR SPACE IN THE
RECREATION BUILDING AT 660 S. PALM LANE, CHANDLER, ARIZONA,
FOR USE AS A HEAD START FACILITY

RECOMMENDATION: Staff and the Housing and Human Services Commission recommend the Public Housing Authority Commission (PHAC) pass and adopt Resolution No. H0125 authorizing a one year lease extension with Maricopa County for space in the Recreation Building at 660 S. Palm Lane, Chandler Arizona, 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 660 S. Palm Lane since 1993. In 1993, the County contributed \$60,000 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 two year term of the amended renewal lease with Maricopa County Head Start ends June 30, 2016, with a current lease amount of \$4,000.00 per year. The existing lease includes an option to extend the lease for two additional one year periods also at an annual rate of \$4,000.00 per year. Maricopa County is requesting to exercise the option for a one year lease extension under the same terms and conditions outlined in the current lease.

Head Start is a valuable resource that better prepares low-income and disadvantaged children for a school environment. The Head Start Program at 660 S. Palm Lane serves both the Public Housing residents' children and neighborhood children.

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

PROPOSED MOTION: Move the Public Housing Authority Commission pass and adopt Resolution No. H0125 authorizing a one year lease extension with Maricopa County for space in the Recreation Building at 660 S. Palm Lane, Chandler, Arizona, for use as a Head Start facility.

Attachments: Resolution No. H0125
Amendment No. 7 to Lease Agreement

RESOLUTION NO. H0125

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 660 S. PALM LANE, 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, 2016; 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 1993 Maricopa County facilitated specific tenant improvements in the building at 660 South Palm Lane in the amount of \$60,000 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 660 S. Palm Lane, Chandler, Arizona is approved as outlined in Amendment No. 7 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 _____, 2016.

ATTEST:

CITY CLERK

CHAIRMAN

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Resolution No. H0125 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 _____, 2016 and that a quorum was present thereat.

APPROVED AS TO FORM:

CITY ATTORNEY *GAB*

CITY CLERK

AMENDMENT No. 7 (“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. L-7178 (the “Agreement”) dated and approved on December 13, 2004 by the Maricopa County Board of Supervisors and subsequently amended on November 14, 2007, February 11, 2010, January 3, 2012, October 31, 2012, April 26, 2013 and March 17, 2015. The Agreement is for the use of approximately 2,200square feet of classroom space at 660 South Palm Lane, Chandler, Arizona.
- B. The term of the Agreement expires on June 30, 2016.
- C. Lessee now desires to exercise the second of two one-year options to extend the term of the Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing and other valuable consideration, receipt and sufficiency of which is hereby acknowledged, Lessor and Lessee now agree to amend Lease Agreement No. L-7178 as follows:

- 1. The term of the current Agreement is hereby extended one (1) year, commencing on July 1, 2016 and expiring on June 30, 2017. This Agreement is subject to termination pursuant to the provisions of A.R.S. §38-511, the provisions of which are incorporated herein by this reference.
- 2. Lessee agrees to pay as base rent in equal monthly installments, the sums as follows:

<u>Monthly</u>	<u>Fiscal Year</u>
\$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. L-7178
C-22-05-115-4-07

Amendment No. 7

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

Jay Tibshraeny, Mayor

Clint Hickman, Chairman of the Board

ATTEST:

ATTEST:

City Clerk Date

Clerk of the Board Date

APPROVED as to FORM:

APPROVED as to FORM:

City Attorney *GAS* Date

Deputy County Attorney Date