

City of Brisbane

Agenda Report

To: City Council via City Manager
From: Administrative Services Director
Subject: Silver Spot Nursery Lease Extension
Date: May 7, 2012

Purpose:

Ensure child care services are available in Brisbane.

Recommendation:

Extend the lease with SilverSpot Preschool for five years with an option to extend two years..

Background:

On March 10, 2003 the City entered into a lease agreement with the Silver Spot Nursery School. The lease agreement is for the property at 4 Solano Street. The original lease agreement was for two years and ended in 2005. The lease was renewed on June 1, 2005 for a two year period with the ability for it to be renewed annually. On March 22, 2007 a lease extension agreement was signed for a period of 5 years expiring on May 31, 2012. On February 19, 2008 the issue of enrollment of local children was heard before the City Council. Staff has been monitoring this issue as required by City Council.

SilverSpot preschool came before the City Council on February 21, 2012 to provide an update of its program.

Discussion:

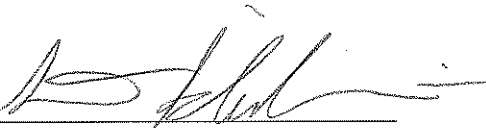
The current lease expires on May 31, 2012. The lease waives the \$310 a month rent with the understanding that an equivalent amount is expended by the Tenant in a manner which would provide a direct benefit to the community. Currently, this is for the purpose of a Tuition Assistance Program.

Fiscal Impact:

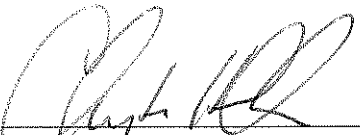
There is no additional financial impact on the City by extending the lease for five years. The lease waiver is already part of future financial projections.

Measure of Success

A successful child care program is continued to be provided at 4 Solano Street.



Administrative Services Director
Stuart Schillinger



City Manager
Clay Holstine

**LEASE MODIFICATION AND
EXTENSION AGREEMENT**

THIS LEASE MODIFICATION AND EXTENSION AGREEMENT, effective as of May 31, 2012, by and between THE CITY OF BRISBANE, a municipal corporation ("Landlord") and SILVERSPOT NURSERY SCHOOL, a California nonprofit corporation ("Tenant"), is made with reference to the following facts:

A. Landlord and Tenant are parties to an existing Renewal Lease Agreement, effective June 1, 2005 ("the Lease Agreement") covering the premises located at 4 Solano Street, Brisbane, California, having an original term of two years from June 1, 2005 to May 31, 2007.

B. Landlord and Tenant executed a Lease Extension Agreement to extend the term of the lease for a period of five years from June 1, 2007 to May 31, 2012.

C. The parties desire to further extend the lease term and to modify the Lease Agreement, as hereinafter set forth.

NOW, THEREFORE, it is agreed as follows:

1. The term of the lease agreement is hereby extended for a period of five (5) years from June 1, 2012 through May 31, 2017 (the "Extended Term").

2. Tenant shall have the option to renew the lease for an additional term of two (2) years, from June 1, 2017 to May 31, 2019 (the "Renewal Term"), by giving written notice to Landlord of Tenant's exercise of such option not later than May 1, 2017.

3. The waiver of rent set forth in Article 3 of the Lease Agreement shall apply to both the Extended Term and the Renewal Term, subject to Tenant's utilization of the Monthly Waiver Amount in the manner prescribed by the Lease Agreement.

4. Except as herein modified, all of the terms and provisions of the Lease Agreement shall remain in full force and effect during the Extended Term and during the Renewal Term.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Agreement effective as of the day and year first above written.

LANDLORD:

THE CITY OF BRISBANE,
a municipal corporation

By: _____
Cliff Lentz, Mayor

ATTEST:

Sheri Marie Spediacci, City Clerk

APPROVED AS TO FORM:

Harold S. Toppel, City Attorney

TENANT:

SILVERSPOT NURSERY SCHOOL
a California nonprofit corporation

By: _____
President

By: _____
Secretary