



Town of Atherton

CITY COUNCIL STAFF REPORT – CONSENT AGENDA

**TO: HONORABLE MAYOR AND CITY COUNCIL
GEORGE RODERICKS, CITY MANAGER**

THROUGH: ROBERT OVADIA, PUBLIC WORKS DIRECTOR

**FROM: SALLY BENTZ-DALTON, TOWN ARBORIST/PARK
MANAGER**

DATE: JUNE 19, 2019

**SUBJECT: APPROVAL OF LEASE EXTENSION FOR KNOX
PLAYSCHOOL**

RECOMMENDATION

Approve a one-year lease extension with options for two successive 1-year terms for the Knox Playschool at Holbrook-Palmer Park and authorize the City Attorney to draft and the City Manager to execute the amendment.

BACKGROUND

Knox Playschools Incorporated operates a playschool in Holbrook-Palmer Park in facilities leased by the Town. The current lease was initially executed in 2001 and has been amended six (6) times, most recently in May 2016.

Amendment No. 6, approved by the City Council, extended the lease to the Knox Playschool by one year with two additional 1-year options available per mutual agreement. The two additional one-year extensions have been executed and the lease is set to expire on August 31, 2019.

ANALYSIS

Knox Playschool is interested in continuing to operate the playschool in its current location in Holbrook-Palmer Park and has requested a one-year lease extension with two additional one-year

extension options. At this time, Knox Playschool is not seeking a long-term lease commitment.

If approved, the amendment will extend the lease to 11:59 p.m. on August 31, 2020. The Lessee would then have two one-year options, potentially extending the lease to 11:59 p.m. on August 31, 2022. The terms and conditions of the original agreement and previous amendments will remain in effect.

The extension carries the lease through completion of the new Town Center and the Council future discussion of the Park Circulation Plan as part of the Park Master Plan.

FISCAL IMPACT

The current monthly rent amount is \$7,175.27 (\$86,103.24 annually). The rental amount is adjusted annually commensurate with the Consumer Price Index for all Urban Consumers (CPI-U), San Francisco-Oakland-San Jose area. The adjusted monthly rental amount becomes effective on September 1 of each year.

POLICY FOCUS

Policy focus should center on whether the playschool should be allowed to continue operations at Holbrook-Palmer Park where it has operated since 1998. Knox Playschool is interested in continuing operations on an annual basis via the lease.

As noted above, once the new Town Center is completed, the Town will need to remove the temporary Administration and Building trailers from the Park. At that time, the Council can discuss the Park Circulation Plan in light of the Park Master Plan which contemplates relocation of the Playschool. The Park Master Plan recommends a Playschool Relocation Study to determine program needs, utility requirements and a cost estimate, which could then be used by the Council for policy discussions on relocation costs and cost sharing options with the Playschool. There will be options for the Council to consider in the fall of 2021.

COMMISSION/COMMITTEE FEEDBACK/REFERRAL

This item ___ has or X has not been before a Town Committee or Commission.

- Audit/Finance Committee (meets every other month)
- Bicycle/Pedestrian Committee (meets as needed)
- Civic Center Advisory Committee (meets as needed)
- Environmental Programs Committee (meets every other month)
- Park and Recreation Committee (meets each month)
- Planning Commission (meets each month)
- Rail Committee (meets every other month)
- Transportation Committee (meets every other month)
- Tree Committee (meets each month)