



Agenda Report

MEETING DATE: Tuesday, January 19, 2021

TO: City Council

FROM: Parks & Community Services

SUBJECT: Resolution Approving a Five-Year Lease with YWCA of Watsonville, a corporation for Use of City Owned Property Located at 118 Second Street (Marinovich Park) for a Child Care Facility

STATEMENT OF ISSUE:

Renew a lease with the YWCA of Watsonville, a corporation for City owned property at 118 Second Street.

RECOMMENDED ACTION:

Adopt a resolution approving a five-year lease with the YWCA of Watsonville, a corporation for use of City owned property located at 118 Second Street (Marinovich Park) for a child care facility.

DISCUSSION:

The YWCA of Watsonville whose mission is eliminating racism, empowering women and promoting peace, justice, freedom and dignity for all; opened its doors in 1929 in the Monterey and Santa Cruz Bay area. The YWCA of Watsonville incorporated in 1952 has since been an important community asset for the South Santa Cruz County community. Currently, the YWCA serves a low-income Latino population reflective of the local demographics. At least 95% of all participants in the YWCA programs are of Latino background. Programs primarily serve working and underemployed families.

The Child Care Center was originally leased to the YWCA in 1980 for a twenty-five (25) year term for the purpose of operating a 24-hour childcare program funded through the Department of Housing and Urban Development. Since 2006, the lease has been renewed every two years for two-year terms.

The YWCA receives funding from the State to provide a preschool program for children. Currently, the Child Care facility is at full capacity serving young children 225 days per year.

The terms of this Lease include:

- A five-year term commencing January 1, 2021 and expiring on December 31, 2025.

- A base rent of \$200 per month. Base rent shall increase every July for each year of the contract, commencing July 2021, by the Consumer Price Index for all Urban Consumers (CPI-U) for the San Francisco Area, as assessed in April of each year.
- The City of Watsonville is responsible for capital building maintenance, repairs and replacement, while the YWCA is responsible for utilities and janitorial services.
- Tenant also pays for a fire and casualty insurance policy on the building and a \$1 million liability policy should anyone trip or fall on the property.

During the previous lease period (2019-2020), the YWCA contributed a reported \$28,500 in building/equipment improvements, including improvements related to COVID-19.

STRATEGIC PLAN:

05-Community Engagement & Well-Being – The YWCA childcare program supports early childhood development.

FINANCIAL IMPACT:

The base rent for this lease is \$200 per month or \$2,400 annually (0150.690.5895). The monthly rent amount will increase annually in July by CPI-U.

ALTERNATIVE ACTION:

The Council may:

1. Not approve this lease agreement
2. Modify the proposed lease agreement

ATTACHMENTS AND/OR REFERENCES (If any):

None

CITY COUNCIL ACTION RECOMMENDED:

Adopt a resolution approving a five-year lease with the YWCA of Watsonville for City owned property at 118 Second Street (Marinovich Park) for a child care facility.