

**CITY OF ALBANY  
CITY COUNCIL AGENDA  
STAFF REPORT**

Agenda Date: June 20, 2005

Reviewed by \_\_\_\_\_

**SUBJECT:** Renewal of a Special Lease Agreement with Albany Preschool to use the City owned building at 850 Masonic Avenue for Preschool activities.

**REPORT BY:** Melinda Chinn, Recreation & Community Services Director

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**RECOMMENDATION**

- 1) The Albany Parks and Recreation Commission recommends renewal of the Special Lease Agreement with the Albany Preschool; and
- 2) Authorize the City Administrator to execute the five-year special use agreement with the Albany Preschool for the continued use of the City owned building at 850 Masonic Avenue as a Preschool.

**DISCUSSION/ANALYSIS**

The Albany Cooperative Preschool is a licensed childcare facility and a not for profit organization that has been in operation since 1937. The Preschool operates out of a City owned building located at 850 Masonic Avenue. The Preschool is licensed for 24 children and has two programs including a morning and an afternoon program.

This agreement will allow the Albany Preschool to continue its operation for a five-year term beginning July 1, 2005 until June 30, 2010. At the end of this five-year agreement, the City of Albany may wish extend the agreement for an additional two years with the same terms or decide to re-negotiate the agreement.

**FINANCIAL IMPACT**

The City of Albany allows the Albany Preschool to use the building at 850 Masonic and does not charge a monthly rental fee. The value of the rental of this building is approximately \$1,500 to \$2,000 per month or \$18,000 to \$24,000 per year. The preschool does however; reimburse the City in the amount of \$525 per month, (\$6,300 per year) for the use of the property adjacent to the building that the City leases from the property owner for use by the Preschool as a play area. In addition, the Preschool pays 30% of the utility costs for the Albany Senior Center. Both buildings share the gas and electric meter. The Preschool pays for fire, liability and workers compensation insurance for the building and the staff working at the preschool, and all improvement costs to the building with the exception of seismic upgrades that the city will determine are necessary. This work is one of the projects listed in the City's 5-year CIP program and will be paid for from the city's allotment of Proposition 40 per capita funding. The work on the building is expected to in early 2006.