



## Staff Report

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File #: REPORT 20-0613, Version: 1

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Honorable Mayor and Members of the Hermosa Beach City Council  
Regular Meeting of August 22, 2020

**RETROACTIVELY APPROVE FIRST AMENDMENT TO LEASE  
AGREEMENT BETWEEN THE CITY OF HERMOSA BEACH  
AND STAR EDUCATION TO PROVIDE CHILDCARE SERVICES  
FOR CHILDREN ENROLLED IN THE HERMOSA BEACH  
CITY SCHOOL DISTRICT**

(Community Resources Manager Kelly Orta)

**Recommended Action:**

Staff recommends that the City Council:

1. Retroactively approve a first amendment to lease agreement with STAR Education to provide enhanced childcare services for children enrolled in the Hermosa Beach City School District participating in virtual instruction; and
2. Add estimated lease revenue of \$4,664.40 to the 2020-21 Budget.

**Executive Summary:**

In July 2015, the City entered into a lease agreement with STAR Education, a non-profit organization based out of Los Angeles, to utilize classroom 7 and the courtyard of the Community Center to provide daycare services and enrichment programming for children attending kindergarten in the Hermosa Beach City School District (HBCSD). A new three-year lease agreement was approved by the Council at its July 23 meeting to continue STAR's program and use of City facilities commencing with the start of the new school year. Following the announcement that schools would be held virtually when it resumes in the fall, City staff, HBCSD and STAR representatives worked collectively to accommodate an enhanced program that would provide a safe space for children to participate in virtual learning and recreational activities. Staff recommends the approval of the proposed first amendment to the lease agreement which would provide the use of additional classroom and outdoor spaces at the Community Center that would follow COVID-19 precautionary measures and state childcare licensing requirements.

**Background:**

On July 23, 2020, the City entered into a lease agreement with STAR Education (STAR) to utilize classroom 7 and the courtyard of the Community Center to provide daycare services and enrichment programming for children attending kindergarten in the Hermosa Beach City School District (HBCSD). The agreement, included as **Attachment 1**, continues STAR's afterschool program,

which has been in place since 2015.

The STAR program has not been in session since the closure of schools and city facilities, including the Community Center, in March 2020 due to COVID-19 precautionary measures. Following the announcement that HBCSD would hold instruction online beginning in the fall, STAR and HBCSD representatives along with City staff worked together to develop opportunities for STAR to expand its kinder program and provide daycare services for all school-aged children enrolled in the HBCSD. This program would provide dedicated time and resources for online learning as well as outdoor, recreational activities in small 10 to 12-person cohort groups. This enhanced program would require the use of additional classroom and outdoor space in the Community Center, which is currently available for this use.

### **Discussion:**

STAR is a non-profit organization based out of Los Angeles that provides recreational and enrichment programming for school-aged children in a variety of programs and settings. STAR's team developed the Hermosa Beach kinder program collectively with staff and HBCSD representatives and created a state licensed childcare program that met the needs of the community when the HBCSD transitioned from full-day to half-day kindergarten classes due to impacted classroom space. The partnership between the City and STAR has been positive since its inception in 2015 and its program has been able to take place amongst other activities in the Community Center without concern or conflict.

### **Program Expansion**

The current lease agreement allows STAR's use of classroom 7 and the outdoor courtyard while school is in session for HBCSD students. Following the announcement that HBCSD would be holding only virtual instruction when it began on September 3, staff worked collectively with STAR and HBCSD representatives to develop an expanded and enhanced program that would provide daycare services for the many families that would benefit from having a safe space for their children to complete online learning lessons; assigned homework; and physically active, recreational activities. To meet the anticipated need, the following classroom spaces, in addition to its use of classroom 7, have been made available to STAR for its expanded program:

- Room 4;
- Room 5;
- Room 9;
- Room 10;
- Community Theater Green Room; and
- 2<sup>nd</sup> Story Theatre

These classrooms would be necessary to provide the required physical distancing requirements in response to COVID-19, which decreases the capacity in each space. The required outdoor space,

necessary for state childcare licensing, would be on the north lawn of the Community Center. A fence and water-filled barricades, provided by STAR, will provide a safe space for program participants during outdoor program time. This expanded program, classrooms, and outdoor space would be in place while HBCSD is holding online or hybrid instruction only; STAR would resume its original program in classroom 7 and the courtyard only once HBCSD resumes in person instruction.

#### Lease Payment

In addition to the \$1,593.03 monthly payment for use of classroom 7, the first amendment outlines the per classroom cost of the additional spaces that may be utilized by STAR for its program expansion. These costs are included in Table 1 below.

**Table 1: Per Classroom Costs**

Room	Rate
4	\$1,166.10
5	\$1,166.10
9	\$511.29
10	\$1,175.07
2 <sup>nd</sup> Story Theatre	\$1,200.49
Community Theatre Green Room	\$1,140.69

These costs are consistent with recommended rates following a market analysis completed for the development of the municipal lease policy. Due to the urgency to implement this program to be effective at helping families at the start of the school year, it began on Thursday, September 3. Since then, STAR has been utilizing only two classroom spaces, rooms 4 and 7, to support its current program enrollment. Staff will continue to work with STAR to determine which spaces are most needed for further program expansion into the additional rooms outlined in the first amendment. STAR will be charged the monthly rental fees accordingly.

#### **General Plan Consistency:**

This report and associated recommendation have been evaluated for their consistency with the City's General Plan. Relevant policies are listed below:

#### *Parks & Open Space Element*

#### **Goal 2. Abundant parks, open space, and recreational facilities to serve the community.**

##### **Policies:**

- **2.1 Diverse programs and facilities.** Offer diverse recreational programs and facilities to meet the needs of all residents.

- **2.5 Shared use agreements.** Work with adjacent jurisdictions, the school district, and private facilities to offer recreational opportunities or activities not available at City of Hermosa Beach facilities.

**Goal 3. Community parks and facilities encourage social activity and interaction.**

Policies:

- **3.6 Availability of City facilities.** Consider the demand and availability of City facilities for general community use in the long-term lease and/or rental of City facilities.

**Fiscal Impact:**

At minimum, the City would collect an additional \$4,664.40 in rental fees for STAR's use of classroom 4, calculated through the end of December 2020. The additional estimated lease revenue of \$4,664.40 would be added to the 2020-21 Budget. STAR's use of additional classroom spaces consistent with its program registration will be charged and collected accordingly.

**Attachments:**

1. Lease Agreement with STAR Education
2. First Amendment to Lease Agreement with STAR Education

**Respectfully Submitted by:** Kelly Orta, Community Resources Manager

**Noted for Fiscal Impact:** Viki Copeland, Finance Director

**Legal Review:** Mike Jenkins, City Attorney

**Approved:** Suja Lowenthal, City Manager