LEASES WITH PAUSD
FOR
CUBBERLEY AND
EXTENDED CHILD CARE SITES
Staff recommends that City Council authorize the City Manager to execute the Lease Agreements between Palo Alto Unified School District and the City of Palo Alto for the Cubberley and Extended Day Care premises.
BACKGROUND AND PROCESS

Original lease between City and PAUSD
• Began January 1990 for entire 35 acres
• Amended multiple times
• Included a Covenant Not to Develop
• Required PAUSD to provide space at schools for child care

Current lease between City and PAUSD
• $5.4M annual base rent for 27 acres of Cubberley
• City covers all maintenance and utilities
• $1.9M additional annually to Cubberley Infrastructure Fund
• $708k/yr additional annually for 12 extended day care sites
• Expired December 2019
BACKGROUND AND PROCESS

Lease negotiations

• City and PAUSD began discussing a new lease last year
• On October 7, 2019, City Council directed staff to negotiate an agreement with PAUSD to continue leasing Cubberley for an additional five years, including term sheet with milestones for future development
• Lease revisited and renegotiated during public health emergency
  • City fiscal distress
  • PAUSD space needs
CUBBERLEY LEASE
**CUBBERLEY LEASED AREA**

**Indoor**
- Gym A and B
- G5 and G8
- Pavilion
- Theater
- FOPAL (Q)
- S Building
- JMZ (Auditorium)
- Maintenance*

**Outdoor**
- Fields
- Track

**Common Areas**
- Parking area
- Walkways
- Restrooms
- Boiler room (BR)
LEASE TERMS

Lease term and rent
- July 1, 2020 to December 31, 2024
- $208,333 per month ($2.5M annually)
- $13,790 for JMZ
- $5,650 for S building

Maintenance and utilities
- City maintains and repairs entire property
- PAUSD to reimburse share of maintenance
- City pays for utilities
CUBBERLEY TENANTS

Moving to City portion:
- Avenidas
- Imagination School
- PA Humane Society (tentative)

Included in City’s lease with PAUSD:
- Children’s Preschool
- Friends of the PA Library
- HeartFit for Life
- Minority TV

Offer to lease directly with PAUSD
- Silicon Valley Karate

Terminated own lease
- Genius Kids

Not yet relocated
- Community for Christ Church
CUBBERLEY RENTERS

Offer to rent directly from PAUSD
- M Rooms
- G6 (dance studio)
- ~20 different renters

Staff working with other renters to find space
EXTENDED CHILD CARE SITES LEASE
Lease term and rent

- July 1, 2020 to June 30, 2022
- $58,973 per month ($707,676 annually)
- Minor maintenance and utilities

Located at twelve elementary schools

- 11 operated by Palo Alto Community Child Care
- 1 operated by Kid’s Choice (Nixon Elementary)