



City of Oceanside

300 North Coast Highway,
Oceanside, California 92054

Staff Report

File #: 25-1083

Agenda Date: 12/3/2025

Agenda #: 7.

DATE: December 3, 2025

TO: Honorable Mayor and City Councilmembers

FROM: Public Works Department

TITLE: AMENDMENT 2 TO PROPERTY USE AGREEMENT WITH NORTH COUNTY COMMUNITY SERVICES, DBA GROWING MINDS EARLY EDUCATION PROGRAMS, FOR THE USE OF A PORTION OF THE BALDERRAMA RECREATION CENTER LOCATED AT 709 SAN DIEGO STREET

RECOMMENDATION

Staff recommends that the City Council approve Amendment 2 to the Property Use Agreement with North County Community Services, DBA Growing Minds Early Education Programs, for the use of a portion of the Balderrama Recreation Center located at 709 San Diego Street, extending the term of the agreement through December 31, 2030, for a five-year minimum total revenue of \$390,000, for the operation of child development preschool services and other related programs and activities; and authorize the City Manager to execute the amendment upon receipt of all supporting documents.

BACKGROUND AND ANALYSIS

On December 16, 2015, the City entered into a Property Use Agreement ("Agreement") with North County Community Services, DBA Growing Minds Early Education Programs ("Permittee") for the purpose of providing child day care services and other related programs and activities at the Balderrama Recreation Center located at 709 San Diego Street ("Building"). Permittee occupies and has exclusive-use of 8,455 square feet of the Building, which has a total of 19,627 square feet (See Attachment #3). The Agreement was initially for a term of five years and provided for one five-year extension option. Permittee exercised the five-year extension option through Amendment 1, dated November 18, 2020, which extended the term of the Agreement through December 31, 2025. At this time, Permittee has requested an additional extension for an additional five-year term.

Permittee is a California non-profit corporation that has been providing child development preschool services and other related programs and activities at Balderrama Recreation Center since 1995. Permittee offers its state-funded services to income-eligible families that receive free or low-cost, full and part-time care for children ages 18 months to four years old. Eligible families receive services for two years before needing to recertify for eligibility. Permittee is licensed to serve 80 children and program enrollment fluctuates throughout the year, depending on the needs of families and whether children age out during the year. Currently, there are about 50 children enrolled.

Permittee's exclusive-use space includes of a portion of the indoor area of the Building, designated

as the day care space, as well as the outdoor areas, designated as the playground and atrium. Additionally, Permittee has non-exclusive use of the kitchen area and the common areas. The exclusive-use space and non-exclusive use space are collectively known as the "Premises". Permittee is responsible for its pro rata share of the cost of all utilities including gas, electricity, water, trash, and sewer.

The proposed Amendment 2 ("Amendment") extends the term of the Agreement for five years, commencing on January 1, 2026 and expiring on December 31, 2030. The Amendment also adjusts the monthly rent ("Rent") to \$6,500 for the first year of the term. Rent will be adjusted annually thereafter, based on the semi-annual Consumer Price Index ("CPI").

FISCAL IMPACT

The Amendment will result in Rent for the use of the Premises, over the five-year term in the minimum amount of \$390,000 and will be deposited to city account 1101.4351. The rent will be adjusted annually based on the semi-annual CPI.

Description	1st Year Annual Amount	5-Year Minimum Revenue Amount	Revenue Account
Minimum Rent Revenue	\$78,000	\$390,000	1101.4351

COMMISSION OR COMMITTEE REPORT

Does not apply.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

Prepared by: Bryan Smithwick, Property Agent I
Reviewed by: Hamid Bahadori, Public Works Director
Submitted by: Jonathan Borrego, City Manager

ATTACHMENTS:

1. Staff Report
2. Amendment 2
3. Building Premises Diagram