



STAFF REPORT
6/23/2021

TO: Honorable Mayor and City Council Members

FROM: Maritza Martinez, Public Works Director

SUBJECT: Approve execution of Amendment No. 3 to the lease agreement between the City of Coachella and Armtec Defense Technologies.

STAFF RECOMMENDATION:

Approve execution of Amendment No. 3 to the lease agreement between the City of Coachella and Armtec Defense Technologies.

BACKGROUND:

On October 8, 2008, to provide additional open space for recreational use Council action authorized the City Manager to execute a Lease Agreement between the City of Coachella and Armtec Defense Technologies (Armtec). The Lease authorized the City (Lessee) to access the westerly eleven (11) acres of the property for public park type uses. These eleven acres have been used predominantly for soccer recreation and the property has been segmented into four (4) fields. In 2008, the Lease was entered into with the understanding that the Coachella Valley Desert Soccer League (CVDSL) would oversee the installation and maintenance of these fields. However, CVDSL was not able to install adequate irrigation systems and overcome the challenges posed by the alkalinity of the soil.

In 2011, Council approved Amendment No. 1 to the Lease Agreement with Armtec. This Amendment authorized the City to extend the Lease for an additional five years, with the following conditions set by Armtec: 1) the City will take over maintenance of the leased land and 2) the City will invest to improve the condition of the fields. Staff was authorized to invest \$35,000 in the improvement of the leased land by: overhauling the irrigation system, grading and leveling the property, and installing stolons to improve turf conditions.

The Parks and Recreation Commission recommended Amendment No. 2 to the Armtec Lease Agreement for approval on June 21, 2006. Subsequently, the agreement was approved for execution by the City Council on July 13, 2016. In addition, the Commission recommended and City Council approved a Sublease Agreement between Coachella Youth Sports Association Soccer (CYSAS). This Sublease Agreement subleases these eleven (11) acres to CYSAS with the following requirements: 1) pay for water utility use and 2) assume the landscape maintenance of the said property; all programming and use of the site is managed by CYSAS.

DISCUSSION/ANALYSIS:

Attached to this staff report is the proposed Amendment No. 3 Lease Agreement between the City of Coachella and Armtec, which would extend the term of Lease for an additional five years. If the Amendment No 3 were not extended the Sublease Agreement between CYSAS and City would expire. The Sublease Agreement is now operating within its “Extended Term” and is a year-to-year agreement that can be terminated without cause by providing 90 days written notice. Armtec is aware of the City’s proposed Amendment No. 3 and is comfortable with its approval. The Parks and Recreation Commission reviewed this item during their June 15, 2021 meeting and recommended approval of this item.

FISCAL IMPACT:

This action will not have a negative financial impact to the City’s general fund.

Attachment:

Lease Agreement Amendment No. 3