

year. The short, two-year term of the current lease anticipated a potential change in use of the property from parking lot to parkland surrounded by mixed use TOD which may have incorporated a new day care facility. The Tamien Caltrain Station and Park-N-Ride Lot has been identified as a potential site for a Transit Oriented Develop (TOD). The VTA Board of Directors has previously declared approximately six acres of VTA-owned vacant property adjacent to the Park and Ride Lot as excess property.

DISCUSSION:

With the uncertainty of the timing of the future development at Tamien Station, staff recommends that the lease with the current operator be extended for five years or until such time as the Tamien property is ready for redevelopment. Staff has re-negotiated an extension of the existing lease for a period of five years at a rental rate of \$75,000 for the first year and two-percent annual escalations in the subsequent years. If after five-years the Tamien Station development plan is still uncertain, staff would issue a Request for Proposal for use of the facility.

The new five-year lease with Bright Horizons Children's Center, Inc. will include a provision for a six-month notice to vacate the premises, if VTA determines the need to use the property for development. This lease will allow Bright Horizon's to continue to operate the facility until the property is made available for a TOD. Under the new lease, Bright Horizons will make approximately \$60,000 in improvements to the facility including playground resurfacing, interior painting, floor cover replacement for worn areas, restroom wall resurfacing and new outdoor play equipment.

ALTERNATIVES:

The Board can choose to not renew this lease and direct staff to proceed with an RFP for use of the facility. The uncertainty of future development coupled with a six-month termination clause may limit future bidders for use of the facility.

FISCAL IMPACT:

The first year's rent will be \$75,000; more than a three-fold increase over the current rent. Each subsequent year will escalate by two percent.

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A five year lease renewal for Bright Horizons

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