DATE:       June 28, 2016

TO:        City Council

THROUGH:  Greg Nyhoff, City Manager
         Office of the City Manager

FROM:       Mike More, Financial Svcs Mgr

SUBJECT:   Second Amendment to Lease - Western Federal Credit Union

CONTACT:  Mike More, Finance
         Mike.More@oxnard.org, 385-7480

RECOMMENDATION:

That City Council approve and authorize the Mayor to execute a Second Amendment to Rental Agreement No. 5104-10-DS with Western Federal Credit Union for an additional 3-year term for occupancy of 1,065 square feet of the City Hall East Wing at 305 West Third Street Oxnard, CA 93030.

BACKGROUND

Western Federal Credit Union (“WCFU”) has leased 1,065 square feet of the City Hall East Wing at 305 West Third Street since May 19, 2010. WCFU is a successor to the City of Oxnard Employee Federal Credit Union, which provides various financial services to City employees and other credit union members. WFCU is one of the nation's leading credit unions, with more than $2.0 billion in assets and over 186,000 account holders across the country. Membership to WFCU is open to any resident of the City of Oxnard.

WCFU currently pays a rental rate of $1,264.47 per month ($15,173.64/year). Pursuant to the terms of the lease, the rent is adjusted each June by a percentage equal to the percentage change in the Los Angeles/Riverside/Orange Co. CA Consumer Price Index (“CPI”) not to exceed 2% per year. The most recent change in the CPI as of the date of this report is 1.35%; therefore, the new rental rate as of June 4, 2016 is estimated at $1,281.53/month ($1.20 per square foot). There are comparable office rentals that were noted in the general area to be available at a range of
$1.10/sf to $1.35/sf. Therefore, staff considers the existing rate to be reasonable in addition to WFCU providing a valuable service to the City, its employees, and residents.

**FINANCIAL IMPACT**

Revenue in the amount of $15,378.36 will be deposited to the General Fund over the next 12 months. As referenced above, this amount will be increased by CPI in each of the remaining two years of the lease.

**ATTACHMENTS:**

Attachment A: Western Federal Credit Union Rental Agreement

Attachment B: 1st Amendment to Western Federal Credit Union Rental Agreement

Attachment C: 2nd Amendment to Western Federal Credit Union Rental Agreement
RENTAL AGREEMENT

This Rental Agreement ("Agreement") is entered into this 19th day of May, 2010, by and between the City of Oxnard ("City") and Western Federal Credit Union ("Western Federal").

WHEREAS, the City owns approximately 1,065 square feet of office space in a public building, located at 305 West Third Street in Oxnard, California ("Property") diagramed on the attached site plan; and

WHEREAS, the City wishes to enter into an Agreement to enter and use the property for the purpose of providing credit union services to the members of Western Federal Credit Union ("Activity"); and

WHEREAS, Western Federal desires to use the Property for the above stated Activity during its regular business hours; and

WHEREAS, Western Federal desires to have exclusive access the Property (except for City’s access rights as provided herein); and

WHEREAS, the City desires to make the Property available to Western Federal to conduct the Activity.

NOW, THEREFORE, the City and Western Federal agree:

1. Agreement Terms.

A. Subject to the conditions contained in this Agreement, the City grants to Western Federal possession of the Property to conduct the Activity on the Property and no other activities.

B. Western Federal shall conduct the Activity only on the days and at the times as described herein above.

C. The fee for this Agreement is $1,171.50 monthly, receipt of which is acknowledged. The fee will pay for services provided by the City, including facilities maintenance, custodial services, and utilities.

D. City shall during regular business hours and upon reasonable notice maintain the right to enter the Property for purposes of inspection, as well as carrying out all City’s functions as a public agency and determining compliance with this Agreement. City may also enter the premises at any time in the event of public emergency or threat to the security of the Property or City facilities in which it is located.
2. **Maintenance.**

   A. In consideration for this Agreement, Western Federal shall at all times:

   (1) Maintain the Property free of litter, trash and other debris; provide maintenance to keep the Property in a first class condition in accordance with standards for carrying on business such as that in which Western Federal is engaged.

   (2) Cooperate with the City staff as requested.

   (3) Conduct the Activity in a safe, sane and reasonable manner so as not to cause injury to persons or property; comply with all federal, state, and local laws.

   (4) Return the Property in as good a condition as when the Agreement commenced.

3. **Term of Agreement.**

   The term of this Agreement shall begin on June 3, 2010, and shall terminate on June 3, 2013, unless extended or terminated as provided for herein.

4. **Termination/Extension.**

   A. This Agreement may be terminated by the City Manager or designee ("Manager"), with or without cause, by providing notification to Western Federal in writing at least 180 days prior the effective date of the termination.

   B. This Agreement may be terminated by Western Federal, with or without cause, by providing notification to the City Manager in writing at least 180 days prior to the effective date of the termination.

5. **Permits, Licenses and Certificates.**

   Western Federal, at Western Federal’s expense, shall obtain and maintain during the term of this Agreement, all permits, licenses and certificates required in connection with the conduct of the Activity.

6. **Indemnity by Western Federal.**

   A. Western Federal agrees to indemnify, hold harmless and defend the City, the City Council, and each member thereof, and every officer, employee, representative or agent of the City, from any and all liability, claims, demands, actions, damages (whether in contract or tort, including personal
injury, death at any time, or property damage), costs and financial loss, including all costs and expenses and fees of litigation or arbitration, that arise directly or indirectly from any acts or omissions related to this Agreement performed by Western Federal or its agents, employees, or other persons acting on Western Federal’s behalf. This agreement to indemnify, hold harmless and defend shall apply whether such acts or omissions are the product of active negligence, passive negligence, willfulness or acts for which Western Federal or its agents, employees or other persons acting on Western Federal’s behalf would be held strictly liable.

B. Western Federal’s obligation to defend shall arise when a claim, demand or action is made or filed, whether or not such claim, demand or action results in a determination of liability or damages as to which Western Federal is obligated to indemnify and hold harmless.

7. Insurance.

A. Western Federal shall obtain and maintain during the term of this Agreement the insurance coverages as specified in Exhibit INS-N, attached hereto and incorporated herein by this reference, issued by a company satisfactory to the Risk Manager, unless the Risk Manager waives, in writing, the requirement that Western Federal obtain and maintain such insurance coverages.

B. Western Federal shall, prior to use of the Property, file with the Risk Manager evidence of insurance coverage as specified in Exhibit INS-N. Evidence of insurance coverage shall be forwarded to the Risk Manager, addressed as specified in Exhibit INS-N.


The construction and interpretation of this Agreement and the right and duties of the City and Western Federal hereunder shall be governed by the laws of the State of California.

9. Compliance with laws.

Western Federal shall comply with all State, federal, and local laws, rules and regulations, now or hereafter in force, pertaining to Western Federal’s use of the Property.


A. Any notices to the City may be delivered by mail addressed to:
City of Oxnard
214 South C St.
Oxnard, CA, 93030
Attn: Matthew Winegar, Development Services Director.

B. Any notice to Western Federal may be delivered by mail addressed to:
Western Federal Credit Union
14500 Aviation Blvd.
Hawthorne, CA 90250
Attn: EVP, Administration

11. Assignment.

Western Federal may not delegate its rights or duties under this Agreement without the written consent of the Manager, which consent may not be unreasonably withheld for any reason.

12. Successors and Assigns.

This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the City and Western Federal, for the benefit of the Property.

13. Amendment.

This Agreement may be reviewed or amended at any time. Any amendments to this Agreement shall become effective only when agreed to in writing by both the Manager and Western Federal.

14. Entire agreement.

This Agreement constitutes the entire agreement of the City and Western Federal regarding the subject matter hereof and supercedes all prior communications, agreements and promises, either oral or written.

CITY OF OXNARD

[Signature]
James Cameron, Purchasing Agent

APPROVED AS TO FORM:

[Signature]
Alan Holmberg, City Attorney

WESTERN FEDERAL CREDIT UNION

by: [Signature]
its: EVP, Admin.

APPROVED AS TO INSURANCE:

[Signature]
James Cameron, Risk Manager
INSURANCE REQUIREMENTS FOR LEASES OF LAND OR BUILDINGS
(WITHOUT AUTOMOBILE LIABILITY REQUIREMENT)

1. Lessee shall obtain and maintain during the term of the lease the following insurance against claims for injuries to persons or damages to property which may arise from or in connection with the lease by lessee, its agents, representatives, employees or sublessees.

   a. Commercial General Liability Insurance, including Contractual Liability, in an amount not less than $1,000,000 combined single limit for bodily injury and property damage for each claimant for general liability with coverage equivalent to Insurance Services Office Commercial General Liability Coverage (Occurrence Form CG 0001). If a general aggregate limit is used, that limit shall apply separately to the project or shall be twice the occurrence amount;

   b. Workers' Compensation Insurance in compliance with the laws of the State of California, and Employer's Liability Insurance in an amount not less than $1,000,000 per claimant.

   c. Property Insurance against all risks of loss to any tenant improvements or betterments in the amount of the full replacement cost of the improvement or betterment with no co-insurance provisions.

2. Lessee shall, prior to occupation of the premises, file with the Risk Manager certificates of insurance with original endorsements effecting coverage required by this Exhibit INS-N. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be on the attached forms or on other forms approved by the Risk Manager. All certificates and endorsements are to be received and approved by the Risk Manager before occupation of the premises. City reserves the right to require complete certified copies of all required insurance policies at any time. The certificates of insurance and endorsements shall be forwarded to the Risk Manager, addressed as follows:

   City of Oxnard
   Risk Manager
   Reference No. 5104-10-DS
   300 West Third Street, Suite 302
   Oxnard, California 93030

3. Lessee agrees that all insurance coverages shall be provided by a California admitted insurance carrier with an A.M. Best rating of A:VII or better and shall be endorsed to state that coverage may not be suspended, voided, canceled by either party, or reduced in coverage or limits without 30 days' prior written notice to the Risk Manager. The Risk Manager shall not approve or accept any endorsement if the endorsement contains "best effort" modifiers or if the insurer is relieved from the responsibility to give such notice.

4. Lessee agrees that the Commercial General Liability and Business Automobile Liability Insurance policies shall be endorsed to name City, its City Council, officers, employees and volunteers as additional insureds as respects: liability arising out of activities performed by or on behalf of lessee; products and completed operations of lessee; premises owned, occupied or used by lessee; or automobiles owned, leased, hired or borrowed by lessee. The coverage shall contain no special limitations on the scope of protection afforded to City, its City Council, officers, employees and volunteers. The General Liability Special Endorsement Form attached to this Exhibit INS-N or substitute form containing the same information and acceptable to the Risk Manager shall be used to provide the endorsements (ISO form CG 2010 1/85 or if not available, CG 2010 with an edition date prior to 01/04 and CG 2037).

5. The coverages provided to City shall be primary and not contributing to or in excess of any existing City insurance coverages (this must be endorsed). Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its City Council, officers, employees and volunteers. The insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

6. Any deductibles or self-insured retentions must be declared to and approved by the Risk Manager. At the option of the Risk Manager, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its City Council, officers, employees and volunteers, or the lessee shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

7. All insurance standards applicable to lessee shall also be applicable to lessee's sublessees. Lessee agrees to maintain appropriate agreements with sublessees and to provide proper evidence of coverage upon receipt of a written request from the Risk Manager.

6/10
INSTRUCTION FOR SUBMITTING INSURANCE CERTIFICATES AND ENDORSEMENT FORMS

Certificates of Insurance

The sample accord form on the following page is provided to facilitate your preparation and submission of certificates of insurance. You may use this or any industry form that shows coverage as broad as that shown on the attached sample. Please note the certificate holder address must be as shown on the attached sample accord form with the contract number and insurance exhibit identification information completed. Improperly addressed certificates may delay the contract start-up date because the City’s practice is to return unidentified insurance certificates to the insured for clarification as to the contract number. Cancellation provisions must be endorsed to the policy. Modifying the certificate does not change coverage or obligate the carrier to provide notice of cancellation.

Endorsement Forms

Original endorsement is required for commercial general liability insurance policies and must be attached to the applicable certificate of insurance. City preference is that you use the endorsement forms which are attached. Substitute forms will be accepted, however, as long as they include provisions comparable to the attached.
# Accord Certificate of Insurance

**Issue Date (MM/DD/YY):**

**Producer:**

This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend or alter the coverage afforded by the policies below.

**Code/Sub-Code:**

**Companies Affording Insurance Coverage:**

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>LETTER</th>
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<tr>
<td>ASPECIFY COMPANY NAMES IN THIS SPACE</td>
<td>B</td>
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**Coverages:**

This is to certify that the policies of insurance listed below have been issued to the insured named above for the policy period indicated. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies. Limits shown may have been reduced by paid claims.

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<tr>
<th>LETTER</th>
<th>TYPE OF INSURANCE</th>
<th>Policy Number</th>
<th>Policy Effective Date (MM/DD/YY)</th>
<th>Policy Expiration Date (MM/DD/YY)</th>
<th>Limits</th>
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<td>A</td>
<td>General Liability [x] Commercial General Liability [x] Owners &amp; Contractor’s Prot.</td>
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<td>GENERAL AGGREGATE $1,000,000</td>
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<td>PRODUCTS COMPOP AGG. $1,000,000</td>
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<td>PERSONAL &amp; ADV. INJURY $1,000,000</td>
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<td>EACH OCCURRENCE $1,000,000</td>
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<td>FIRE DAMAGE (Any one fire) $</td>
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<td>MED EXPENSE (Any one person) $</td>
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<td>COMBINED SINGLE LIMIT $</td>
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<td>BODILY INJURY (Per Accident) $</td>
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<td>PROPERTY DAMAGE $</td>
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<td>Excess Liability Umbrella Form Other Than Umbrella Form</td>
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<td>AGGREGATE $</td>
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<td>STATUTORY LIMITS</td>
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<td>EACH ACCIDENT $1,000,000</td>
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<td>DISEASE-POLICY LIMIT $1,000,000</td>
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<td>DISEASE-EACH EMPLOYEE $1,000,000</td>
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**Description of Operations/Locations/Vehicles/Restrictions/Special Items:**

**Certificate Holder:**

City of Oxnard
Attn: Risk Manager
Reference No. 5104-10-DS
300 W. Third Street, Suite 302
Oxnard CA 93030

**Cancellation:**

Should any of the above described policies be canceled before the expiration date thereof, the issuing company will endeavor to mail 30 days written notice to the certificate holder named to the left, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.

**Authorized Representative:**

Packet Pg. 151
GENERAL LIABILITY SPECIAL ENDORSEMENT
FOR THE CITY OF OXNARD (the City)

PRODUCER

Telephone:

NAMED INSURED

Telephone: ______________________

TYPE OF INSURANCE

GENERAL LIABILITY
☐ COMMERCIAL GENERAL LIABILITY ☐ Claims Made
☐ COMPREHENSIVE GENERAL LIABILITY Retroactive Date ________
☐ OWNERS & CONTRACTORS PROTECTIVE ☐ Occurrence

COVERAGES

☐ GENERAL
☐ PRODUCTS/COMPLETED OPERATIONS
☐ PERSONAL & ADVERTISING INJURY
☐ FIRE DAMAGE
☐

POLICY INFORMATION:
Insurance Company:
Policy No.:
Policy Period: (from) __________
LODGE ADJUSTMENT EXPENSE ☐ included in Limits
☐ In Addition to Limits
☐ Deductible ☐ Self-Insured Retention (check which) of $ ________, with an Aggregate of $ ________ applies to coverage. ☐ Per Occurrence ☐ Per Claim

APPLICABILITY. This insurance pertains to the operations, products and/or activities of the named insured under all written agreements and permits with the City unless such agreements and permits with the City are covered:

CITY AGREEMENTS/PERMITS

OTHER PROVISIONS

CLAIMS: Underwriters representative for claims pursuant to this insurance.

Name: ______________________
Address: ______________________
Telephone: ______________________

in consideration of the premium charged and notwithstanding any inconsistent statement in the policy to which this endorsement is attached or any endorsement now or hereafter attached thereto, insurance company agrees as follows:

1. INSURED. The City, its officers, agents, employees and volunteers are included as insureds with regard to liability and defense of suits arising from the operations, products and activities performed by or on behalf of the named insured.
2. CONTRIBUTION NOT REQUIRED. As respects: (a) work performed by the named insured for or on behalf of the City; or (b) products sold by the named insured to the City; or (c) premises leased by the named insured from the City, the insurance afforded by this policy shall be primary insurance as respects the City, its officers, agents, employees or volunteers, or stand in an unbroken chain of coverage excess of the named insured's scheduled underlying primary coverage. In either event, any other insurance maintained by the City, its officers, agents, employees or volunteers shall be in excess of this insurance and shall not contribute with it.
3. SEVERABILITY OF INTEREST. This insurance applies separately to each insured against whom claim is made or suit is brought except with respect to the company's limits of liability. The inclusion of any person or organization as an insured shall not affect any right which such person or organization would have as a claimant if not so included.
4. CANCELLATION NOTICE. With respect to the interests of the City, this insurance shall not be canceled, nor materially reduced in coverage or limits except after thirty (30) days prior written notice by receipted delivery has been given to the City.
5. PROVISIONS REGARDING THE INSURED'S DUTIES. Any failure to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the City, its officers, agents, employees or volunteers.
6. SCOPE OF COVERAGE. This policy, if primary, affords coverage at least as broad as:
   a. Insurance Services Office Commercial General Liability Coverage, "occurrence" form CG 0001; or
   b. If excess, affords coverage which is at least as broad as the primary insurance form CG 0001.

Except as stated above nothing herein shall be held to waive, alter or extend any of the limits, conditions, agreements or exclusions of the policy to which this endorsement is attached.

ENDORSEMENT HOLDER

CITY OF OXNARD
Attn: Risk Manager
Reference No. 5104-10-DS
300 W. Third Street, Suite 302
Oxnard, CA 93030

AUTHORIZED REPRESENTATIVE
☐ Broker/Agent ☐ Underwriter ☐ ______________________

I, ______________________ (print/type name), warrant that I have authority to bind the above-mentioned insurance company and by my signature hereon do bind this company to this endorsement.

Signature ______________________ (original signature required)

Telephone: ______________________ Date Signed ______________________
FIRST AMENDMENT TO RENTAL AGREEMENT

This First Amendment ("First Amendment") to the Rental Agreement ("Agreement") is made and entered into in the County of Ventura, State of California, this 21st day of March, 2013, by and between the City of Oxnard, a municipal corporation ("City"), and Western Federal Credit Union ("Western Federal"). This First Amendment amends the Agreement entered into on May 19, 2010, by City and Western Federal.

City and Western Federal agree as follows:

1. Subsection C of section 1 of the Agreement is amended as follows:
   a. The figure "$1,171.50" is replaced with the figure "$1,241.79".
   b. The following sentence is added to the end of subsection C: "On June 3, 2014, and every twelve (12) months thereafter, the fee will be adjusted by a percentage equal to the percentage change in the Los Angeles/Riverside/Orange Co. CA Consumer Price Index ("CPI") not to exceed two percent (2%) per year."

2. In section 3 of the Agreement, the date "June 3, 2013" shall be deleted and replaced with the date "June 3, 2016."

3. As so amended, the Agreement remains in full force and effect.

CITY OF OXNARD

Karen Burnham, Interim City Manager

WESTERN FEDERAL CREDIT UNION

Gary V. Keleher, EVP, Administration

ATTEST:

Daniel Martinez, City Clerk

APPROVED AS TO INSURANCE:

James Cameron, Risk Manager

APPROVED AS TO FORM:

Alan Holmberg, City Attorney

APPROVED AS TO CONTENT:

Matthew G. Winegar, Development Services Director

COUNCIL APPROVAL:

5-18-13 AGENDA - 2
SECOND AMENDMENT TO RENTAL AGREEMENT

This Second Amendment ("Second Amendment") to the Rental Agreement ("Agreement") is made and entered into in the County of Ventura, State of California, this 26th day of April, 2016, by and between the City of Oxnard, a municipal corporation ("City"), and Western Federal Credit Union ("Western Federal"). This Second Amendment amends the Agreement entered into on May 19, 2010, by City and Western Federal. The Agreement previously has been amended on March 21st, 2013.

City and Western Federal agree as follows:

1. Subsection C of Section 1 of the Agreement is amended as follows.
   a. The figure “1,241.79” is replaced with the figure “1,281.53”.

2. Section 3 of the Agreement, the date “June 3, 2016” shall be deleted and replaced with the date “June 3, 2019”.

3. As so amended, the Agreement remains in full force and effect.

CITY OF OXNARD

Tim Flynn, Mayor

Western Federal Credit Union

Scott Johnson, Chief Information Officer

ATTEST:

Daniel Martinez, City Clerk

APPROVED AS TO FORM:

Stephen M. Fischer, Interim City Attorney

APPROVED AS TO INSURANCE:

Risk Manager
APPROVED AS TO CONTENT:

Maria Hurtado, Interim Chief Financial Officer

APPROVED AS TO AMOUNT:

Greg Nyhoff, City Manager

APPROVED AS TO CONTENT:

Rena Bassett, Project Manager