



Agenda Report

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File #: 19-0079

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**AGENDA REPORT  
REQUEST FOR CITY COUNCIL ACTION**

DATE: 2/6/2019

TO: Honorable Mayor and City Council Members

FROM: Community Development Department

**SUBJECT:**

City Council consideration of the First Amendment to the Lease Agreement with Corona-Norco Unified School District located at 152 E. Sixth Street, Corona. (Corona-Norco Unified School District)

**RECOMMENDED ACTION:**

That the City Council approve the First Amendment to the Lease Agreement with Corona Norco Unified School District.

**ANALYSIS:**

**Background**

The property at 152 E Sixth Street is a 15,000 square foot commercial parcel located in Downtown within the south side of the Corona Mall. The city's former Redevelopment Agency (RDA) purchased the property in the late 1990s and did tenant improvements inside the building to house satellite offices for the Redevelopment Department and Public Works Capital Improvement and Finance Divisions. The aforesaid departments eventually moved into the new City Hall in 2005 at which time the property became satellite offices for the Police Department. The Police Department occupied the building for several years until the new Police Station was built.

In August 2010, the former RDA decided to lease the building and approved a five-year lease with the Riverside Community College District (RCCD). RCCD provided programs and services focused on economic and workforce development initiatives for the region. Within that lease time frame the former RDA transferred the property to the City of Corona due to the dissolution of the Redevelopment Agency. At the end of the five years, RCCD planned to move their economic and workforce development operations to Downtown Riverside; however, the Corona Norco Unified School District (CNUSD) was in search of a satellite office to operate their new parent center program, which aimed to build family and school partnerships.

On October 12, 2015, the City Council approved a lease for 10 years with CNUSD. In accordance

with the terms of the lease it allowed only RCCD to remain as a subtenant. The lease described the use of the property for office and educational related activities and the lease rate was set at \$0.25 per square feet with an annual 2% increase. In consideration for the below market rent, all City maintenance and repair responsibilities were assumed by CNUSD. Additionally, CNUSD agreed to participate in a common area maintenance fee if one were to be established. CNUSD invested in tenant improvements to the building and officially opened the Parent Center in June 2016.

The Parent Center provides parents, families or child guardians the tools to help children succeed in school through numerous services, activities and programs operated from the facility, such as:

- Educational workshops in computer literacy, financial literacy, social media, mental health awareness, GED, child abuse education, and many more;
- Family center for mental health counseling, childcare and teen center, support groups;
- Communication with parents through quarterly newsletters, Parent Educational Pathway Fair, parent websites and District Parent Advisory Council;
- Specialized programs such as *DADS ALL IN* to increase father participation, *WELCOME* program to immediately reach out to newcomer families, *GET ON BOARD* to provide college tours to parents and *MENTORS ON CALL* a partnership with Big Brother and Big Sisters targeting middle school at risk children; and
- Professional development programs for staff such as *Customer Service 101* to provide training to front office staff to create a friendly and welcoming environment, *Action Team for Partnership* aimed at bringing together administrators, parents, community members, teachers and staff to build partnership between home and school; site-based consultations aimed at increasing parent involvement and customized parent training workshops based on school and parent needs.

### Reason for Lease Amendment

RCCD has vacated the property and CNUSD now wishes to amend the lease, *Section 3.18.1 Sublease to Riverside Community College District*, to sublease to About Students Regional Consortium (Consortium). The Consortium is made up of educators from Riverside County school districts. Their primary goal is to maintain sustainability of adult education through ongoing collaboration, increase access and capacity to our communities, align efforts to provide transition services to higher education and the workplace, and enhance opportunities of outreach and support services. The Consortium members meet regularly and work together to provide activities designed to serve adult education. Some of those activities include: Introduction to College, Career Exploration, Workforce Preparation, and English Skills for the Workplace.

Therefore, Section 3.18.1 of the lease is being amended as follows:

Authorization to Sublease. Notwithstanding Section 3.18, Tenant may, with the written approval of the City Manager, sublease a portion of the leased premises to educational providers for the specific use defined in section 3.1, provided that it does not exceed the term of this Agreement. However, if at any time, tenant charges rent to a sublessee in an amount that exceeds the price per square foot set forth in Section 3.3.1, Tenant shall pay to landlord, in addition to the base rent, fifty percent (50%) of that portion of the rent charged to the sublessee that exceeds the price per square foot set forth in Section 3.3.1. The sublease between tenant and the sublessee shall be subject to and shall

incorporate all terms and conditions set forth in this Agreement.

**COMMITTEE ACTION:**

Not applicable.

**STRATEGIC PLAN:**

The lease agreement is consistent with the City's Strategic Plan goal to *Actively Engage in Public and Private Partnerships to Provide Services and Amenities* because it provides a place of opportunity for a public or private enterprise to provide educational programs and services for various population types within the City.

**FISCAL IMPACT:**

Approval of this lease amendment will have no fiscal impact to the current terms of the Agreement. The lease rate was set at \$0.25 per square feet with an annual 2% increase. The current rent is \$3,825 per month (Annual total: \$45,900). In the event CNUSD charges the sublessee more than the base rent established by the lease, the City will receive 50% of the exceeded amount.

**ENVIRONMENTAL ANALYSIS:**

The execution of this lease agreement is not a project under the California Environmental Quality Act, therefore, an environmental analysis was not required.

**PREPARED BY:** CYNTHIA LARA, ADMINISTRATIVE SERVICES MANAGER II

**REVIEWED BY:** JOANNE COLETTA, COMMUNITY DEVELOPMENT DIRECTOR

**REVIEWED BY:** MICHELE NISSEN, ASSISTANT CITY MANAGER

**REVIEWED BY:** KERRY D. EDEN, ASSISTANT CITY MANAGER/ADMINISTRATIVE SERVICES DIRECTOR

**SUBMITTED BY:** DARRELL TALBERT, CITY MANAGER

Exhibit 1 - First Amendment to Lease Agreement - Final Version  
Exhibit 2 - First Amendment to Lease Agreement - Redline Version  
Exhibit 3 - Original Lease Agreement