



Staff Report

File #: 24-0035

REQUEST FOR CITY COUNCIL ACTION

DATE: 01/17/2024

TO: Honorable Mayor and City Council Members

FROM: Community Services Department

SUBJECT:

LEASE AGREEMENT BETWEEN THE CITY OF CORONA AND CORONA NORCO SETTLEMENT HOUSE FOR THE PROPERTY LOCATED AT 511 S. VICENTIA AVENUE

EXECUTIVE SUMMARY:

This staff report asks the City Council to approve a lease agreement with the Corona Norco Settlement House for the property located at 511 S. Vicentia Avenue. The Corona Norco Settlement House currently utilizes this property to store unperishable goods in conjunction with the adjacent City property located at 507 S. Vicentia, where they conduct their non-profit community operation and services, including a food bank.

RECOMMENDED ACTION:

That the City Council:

- a. Approve the Lease Agreement with the Corona Norco Settlement House, a non-profit organization, for the property located at 511 S. Vicentia Avenue.
- b. Authorize the City Manager, or his designee, to consider the annual extensions at its sole discretion and execute all future lease extensions.

BACKGROUND & HISTORY:

The Corona Norco Settlement House (CNSH) currently has a 55-year lease with the City of Corona for 507 S. Vicentia, which is the location of their food pantry, office, and thrift store operations. The adjacent property, 511 S. Vicentia Avenue, was purchased in 2002 by the former Redevelopment Agency of the City of Corona (Agency), which was transferred to the City of Corona (City) under the dissolution activities in 2014. The property is 0.32 acres and improved with a residential structure built in 1923 that is on the local historic registry.

In 2003, the CNSH was approved by the Agency Board to use the adjacent property temporarily for storage of non-perishable goods, only. This use restriction was created to ensure the structure's hazardous lead materials would not be disturbed. To ensure the property would be safe for the proposed storage use, the Agency commissioned an environmental firm to encapsulate the property. Additional precautions for safe use included terminating all dry and wet utilities to the structure.

In exchange for the use of the property at a one (1)dollar per year lease, CNSH agreed to maintain the entire premises.

ANALYSIS:

Corona Norco Settlement House requests to continue utilizing 511 S. Vicentia for storage purposes and agrees to enter into a new lease for this property with expanded maintenance obligations.

Over the past years, CNSH experienced a change in leadership, which contributed to a misunderstanding of maintenance responsibilities. Staff contacted new management to review these matters and other operational impacts on the surrounding properties. The new lease agreement expands and clarifies CNSH's maintenance and operation obligations and limits the lease term to an annual extension, with a 60-day notice to terminate the lease, to provide greater flexibility should the City find a viable development option in the future. A summary of all salient lease terms is outlined below.

Lease Terms

- 1.) One (1) year lease with automatic annual extensions at the sole discretion of the City.
- 2.) The City and CNSH may terminate the lease within sixty (60) days of providing written notice.
- 3.) The property is used solely to store nonperishable items.
- 4.) The lease rate will be one dollar (\$1.00) per year.
- 5.) The CNSH is responsible for the maintenance of the property, including:
 - a. Maintain, repair, and replace, and keep in good and safe condition all portions of the property.
 - b. Maintain property clear of debris, vegetation, and trash by conducting a minimum bi-weekly landscape service.
 - c. After providing food service or meals (at City leased property, 507 & 509 S. Vicentia Avenue), CNSH shall inspect all areas surrounding the properties, including the sidewalk and parkways along Vicentia and abutting alleyway, and shall dispose of all waste resulting from Tenant's activities.
 - d. Remove graffiti within 48 hours.
- 6.) All other regular terms and obligations shall remain in full force.

Staff recommends the City Council's approval of the lease agreement.

FINANCIAL IMPACT:

The Lease Agreement is estimated to generate an annual revenue of \$1.00 per year to the General Fund.

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California

Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the commonsense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Since this action approves a lease agreement, there is no possibility that this action will have a significant effect on the environment; therefore, no environmental analysis is required.

PREPARED BY: CYNTHIA LARA, COMMUNITY SERVICES MANAGER

REVIEWED BY: DONNA FINCH, INTERIM COMMUNITY SERVICES DIRECTOR

Attachments:

1. Exhibit 1 - Lease Agreement