



Staff Report

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**File #:** 22-0160

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**REQUEST FOR CITY COUNCIL ACTION**

**DATE:** 02/16/2022

**TO:** Honorable Mayor and City Council Members

**FROM:** Community Services Department

**SUBJECT:**

Third Amendment to City of Corona Historic Civic Center lease agreement between the City of Corona and Corona Historic Preservation Society.

**EXECUTIVE SUMMARY:**

The Corona Historic Preservation Society currently leases tenant space at the City of Corona Historic Civic Center located at 815 W. Sixth Street. The lease will expire on February 28, 2022, and the Corona Historic Preservation Society is requesting to enter into another lease agreement with the City of Corona to continue operating at the Historic Civic Center. The proposed third amendment to the lease agreement covers the new lease Term and Base Rent.

**RECOMMENDED ACTION:**

**That the City Council:**

1. Approve the Third Amendment to City of Corona Historic Civic Center lease agreement between the City of Corona and Corona Historic Preservation Society.
2. Authorize the City Manager, or his designee, to execute the Third Amendment to the City of Corona Historic Civic Center Lease Agreement.

**BACKGROUND & HISTORY:**

The Corona Historic Preservation Society (CHPS) first entered a 10-year lease agreement for the Historic Civic Center in February 2006. It originally occupied Suite 170 but relocated to the current space, storage Suite 185, because the elevator project created access issues to elevator equipment, which affected its tenancy.

In February 2016, the City Council approved a new five-year lease agreement that is set to expire

February 28, 2022.

**ANALYSIS:**

CHPS wishes to continue their tenancy at the Corona Historic Civic Center and requests to enter into a new lease. This Third Amendment to the City of Corona Historic Civic Center Lease Agreement (Third Amendment) covers the following terms and obligations:

Lease Term

The Third Amendment extends the lease for an additional three years through February 28, 2025, with Renewal Term options of two additional one-year extensions through February 28, 2027. The City Manager, or his designee, will be authorized to consider the extensions, at the City’s sole discretion, and execute the Renewal Term options.

Base Rent and Common Area Maintenance Fee

Current Rent	Proposed Rent @ HCC
\$0.3377 per square foot (psf) = \$70.57 a month	Starting rate \$0.3644 psf, or \$76.1596, including annual escalator based on the Consumer Price Index, but not less than 3% or greater than 10%
Plus,	
Common Area Maintenance Fee (CAM) @ \$0.2301 psf, or \$48.09 per month	Common Area Maintenance Fee (CAM) @ \$0.2370 psf, or \$49.5330 per month, including 3% annual escalator
NOTE: Although this is not an office space lease, CHPS pays CAM rates because they utilize the facility amenities, i.e. Restrooms, HCC Conference Room, Secured Parking, HCC Community Facility.	NOTE: CPI rate as of November 2021 is 7.9%.

Tenant Reporting Issues

This Third Amendment also includes a new tenant lease obligation under Section 3.14.5, Repairs and Maintenance Contact List, to report by telephone any issues with the property or request services. Therefore, to better assist tenants, this lease obligation includes a full list of city personnel with a brief description of duties and their respective telephone numbers. The table below is a copy of the current contact list.

HCC REPAIRS AND MAINTENANCE CONTACT LIST		
Department/ Staff Member	Duties	Telephone No.
Community Services/ Community Assistance Manager	City Landlord Representative City/Tenant liaison for lease related matters.	951-739-4963
Community Services/ Parks Supervisor Facility Supervisor	Maintenance services for <i>interior and exterior</i> of building common areas & within suites.	951-736-2241 (M-Th 7a to 5p) 951-736-2334 Option 3 (Friday and after hours contact PD non- emergency line – they will call stand-by to assist.)
Community Services/ Program Coordinator	City Facility Reservations	951-817-5755
Finance/ Financial Analyst I	Lease Payments	951-736-2317
Information Technology/ Senior Systems Engineer	Internet and Telephone	951- 279-3750
Police Department/ HOPE Team	Transients	951-736-2334 (PD non- emergency line)
UPDATED: 02-16-2022		

**FINANCIAL IMPACT:**

The Third Amendment is estimated to generate the following revenue to the General Fund.

Year 1: March 1, 2022, to February 28, 2023

Base Rent \$913.9152

CAM \$594.3960

Year 2-5: To Be Determined based on CPI

**ENVIRONMENTAL ANALYSIS:**

This action is categorically exempt pursuant to Section 15301 of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the CEQA determination. This action simply approves the Third Amendment to City of Corona Historic Civic Center Lease Agreement with the Corona Historic Preservation Society, and there is no possibility that this action will have any effect on the environment. Therefore, no environmental analysis is required.

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**PREPARED BY:** LAURA HUERTA, ADMINISTRATIVE SERVICES ANALYST II

**REVIEWED BY:** ANNE TURNER, COMMUNITY SERVICES DIRECTOR

**Attachments:**

1. Exhibit 1- Third Amendment to the Lease Agreement