



Agenda Report

File #: 19-0170

**AGENDA REPORT
REQUEST FOR CITY COUNCIL ACTION**

DATE: 3/6/2019

TO: Honorable Mayor and City Council Members

FROM: Community Development Department

SUBJECT:

City Council consideration of the City of Corona - Historic Civic Center Lease Agreement with the Stephan Center located at 815 W Sixth Street, Suite 130, Corona.

RECOMMENDED ACTION:

That the City Council:

1. Approve the City of Corona Historic Civic Center Lease Agreement with The Stephan Center.
2. Authorize the City Manager, or his designee, to execute the lease.
3. Authorize the City Manager, or his designee, to negotiate the price and terms of payment for storage space, and to execute amendments to the lease agreement in furtherance of this action.
4. Approve an estimated revenue increase of \$1,504.00 in the Historic Civic Center Fund 232 for Fiscal Year 2018-19.

ANALYSIS:

The Stephan Center, Sharing Life Transitions Together, is a nonprofit organization incorporated in 1973. Since 2008, the organization has provided the Corona area with educational programs, resources and referrals to professionals in the fields of social service, education, health, counseling, spiritual development and the general public. The Stephan Center offers three programs:

1. *Professionals Life Loss Workshops* (includes workshops for foster parents).
2. *Consolation Ministry Program* for churches and faith-based organization which includes the Conference of Chaplains series and the Widow-Widower Conference.
3. *Fathers Speaking Out* video series.

The Stephan Center also maintains an informational website which includes educational materials,

articles, resources and referrals. Supportive programs and services can also be accessed using the following link: <http://www.thestephancenter.org>. Additionally, they collaborate with many local nonprofit agencies such as Christian Art Theater, National Charity League, Corona-Norco United Way, Riverside County Department of Public Social Services, Corona-Norco Unified School District and Norco Community College. These partnerships allow the Stephan Center to expand their resources to residents in Corona and in the region.

The Stephan Center's primary goal is to secure office space at the Historic Civic Center (HCC) for business administrative operations. However, should the organization's operation expand such as host workshops and trainings, the HCC can accommodate their need through the use of the HCC theater and community room. These facilities are subject to normal nonprofit hourly rates, but as a tenant of the HCC, The Stephan Center will be able to reserve the facilities a year in advance.

Below are the negotiated terms and conditions of the lease agreement. These terms take into consideration three factors: 1) HCC operating expenses, 2) the city's goal to ensure that at a minimum the entire HCC facility is zero cost to the General Fund, and 3) maintain rent levels that are financially feasible to cultural arts providers and ancillary organizations. The terms negotiated with The Stephan Center are consistent with existing leases at HCC with no special considerations.

1. Leased Premises: Suite 130 (approximately 525 square feet).
2. Lease Term: April 1, 2019 through March 31, 2020. Option to extend up to four years through March 31, 2024.
3. Lease Commencement Date: April 1, 2019
4. Early possession may be provided upon approval of this lease agreement and proof of insurance coverage.
5. Lease Rate:
 - a. \$393.75 per month (April 1, 2019 to March 31, 2020).
 - b. \$401.63 per month (April 1, 2020 to March 31, 2021).
 - c. \$409.66 per month (April 1, 2021 to March 31, 2022).
 - d. Third and fourth year extension will be based on market value, as determined by a commercial real estate broker hired by the City, but shall not be less than \$409.66 per month.
6. Lease Rate for Storage: Not applicable. Storage space may be added to leased premises at a rate starting at \$0.20 per square foot in Basement B or \$0.30 per square foot in Basement A. All future negotiations and amendments to the lease will be conducted and executed by the City Manager or his designee.
7. Common Area Maintenance Fee: \$107.625 per month (\$0.205 per square foot) and is subject to annual increase of 3%.
8. Security Deposit: \$790.00.
9. Key Deposit: \$100.
10. Amenities:
 - a. Use of community room once a month for up to three (3) consecutive hours free of charge and availability permitting.
 - b. Use of conference room by all tenants free of charge and availability permitting.
 - c. Use of the secured parking facility (for tenants and employees, only).

All standard lease terms and conditions shall apply.

COMMITTEE ACTION:

The Public Services Committee at its meeting on November 7, 2018 discussed this matter and had no objection to the lease agreement.

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 private enterprise to provide social service resources to certain population groups within the city.

FISCAL IMPACT:

Approval of this action will generate additional annual revenue as follows: \$6,016.50 in Year 1, \$6,149.74 in Year 2, and \$6,286.04 in Year 3. The Fiscal Year 2018-19 revenue increase will be \$1,504.00 based on an effective date of April 1, 2019. Rent income will be deposited into Civic Center Fund 232. The additional income provides for a reduction in the operating cash transfer needed from the General Fund.

GENERAL FUND	
Budget Workshop May 23, 2018 - Estimated Revenue Over Expenditures	\$6,626,911
Previously approved budget adjustments (net)*	(6,000,484)
Current Estimated Revenue Over Expenditures	626,427
Revenue - HCC Lease Agreement w/ Stephan Center	1,504
Revised Estimated Revenue Over Expenditures	\$627,931
Budget Balancing Measures Reserve - Actual 6/30/18	\$25,182,735
Estimated FY 2018-19 Change in Budget Balancing Measures	627,931
Budget Balancing Measures Reserve - Estimated Balance 06/30/19	\$25,810,666

* Approved through Council Action or other operational process.

ENVIRONMENTAL ANALYSIS:

Not applicable.

PREPARED BY: CYNTHIA LARA, ADMINISTRATIVE SERVICES MANAGER II

REVIEWED BY: JOANNE COLETTA, COMMUNITY DEVELOPMENT DIRECTOR

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

SUBMITTED BY: MICHELE NISSEN, ACTING CITY MANAGER

Attachments:

1. Exhibit 1 - Map of Leased Premises
2. Exhibit 2 - Lease Agreement