



Agenda Report

File #: 19-0219

AGENDA REPORT REQUEST FOR CITY COUNCIL ACTION

DATE: 3/20/2019

TO: Honorable Mayor and City Council Members

FROM: Community Development Department

SUBJECT:

City Council consideration of the Termination of the First Amendment to City of Corona - Historic Civic Center Lease Agreement with Off Broadway Corona Theater.

RECOMMENDED ACTION:

That the City Council:

1. Approve the Termination of the First Amendment to City of Corona - Historic Civic Center Lease Agreement with Off Broadway Corona Theater.
2. Approve an estimated revenue decrease of \$840 in the Historic Civic Center Fund 232 for the remainder of Fiscal Year 2018-19.

ANALYSIS:

Off Broadway Corona Theater (OBC) is a local community theater providing opportunities for actors of all ages to participate in productions with professional actors and directors. On April 4, 2018, the City Council approved a lease with OBC for office space at the Historic Civic Center (HCC), Suite 170, roughly 231 square feet. On October 18, 2018, the City Council approved the First Amendment to the lease agreement allowing OBC to utilize the HCC Community Room, Suite 120, on a weekly basis to accommodate their larger group activities including acting, vocal and orchestra training and rehearsals.

In accordance with the First Amendment, OBC leased Suite 120 each Tuesday from 5:00 p.m. to 9:00 p.m. for a monthly cost of \$210 effective retroactively to July 2018.

OBC has rapidly outgrown their use of Suite 120, and now wish to terminate the First Amendment. To accommodate their growing needs, they leased additional space off-site which provides them unfettered access for larger group activities, orchestra training, rehearsals, storage space, etc. If

approved, the termination agreement becomes effective retroactive to March 1, 2019.

All other terms, obligations and conditions shall remain in effect.

COMMITTEE ACTION:

Not applicable.

STRATEGIC PLAN:

Not applicable.

FISCAL IMPACT:

Approval of this action will result in a loss of revenue of \$210 per month or \$2,520 annually. The revenue decrease for the remaining four months of Fiscal Year 2018-19 is \$840 in the Historic Civic Center Fund 232.

GENERAL FUND	
Budget Workshop May 23, 2018 - Estimated Revenue Over Expenditures	\$6,626,911
Previously approved budget adjustments (net)*	<u>(5,998,980)</u>
Current Estimated Revenue Over Expenditures	627,931
HCC Lease Termination w/ Off Broadway Corona Theater	<u>(840)</u>
Revised Estimated Revenue Over Expenditures	\$627,091
Budget Balancing Measures Reserve - Actual 6/30/18	\$25,182,735
Estimated FY 2018-19 Change in Budget Balancing Measures	<u>627,091</u>
Budget Balancing Measures Reserve - Estimated Balance 06/30/19	\$25,809,826

** Approved through Council Action or other operational process.*

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

SUBMITTED BY: MICHELE NISSEN, ACTING CITY MANAGER

Attachment:

1. Exhibit 1 - First Amendment Termination Agreement

**TERMINATION OF THE
FIRST AMENDMENT TO
CITY OF CORONA - HISTORIC CIVIC CENTER LEASE AGREEMENT
(OFF BROADWAY CORONA THEATER)**

1. PARTIES AND DATE.

This Termination of the First Amendment to the City of Corona Historic Civic Center Lease Agreement ("First Amendment Termination") is made and entered into this 20th day of March, 2019 by and between the City of Corona ("City") and Off Broadway Corona Theater, a sole proprietorship pending non-profit status ("Lessee"). City and Lessee are sometimes individually referred to as "Party" and collectively as "Parties" in this First Amendment.

2. RECITALS.

2.1 Agreement. City and Lessee entered into that certain City of Corona Historic Civic Center Lease Agreement dated April 4, 2018 ("Agreement"), whereby City agreed to provide lease space to Lessee in its property commonly referred to as the "Historic Civic Center" in the Agreement.

2.2 First Amendment. On or about October 17, 2018 City and Lessee entered into that certain First Amendment to the Agreement, retroactive to July 1, 2018, to allow for reserved additional weekly uses of the Historic Community Room in exchange for the payment of an additional monthly fee ("First Amendment").

2.3 Termination of First Amendment. City and Lessee desire to terminate the First Amendment retroactive to March 1, 2019.

3. TERMS.

3.1 Historic Community Room. Effective March 1, 2019, the First Amendment is hereby terminated and Section 3.12.3.1 is no longer a part of the Agreement.

3.2 Continuing Effect of Agreement. Except as amended by this First Amendment Termination, all provisions of the Agreement shall remain unchanged and in full. \

3.3 Adequate Consideration. The Parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this First Amendment Termination.

3.4 Counterparts. This First Amendment Termination may be executed in duplicate originals, each of which is deemed to be an original, but when taken together shall constitute but one and the same instrument.

[SIGNATURES ON FOLLOWING 2 PAGES]

LANDLORD'S SIGNATURE PAGE FOR
TERMINATION OF THE
FIRST AMENDMENT TO
CITY OF CORONA - HISTORIC CIVIC CENTER LEASE AGREEMENT
(OFF BROADWAY CORONA THEATER)

CITY OF CORONA

By: _____
Michele Nissen
Acting City Manager

Attest: _____
Sylvia Edwards
City Clerk

APPROVED AS TO FORM:

By: _____
Dean Derleth
City Attorney

TENANT'S SIGNATURE PAGE FOR
TERMINATION OF THE
FIRST AMENDMENT TO
CITY OF CORONA - HISTORIC CIVIC CENTER LEASE AGREEMENT
(OFF BROADWAY CORONA THEATER)

OFF BROADWAY CORONA THEATER
a sole proprietor pending non-profit status

By: _____
Signature

Name (Print)

Title (Print)

By: _____
Signature

Name (Print)

Title (Print)