



Legislation Text

File #: 17-584, Version: 2

**AGENDA REPORT
REQUEST FOR CITY COUNCIL ACTION**

DATE: 4/5/2017

TO: Honorable Mayor and City Council Members

FROM: Community Development Department

SUBJECT:

City Council consideration and approval of First Amendment to the Historic Civic Center Lease Agreement with Corona Firefighters Association to extend the lease term up to 5 years and establish an annual rent escalator.

RECOMMENDED ACTION:

That the City Council:

1. Approve the First Amendment to the City of Corona - Historic Civic Center Lease Agreement with the Corona Firefighters Association, and
2. Authorize the City Manager, or his designee, to execute the first amendment to the lease agreement and documents in furtherance of this action

ANALYSIS:

Since 2006, the Corona Firefighters' Association (CFA) has been a tenant of the Corona Historic Civic Center located at 815 W. Sixth Street. CFA occupies Suite 130, which is 526 square feet. In 2014, a new lease agreement was approved that extended the term of the lease through February 11, 2017. CFA is requesting to remain a tenant of the Corona Historic Civic Center and is requesting an extension to their existing lease.

The City is proposing to amend the existing lease agreement based on the terms agreed to by CFA.

1. Base rent shall be \$0.75 per square foot.
2. A base rent escalator will be included with an annual increase based on the Consumer Price Index or 3%, whichever is greater.
3. The term of the lease expires February 28, 2019, but prior to the expiration date the lease may be extended another two years as mutually agreed upon by both parties.

Except as amended by this first amendment, all provisions of the 2014 lease agreement shall remain unchanged and in full force.

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 private enterprise to conduct business.

FISCAL IMPACT:

Rental income and common area maintenance fees collected for the first year would be approximately \$4,725 and \$1,262.40, respectively, and will be increased annually by a minimum of 3%.

ENVIRONMENTAL ANALYSIS:

Not applicable.

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REVIEWED BY: JOANNE COLETTA, COMMUNITY DEVELOPMENT DIRECTOR

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

SUBMITTED BY: DARRELL TALBERT, CITY MANAGER

EXHIBITS:

1. First Amendment to the City of Corona - Historic Civic Center Lease