



Legislation Details (With Text)

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Title: City Council consideration of the First Amendment to the City of Corona Historic Civic Center Lease Agreement with off Broadway Corona Theater located at 815 W. Sixth Street, Suite 170.

Sponsors:

Indexes:

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Attachments: 1. Staff Report.pdf, 2. Staff Report with attachments.pdf

Date	Ver.	Action By	Action	Result
10/17/2018	1	City Council	approved	

AGENDA REPORT REQUEST FOR CITY COUNCIL ACTION

DATE: 10/17/2018

TO: Honorable Mayor and City Council Members

FROM: Community Development Department

SUBJECT:

City Council consideration of the First Amendment to the City of Corona Historic Civic Center Lease Agreement with off Broadway Corona Theater located at 815 W. Sixth Street, Suite 170.

RECOMMENDED ACTION:

That the City Council:

1. Approve the First Amendment to the City of Corona - Historic Civic Center Lease Agreement with Off Broadway Corona Theater (OBC).
2. Approve an estimated revenue increase of \$2,520.00 in the Historic Civic Center Fund 232 for 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. OBC has been operating for over 15 years and is ran by Nancy Gettinger and Amanda Kalkanis. On April 4, 2018,

the City Council approved a lease with OBC for office space at the Historic Civic Center (HCC) (Suite 170). OBC wishes to amend the lease to include additional space.

OBC's leased premises is roughly 231 square feet. The modest size of the space limits their use to office activities and one-on-one auditions. The HCC Community Room, Suite 120, is approximately 2,300 square feet and large enough to accommodate OBC's larger group activities including acting, vocal and orchestra training and rehearsals. OBC's request is to amend their lease to include the use of Suite 120. A similar arrangement is currently in effect between the City and the Corona Symphony Orchestra.

Staff is cognizant of the costs to operate the HCC as well as the public's desire to utilize the HCC Community Room as an event venue. The HCC Community Room is a venue utilized by the community for private parties and events, but at the same time the Historic Civic Center has become home to non-profit organizations that provide cultural arts and miscellaneous services to the community. The community room is leased by general public and used by HCC tenants as supplemental space for their operation. Fortunately, the room is not always booked. A review of the reservation calendar found that the community room is rarely used on Tuesday. This opening allows for tenants to be accommodated while maintaining public availability.

The goal is to ensure that at a minimum the operating cost of the HCC is zero cost to the General Fund while remaining financially palatable to cultural arts organizations to maintain HCC as their hub for their services to the community. Therefore, OBC was presented with a rental fee based on the actual cost to use the room. It costs the City \$210 per month to allow OBC four (4) uses a month with each use being no more than four hours. Fees are subject to change based on state mandated minimum wage increases or city approved fee changes. Additional costs to OBC could include janitorial fees, utilities and a \$200 security deposit. The fees cover all associated costs under consideration.

The following is the proposed price and terms of payment for the real property lease amendment at the Historic Civic Center.

Leased Premises: 815 W Sixth Street, Suite 120 (2,316 square feet)

Property Use: The primary use is for acting, vocal and orchestra training and rehearsals
Lease Rate:

- \$210 per month (\$12.98 per hour x 4 hours x 4 days a month). No credit for time not used and no carry forward of hours not used. Rate is subject to change at any time.
- \$35 per hour beyond the four hours per day. Note: this is the nonprofit rate.

Other Terms:

- Lease Suite 120 only on Tuesday from 5:00 p.m. to 9:00 p.m.
- Security Deposit is \$200, replenished as needed.

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

COMMITTEE ACTION:

The Public Services Committee at its meeting on June 6, 2018, discussed the proposed request. The Committee was in favor of the first amendment to the lease with OBC.

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 programs and services for youth groups within the City.

FISCAL IMPACT:

Approval of this action will generate an additional \$210 per month or \$2,520 annually for use of the additional space. Rent income will be deposited into the Civic Center Fund 232. The additional income provides for a reduction in the operating cash transfer needed from the General Fund 110.

GENERAL FUND	
Budget Workshop May 23, 2018 - Est. Revenue Over Expenditures	\$6,626,911
Previously approved budget adjustments (net) - Note 1	(6,041,429)
Revised Estimated Revenue Over Expenditures - Note 1	\$585,482
Revenue Increase - Historic Civic Center Lease Agreement	2,520
Revised Estimated Revenue Over Expenditures - Note 1	\$588,002
Estimated Budget Balancing Measures Reserve 06/30/18	\$20,645,252
Estimated FY 2018-19 Change in Budget Balancing Measures	588,002
Estimated Budget Balancing Measures Reserve 6/30/19	\$21,233,254

Note 1: For financial reporting purposes, the Historic Civic Center Fund is part of the General Fund. Above information includes additional proposed items impacting the General Fund on the 10/17/18 agenda.

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.

PLANNING AND HOUSING COMMISSION ACTION:

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

REVIEWED BY: MICHELE NISSEN, ASSISTANT CITY MANAGER

SUBMITTED BY: DARRELL TALBERT, CITY MANAGER

Exhibit 1 - First Amendment to Lease Agreement
Exhibit 2 - Leased Premises, Suite 170 & Suite 120