



Legislation Text

File #: 17-593, **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 the City of Corona - Historic Civic Center Lease Agreement with Corona Arts Association for a 5 year lease at 815 W. Sixth Street, Suite 145, Corona.

RECOMMENDED ACTION:

That the City Council:

1. Approve the City of Corona - Historic Civic Center Lease Agreement with Corona Arts Association.
2. Authorize the City Manager to execute the lease agreement including documents in furtherance of this action.

ANALYSIS:

Corona Arts Association currently occupies space at the Corona Mall. Due to changes in ownership and future redevelopment activities in the Corona Mall, the Corona Arts Association would be required to pay market rate rent or vacate the premises. Corona Arts Association will be vacating their current location and will occupy Suite 145 at the Corona Historic Civic Center located at 815 W. Sixth Street. A myriad of non-profit organizations currently occupy the tenant spaces at the Historic Civic Center. Many of these non-profit organizations focus on performing arts, such as the Corona Symphony Orchestra, Fender Museum of the Arts Foundation and Christian Arts & Theater. The synergy created by these groups has created an ideal campus environment for the Corona Arts Association, an organization focused on art and art therapy.

Corona Arts Association has been in existence for 54 years. Their primary purpose is to promote and develop interest in visual arts and to exhibit the work of local artist. Their programs and art classes are provided to local school age children and developmentally disabled individuals within the City.

The following summarizes the terms and conditions associated with the lease agreement between the City and the Corona Arts Association.

1. Leased Premises: Suite 145, approximately 1,183 square feet.
2. Lease Term: April 1, 2017 through March 31, 2022.
3. Extended Term: Two years through March 31, 2024, upon mutual agreement.
4. Lease Rate:
 - a. April 1, 2017 to March 31, 2018 - zero rent.

- b. April 1, 2018 to March 31, 2020 - \$591.50 per month.
- c. April 1, 2020 to March 31, 2021 - \$887.25 per month.
- d. April 1, 2021 to March 31, 2022 - \$887.25 per month.
- 5. Extended term lease rate will be increased annually by CPI or 3%, whichever is greater.
- 6. Common Area Maintenance Fee: \$236.60 per month, increased 3% annually.
- 7. Security Deposit: \$1,774.50.
- 8. Key Deposit: \$100.
- 9. Amenities:
 - a. Free use of community room once a month for up to 3 consecutive hours, availability permitting.
 - b. Free use of conference room by all tenants, availability permitting.
- 10. All standard lease terms and conditions shall apply.

The below market rent being offered to the Corona Arts Association takes into consideration their dedication to providing visual arts training and services to school age children and special needs adult free of charge and for their contribution and participation at City events, such as Day of the Child, library art exhibits, Safety Day, as well as other community functions.

If this lease agreement is approved, the Historic Civic Center will be completely occupied.

COMMITTEE ACTION:

This lease request was discussed at the January 11, 2017 Public Services Committee. The Committee had no objection to the request.

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 and special needs groups within the City.

FISCAL IMPACT:

Approval of this action will generate additional annual revenue as follows: Year 1: \$2,839.20 CAM fees, Year 2: \$10,022.38 CAM and rent, Year 3: \$10,110.11 CAM and rent, Year 4: \$13,749.47 CAM and rent, Year 5: \$13,842.55 CAM and rent. Rental income will be deposited into Civic Center Fund 232. The income provides for a reduction in the operating cash transfer needed from the General Fund.

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: DARRELL TALBERT, CITY MANAGER

EXHIBITS:

- 1. City of Corona - Historic Civic Center Lease Agreement with Corona Arts Association