



Legislation Text

File #: 18-1629, **Version:** 1

AGENDA REPORT REQUEST FOR CITY COUNCIL ACTION

DATE: 4/4/2018

TO: Honorable Mayor and City Council Members

FROM: Community Development Department

SUBJECT:

City Council consideration to approve 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 City of Corona Historic Civic Center Lease Agreement (Off Broadway Corona Theater).
2. Authorize the City Manager, or his designee, execute the lease.
3. Delegate authority to 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.

ANALYSIS:

Off Broadway Corona Theater (OBC) is requesting to lease space at the Historic Civic Center located at 815 W. Sixth Street. 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 a nonsectarian arts ministry of the Inland Vineyard Church since 2009.

For over two years, OBC has conducted three (3) annual stage productions at the Historic Civic Center (HCC) Theater. OBC is committed to the preservation of the theater and have donated time and materials for theater beautification projects. The organization is leading efforts to create another organization known as "Friends of the Theater". This organization will focus on the continued maintenance, restoration and preservation of the theater.

In the past five years the HCC has evolved into a performing arts center due to the make-up of tenants. As a result, the HCC theater has experienced a sharp increase in use and has become a synergetic environment. Tenants of HCC have the advantage of storing production equipment on site

and the ability to reserve the theater one year in advance. OBC believes their organization will benefit being a tenant at the HCC and will give them better exposure because of the outreach methods used by the Library and Recreation Department (i.e. city brochures, city website, etc.).

Below are the negotiated terms and conditions associated with the City of Corona Historic Civic Center Lease Agreement with Off Broadway Corona Theater.

1. Leased Premises: Suite 170, approximately 231 square feet (Exhibit 1).
2. Lease Term: May 1, 2018 through April 30, 2019, with option to extend 4 years through April 30, 2023.
3. Lease Commencement Date: May 1, 2018
4. Early possession may be provided upon approval of this lease agreement and proof of insurance coverage. Rent for early possession will be prorated.
5. Lease Rate for Suites:
 - a. May 1, 2018 to April 30, 2019 - \$173.25 per month.
 - b. May 1, 2019 to April 30, 2020 - \$176.72 per month.
 - c. May 1, 2020 to April 30, 2021 - \$180.25 per month.
 - d. Third and Fourth year extension period based on market value, as determined by a commercial real estate broker hired by the City, but in no amount less than \$180.25 per month.
6. Lease Rate for Storage: Not applicable at this time. If storage space is provided it will be at a rate of not less than \$0.30 per square feet with a term in line with the lease agreement. 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: \$46.20 per month (\$0.20 per square foot) increased 3% annually.
8. Security Deposit: \$350.00.
9. Key Deposit: \$100.
10. Amenities:
 - a. Use of community room once a month for up to three (3) consecutive hours, free of charge availability permitting.
 - b. Use of conference room by all tenants, free of charge availability permitting.
 - c. Use of the secured parking facility (for tenants and employees, only).
11. All standard lease terms and conditions shall apply.

COMMITTEE ACTION:

The Public Services Committee at its meeting on February 6, 2018 discussed this matter and had no objection.

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 additional annual revenue as follows: \$2,633.40 in year 1,

\$2,691.61 in year 2, and \$2,751.15 in year 3. 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.

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: DARRELL TALBERT, CITY MANAGER

Exhibits:

1. Historic Civic Center Lease Agreement with Off Broadway Corona Theater
2. Map of Leased Premises