



AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting October 29, 2019
Second Reading Ordinance for the City Council Meeting December 10, 2019

DATE: October 14, 2019
TO: Peter Zanoni, City Manager
FROM: Esther Velazquez, Assistant to the Director, Parks and Recreation Department
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Art Community Center of Corpus Christi, Inc. 20-Year Lease Agreement

CAPTION:

Ordinance authorizing a 20-year Lease Agreement with Art Community Center of Corpus Christi, Inc. a Texas nonprofit corporation, for continued use and operation of the Art Community Center at no charge located at 100 N. Shoreline Blvd. for use by local and visiting artists, to provide meeting rooms, art exhibits, an information center, a gift shop, a restaurant, display areas for the arts, and art classes.

SUMMARY:

The purpose of this item is to renew the lease for use and operation of the Art Community Center. The current tenant will be doing a capital campaign for a new roof and would like to benefit from the investment they are making.

The first reading of this item was on October 29, 2019 and City Charter Article IX Section 3 requires a 28 day delay between the first and second reading of the ordinance when the lease term exceeds 5 years.

BACKGROUND AND FINDINGS:

On August 23, 1988 City Council approved a 20-year Lease Agreement with Art Community Center of Corpus Christi, Inc., a non-profit corporation. In August 24, 1999 City Council approved Amendment No. 1 to the Lease. The original lease included a program of restoration and renovation for the rehabilitative use of the facility as an art center for use by local and visiting artists. Amendment No. 1 authorized renovation of the existing building, construction of an additional building, expanded the premises and also extended the term to October 24, 2019.

The proposed new 20-year lease does not have any significant changes and the premises will continue to be used for the Art Center's administrative headquarters and offices, information center and workrooms for local and visiting artists, meeting rooms for non-profit organizations, gift shop, lunch room, fund raising events, special events, art fairs, jamborees, auctions, workshops, lectures, and art classes.

ALTERNATIVES:

City Council may opt for a shorter term lease for the use and operation of the Art Community Center. However, the investment of a new roof from their capital campaign justifies and warrants the long term lease.

FISCAL IMPACT:

The Art Center does not pay rent for use of the leased premises, they are, however, responsible for maintenance and repair of the leased premises.

The City is responsible for providing the following utilities services: water, wastewater, and gas (in-kind \$7,982.10), regular garbage collection and disposal (\$607.68), grounds maintenance (\$6,781.64), and property insurance (\$5,754.00). Amounts listed are the annual costs for fiscal year 2019.

The agreement provides that the City is also responsible for anything beyond repair and maintenance to the extent of property insurance provided, and including maintaining in good order the exterior painting of the building and the parking lots. The parking lots were recently resurfaced and restriped as a part of the Bayfront Development/Shoreline reroute project. The building however, is due for repainting and this capital improvement project will be proposed during the fiscal year 2021 CIP budget process.

Funding Detail:	Garbage Collection & Disposal	Landscaping	Property Insurance Premium
Fund:	1020	1020	5611
Organization/Activity:	12910	12915	40520
Mission Element:	141	141	141
Project # (CIP Only):			
Account:	530090	530225	537420

RECOMMENDATION:

Staff recommends approval of this item authorizing a 20-year Lease Agreement with Art Community Center of Corpus Christi, Inc.

LIST OF SUPPORTING DOCUMENTS:

Lease Agreement
Ordinance