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Title: Actions pertaining to Veterans Memorial Building located at 2425 Fresno Street (APN: 46608401T):
1. Adopt a finding of Categorical Exemption pursuant to Section 15301/Class 1 of the California Environmental Quality Act (CEQA) guidelines.
2. Approve lease agreement between the City and Children's Musical Theaterworks Inc. for use of office and storage space in the Veterans Memorial Auditorium for a three-year term with option to extend for two one-year periods at \$1.00 per year.

Sponsors: Parks, After School, Recreation and Community Serv

Indexes:

Code sections:

Attachments: 1. CMT Lease Agreement.pdf, 2. CMT Agreement Exhibit A

Date	Ver.	Action By	Action	Result
3/4/2021	1	City Council	tabled	

REPORT TO THE CITY COUNCIL

March 4, 2021

FROM: TJ MILLER, Director
Parks, After School, Recreation and Community Services Department

SUBJECT

Actions pertaining to Veterans Memorial Building located at 2425 Fresno Street (APN: 46608401T):

1. Adopt a finding of Categorical Exemption pursuant to Section 15301/Class 1 of the California Environmental Quality Act (CEQA) guidelines.
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RECOMMENDATION

Staff recommends that City Council approve the Class 1 CEQA exemption finding and approve a three-year lease agreement with option to extend for two one-year periods with Children's Musical Theaterworks, Inc. (CMT) for office and storage space within the Veterans Memorial Auditorium building and authorize the City Manager or his designee to execute the lease agreement.

EXECUTIVE SUMMARY

For the past 20 years, CMT has leased space within the Veterans Memorial Auditorium building and have performed their main stage productions in the theater. Recent Facility Assessments of the Veterans Memorial Auditorium have identified numerous repairs and upgrades needed within the building and theater. While there are some restrictions for the use of the theater and stage, the recommended improvements to the remaining building will not preclude CMT from continued use of office and storage spaces. As such, PARCS is requesting to renew the lease agreement for office and storage spaces for three years with an option to extend for two one-year periods.

BACKGROUND

CMT, a California nonprofit corporation, is the Valley's only non-profit theater company dedicated to the training of young performers in musical theater and the arts. Since 1997, CMT has produced over thirty (30) main stage and touring productions that have been seen by thousands of Valley audience members. The City of Fresno (City) has supported CMT since its inception by leasing them space in the City-owned Veterans Memorial Auditorium building for offices, meetings, work areas and storage. The Veterans Memorial Auditorium Theater has served as CMT's primary performance venue during these same years.

Under the previous term of the lease agreement, CMT paid the City \$1.00 per year rent for leased space including: a front office and costume work room on the first floor, two storage areas in the basement, one work/storage space on the third floor, a makeup room on the first floor, and an additional storage area in the basement to their lease. The proposed space for this lease agreement is identical and all requested leased areas are depicted in Exhibit A (see attached).

In addition to paying to the City \$1.00 per year in rent, CMT is responsible for the cost of telephone and janitorial services within their leased spaces. Staff recommends renewing the three-year agreement at \$1.00 per year, with the option to extend for two one (1) year periods upon mutual written agreement of the parties after 30 days written notice prior to termination of this Lease of a party's intent to extend. The City agrees to provide CMT with the first right of refusal on the additional space within Veteran's if the City wishes to lease the areas out.

Facility Assessments of the Veterans Memorial building and theater identified significant repairs and upgrades needed to bring the building up to code, including over \$1 million needed for theater repairs. In order to continue to use the theater for their 2021 productions, CMT has agreed to operate within the theater under certain limiting conditions, including minimal use of the rigging system flyrails. Both parties acknowledge there are identified repairs and renovations needed. In the event the City undertakes restoration operations in the building and theater during the Agreement period, it is agreed by both parties that CMT will re-locate their office and storage areas outside of the building. The City will provide at least a 90-day notice of any pending construction to allow CMT time to pursue other options for office and storage needs.

ENVIRONMENTAL FINDINGS

Staff determined that it falls within the Categorical Exemption set forth in CEQA Guidelines, Section 15301/Class 1 which exempts the operation, repair, and minor alterations to existing facilities, involving negligible or no expansion of existing or former use.

LOCAL PREFERENCE

Local Preference is not applicable to this item because this does not include an award of a construction or consultant contract.

FISCAL IMPACT

There is no additional impact to the General Fund as a result of approving this Agreement.

Attachment: CMT Lease Agreement
CMT Agreement Exhibit A