



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 19-00245

City Council

5/16/2019

LEGISLATIVE ACTION ITEM

SPONSOR: Grover C. Robinson, IV, Mayor

SUBJECT:

FIRST CITY ARTS ALLIANCE, INC. (FCAC) AMENDED AND RESTATED LEASE AGREEMENT

RECOMMENDATION:

That City Council approve the lease renewal and amended terms for First City Arts Alliance, Inc. (FCAC) for City-owned property located at 1060 North Guillemard Street, parcel number 000S0090100001047, account number 131393000 and authorize the Mayor to execute the amended and restated lease agreement. Further that City Council authorize the Mayor to take all necessary actions to execute the amended and restated lease agreement.

HEARING REQUIRED: No Hearing Required

SUMMARY:

On May 10, 2012 City Council authorized a lease agreement between the City of Pensacola and First City Arts Alliance, Inc. DBA Belmont Arts and Cultural Center for City-owned former Public Works Department site for the purpose of creating an arts and cultural center on the property. The lease was for an initial three (3) year term with a three (3) year renewal option and a rent amount of \$2,000 per month. The lease requires First City Arts Center to make improvements to the existing structures in two (2) scheduled phases and provides a dollar for dollar rent credit upon submission and approval of actual structural improvement costs incurred.

On April 24, 2013, City Council authorized an amendment to the lease agreement to incorporate the plans and specifications to complete Phase II improvements and extend the Phase II improvements completion timeframe. Additional changes included an additional five (5) year renewal option at the sole discretion of the city, extension of a first right of refusal for purchase of the property and updated property insurance information.

On October 8, 2015, City Council authorized a second amendment to the lease agreement incorporating the Long Hollow Neighborhood Association leased property in order to expand First City Arts Center's campus and programs as well as approving the subleasing of a portion of the leased premises to Open Books, Inc.

First City Arts Alliance, Inc. is requesting an extension of their current 10-year lease set to expire in 2022 due to their plans to apply for an IMPACT100 grant in 2019. Per the grant requirements, FCAC must have a current lease for at least 5 years beyond the date of the grant application deadline in June 2019 to be considered eligible for IMPACT100 funding. Amendment 2 to the original lease agreement expires in 3 years. Should an IMPACT100 grant be received by FCAC, they will continue to invest in property improvements.

Similar requests were submitted by FCAC and received by the City in 2014 and 2015 in order to secure grant funding for the completion of certain improvements that were material provisions in the original lease. City Council approved lease amendments in 2014 and 2015. The proposed amended and restated lease agreement provides a 15-year term.

PRIOR ACTION:

May 10, 2012 - City Council approved the lease of 1040 North Guillemard Street, Lots 6 through 12, Block 47 (northern portion) to First City Arts Center.

April 24, 2014 - City Council authorized the Mayor to execute an amendment to the First City Art Center lease.

October 8, 2015 - City Council authorized the Mayor to execute a second amendment to the First City Arts Center lease and approve the subleasing of a portion of the leased premises to Open Books, Inc.

FUNDING:

N/A

FINANCIAL IMPACT:

None

CITY ATTORNEY REVIEW: Yes

5/11/2019

STAFF CONTACT:

Christopher L. Holley, City Administrator
Keith Wilkins, Assistant City Administrator

ATTACHMENTS:

- 1) First City Lease
- 2) Property Appraiser Parcel Record
- 3) First City Arts Alliance Sunbiz
- 4) Parcel Map

PRESENTATION: No