



# ***Agenda Report***

## ***Fullerton City Council***

**MEETING DATE:** APRIL 6, 2021

**TO:** CITY COUNCIL / SUCCESSOR AGENCY

**SUBMITTED BY:** KENNETH A. DOMER, CITY MANAGER

**PREPARED BY:** MATT FOULKES, COMMUNITY AND ECONOMIC DEVELOPMENT DIRECTOR  
KELLEE FRITZAL, DEPUTY DIRECTOR COMMUNITY AND ECONOMIC DEVELOPMENT

**SUBJECT:** BOYS AND GIRLS CLUB LEASE AMENDMENT AND SIX-MONTH EXCLUSIVE NEGOTIATION AGREEMENT

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### **SUMMARY**

The City of Fullerton and Boys and Girls Club have had a lease for use of the Fullerton Community Center since September 2012. As a result of safety and social distancing requirements from COVID-19, the Club saw a decrease in attendance over the last twelve months. The Club has begun to look at their future facilities needs and are exploring a relocation to the Independence Park Community Center. The Boys and Girls Club has requested a temporary ten-month lease reduction at the Fullerton Community Center and a six-month Exclusive Negotiation Agreement (ENA) to develop plans for the relocation of the Club to Independence Park.

### **RECOMMENDATION**

1. Approve and authorize City Manager, or designee, to execute First Amendment to Lease Agreement between City of Fullerton and Boys and Girls Club of Fullerton.
2. Approve and authorize City Manager, or designee, to execute Exclusive Negotiating Agreement By and Between City of Fullerton and Boys and Girls Club.

### **FISCAL IMPACT**

The Lease Amendment will create a \$31,256 reduction in General Fund revenue.

### **PRIORITY POLICY STATEMENT**

This item matches the following Priority Policy Statements:

- Infrastructure and City Assets.

## DISCUSSION

The City and the Boys and Girls Club entered into a Lease Agreement for use of the Fullerton Community Center on September 28, 2012. The lease replaced former leases for the Boys and Girls Club at Amerige Park and includes both exclusive and non-exclusive spaces within the Community Center.

During the last year, the Club has continued to pay rent even with the reduced attendance. The Club has approached the City with a request to renegotiate the Lease. In addition, staff has met with the Boys and Girls Club regarding potential relocation of their programs to Independence Park and the lease agreement with the City for use of the Fullerton Community Center.

Due to the impact of the Coronavirus, the Club has discussed the future of the Club and the desire for an exclusive use facility that would have a minimum rent. The Club would like to pursue the proposed relocation and renovation of Independence Park Gym and Racquetball Courts and adjacent area for the Club's activities.

The Exclusive Negotiation Agreement would provide for a period of exclusive discussions where the Club would prepare a plan for the relocation of the Club and renovation of the buildings at Independence Park. The ENA sets forth the milestones for the relocation:

- Club will develop a phased renovation of the buildings
- Prepare and submit preliminary project plans, including site, floor and landscape plans
- Initiate preparation of preliminary financial feasibility analysis, including renovation costs
- Prepare and submit a timeline of the project renovations and Club's relocation.

To prepare the feasibility study, the Club has hired an architectural firm to review the buildings plans and the required renovations. The Boys and Girls Club received a \$2.5 million dollar grant from Assemblywoman Sharon Quirk-Silva which will assist with the renovations. The ten-month reduction in the current rent amount will further assist the Club's financial standing, due to the decrease in attendance.

### Attachments:

- Attachment 1 – First Amendment to Lease Agreement
- Attachment 2 – Exclusive Negotiating Agreement