



Agenda Item CEK

Approvals:

City Manager ED

Dept. Head _____

Attorney _____

Finance _____

AGENDA REPORT

SAN CLEMENTE CITY COUNCIL MEETING

Meeting Date: November 17, 2020

Department: Finance & Administrative Services

Prepared By: Erik Sund, Interim City Manager

Subject: *CASA ROMANTICA PARKING LOT IMPROVEMENTS.*

Fiscal Impact: Yes. The project was bid at \$645,000. The project costs would be shared by the City and the Casa Romantica Cultural Center (CRCC) as agreed upon by the City Council at the October 20, 2020 regular meeting:

Funding Source	Dollar Amount	Percentage
CRCC cash contribution	\$64,500	10.0%
City cash contribution	\$42,750	6.6%
City General Fund Loan to CRCC	\$290,250	45.0%
Clean Ocean Fund contribution	\$247,500	38.4%
TOTAL	\$645,000	100%

Summary: Staff is presenting an amendment to the Casa Romantica Cultural Center (CRCC) lease and operating agreement that will modify the financing terms for the parking lot rehabilitation that were approved in 2018 alongside the thirty year contract extension agreement. The parking lot funding was approved using funds from the Clean Ocean fund, the General Fund (to be paid back as a loan), and directly by the Casa Romantica Cultural Center. At the October, 20, 2020 regular meeting, City Council approved of a modification to the financing structure to account for the project bid cost received by the CRCC. Those terms, illustrated in the table above, are incorporated into the lease amendment (Attachment 1).

Background: The Casa Romantica property at 415 Avenida Granada was previously owned by the Redevelopment Agency (RDA). On June 6, 2001, the RDA leased the property to the Casa Romantica Cultural Center (CRCC) for the operation of a cultural, historical, and educational center. The City amended the original lease on July 1, 2008. Following the dissolution of the RDA, the property and lease were assigned to the City in 2011. The Property, including all landscaping, improvements, and structures, was leased for ten (10) years with three (3) ten-year (10) extensions to the CRCC.

In 2018, the CRCC requested to exercise the option to extend the lease by thirty years. Simultaneously, the CRCC worked with City staff to incorporate a plan to rehabilitate the property's parking lot. Patrons and staff have complained that the decomposed granite parking lot is a tripping/slipping hazard and that guests track the material into the building, which damages the historic tile flooring. The City Council approved the

Second Amendment to the Lease on November 20, 2018 to extend the lease by thirty years and incorporate a plan to finance the parking rehabilitation project.

After bidding the project, the CRCC received a proposal that exceeded the initial anticipated project cost. Casa Romantica executive staff requested a 3rd Amendment to revise the prior anticipated funding program for the parking lot program. Their letter is provided as Attachment 3. On October 20, 2020, City Council conceptually approved the adjustment to the financing structure, which is described in the Fiscal Impact section above.

Discussion: The CRCC has completed final design and received a Coastal Commission waiver (5-19-0607-W) for the project. The CRCC will be responsible for implementing the project, including the final design, permitting and construction. The City funding will be released when a final permit is issued for the project by the City and then construction would commence.

There is currently \$550,000 in the project fund per Council's 2018 approval. To accommodate the approved funding adjustment, staff will need to appropriate an additional \$85,500 from the General Fund unassigned balance. Half of that appropriation will be added to the loan principal, which will have a new adjusted balance of \$290,250.

Due to the immediate financial impact of Covid-19, the CRCC requests that the initial repayment of the loan be deferred by one year. Staff supports this request to initiate repayments in June of 2022, and the proposed Third Amendment, provided as Attachment 1, reflects this change.

The second amendment, while already approved by Council, has not yet been formally executed. Council previously authorized the Mayor to execute that amendment (Attachment 2). It will be simultaneously executed with the 3rd amendment, should Council choose to approve it. If the 3rd Amendment is not approved, the 2nd Amendment will still be valid and in effect.

Recommended

Action: STAFF RECOMMENDS THAT the City Council

1. Authorize the Mayor to execute the third amendment, modifying the funding plan for the parking lot improvements to cover the bid cost of \$645,000;
2. Appropriate \$85,500 from the General Fund unassigned fund balance, account 001-000-23430 into account 057-543-45300-000-19809, Improvements other than Buildings

Attachments:

1. Third Amendment to the Casa Romantica Lease: C01-36
Exhibit A: Precise Grading Plans
2. Second Amendment (approved 11/20/2018)
3. Letter from Casa Romantica Executives

Notification: Amy Behrens, CRCC Executive Director

ATTACHMENT 1

THIRD AMENDMENT TO LEASE AND OPERATING AGREEMENT

This Third Amendment to the Lease and Operating Agreement ("**Third Amendment**") is made and entered into on this ___ day of _____, 20__ by and between the CITY OF SAN CLEMENTE, a California municipal corporation ("**City**"), and CASA ROMANTICA CULTURAL CENTER, a California nonprofit public benefit corporation ("**Tenant**"). City and Tenant may be referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, on June 6, 2001, the SAN CLEMENTE REDEVELOPMENT AGENCY, a public body, corporate and politic ("**Agency**") and Tenant entered into that certain Lease and Operating Agreement (the "**Lease**"). All defined terms in this Third Amendment have the same meaning as in the Lease. Under the Lease, Agency leased the Property (which is defined and described with particularity in the Lease) to Tenant; and

WHEREAS, Agency and Tenant amended the Lease on July 1, 2008 (the "**First Amendment**") in order to shift certain maintenance responsibilities from Tenant to Agency. The Lease, as amended by the First Amendment, expires on June 1, 2020; and

WHEREAS, on March 1, 2011, the Lease was assigned to the City of San Clemente (the "**City**"), as a governmental use property following the dissolution of the Agency; and

WHEREAS, Agency and Tenant agreed to a Second Amendment to the Lease on November 20, 2018 (the "**Second Amendment**") in order to provide for an initial ten year extension with two subsequent automatic ten year extensions. The initial term now terminates on June 1, 2030. If exercised, the first extension will terminate on June 1, 2040 and the second extension will terminate on June 1, 2050. The Amendment also incorporated a funding plan for parking lot improvements.

WHEREAS, the Parties desire to enter into this Third Amendment in order to modify the funding plan for the parking lot improvements on the Property.

COVENANTS

Based on the foregoing Recitals, which are incorporated herein by this reference, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by both parties, City and Tenant hereby agree as follows:

SECTION 2: Subsections 5.1 through 5.4 of Section 5 shall be superseded and replaced with the conditions as written below:

5.1 Parking Lot Improvements. There are certain parking lot improvements that the Parties desire to be made on the Property which are described in Exhibit A (the "Project"). Tenant has received a bid that the cost of these improvements is Six Hundred Forty-Five Thousand Dollars (\$645,000).

5.2 Parking Lot Improvement Financing. Tenant and City shall share the cost of the Project as follows:

5.2.1 Tenant shall contribute a minimum of Ten Percent (10%) towards the Project costs up front. Tenant's contribution shall be a minimum of Sixty-Four Thousand Five Hundred Dollars (\$64,500) and this minimum contribution shall be contributed prior to the expenditure of either the Clean Ocean grant set forth in Section 5.2.2 or the City Loan set forth in Section 5.2.3.

5.2.2 City shall contribute a minimum of \$42,750 towards the Project costs up front to be paid out of the Street Improvement Fund.

5.2.3 City shall provide Tenant with a grant in the amount of Two Hundred Forty Seven Thousand Five Hundred Dollars (\$247,500) from the Clean Ocean fund ("Ocean Grant")

5.2.4 City shall provide Tenant with a loan in an amount not to exceed Two Hundred Ninety Thousand Two Hundred and Fifty Dollars (\$290,250) from City unrestricted funds ("City Loan").

5.2.5 City contribution, through the Ocean Grant, City Loan, and City direct contribution shall not exceed Ninety Percent (90%) of the total Project costs or Five Hundred Eighty Thousand and Five Hundred Dollars (\$580,500), whichever is less.

5.2.6 Tenant shall be responsible for any costs in excess of the Five Hundred Eighty Thousand and Five Hundred Dollars (\$580,500) identified herein as the City contribution..

5.3 City Loan Repayment. Tenant shall repay the loan in annual payments over the ten (10) year term between June 1, 2022 and June 1, 2032 with zero percent (0%) interest. Tenant shall make ten (10) payments equal to Ten Percent (10%) of the final loan amount received from the City. Each payment shall be made by June 30, with the first payment made no later June 30, 2022 and continuing each year until such time as the loan is repaid. For example, and as clarification only:

Example 1:

Total project cost: \$450,000
Tenant Contribution: \$64,500
City Contribution: \$42,750
Ocean Grant: \$247,500
City Loan: \$95,250.
Annual Loan Payment: \$9,525

Example 2:

Total project cost: \$650,000
Tenant Contribution: \$64,500
City Contribution: \$42,750
Ocean Grant: \$247,500
City Loan: \$290,250.
Additional Tenant Contribution: \$5,000
Annual Loan Payment: \$29,025

5.4 Accounting True Up. Following completion of the parking lot improvements, Tenant shall provide to City an accounting of outside, third party costs incurred by Tenant to complete the Project. If such accounting demonstrates the Project costs are less than Six Hundred Forty-Five Thousand Dollars (\$645,000), Tenant shall within thirty (30) days remit to the City any excess loan funds that have been provided by City to Tenant. Tenant's annual payments shall be adjusted proportionately based upon the any funds remitted pursuant to this Section 5.1.2.

SECTION 3: Except as expressly amended by this Third Amendment, all provisions of the Lease and First and Second Amendments remain in full force and effect.

SECTION 4: This Third Amendment shall be governed by the laws of the State of California. Venue shall be in Orange County.

SECTION 5: This Third Amendment may be signed in counterparts, each of which shall constitute an original.

[Signatures on following page]

IN WITNESS WHEREOF, the Parties hereto have executed this Third Amendment as of the date first set forth above.

Dated: _____

CITY:

CITY OF SAN CLEMENTE, a California municipal corporation

By: _____

Title: _____

ATTEST:

CITY CLERK of the City of San Clemente, California

APPROVED AS TO FORM:

CITY ATTORNEY

Dated: _____

TENANT:

CASA ROMANTICA CULTURAL CENTER, a California nonprofit public benefit corporation

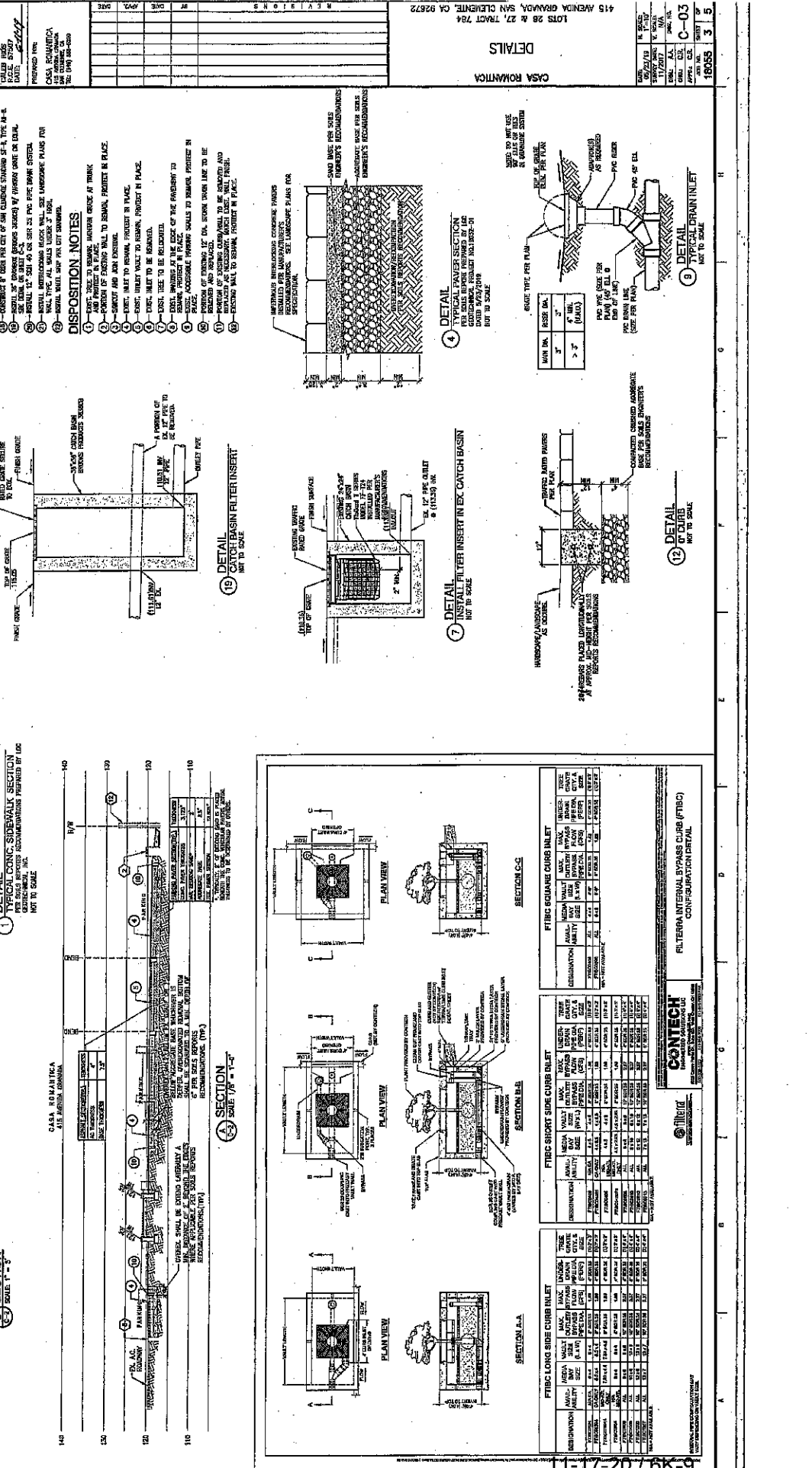
By: _____

Title: _____

NO.	DATE	DESCRIPTION
1	07/23/13	ISSUED FOR PERMITS
2	11/07/17	REVISED
3	04/23/18	REVISED
4	09/05/18	REVISED

CONSTRUCTION NOTES
 1. CONSULT OWNER'S SPECIFICATIONS FOR PERMITS. SEE SHEET C-3.
 2. CONSULT LOCAL BUILDING DEPARTMENT FOR CITY OF SAN PLESENTE, CA.
 3. CONSULT LOCAL BUILDING DEPARTMENT FOR CITY OF SAN FRANCISCO, CA.
 4. ALL CONCRETE SHALL BE PLACED AND FINISHED IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION 05020.10-1.3 AND 05020.10-1.4.
 5. ALL CONCRETE SHALL BE CURED FOR 7 DAYS.
 6. ALL CONCRETE SHALL BE TESTED IN ACCORDANCE WITH SECTION 05020.10-1.5.
 7. ALL CONCRETE SHALL BE TESTED FOR STRENGTH.
 8. ALL CONCRETE SHALL BE TESTED FOR CURING.
 9. ALL CONCRETE SHALL BE TESTED FOR SPLITTING TENSILE STRENGTH.
 10. ALL CONCRETE SHALL BE TESTED FOR AIR CONTENT.
 11. ALL CONCRETE SHALL BE TESTED FOR SLUMP.
 12. ALL CONCRETE SHALL BE TESTED FOR SET TIME.
 13. ALL CONCRETE SHALL BE TESTED FOR MODULUS OF ELASTICITY.
 14. ALL CONCRETE SHALL BE TESTED FOR POISSON'S RATIO.
 15. ALL CONCRETE SHALL BE TESTED FOR COEFFICIENT OF THERMAL EXPANSION.
 16. ALL CONCRETE SHALL BE TESTED FOR COEFFICIENT OF PERMEABILITY.
 17. ALL CONCRETE SHALL BE TESTED FOR WATER ABSORPTION.
 18. ALL CONCRETE SHALL BE TESTED FOR CHLORIDE ION CONTENT.
 19. ALL CONCRETE SHALL BE TESTED FOR SULFATE ATTACK.
 20. ALL CONCRETE SHALL BE TESTED FOR CARBON DIOXIDE UPTAKE.
 21. ALL CONCRETE SHALL BE TESTED FOR SODIUM CHLORIDE UPTAKE.
 22. ALL CONCRETE SHALL BE TESTED FOR POTASSIUM OXIDE UPTAKE.
 23. ALL CONCRETE SHALL BE TESTED FOR MAGNESIUM OXIDE UPTAKE.
 24. ALL CONCRETE SHALL BE TESTED FOR SILICA FUMES UPTAKE.
 25. ALL CONCRETE SHALL BE TESTED FOR FIBER UPTAKE.
 26. ALL CONCRETE SHALL BE TESTED FOR COLOR.
 27. ALL CONCRETE SHALL BE TESTED FOR FINISH.
 28. ALL CONCRETE SHALL BE TESTED FOR JOINTS.
 29. ALL CONCRETE SHALL BE TESTED FOR REPAIRS.
 30. ALL CONCRETE SHALL BE TESTED FOR PROTECTION.
 31. ALL CONCRETE SHALL BE TESTED FOR DEMOLITION.
 32. ALL CONCRETE SHALL BE TESTED FOR DISPOSAL.
 33. ALL CONCRETE SHALL BE TESTED FOR RECYCLING.
 34. ALL CONCRETE SHALL BE TESTED FOR SUSTAINABILITY.
 35. ALL CONCRETE SHALL BE TESTED FOR GREEN BUILDING.
 36. ALL CONCRETE SHALL BE TESTED FOR LEED.
 37. ALL CONCRETE SHALL BE TESTED FOR WELL-BEING.
 38. ALL CONCRETE SHALL BE TESTED FOR COMMUNITY.
 39. ALL CONCRETE SHALL BE TESTED FOR EQUITY.
 40. ALL CONCRETE SHALL BE TESTED FOR JUSTICE.
 41. ALL CONCRETE SHALL BE TESTED FOR PEACE.
 42. ALL CONCRETE SHALL BE TESTED FOR HAPPINESS.
 43. ALL CONCRETE SHALL BE TESTED FOR LOVE.
 44. ALL CONCRETE SHALL BE TESTED FOR LIFE.
 45. ALL CONCRETE SHALL BE TESTED FOR HOPE.
 46. ALL CONCRETE SHALL BE TESTED FOR FAITH.
 47. ALL CONCRETE SHALL BE TESTED FOR COURAGE.
 48. ALL CONCRETE SHALL BE TESTED FOR BRAVERY.
 49. ALL CONCRETE SHALL BE TESTED FOR HONOR.
 50. ALL CONCRETE SHALL BE TESTED FOR DIGNITY.
 51. ALL CONCRETE SHALL BE TESTED FOR RESPECT.
 52. ALL CONCRETE SHALL BE TESTED FOR KINDNESS.
 53. ALL CONCRETE SHALL BE TESTED FOR COMPASSION.
 54. ALL CONCRETE SHALL BE TESTED FOR MERCY.
 55. ALL CONCRETE SHALL BE TESTED FOR GRACE.
 56. ALL CONCRETE SHALL BE TESTED FOR GLORY.
 57. ALL CONCRETE SHALL BE TESTED FOR HONOR.
 58. ALL CONCRETE SHALL BE TESTED FOR RESPECT.
 59. ALL CONCRETE SHALL BE TESTED FOR KINDNESS.
 60. ALL CONCRETE SHALL BE TESTED FOR COMPASSION.

DISPOSITION NOTES
 1. ALL WORK SHALL BE TO REMAIN UNLESS NOTED OTHERWISE.
 2. ALL WORK SHALL BE TO BE REMOVED UNLESS NOTED OTHERWISE.
 3. ALL WORK SHALL BE TO BE REPAIRS UNLESS NOTED OTHERWISE.
 4. ALL WORK SHALL BE TO BE REPLACED UNLESS NOTED OTHERWISE.
 5. ALL WORK SHALL BE TO BE REINFORCED UNLESS NOTED OTHERWISE.
 6. ALL WORK SHALL BE TO BE STRENGTHENED UNLESS NOTED OTHERWISE.
 7. ALL WORK SHALL BE TO BE MODIFIED UNLESS NOTED OTHERWISE.
 8. ALL WORK SHALL BE TO BE ADJUSTED UNLESS NOTED OTHERWISE.
 9. ALL WORK SHALL BE TO BE CORRECTED UNLESS NOTED OTHERWISE.
 10. ALL WORK SHALL BE TO BE IMPROVED UNLESS NOTED OTHERWISE.
 11. ALL WORK SHALL BE TO BE ENHANCED UNLESS NOTED OTHERWISE.
 12. ALL WORK SHALL BE TO BE OPTIMIZED UNLESS NOTED OTHERWISE.
 13. ALL WORK SHALL BE TO BE MAXIMIZED UNLESS NOTED OTHERWISE.
 14. ALL WORK SHALL BE TO BE MINIMIZED UNLESS NOTED OTHERWISE.
 15. ALL WORK SHALL BE TO BE AVOIDED UNLESS NOTED OTHERWISE.
 16. ALL WORK SHALL BE TO BE DEFERRED UNLESS NOTED OTHERWISE.
 17. ALL WORK SHALL BE TO BE SUSPENDED UNLESS NOTED OTHERWISE.
 18. ALL WORK SHALL BE TO BE INTERRUPTED UNLESS NOTED OTHERWISE.
 19. ALL WORK SHALL BE TO BE POSTPONED UNLESS NOTED OTHERWISE.
 20. ALL WORK SHALL BE TO BE CANCELLED UNLESS NOTED OTHERWISE.



CONTECH
 INTERLOCKING POLYMER CONCRETE
 11-17-2076K-9

SECTION	REVISION	DATE	DESCRIPTION
SECTION 1	1	07/23/13	ISSUED FOR PERMITS
	2	11/07/17	REVISED
SECTION 2	1	07/23/13	ISSUED FOR PERMITS
	2	11/07/17	REVISED
SECTION 3	1	07/23/13	ISSUED FOR PERMITS
	2	11/07/17	REVISED
SECTION 4	1	07/23/13	ISSUED FOR PERMITS
	2	11/07/17	REVISED
SECTION 5	1	07/23/13	ISSUED FOR PERMITS
	2	11/07/17	REVISED
SECTION 6	1	07/23/13	ISSUED FOR PERMITS
	2	11/07/17	REVISED
SECTION 7	1	07/23/13	ISSUED FOR PERMITS
	2	11/07/17	REVISED
SECTION 8	1	07/23/13	ISSUED FOR PERMITS
	2	11/07/17	REVISED
SECTION 9	1	07/23/13	ISSUED FOR PERMITS
	2	11/07/17	REVISED
SECTION 10	1	07/23/13	ISSUED FOR PERMITS
	2	11/07/17	REVISED
SECTION 11	1	07/23/13	ISSUED FOR PERMITS
	2	11/07/17	REVISED



CIVIL ENGINEERING
REGISTERED PROFESSIONAL ENGINEER
NO. 14147
STATE OF CALIFORNIA



PROJECT NAME:
CASA ROMANTICA
CASA ROMANTICA
1415 AVENIDA GRANADA, SAN CLEMENTE, CA 92672

NO.	DATE	BY	DATE	BY	DATE	BY

CASA ROMANTICA
EROSION CONTROL PLAN
LOTS 28 & 27, TRACT 784
415 AVENIDA GRANADA, SAN CLEMENTE, CA 92672

NO.	DATE	BY
1	11/17/20	[blank]
2		
3		
4		
5		

- EROSION CONTROL BMP'S**
- SE-1 SCHEDULED
 - SE-2 SCHEDULED
 - SE-3 SCHEDULED
 - SE-4 SCHEDULED
 - SE-5 SCHEDULED
 - SE-6 SCHEDULED
 - SE-7 SCHEDULED
 - SE-8 SCHEDULED
 - SE-9 SCHEDULED
 - SE-10 SCHEDULED

- TEMPORARY SEDIMENT CONTROL**
- SE-11 SCHEDULED
 - SE-12 SCHEDULED
 - SE-13 SCHEDULED
 - SE-14 SCHEDULED
 - SE-15 SCHEDULED
 - SE-16 SCHEDULED
 - SE-17 SCHEDULED
 - SE-18 SCHEDULED
 - SE-19 SCHEDULED
 - SE-20 SCHEDULED

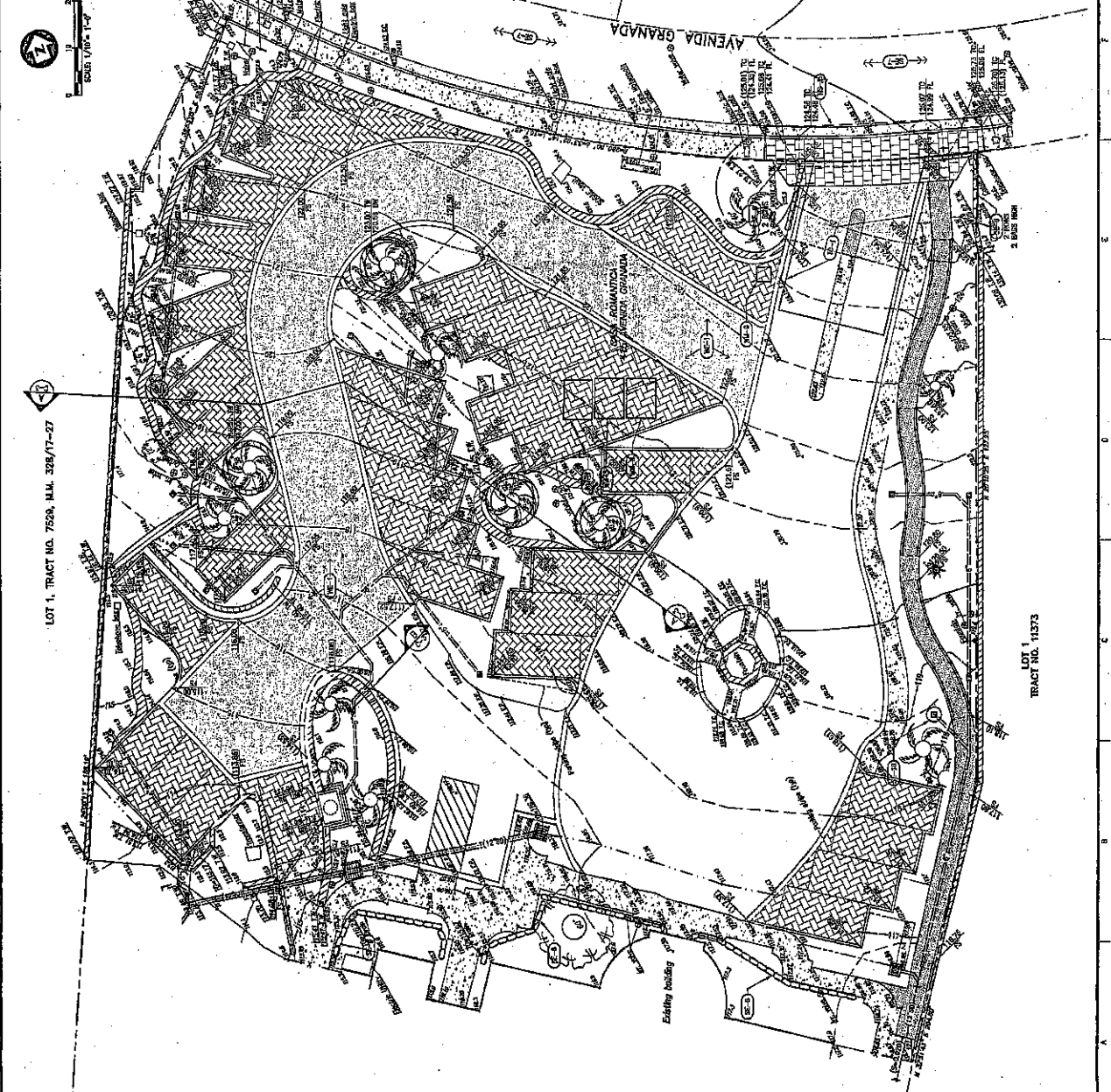
- WASTE MANAGEMENT AND MATERIALS POLLUTION CONTROL**
- WM-1 SCHEDULED
 - WM-2 SCHEDULED
 - WM-3 SCHEDULED
 - WM-4 SCHEDULED
 - WM-5 SCHEDULED
 - WM-6 SCHEDULED
 - WM-7 SCHEDULED
 - WM-8 SCHEDULED
 - WM-9 SCHEDULED
 - WM-10 SCHEDULED

- WIND EROSION CONTROL**
- WE-1 SCHEDULED
 - WE-2 SCHEDULED
 - WE-3 SCHEDULED
 - WE-4 SCHEDULED
 - WE-5 SCHEDULED
 - WE-6 SCHEDULED
 - WE-7 SCHEDULED
 - WE-8 SCHEDULED
 - WE-9 SCHEDULED
 - WE-10 SCHEDULED

- WATER MANAGEMENT**
- WM-11 SCHEDULED
 - WM-12 SCHEDULED
 - WM-13 SCHEDULED
 - WM-14 SCHEDULED
 - WM-15 SCHEDULED
 - WM-16 SCHEDULED
 - WM-17 SCHEDULED
 - WM-18 SCHEDULED
 - WM-19 SCHEDULED
 - WM-20 SCHEDULED

- WATER MANAGEMENT**
- WM-21 SCHEDULED
 - WM-22 SCHEDULED
 - WM-23 SCHEDULED
 - WM-24 SCHEDULED
 - WM-25 SCHEDULED
 - WM-26 SCHEDULED
 - WM-27 SCHEDULED
 - WM-28 SCHEDULED
 - WM-29 SCHEDULED
 - WM-30 SCHEDULED

- WATER MANAGEMENT**
- WM-31 SCHEDULED
 - WM-32 SCHEDULED
 - WM-33 SCHEDULED
 - WM-34 SCHEDULED
 - WM-35 SCHEDULED
 - WM-36 SCHEDULED
 - WM-37 SCHEDULED
 - WM-38 SCHEDULED
 - WM-39 SCHEDULED
 - WM-40 SCHEDULED



LOT 1, TRACT NO. 7559, H.M. 326/17-27

LOT 1, TRACT NO. 11373

TOAL
ENGINEERING, INC.
CIVIL ENGINEERING
LAND SURVEYING
SURVEYING QUALITY
ASSURANCE

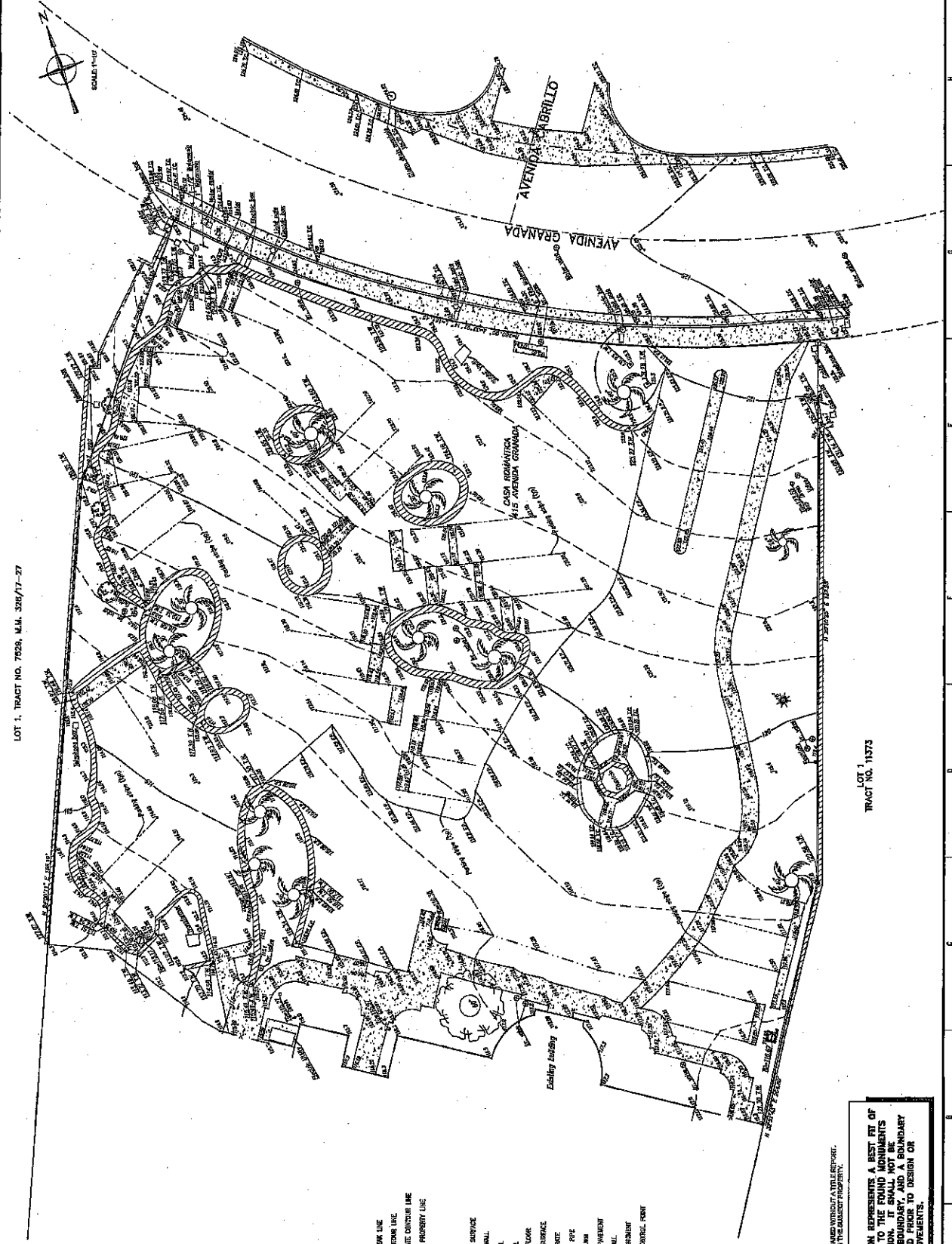


PREPARED BY:
M. Moran
CASA ROMANICA
415 AVENIDA GRANADA
SAN CLEMENTE, CA 92672
TEL: (949) 266-2888

NO.	DATE	BY	REVISIONS

CASA ROMANICA
TOPOGRAPHIC SURVEY
LOTS 28 & 27, TRACT 794
415 AVENIDA GRANADA, SAN CLEMENTE, CA 92672

DATE: 12/12/12
SCALE: 1" = 40'
PROJECT NO.: C-05
SHEET NO.: 15
18055 5 5



LOT 1, TRACT NO. 7529, M.M. 328/17-27

LOT 1
TRACT NO. 1473

- LEGEND**
- BRICK BREAK LINE
 - IRREGULAR CONTOUR LINE
 - INTRUSIVE CONTOUR LINE
 - ESTIMATED PROPERTY LINE
 - FENCE
 - WIRE WALL
 - CONCRETE SURFACE
 - MASONRY WALL
 - WOOD WALL
 - ROCK WALL
 - FINISHED FLOOR
 - FINISHED SURFACE
 - TOP OF CURB
 - INSET OF PIPE
 - TOP OF CURB
 - EDGE OF PAVEMENT
 - TOP OF WALL
 - FOUND INCROUSION
 - SURVEY CONTROL POINT

BOUNDARY NOTE
THIS SURVEY REPRESENTS A BEST FIT OF
THE RECORD BOUNDARY TO THE FOUND ADJACENTS
AND LINES OF OCCUPATION. IT SHALL NOT BE
CONSIDERED THE FINAL BOUNDARY, AND A BOUNDARY
SURVEY IS RECOMMENDED PRIOR TO DESIGN OR
CONSTRUCTION OF IMPROVEMENTS.

11
REVISIONS:
DATE: 12/12/12
BY: M. Moran

ATTACHMENT 2

SECOND AMENDMENT TO LEASE AND OPERATING AGREEMENT

This Second Amendment to the Lease and Operating Agreement ("**Second Amendment**") is made and entered into on this ___ day of _____, 20__ by and between the CITY OF SAN CLEMENTE, a California municipal corporation ("**City**"), and CASA ROMANTICA CULTURAL CENTER, a California nonprofit public benefit corporation ("**Tenant**"). City and Tenant may be referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, on June 6, 2001, the SAN CLEMENTE REDEVELOPMENT AGENCY, a public body, corporate and politic ("**Agency**") and Tenant entered into that certain Lease and Operating Agreement (the "**Lease**"). All defined terms in this Second Amendment have the same meaning as in the Lease. Under the Lease, Agency leased the Property (which is defined and described with particularity in the Lease) to Tenant; and

WHEREAS, Agency and Tenant amended the Lease on July 1, 2008 (the "**First Amendment**") in order to shift certain maintenance responsibilities from Tenant to Agency. The Lease, as amended by the First Amendment, expires on June 1, 2020; and

WHEREAS, on _____, 20__ the Lease was assigned to the City of San Clemente (the "**City**"), as a governmental use property following the dissolution of the Agency; and

WHEREAS, the Parties desire to enter into this Second Amendment in order to extend the term of the Lease and incorporate funding for improving the parking lot on the Property.

COVENANTS

Based on the foregoing Recitals, which are incorporated herein by this reference, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by both parties, City and Tenant hereby agree as follows:

SECTION 1: Section 2.1 of the Lease, entitled "Term," is hereby amended to include the following sentence at the end of the paragraph:

"Upon completion of the Term ("**Original Term**"), the Original Term shall be extended for a period of ten (10) years with two (2) automatic ten (10)

year extensions ("**First Amended Term**"). Based upon this extension, the Original Term will now terminate on June 1, 2030. If exercised, the first extension will terminate on June 1, 2040 and the second extension will terminate on June 1, 2050.

SECTION 2: The following subsections are added to Section 5:

5.1 Parking Lot Improvements. There are certain parking lot improvements that the Parties desire to be made on the Property which are described in Exhibit A (the "**Project**"). Tenant has estimated that the cost of these improvements is Five Hundred Fifty Five Thousand Dollars (\$555,000).

5.2 Parking Lot Improvement Financing. Tenant and City shall share the cost of the Project as follows:

5.2.1 Tenant shall contribute a minimum of Ten Percent (10%) towards the Project costs. Tenant's contribution shall be a minimum of Fifty Five Thousand Dollars (\$55,000) and this minimum contribution shall be contributed prior to the expenditure of either the Clean Ocean grant set forth in Section 5.2.2 or the City Loan set forth in Section 5.2.3..

5.2.2 City shall provide Tenant with a grant in the amount of Two Hundred Forty Seven Thousand Five Hundred Dollars (\$247,500) from the Clean Ocean fund ("Ocean Grant")

5.2.3 City shall provide Tenant with a loan in an amount not to exceed Two Hundred Forty Seven Thousand Five Hundred Dollars (\$247,500) from City unrestricted funds ("City Loan").

5.2.4 City contribution, through the Ocean Grant and City Loan, shall not exceed Ninety Percent (90%) of the total Project costs or Five Hundred Thousand Dollars (\$500,000.00), whichever is less.

5.2.5 Tenant shall be responsible for any costs in excess of the Five Hundred Fifty Five Thousand Dollars (\$555,000) identified herein.

5.3 City Loan Repayment. Tenant shall repay the loan in annual payments over the ten (10) year term between June 1, 2020 and June 1, 2030 with zero percent (0%) interest. Tenant shall make ten (10) payments equal to Ten Percent (10%) of the final loan amount received from the City. Each payment shall be made by June 30, with the first payment made no later June 30, 2021 and continuing each year until such time as the loan is repaid. For example, and as clarification only:

Example 1:

Total project cost: \$450,000
Tenant Contribution: \$55,000
Ocean Grant: \$247,500
City Loan: \$147,500.
Annual Loan Payment: \$14,750

Example 2:

Total project cost: \$650,000
Tenant Contribution: \$55,000
Ocean Grant: \$247,500
City Loan: \$247,500.
Additional Tenant Contribution: \$100,000
Annual Loan Payment: \$24,750

5.4 Accounting True Up. Following completion of the parking lot improvements, Tenant shall provide to City an accounting of outside, third party costs incurred by Tenant to complete the Project. If such accounting demonstrates the Project costs are less than Five Hundred Fifty Five Thousand Dollars (\$555,000), Tenant shall within thirty (30) days remit to the City any excess loan funds that have been provided by City to Tenant. Tenant's annual payments shall be adjusted proportionately based upon the any funds remitted pursuant to this Section 5.1.2.

5.5. Bid Requirements. In order to receive City funds for the Project, Tenant must acquire three (3) formal bids from reliable and reputable contractors licensed and capable of satisfactorily completing the work. City shall be provided with all bid documents including any addendums and qualifications.

5.6. Prevailing Wages. Tenant shall pay and will cause the General Contractor and subcontractors to: (i) pay prevailing wages in the construction of the Project as those wages are determined pursuant to California Labor Code Section 1720 et seq., (ii) employ apprentices as required by California Labor Code Sections 1777.5 et seq., and (iii) implement regulations of the Department of Industrial Relations (the "DIR").

5.7. Indemnity. Tenant shall defend City and its officers, council members, employees, agents or contractors against any claim for damages, compensation, fines, penalties or other amounts arising out of the failure or alleged failure of any person or entity, other than City or its officers, employees, agents or contractors, to pay comply with all applicable state prevailing wage requirements in the performance of this Agreement or the Project and will indemnify and hold City and its officers, council members, employees, agents or contractors harmless against any damages, compensation, fines, penalties or other amounts resulting from the successful prosecution of such claim. Tenant shall also defend, assume all responsibility for and hold City, its officers, council members, employees,

agents or contractors, harmless from all demands, claims, actions and damages, of whatever type or nature, including all costs of defense and attorneys' fees, to any person or property arising out of or related to this Agreement, or caused by any of Tenant's activities under this Agreement, whether such activities or performance thereof by Tenant or anyone directly or indirectly employed or contracted with by Tenant and whether such damage shall accrue or be discovered before or after commencement of operation of the Project.

5.8. Bond. Tenant shall acquire all required bonds prior to receiving Project funds from the City.

SECTION 3: Except as expressly amended by this Second Amendment, all provisions of the Lease and First Amendment remain in full force and effect.

SECTION 4: This Second Amendment shall be governed by the laws of the State of California. Venue shall be in Orange County.

SECTION 5: This Second Amendment may be signed in counterparts, each of which shall constitute an original.

[Signatures on following page]

IN WITNESS WHEREOF, the Parties hereto have executed this Second Amendment as of the date first set forth above.

Dated: _____

CITY:

CITY OF SAN CLEMENTE, a California
municipal corporation

By: _____

Title: _____

ATTEST:

CITY CLERK of the City of San
Clemente, California

APPROVED AS TO FORM:

CITY ATTORNEY

Dated: _____

TENANT:

CASA ROMANTICA CULTURAL
CENTER, a California nonprofit public
benefit corporation

By: _____

Title: _____



CASA ROMANTICA ATTACHMENT 3
CULTURAL CENTER AND GARDENS

BOARD OF TRUSTEES

Ruth DeNault
PRESIDENT

October 16, 2020

David Westendorf
VICE PRESIDENT

Dear San Clemente City Council Members and Acting City Manager Erik Sund,

Gordon H. Olson
TREASURER

Thank you very much for your authorization of the second amendment to the Casa Romantica lease to extend the lease for another 30 years and to provide a cooperative approach to fund improvements to the existing parking lot at the City Council meeting on November 20, 2018.

Bonnie Koch
SECRETARY

This project will benefit both the City as landlord, and Casa Romantica as the leaseholder, and as a nonprofit whose purpose is to enrich the lives of our residents through the careful preservation of the Ole Hanson founder's estate and through our numerous arts and cultural programs for people of all ages.

Maggie Chang

Anne Debs

At the City Council meeting on October 20, 2020, Casa Romantica's Parking Lot Project will again be considered, under Item 9-B. The purpose of the agenda item is for the City Council to be made aware of the increase in actual costs of this project, to be aware of the fiscal savings for the City at the close of another similar parking lot project authorized by the City, and to allocate the unused funds to the Casa Romantica parking lot project so that the City and Casa Romantica can move forward with the bid that the Citystaff and Casa Romantica representatives consider to be responsible and responsive.

Noel Helm

Gayle Pereira-Higgins

David Peter

of Proud

We truly hope that you will approve of the creation of a third amendment to our lease to to update the funding costs and approach for the parking lot improvement project so that we may move forward to break ground on the project, and increase our value for the residents of San Clemente and its visitors who benefit from our cultural programs and public historic destination.

Kitty Schmitt

Greg Stoutenburgh

We want to make sure, because it is not explicitly stated in the Agenda Report, that in the event that the creation of a third amendment is not approved, that the November 20, 2018 vote for the approval of the second amendment remains intact and unchanged.

Ron Redmond
Board President Emeritus

Additionally, Casa Romantica respectfully requests that you consider one further inclusion in the third amendment. Since the second amendment was created in December 2019, our nonprofit organization has been significantly affected by disruptions due to COVID-19. Even with numerous austerity measures put in place by the Casa Romantica leadership to reduce our expenses this year, almost all of Casa Romantica's income streams suffered greatly, and we were forced to use a large portion of our cash reserves in order to continue fulfilling our mission.

Guy Varriano †
Founding Board President
Emeritus

Judy Swayne †
Founding Board member
Emeritus

Therefore, we respectfully request a deferment of the first payment on our 30-year repayment loan to begin in June 2022 instead of June 2021. We have already completed a successful Toast to the Casa fundraiser campaign, and with one additional year to build back our reserves, we will have an even stronger foundation.

Julia Di Giovanni †
Founding Board member
Emeritus

Thank you very much for your consideration of our requests. If you would like to discuss it further, please contact us at (949) 498-2139 x112 or email rdenault@denaults.com and behrens@casaromantica.org.

Patrick Griffin
Emeritus

Sincerely,

Ruth DeNault Board President Amy Behrens- Executive Director