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COMMUNITY/CONVENTION CENTER
City of Sacramento
ADMINISTRATION OFFICES

March 29, 1989

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: SACRAMENTO THEATER COMPANY'S PROPOSED SUBLEASE TO
SACRAMENTO LIGHT OPERA ASSOCIATION

APPROVED
BY THE CITY COUNCIL

APR 4 1989

OFFICE OF THE
CITY CLERK

AG 88202

SUMMARY

This report recommends approval of a sublease between the Sacramento Theater Company and the Sacramento Light Opera Association for the use of City-owned property located at 15th and H Streets.

BACKGROUND INFORMATION

On August 14, 1986, the City Council authorized the negotiation and execution of certain agreements with the County of Sacramento, Sacramento Theater Company and the Security Pacific National Bank concerning the acquisition and subsequent leasing to Sacramento Theater Company, of property located at 1419 H Street.

This property has been utilized for community theater since the early 1940s. Commencing in 1986, the City has leased this property to Sacramento Theater Company for ten years. This Master Sublease included provisions to recognize what was then an existing sublease with Sacramento Light Opera Association and further included provisions to allow future subleases with an organization which is tax exempt under SS 501(c)(3) of the Internal Revenue Code and receives prior approval by the City of both the proposed lessee and terms and conditions.

Sacramento Light Opera Association proposes to continue using the City property for the purpose of presenting the musical theater production known as "Sacramento Music Circus" and for rehearsals, receptions and other ancillary uses. Significant terms of the

proposed sublease include a five year term; seasonal use; share of maintenance responsibilities; appropriate insurance and indemnification clauses; and if Sacramento Theater Company defaults under the Master Sublease, a provision in which the City may elect to terminate this sublease two years after written notice to Sacramento Light Opera Association is included.

This last provision is set out in the attached Approval of City of Sacramento/Non-Disturbance and Attornment Agreement.

FINANCIAL DATA

None.

POLICY MATTERS

This recommended sublease is consistent with prior City Council policy approved in 1986 in the Master Sublease.

MBE/WBE

No impact.

RECOMMENDATION

It is recommended that the City Council approve the proposed sublease between Sacramento Theater Company and Sacramento Light Opera Association.

Further, it is recommended that the City Manager be authorized to execute the approval of City of Sacramento Non-disturbance and Attornment Agreement.

Respectfully submitted,

Barbara C Bonebrake
for SAM J. BURNS, DIRECTOR
Community/Convention Center

Recommendation Approved:

Walter J. Slipe
WALTER J. SLIPE
City Manager

Contact Person to
Answer Questions:

April 4, 1989
All Districts

BARBARA BONEBRAKE, MANAGEMENT OFFICER
449-5291

Attachments

RESOLUTION NO. 89-262

Adopted by The Sacramento City Council on date of

**RESOLUTION AUTHORIZING APPROVAL OF SACRAMENTO
THEATER COMPANY AND SACRAMENTO LIGHT OPERA
ASSOCIATION SUBLEASE**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

- 1. The Sublease between the Sacramento Theater Company and the Sacramento Light Opera Association is hereby approved.
- 2. The City Manager is hereby authorized to execute the Approval of City of Sacramento Non-disturbance and Attornment Agreement between Sacramento Theater Company and Sacramento Light Opera Association and the City of Sacramento.

MAYOR

ATTEST:

CITY CLERK

APPROVED
BY THE CITY COUNCIL
APR 4 1989
OFFICE OF THE
CITY CLERK

APPROVAL OF CITY OF SACRAMENTO/
NON-DISTURBANCE AND ATTORNMENT AGREEMENT

This lease between Sacramento Theatre company ("Landlord") and Sacramento Light Opera Association ("Tenant") dated _____, 1989 ("Lease"), is a sublease of that Sublease ("Master Sublease") effective as of August 29, 1986, by and between the City of Sacramento, a municipal corporation ("City"), and Landlord. Landlord, Tenant and City agree as follows:

1. City consents to Landlord and Tenant entering into the Lease, without waiver of the provisions in paragraph 14 of the Master Sublease concerning further assignment or subletting.

2. City shall notify Tenant if Landlord has defaulted under the Master Sublease, and if the applicable cure period has expired without the default having been remedied, Tenant shall attorn to City and perform all of Tenant's obligations under this Lease. If Tenant is not in default at the time of the notice, City shall continue to recognize the estate of Tenant created under this Lease, and so long as Tenant is not in default, this Lease shall continue with the same force and effect as if City and Tenant had entered into a lease on the same terms and provisions as those contained in this Lease. Notwithstanding the foregoing, if the Master Sublease terminates or is terminated for any reason prior to the termination of this Lease, City may elect to terminate this Lease two (2) years after written notice thereof to Tenant, or on the Lease termination date, if earlier.

3. From the date Tenant attorns to City as heretofore provided, Tenant shall not be liable to Landlord for performance under the Lease; however, Tenant shall be responsible to Landlord for all obligations under the Lease arising prior to the date of attornment.

4. Tenant acknowledges receipt of a copy of the Master Sublease and of the lease between Security Pacific Merchant Banking Group ("Security") and City ("Prime Lease") wherein ~~Security is Master lessor and City is Master lessee, and is~~ familiar with their terms. This Lease shall at all times be subject and subordinate to the Master Sublease and the Prime Lease.

APPROVED AS TO FORM:

Assistant City Attorney

"City"

CITY OF SACRAMENTO, a
municipal corporation

By _____

Title _____

ATTEST:

City Clerk

"Landlord"

SACRAMENTO THEATRE COMPANY,
a California nonprofit
corporation

By _____

Title _____

"Tenant"

SACRAMENTO LIGHT OPERA
ASSOCIATION, a California
nonprofit corporation

By _____

Title _____

July 7, 1989

Sacramento Theatre Company
Attn: Glynis Wood-Alberts
1419 H Street
Sacramento CA 95814

On April 4, 1989, the Sacramento City Council adopted Resolution No. 89-262 authorizing the execution of Agreement No. 88202 regarding sublease/non disturbance and attornment agreement.

Enclosed, for your records, is one fully certified copy of said agreement and authorizing resolution.

Sincerely,

Janice Beaman
Acting Assistant City Clerk

mls/28

Enclosures

cc: Sacramento Community Center
Risk Management
Sacramento Light Opera Assoc
Diepenbrock, Wulff, Plant & Hannegan
Weintraub, Genshlea, Hardy, Erich & Brown