



## Legislation Details (With Text)

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**Type:** Resolution      **Status:** Passed Finally

**File created:** 10/19/2010      **In control:** Committee on Finance and Law

**On agenda:**      **Final action:** 11/4/2010

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**Title:** Resolution amending Resolution No. 384 of 2005 to authorize forgiveness of rental payments due under an existing lease agreement between the City and The New Hazlett Theater.

**Sponsors:**

**Indexes:** LEASE/LICENSE AGREEMENT

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**Attachments:** 1. 2010-1044.doc

| Date       | Ver. | Action By          | Action                    | Result |
|------------|------|--------------------|---------------------------|--------|
| 11/15/2010 | 1    | Mayor              | Signed by the Mayor       |        |
| 11/4/2010  | 1    | City Council       | Passed Finally            | Pass   |
| 10/27/2010 | 1    | Standing Committee | AFFIRMATIVELY RECOMMENDED | Pass   |
| 10/19/2010 | 1    | City Council       | Read and referred         |        |

Presented by Mr. Peduto

Resolution amending Resolution No. 384 of 2005 to authorize forgiveness of rental payments due under an existing lease agreement between the City and The New Hazlett Theater.

**WHEREAS**, in 1999, former tenant The Pittsburgh Public Theater relocated to the O'Reilly Theater from the City-owned Hazlett Theater (the "Theater"), and

**WHEREAS**, for a period of time thereafter, the City continued to manage and operate the Theater and allowed local groups to rent it on a show-by-show basis; and

**WHEREAS**, in 2003, the City determined that it would no longer be able to continue to provide these services, and, thereafter, The New Hazlett Center for the Performing Arts, a 501(c)(3) non-profit group ("The New Hazlett Theater"), agreed to assist in the renovation and reopening of the Theater as a vibrant new performing arts center (the "Project"); and

**WHEREAS**, pursuant to Resolution No. 384 of 2005, the City agreed to lease the Theater to The New Hazlett Theater in order to facilitate this Project for an initial term not to exceed 5 years with an option to renew for an additional 5 year period thereafter with terms subject to renegotiation by the parties. Rent was agreed to be \$50,000 per year for the first three years with the right to renegotiate rental amounts thereafter for years 4 and 5 based on utility costs as is further set forth in the lease agreement, but with a minimum \$50,000 contribution for each year; and

**WHEREAS**, during 2006, The New Hazlett Theater completed the Project for approximately Two Million Four Hundred Thousand Dollars (\$2,400,000) and, in doing so, encountered additional unexpected costs of approximately \$220,000; and

**WHEREAS**, due to these Project costs, Theater improvements and initial start-up operating costs, including establishment of a customer base, The New Hazlett Theater has requested that the City agree to modify the lease in order to forego such rental payments; and

**WHEREAS**, due to the major capital improvements already made to the Theater and due to the great public benefit afforded by the work of The New Hazlett Theater, the City has agreed to forego these rental payments based upon the understanding that The Hazlett Theater will exercise its option to lease the Theater for another five years and will be fully responsible to pay for its pro-rata share of utility payments as annual rent over such extension period.

**Be it resolved by the Council of the City of Pittsburgh as follows:**

**Section 1.** The Mayor and the Director of the Department of Finance are authorized to amend the current lease with The New Hazlett Theater to forego the rent requirement for years 1 through 5. The parties will further amend the lease to document that The New Hazlett Theater has exercised its option to extend the lease for another five (5) years, subject to the inclusion of a term that The New Hazlett Theater will be responsible to pay annual rent equal to its pro-rata share of utility payments based on the square footage area occupied.