

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: July 25, 2023

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: Tyler Hall, Assistant Village Manager

Topic: Renewal of Lease Agreement with Homewood Arts Council (HAC) for usage of Homewood Auditorium

PURPOSE

The Homewood Arts Council (HAC) would like to renew the lease agreement for continued use of the Village's auditorium for performing arts and other cultural programs. A lease agreement with the Village must be approved by the Board of Trustees to continue to allow them use of the space. Approval of this lease agreement requires that the Village Board pass an ordinance.

PROCESS

The Village of Homewood entered into the initial lease agreement with the HAC giving them use of the Homewood Auditorium with the term of July 1, 2021 through June 30, 2022. The Village leased the auditorium to the HAC for (\$1) one dollar. The intent of the initial lease agreement was to allow the HAC use of the facility for art-related programming while the Village completes grant applications that will release funds appropriated by state legislators for the renovation of the facility into a regional performing arts center. As the appropriated funds have yet to be released, the lease renewal would extend the HAC's use of the space until June 30, 2024 with some additional provisions within the agreement.

Staff met with members of the HAC Board of Directors to discuss their past use of the space, planned use of the space, use of revenue generated by the space, and reporting expectations. During the initial lease the HAC brought in third party users such as Chicago Knockouts Roller Derby, an amateur wrestling match, and a few others. Anecdotally, it seems that the community favors several of these third party uses. The third party users typically have sub-lease agreements where the HAC charges them a fee for usage of the space. We inquired about usage of the revenue generated from these sub-lease agreements and the HAC mentioned that the funds are used for arts and cultural related programs that occur throughout the community and not necessarily within the auditorium itself.

Staff proposed a few additions to the lease renewal agreement in order to get more information regarding usage the space, how the space and/or third party sub-leases benefit the HAC and the Homewood community, and reporting requirements regarding third party uses in

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order to make sure minimum insurance requirements are met per the recommendation from the Village's risk management insurance provider, IRMA. Below is a brief summary of the additional language included in the renewal agreement:

- Lessee shall not sublet the premises without the Lessor's prior written consent.
- Mandatory Reporting
 - Lessee will provide the Village with:
 - A copy of their Articles of Incorporation;
 - A copy of their Bylaws;
 - List of their Board of Directors;
 - A copy of their federal tax return;
 - A copy of their most recent Illinois Charitable Organization Annual Report
 - Every six months, the Lessee shall submit a written summary to the Lessor with the following information about the premises for the previous six months:
 - How have the premises been used?
 - How much revenue has Lessee received from its use of the premises?
 - How has the Lessee used this revenue to advance its mission within the local community?
 - Any other information the Lessee believe to be relevant

The rest of the lease renewal agreement mirrors the language from the initial lease agreement, including cost of leasing the auditorium to the HAC for (\$1) one dollar.

OUTCOME

This lease renewal will allow the HAC to further its mission to support local artists and make the community more aware of what the Council offers. The lease renewal will also provide opportunities to expose the community to arts and culture, and can increase foot traffic in the downtown area providing more customers to local businesses. In addition, the Village will have more comprehensive information about the usage of the space and how the revenue generated by the space assists HAC's mission.

FINANCIAL IMPACT

- **Funding Source:** N/A
- **Budgeted Amount:** N/A
- **Cost:** N/A

LEGAL REVIEW

Completed

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RECOMMENDED BOARD ACTION

Pass an ordinance authorizing the Village President to enter into a lease renewal agreement with the Homewood Arts Council for use of the Village's auditorium.

ATTACHMENT(S)

- Ordinance
- Lease Renewal Agreement