



**CITY of NOVI CITY COUNCIL**

**Agenda Item I  
October 25, 2010**

**SUBJECT:** Approval of Amendment to Lease Agreement with the Performing Arts Academy for lease space at the Novi Ice Arena to reduce the number of days available per week and reduce the rent accordingly.

**SUBMITTING DEPARTMENT:** Parks, Recreation & Cultural Services

**CITY MANAGER APPROVAL:** *AP*

**BACKGROUND INFORMATION:**

On June 19, 2006, the Performing Arts Academy entered into an agreement with the City of Novi to lease space at the Novi Ice Arena for the purpose of providing a variety of dance programs. The lease has a series of renewal options with the final renewal being until July 1, 2011.

The Performing Arts Academy has requested revised terms to the lease agreement because of the significant drop in its business, from five days a week to one, with a corresponding reduction in rent from \$18,000 to \$4,400 per year. City Staff believes that the space is readily available for the use and has no objection to the request. In fact, beginning last year, the Academy was only using the space for three days a week at a comparably reduced rent (\$12,000). This matter is being brought forward to formalize the parties' understanding that the rent should be reduced to correspond to the extent of actual use of the space.

**RECOMMENDED ACTION:** Approval of Amendment to Lease Agreement with the Performing Arts Academy to lease space at the Novi Ice Arena, in order to reduce the number of days available per week and to reduce the rent accordingly.

	1	2	Y	N
Mayor Landry				
Mayor Pro Tem Gatt				
Council Member Crawford				
Council Member Fischer				

	1	2	Y	N
Council Member Margolis				
Council Member Mutch				
Council Member Staudt				

## FIRST AMENDMENT TO LEASE AGREEMENT

This Amendment being made this \_\_\_ day of October, 2010, between the City of Novi, a Michigan municipal corporation, whose address is 45175 West Ten Mile Road, Novi, Michigan 48375, hereinafter called "Lessor", and The Performing Arts Academy, a Michigan corporation, whose address is 24371 Catherine Industrial Road, Suite 221, Novi, Michigan 48375, hereinafter called "Lessee."

### RECITALS

**WHEREAS**, the parties entered into a Lease Agreement dated June 19, 2006; and

**WHEREAS**, the Lease provided for an initial term and extensions thereto, with the final renewal term expiring on July 1, 2011; and

**WHEREAS**, pursuant to the Lease, Lessee has access to the designated premises within the Novi Ice Arena for use as a dance studio and other uses normally incident thereto, five days a week, for a minimum rental amount of \$18,000.00 per lease term; and

**WHEREAS**, in light of the reduction in the Lessee's business, for the final term of the Lease the parties desire to amend the provisions regarding the number of days the premises may be used in the Lease Agreement and rental amount charged to Lessee therefor.

**NOW, THEREFORE**, based upon good and valuable consideration, the receipt of which is acknowledged by both parties, the Lease Agreement is hereby amended as follows:

1. For the final term of the Lease, beginning effective September 1, 2010 and terminating on July 1, 2011, the Lessee shall have use of the designated premises within the Novi Ice Arena for the purposes described in the Lease Agreement only on [insert day of the week] of each week.
2. In accordance with the reduced usage of the leased premises, rent shall also be reduced to the amount of Four Thousand and Four Hundred (\$4,400) Dollars, or One Hundred (\$100) Dollars per week, for the final term of the Lease.

3. All other terms and conditions of original Lease Agreement not amended herein shall remain in full force and effect.

**WITNESSES:**

**CITY OF NOVI, LESSOR**

\_\_\_\_\_  
Print Name:

\_\_\_\_\_  
By: David B. Landry  
Its: Mayor

\_\_\_\_\_  
Print Name:

\_\_\_\_\_  
By: Maryanne Cornelius  
Its: City Clerk

**THE PERFORMING ARTS ACADEMY,  
LESSEE**

\_\_\_\_\_  
Print Name:

\_\_\_\_\_  
By:  
Its:

\_\_\_\_\_  
Print Name:

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