



CITY OF MARTINEZ

**CITY COUNCIL AGENDA
May 7, 2014**

TO: Mayor and City Council
FROM: Michael Chandler, Senior Management Analyst
SUBJECT: Rooster Productions License Agreement First Amendment
DATE: May 1, 2014

RECOMMENDATION:

Adopt a resolution authorizing the Interim City Manager to execute a first amendment to the license agreement with Rooster Productions, LLC, for use of a portion of the Kenney Building, located at 115 Tarantino Drive.

BACKGROUND

The City entered into a five-year license agreement with Rooster Productions, LLC (“Rooster”) on January 16, 2013, for use of a portion of the Kenney Building located at 115 Tarantino Drive for the purposes of constructing and storing scenery and props. The City subsequently acquired a large number of personal property assets which were formerly the property of the Willows Theater Company in February 2014 for a purchase price of \$2,000 from the Bank of the West. Among these assets was the complete inventory of thousands of small props organized and located within the prop storage room of the first floor of the Kenney Building. As a separate item preceding its consideration of this request, the City Council will consider the sale of the small props as surplus supplies and equipment to Rooster under the terms of a negotiated sale of these and other assets. If the City Council approves the sale to Rooster, the license agreement will need to be amended for the reasons that will now be discussed.

Exhibit B to the License with Rooster identified a number of areas within the building as common/shared areas; Rooster areas; or City areas. The prop storage room in which the small props are located was listed as a common/shared area. Upon completion of the sale of the small props to Rooster, the prop storage room – a space of 655 square feet – will become a designated Rooster area. As such, the licensee fee merits adjustment to reflect the increase in space dedicated to Rooster.

Rooster pays the City a monthly license fee for its portion of the Kenney Building and also provides the City up to 24 hours each month of technical and advisory services as additional consideration for the License. Rooster’s current license fee for use of approximately 6,114 square feet at the Kenney Building is \$772.50. Increasing Rooster’s designated area by 655 square feet as proposed would result in a commensurate license fee increase of \$82.50 (rounded), for a new monthly fee of \$855. The effective date of the proposed increase to the license fee would be June 1, 2014, contingent upon the successful completion of the sale of the prop storage inventory.

FISCAL IMPACT:

The license fee increase of \$82.50 per month will result in additional revenue of \$82.50 for Fiscal Year 13-14 and approximately \$1,000 for Fiscal Year 2014-15. All revenue generated from the license agreement goes to the Marina Enterprise Fund.

ACTION:

Motion to adopt a resolution authorizing the Interim City Manager to execute a first amendment to the license agreement with Rooster Productions, LLC, for use of a portion of the Kenney Building, located at 115 Tarantino Drive.

Attachments:

Resolution

Exhibit A First Amendment to License Agreement

Exhibit B Kenney Building Diagram

APPROVED BY:


Interim City Manager

RESOLUTION NO. 14

AUTHORIZING THE INTERIM CITY MANAGER TO EXECUTE A FIRST AMENDMENT TO THE LICENSE AGREEMENT WITH ROOSTER PRODUCTIONS, LLC, FOR USE OF A PORTION OF THE KENNEY BUILDING, LOCATED AT 115 TARANTINO DRIVE

WHEREAS, the City of Martinez ("Licensor") entered into a 5-year License Agreement with Rooster Productions, LLC ("Licensee") on January 16, 2013, for part of the Kenney building located at 115 Tarantino Drive (the "License"); and

WHEREAS, Licensor and Licensee have negotiated the terms and sale of certain surplus supplies and equipment from Licensor to Licensee, including the complete inventory of hand props located within the prop storage room of the Kenney Building; and

WHEREAS, Exhibit B to the License identified areas within the Kenney Building as common/shared areas; Rooster areas; and City areas; and

WHEREAS, the prop storage room with floor space of 655 square feet was identified as a common/shared area within Exhibit B; and

WHEREAS, upon the sale of the hand props to Licensee, the prop storage room will be designated as a Rooster area within the amended Exhibit B and no longer as a common/shared area; and

WHEREAS, in consideration of the floor space in the prop storage area being added to the total square footage of the Rooster areas designated within Exhibit B, Licensee will pay Licensor a commensurate increase in License Fee as negotiated between the parties and set forth in the attached First Amendment to License ("First Amendment").

NOW, THEREFORE, BE IT RESOLVED that the City Council authorizes the Interim City Manager to execute a first amendment to the License Agreement with Rooster Productions, LLC, upon the mutually agreed terms, considerations, covenants, and conditions set forth in the form attached to this resolution, for use of a portion of the Kenney Building located at 115 Tarantino Drive.

* * * * *

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at a Regular Meeting of said Council held on the 7th day of May, 2014, by the following vote:

AYES:

NOES:

ABSENT:

RICHARD G HERNANDEZ, CITY CLERK
CITY OF MARTINEZ

Exhibit A

**FIRST AMENDMENT TO LICENSE AGREEMENT
BETWEEN THE CITY OF MARTINEZ AND
ROOSTER PRODUCTIONS FOR PART OF KENNEY BUILDING**

This First Amendment to License Agreement is made as of _____, 2014, by and between the City of Martinez, a municipal corporation, hereafter referred to as “Licensor”, and Rooster Productions, LLC, hereafter referred to as “Licensee”.

Recitals

- A. WHEREAS, Licensor entered into a 5-year License Agreement with Licensee on January 16, 2013, for part of the Kenney building located at 115 Tarantino Drive (the “License”); and
- B. WHEREAS, Licensor and Licensee have negotiated the terms and sale of certain surplus supplies and equipment from Licensor to Licensee, including the complete inventory of hand props located within the prop storage room of the Kenney Building; and
- C. WHEREAS, Exhibit B to the License identified areas within the Kenney Building as common/shared areas; Rooster areas; and City areas; and
- D. WHEREAS, the prop storage room with floor space of 655 square feet was identified as a common/shared area within Exhibit B; and
- E. WHEREAS, upon the sale of the hand props to Licensee, the prop storage room will be designated as a Rooster area and no longer as a common/shared area within Exhibit B; and
- F. WHEREAS, in consideration of the floor space in the prop storage area being added to the total square footage of the Rooster areas designated within Exhibit B, Licensee will pay Licensor a commensurate increase in License Fee; and
- E. WHEREAS, the parties negotiated the increased License Fee as set forth below.

NOW THEREFORE, Lessor and Lessee agree as follows:

Agreement

- A. The License is hereby amended as follows:
 - 1. Section 5 of the License, License Fee, is amended to read as follows:

Exhibit A

In consideration for granting this License to Licensee, and commencing upon January 23, 2013, Licensee shall pay to the Licensor, at the beginning of each month, the amount of \$750.00. If the commencement date is not the first day of a month, the first payment shall be pro-rated based upon a 30 day month. On January 23, 2014, said amount shall be increased 3%. Effective June 1, 2014, the License Fee shall be increased to the amount of \$855.00 per month. On and effective January 23 of each subsequent year, the License Fee shall be automatically increased 3% above the License Fee in effect on January 22 of the same year.

2. Exhibit B to the License is amended to reflect the prop storage area originally shown on Exhibit B as a common/shared area to be a Rooster area as of June 1, 2014.

B. Except as otherwise provided in this First Amendment to License Agreement, the terms and conditions of the original License Agreement shall remain in full force and effect.

DATED: _____

LICENSOR:
CITY OF MARTINEZ

By: _____
ANNA GWYN SIMPSON
Interim City Manager

Attest: _____

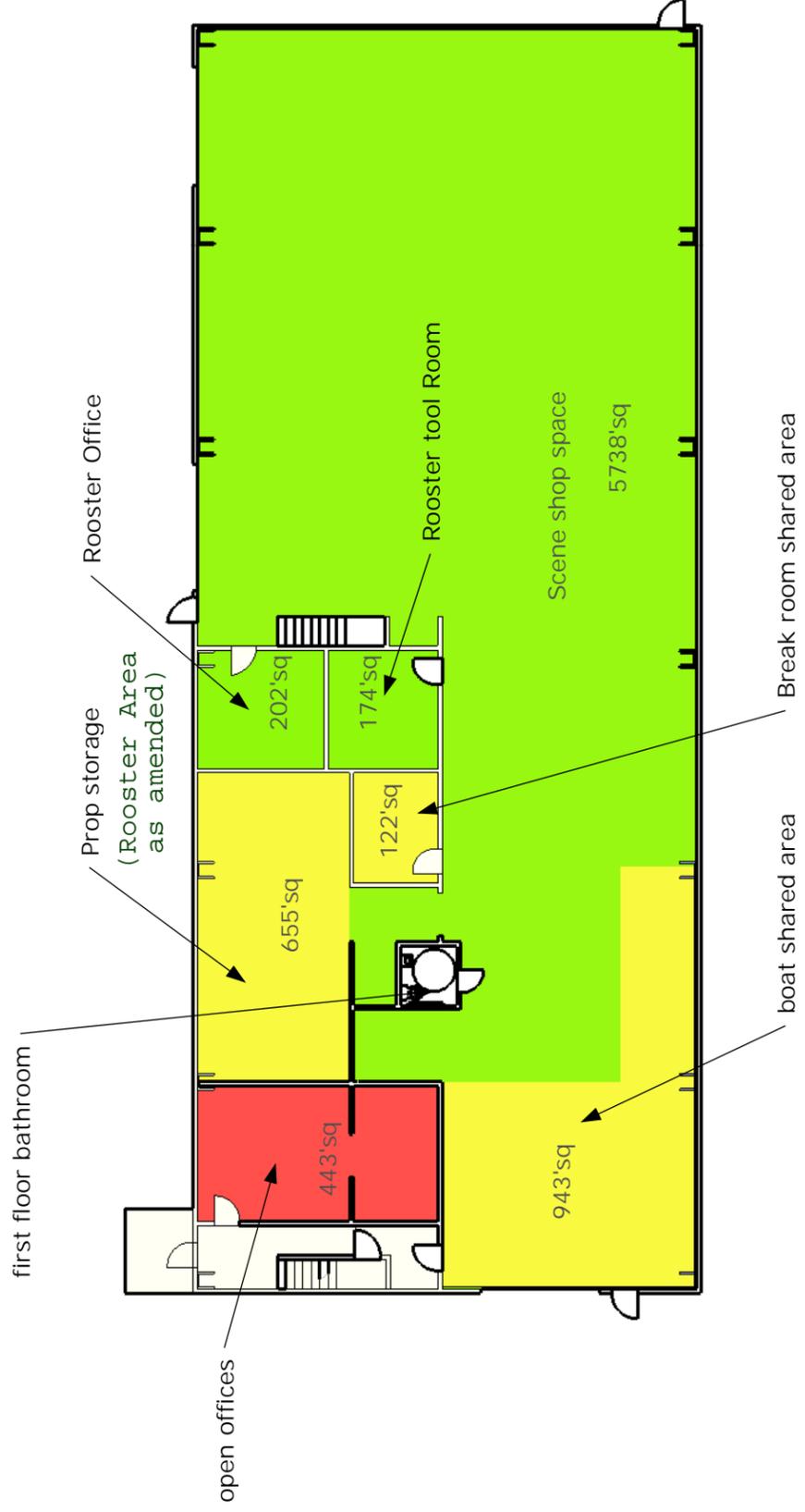
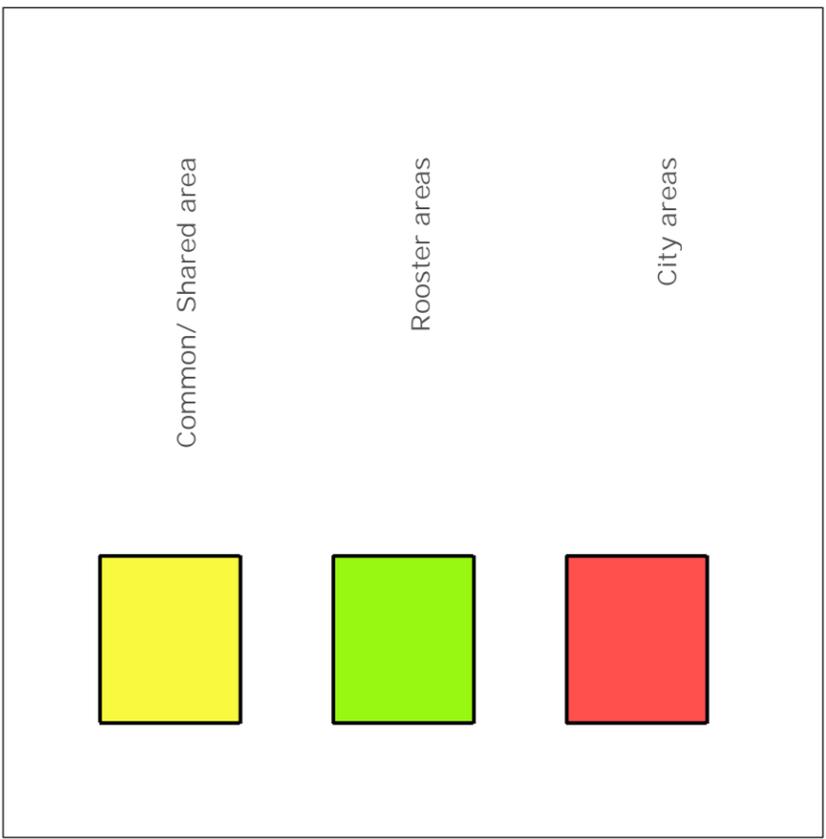
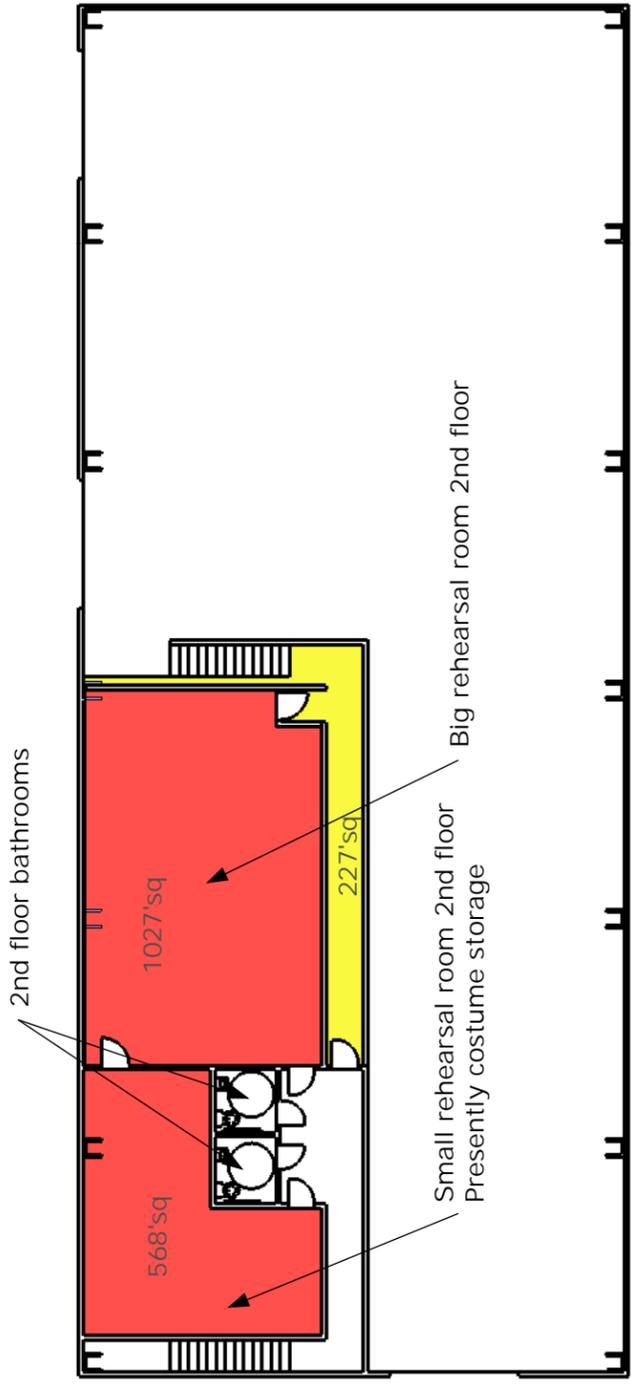
DATED: _____

LICENSEE:
ROOSTER PRODUCTIONS, LLC

By: _____
Adam Puglielli, its managing partner

By: _____
Frederic Boulay, its managing partner

EXHIBIT B - AMENDED



scale 1"=20'

Kenney Building

11/28/2012 ::