

# CITY OF HIGH POINT

## AGENDA ITEM



### **Title: High Point Theatre/International Market Center HVAC Lease Amendment**

**From:** David Briggs, Director HP Theatre

**Meeting Date:** April 13, 2015

**Public Hearing:** N/A

**Advertising Date /** N/A

**Advertised By:**

**Attachments:** N/A

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#### **PURPOSE:**

To standardize the HVAC expenses for the theatre to allow for a consistent budgeting for HVAC service and preventative maintenance.

#### **BACKGROUND:**

The High Point Theatre receives HVAC service from IMC. Historically the payout to IMC and its predecessors was based on a formula that only IMC understood for billing the theatre for this service. The invoices ranged from \$15,000 - \$6,000. As a way of controlling the budget process for this service the Director of the theatre looked at a 5 year average of expenses for HVAC and developed, along with IMC a plan to standardize the expense. The lease amendment below concerns this arrangement.

The original lease between the City of High Point ("Lessor") and the Southern Furniture Exposition Building, Inc. ("Lessee") was entered into on June 1<sup>st</sup>, 1973. That agreement was amended on February 21<sup>st</sup>, 1974. Neither the original lease nor the first amendment established a set yearly rate for utility payments that the City would be responsible for as the pro rata share for the High Point Theatre area of the building.

This second amendment to the original lease will provide for a set monthly payment share by the High Point Theatre to be paid to IHFC Properties, LLC, whose predecessor in the property interest was the original Lessor, Southern Furniture Exposition Building, Inc. The remaining terms of the lease shall remain as set forth in the original agreement and the first amendment.

#### **BUDGET IMPACT:**

Allows the theatre to set a budget for HVAC usage at \$7,200 per month \$86,400 per year.

#### **RECOMMENDATION /ACTION REQUESTED:**

High Point Theatre requests that you approve the amendment to the original lease between High Point Theatre and International Market Centers.