

CITY OF BRIDGEPORT
CONTRACTS COMMITTEE

WEDNESDAY, AUGUST 15, 2012

6:00 PM

ATTENDANCE: Council members: Brannelly; Co-chair, Paoletto
dePara, Brantley

OTHER(s): Council President McCarthy
Associate City Attorney Pacacha

Co-chair Brannelly called the meeting to order at 6:17 pm.

Approval of Committee Minutes of June 12, 2012.

Approval of Committee Minutes of June 18, 2012 (Special Meeting).

**** COUNCIL MEMBER BRANTLEY MOVED TO ACCEPT BOTH SETS OF MINUTES**

**** COUNCIL MEMBER PAOLETTO SECONDED**

**** MOTION PASSED UNANIMOUSLY**

99-11 Proposed Tentative Agreement with Bridgeport City Supervisor's Association regarding their bargaining unit contract for the period of July 1, 2003 thru June 30, 2004 and July 1, 2004 thru June 30, 2008.

**** COUNCIL MEMBER dePARA MOVED TO TABLE**
**** COUNCIL MEMBER BRANTLEY SECONDED**
**** MOTION PASSED UNANIMOUSLY**

106-11 Proposed Tentative Agreement with New England Health Care Employees Union, Local 1199 regarding their bargaining unit contract.

** **COUNCIL MEMBER dePARA MOVED TO TABLE**
** **COUNCIL MEMBER BRANTLEY SECONDED**
** **MOTION PASSED UNANIMOUSLY**

114-11 Renegotiation of Lease with the Downtown Cabaret Theater of Bridgeport, Inc. dated April 2, 2008

Attorney Pacacha stated that the parties involved have been going back and forth over the past couple of weeks. The contract is between the Downtown Cabaret Theatre and the City of Bridgeport; per the agreement between the developer, the Kuchma Corporation and the Cabaret Theatre will sign the lease agreement to agree to enter into the lease pursuant to a signed agreement. He noted that they agreed to the final terms this afternoon. He reviewed the terms of the agreement as they were outlined in the document as follows:

- Basic Rent; Extended Term Rent - the basic rent shall remain the same during the initial term, that is, \$3,600 per year, payable at the minimum rate of \$300 per month until the start of the extended term. At which time the rent shall increase to (\$24,000) per year or a total of (\$96,000) in the aggregate during the (**Extended Term Rent**) payable at a monthly rate chosen by the Cabaret not less than \$2,000 per month, which shall be applied to the Extended Term Rent, so that the entire Extended Term Rent is paid in full no later than the last day of each year during the Extended Term in accordance with the following schedule:
- By March 31, 2019, Basic Rent paid from April 1, 2012, the City Contribution as *defined in the final agreement*, and the Extended Term Rent paid shall be no less than (\$45,600.00) in the aggregate;
- By March 31, 2020, Basic Rent paid from April 1, 2012, the City Contribution as *defined in the final agreement*, and Extended Term Rent paid shall be no less than (\$69,000.00) in the aggregate;
- By March 31, 2021, Basic Rent paid from April 1, 2012, the City Contribution as *defined in the final agreement*, and Extended Term Rent paid shall be no less than (\$93,600.00) in the aggregate; and
- By March 31, 2022, Basic Rent paid from April 1, 2012, the City Contribution as *defined in the final agreement*, and Extended Term Rent paid shall be no less than (\$117,600.00) in the aggregate.

Attorney Pacacha went on to say that the tenant agreed to maintain the heating and venting system and the landlord will be responsible for any long term repairs. He stated that the Cabaret Theatre is asking to hold varied events at the theatre, such as; weddings etc., which are defined as accessory uses. However, these types of events can not involve the sale of alcohol or liquor and it was made clear that they don't want it to become a wedding hall. So a clause will be included to stipulate the type(s) of uses that shouldn't be allowed.

He further stated that the Cabaret Theatre agreed to submit a listing of their property. It was recommended that a clean copy of the lease amendment be substituted with the modified copy of the agreement.

Council President McCarthy asked about the heating system. Attorney Pacacha said the current system is close to breaking down, so Mr. Kuchma will install a separately metered boiler that will be the responsibility of Mr. Kuchma. And the Cabaret Theatre will pay for the normal regular maintenance for the boiler. He clarified that the maintenance will be the responsibility of the Downtown Cabaret Theatre and the boiler replacement will be the responsibility of the Kuchma Corporation.

Council member Brantley asked how long they will pay for the heat and electricity. Attorney Pacacha said the city will pay for the utilities as long as the Downtown Cabaret Theatre remains at the location.

Council member dePara asked if the city will only pay for the utilities consumed by the Cabaret Theatre the separate metering is installed. Attorney Pacacha said that was correct.

Attorney Pacacha clarified that by the year 2019, the city will make the \$9,600 contribution.

Council President McCarthy asked if the city had any rights of usage for the Cabaret Theatre. Attorney Pacacha said there were none that he was aware of. Council President McCarthy said that it was his belief that since the city was making a contribution and paying the utilities; he felt there should be some benefit to the city. He asked again if they had any right of use. Attorney Pacacha said he thought they would have the right to stage city events that the city sponsors and only out-of-pocket expenses would apply. However, this won't include the rental component. He thought they could come to an agreement with Cabaret Theatre to include the use for certain agreed upon events.

Attorney Pacacha asked if they had any idea of the number of events they might want to use the Cabaret Theatre for. Council President McCarthy said he didn't have a specific number in mind, but he suggested that the agreement could read "the use of the Cabaret Theatre would be on occasion".

Attorney Pacacha questioned if this would require the Downtown Cabaret Theatre board's approval. Co-chair Brannelly said it probably would. However, she said she didn't feel the amendment to the agreement wasn't reason to hold up approval of the item tonight. She thought the matter would be a separate and distinct agreement between the Kuchma Corporation and the Downtown Cabaret Theatre.

Council President McCarthy reiterated that if the city was agreeing to pay the utilities and make the contribution, then he felt it would be good to include an amendment for use of the theatre. He thought this would just require a signed off letter from the Downtown Cabaret Theatre that could be attached to the agreement.

Council member dePara asked where the contribution of \$9,600 was coming from. Attorney Pacacha said he wasn't sure. Co-chair Brannelly said the contribution was similar to supportive contribution funds. She repeated that the \$9,600 won't apply until the year 2019.

Council member dePara asked Attorney Pacacha if he had any idea what the cost would be to replace the HVAC system. Attorney Pacacha said he wasn't sure.

Co-chair Brannelly asked when the opening would be. Attorney Pacacha said they needed to an environmental cleanup inside first.

Council member dePara asked Attorney Pacacha to review the old costs in comparison to the new costs. Attorney Pacacha explained that the original agreement was \$300.00 per month or \$3,600.00 per year. The new figures will begin on April 1, 2018 to March 1, 2019 and then it goes up to \$24,000 per year; which adds up to \$45,600; the following year they pay another \$24,000 and the next to last year they pay another \$24,000 and the last year another \$24,000.

Council member dePara asked if there were any discussions with the city and the Downtown Cabaret Theatre to help with business planning, noting their past financial issues. Co-chair Brannelly explained that one piece of the puzzle is to put fire under the Cabaret Theatre and to let them know that they have to bump it up in terms of their financial responsibility. She added that in seven years, the pressure will begin and they will need to know that they will have up to seven (7) years to pay at least \$300.00 per month and at seven (7) years they will need to start paying \$2,000.00 per month.

Council member dePara stated that the co-chair should reach out to make it clear to the Cabaret Theatre that they should start preparing for the rent increase. Co-chair Brannelly said the matter has already been brought to the table and they have agreed to the dollar amounts.

Council President McCarthy moved to approve with one proviso that Attorney Pacacha will approach all parties regarding the language about "accessory uses"

**** COUNCIL PRESIDENT McCARTHY MOVED TO AMEND BY SUBSTITUTION
THE AGREEMENT DATED AUGUST 15, 2012
** COUNCIL MEMBER PAOLETTO SECONDED
** MOTION PASSED UNANIMOUSLY**

**** COUNCIL PRESIDENT McCARTHY MOVED TO APPROVE AS AMENDED
WITH THE PROVISIO THAT ATTORNEY PACACHA WILL APPROACH ALL
PARTIES; I.E., DOWNTOWN CABARET THEATRE AND THE KUCHMA
CORPORATION REGARDING THE LANGUAGE ABOUT “ACCESSORY
USES”**

**** COUNCIL MEMBER BRANTLEY SECONDED
** MOTION PASSED UNANIMOUSLY**

***Co-chair Brannelly abstained**

ADJOURNED

**** COUNCIL MEMBER McCARTHY MOVED TO ADJOURN
** COUNCIL MEMBER PAOLETTO SECONDED
** MOTION PASSED UNANIMOUSLY**

The meeting was recessed at 6:45 pm.

Respectfully submitted,

Diane Graham
Telesco Secretarial Services