

Introduction of Ordinance to Approve 4th Lease Amendment for Building 20 with Auctions By the Bay

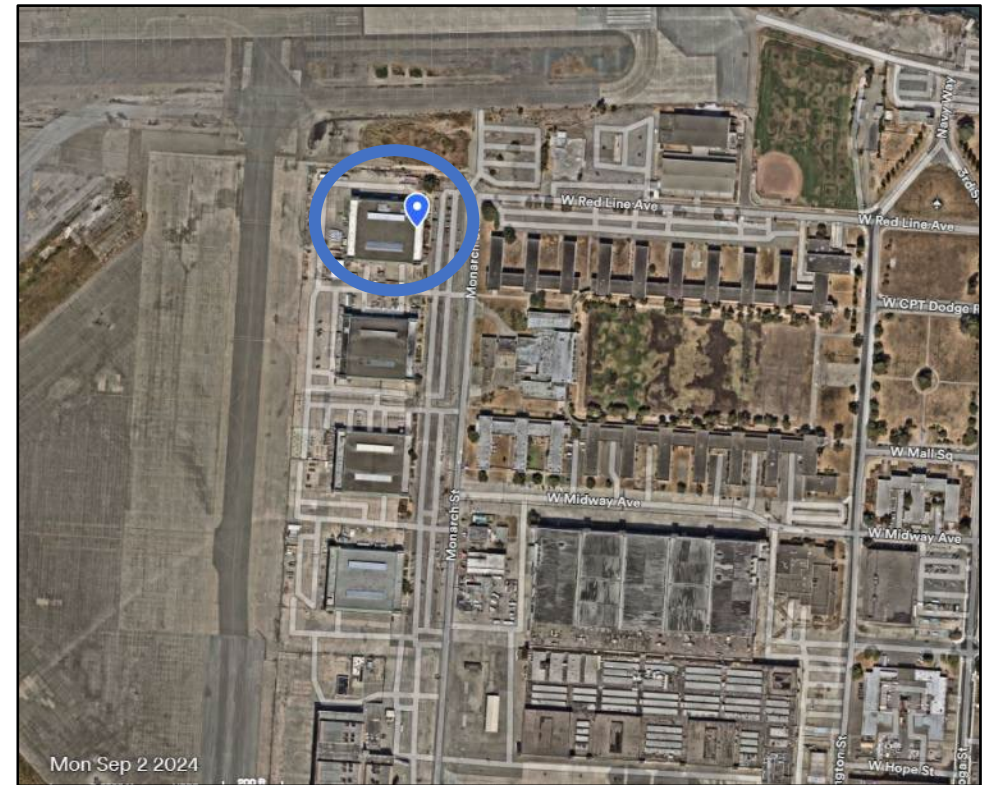
April 15, 2025



Building 20

Building 20 is located at 2701 Monarch Street, Alameda Point

- Auctions By the Bay, DBA Michaan's Auctions
- Has occupied Building 20 since 2012
- 63,972 SF commercial warehouse building
- Used as a venue for pre-sale viewing of antiques, auctions, general office and indoor antiques fair
- The business provides activation along Spirit's Alley



Existing Lease Terms and Background

- **Current Term:** Leased through 2032
- **Monthly Rent:** \$54,822 or \$0.86 PSF w/ annual 3% increases.
- Proposed 4th Amendment is only an extension of time to repay deferred rent.
- Business participated in the City's Rent Relief Program for non-profits and Spirits Alley tenants at Alameda Point.
- The Program allowed deferral of up to nine (9) months of rent and offered a Rent Credit, if repayment was completed within the scheduled repayment period.
- Previously executed Lease Amendments with Michaan's:
 - 1st Amendment – Clarified Lease Renewal Terms
 - 2nd Amendment – Implemented City's Alameda Point Non-Profit and Spirits Alley Businesses Rent Relief Program in Response to the COVID-19 Pandemic
 - 3rd Amendment – Extended Lease Term through 2032

Deferred Rent & Repayment Terms

- \$247,833, total rent deferred under the City's Program
- 3-year repayment schedule over 2022, 2023 and 2024
- Michaan's paid according to the repayment schedule for 2022 and 2023
- \$77,739.73 (2024) deferred rent repayment remains due. Tenant current on all base rent.
- Michaan's has requested a 4th Amendment to extend the Repayment Period for the remaining deferred rent, with following terms:
 - Term: February 1, 2025 through January 1, 2026 with 10 fixed monthly payments of \$6,884.25, and final payment of \$8,897.23
 - No late fees or interest charges on the deferred rent amount
 - No Rent Credit will be earned (as offered under the City's Program)
 - Michaan's will continue to pay monthly base rent and all other amounts due
- As of April 15, Michaan's has paid the February 1, March 1, and April 1 fixed payments

Staff Recommendation & Proposed Motion

Staff recommend the proposed 4th Amendment to the Lease:

- Michaan's has been a tenant in good standing with the City
- Nonpayment was due to a transition in accounting staff
- Clear communication and request from Michaan's upon realizing their error

Proposed Motion:

Introduce an Ordinance authorizing the City Manager to execute a Fourth Lease Amendment with Auctions By the Bay, Inc., for Building 20, located at 2701 Monarch Street at Alameda Point, for an eleven-month extension to the rent relief program deferred rent repayment schedule.