

CITY OF ALAMEDA ORDINANCE NO. \_\_\_\_\_  
New Series

APPROVING A LEASE AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE AMENDMENTS AND OTHER CORRESPONDING DOCUMENTS NECESSARY TO IMPLEMENT THE TERMS OF A LEASE WITH PROXIMO DISTILLERS, LLC FOR TEN YEARS WITH AN ADDITIONAL TEN YEAR OPTION IN A PORTION OF BUILDING 22 LOCATED AT 2505 MONARCH STREET AT ALAMEDA POINT

WHEREAS, Proximo is a privately owned, premium spirits importer based in Jersey City, New Jersey; and

WHEREAS, Proximo Spirits purchased the Hangar One vodka brand four years ago; and

WHEREAS, for the past four years, production has been done by the previous owner but by agreement, Proximo will now begin producing the brand; and

WHEREAS, Proximo's goal with the five-year build out of Alameda is to triple the production capacity of the Hangar One vodka brand and create a world class brand and consumer experience in Alameda; and

WHEREAS, Proximo will be hiring staff for retail and operating the tasting room and Proximo will need to build a full production staff for distilling and bottling which will bring manufacturing jobs; and

WHEREAS, the lease is for ten years with an additional ten year option; and

WHEREAS, the Monthly Base Rent is \$0.34 per square foot (\$11,050) for months 1 through 12, subject to abatement for months 1 through 6 during which time Proximo shall construct certain Tenant Improvements in the Premises. Upon completion of the Tenant Improvements Proximo will receive an Improvement Credit up to a maximum of \$10.00 per square foot (\$325,000) in the form of a Monthly Base Rent Offset credit in the amount of \$2,850.87 every month thereafter until the total amount of the base rent so offset is equal to the Total Improvement Credit amount of \$325,000. Monthly Base Rent will increase by \$0.01 per square foot annually during the initial Term. If Proximo exercises its Renewal Option the Monthly Base Rent will be adjusted upward to 95% of the then Fair Market Rent; and

WHEREAS, Proximo shall pay directly to service providers all costs of utilities to the Premises, as defined in the Lease; and

WHEREAS, Proximo shall pay Tenant's share of Landlord's expenses and all taxes (including possessory interest taxes) and 100% of all taxes levied on its personal property; and

WHEREAS, under the lease Proximo is required to make a \$11,050 deposit and the lease contains standard insurance, indemnity, and assignment clauses'.

NOW THEREFORE, BE IT ORDAINED by the City Council of the City of Alameda that by four affirmative votes that:

Section 1. The City Manager of the City of Alameda or his designee is hereby authorized, subject to approval by the City Attorney, (A) to execute, for and on behalf of the City of Alameda, a lease with Proximo Distillers, LLC for ten years with an additional ten year option in a portion of Building 22 located at 2505 Monarch Street at Alameda Point; (B) to negotiate and execute amendments, revisions or addendums which do not materially change the lease terms, including but not limited to rent and term, and which are required to implement the intent of the lease; and (C) to negotiate and execute corresponding documents necessary to implement the terms of the lease and the City Clerk is hereby authorized and directed to attest to the same.

Section 2. If any section, subsection, sentence, clause, or phrase of this ordinance, for any reason, is held to be invalid or unconstitutional, such decision shall not affect the validity or constitutionality of the remaining portions of this ordinance. The City Council of the City of Alameda hereby declares that it would have passed this ordinance, and each section, subsections, clause, or phrase hereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, and phrases are declared to be invalid and unconstitutional.

Section 3. This ordinance shall be in full force and effect from and after the expiration of thirty (30) days from the date of its final passage.

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Presiding Officer of the City Council

Attest:

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Lara Weisiger, City Clerk

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I, the undersigned, hereby certify that the foregoing Ordinance was duly and regularly adopted and passed by Council of the City of Alameda in regular meeting assembled on the 21<sup>st</sup> day of January, 2014, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

IN WITNESS, WHEREOF, I have hereunto set my hand and affixed the official seal of said City this 22nd day of January, 2014.

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Lara Weisiger, City Clerk  
City of Alameda