

Introduction of Ordinance to Approve Lease for Building 41 (650 West Tower Avenue) with DOER Marine Operations, a California corporation

September 3, 2024

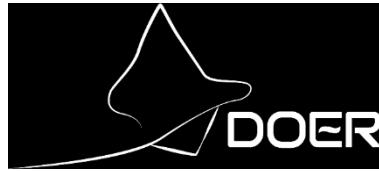


Building 41: 650 West Tower Avenue

- Building 41 constructed in 1945
 - Open layout, 50' clear height
 - Approximately 118,041 SF in total
- Located within the Waterfront Town Center Precise Plan near the entrance to Adaptive Reuse Area
- Highly desirable building, adjacent to new infrastructure installed as part of the City's Master Infrastructure Plan
- City Council direction is to plan for eventual sale, leasing is an interim use as the building has not been fully conveyed by the Navy



DOER Marine Operations ("DOER")



**Deep Ocean Exploration and Research, marine consulting firm
founded in 1992**

- DOER relocated to Alameda Marina in 2003 and then to Building 41 in 2017
- DOER currently occupies a portion of the building under an annual License with City
- Building 41 houses office space, fabrication workshop for prototyping and assembly of undersea marine vehicles, space for educational activities, and retail dive shop that services and repairs equipment.

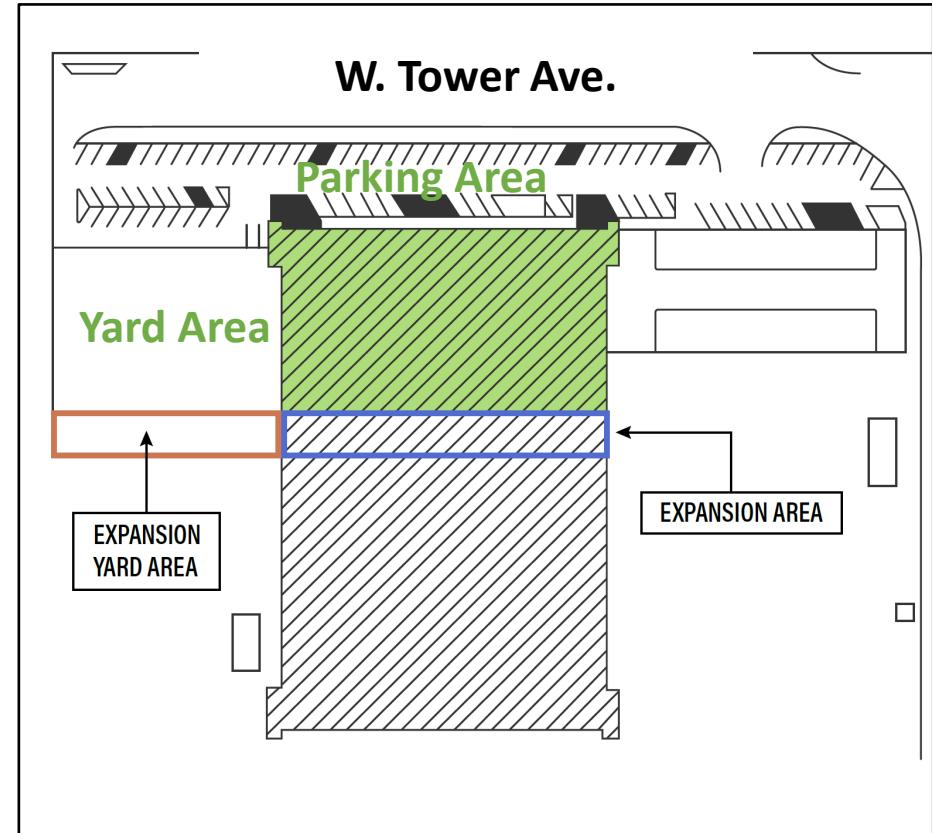


Lease Terms

- **Use:** Office, research and development, manufacturing, prototyping workshop, testing, instruction, service, repair, retail dive and related uses, including light assembly of vehicle components
- **Premises:** 30,000 SF of interior plus exclusive parking & exterior fenced yard space (w/ability to expand during term)
- **Term:** Eighteen (18) month lease with one option to extend for 6 months
- **Monthly Rent*:** \$0.65 PSF increasing to \$0.70 after 12 months

Months	Monthly Rent	Annual Rent	Approx. PSF
1-12	\$19,500	\$234,000	\$0.65
13-18	\$21,000	\$126,000	\$0.70
19-24	\$21,000	\$126,000	\$0.70
Total over 24 months		\$486,000	

* As-is, no rent credits
Tenant pays proportional share of utilities, fees, taxes, etc.



Recommendation

- Hold Public Hearing, and
- Approve introduction of ordinance approving lease amendment with DOER Marine Operations, a California Corporation

