

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

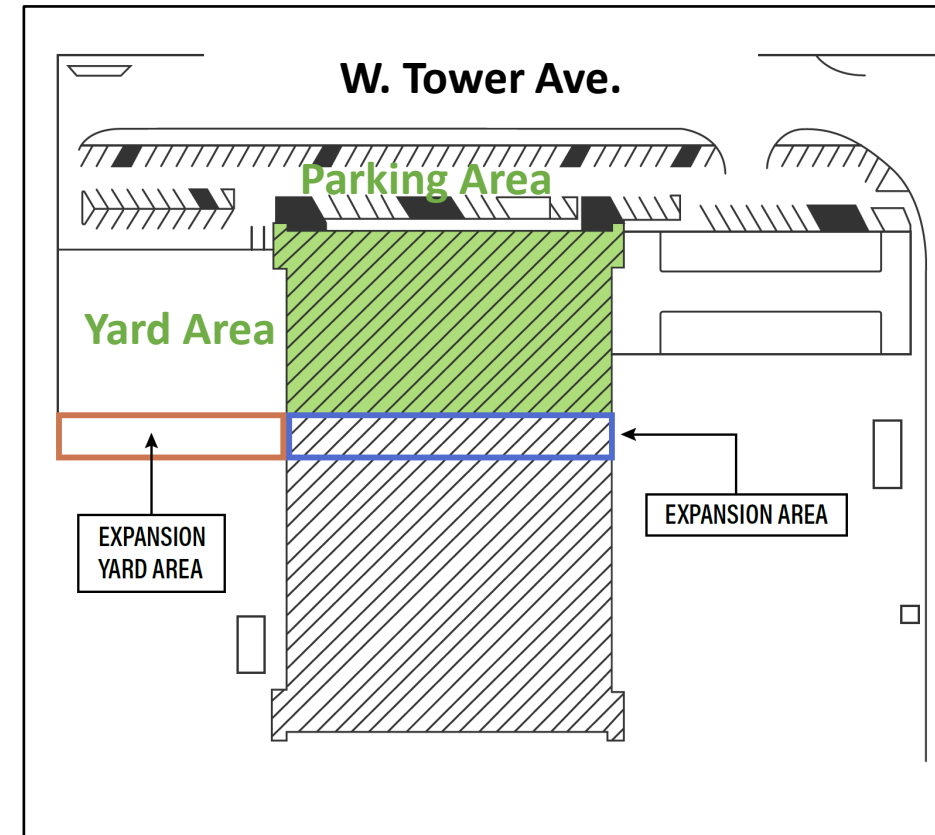
- DOER relocated to Alameda Marina in 2003 and then to Building 41 in 2017
- DOER currently occupies a portion of the building under an annual License with City
- Building 41 houses office space, fabrication workshop for prototyping and assembly of undersea marine vehicles, space for educational activities,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

