

CITY OF ALAMEDA ORDINANCE NO. _____
New Series

APPROVING A LEASE AND AUTHORIZING THE CITY MANAGER TO EXECUTE DOCUMENTS NECESSARY TO IMPLEMENT THE TERMS OF A TEN YEAR LEASE WITH ONE FIVE-YEAR EXTENSION OPTION WITH LA COSTA PACIFICA, INC. dba URBAND LEGEND CELLARS, FOR BUILDING 25, UNIT 300, LOCATED AT 1951 MONARCH STREET AT ALAMEDA POINT

WHEREAS, Urban Legend Cellars (ULC) is an independent Urban Winery with a very small hands-on crew that produces their small lot of wines from a variety of vineyard sources from all over California; and

WHEREAS, ULC is a classic “mom and pop” business led by a husband and wife team founded in 2008 with first sales in 2010; and

WHEREAS, ULC has a growing wholesale business with distribution in Whole Foods, Nugget Markets and distribution in Illinois. They also have strong direct to customer retail programs; and

WHEREAS, ULC’s current sales consist of 65% retail and 35% wholesale; and

WHEREAS, ULC has outgrown its current facility of approximately 2,400 square feet (sf) and has assets scattered in multiple location for an approximate total of 7,000 sf; and

WHEREAS, Building 25 will allow them to consolidate operations in a single location and accommodate long term expansion plans, which include a new cider joint venture; and

WHEREAS, Building 25 is located on the very outskirts of Spirit’s Alley but has been a location piquing the interest of fledgling breweries and wineries interested in capitalizing on the notoriety of the district; and

WHEREAS, many of the predecessors have been hindered by the large investment needed to bring the infrastructure to the site over the proposed term of the lease. Staff has generally only offered a ten year term in this location because of community and developer discussions about the longevity of the building because of its impact on view corridors and potentially including the building footprint in the DePave Park; and

WHEREAS, ULC has requested a ten year lease with one five-year option to renew for two reasons: first, they need the time to finance the overall investment in the property. The tenant has done extensive due diligence on what it will take to bring gas and high speed internet to its location as well as address the health and safety code issues related to public access. Second, they believe their facility will be an amenity to the park development and will increase, not hinder community enjoyment of the park and open space; and

WHEREAS, Currently, ULC has over 400 quarterly wine club customers with

over \$3500 weekend sales; and

WHEREAS, Building 25, Unit 300 consists of approximately 18,160 square feet of rentable space; and

WHEREAS, ULC's use of Building 25 will be for wine, cider and distilled beverage production, storage, tasting room activities and related administrative functions; and

WHEREAS, the rent collected from the subtenant pays for rent and utilities for the building; and

WHEREAS, the monthly base rent is \$6,356 to \$11,926 for months one to one hundred twenty.

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 to negotiate, execute, for and on behalf of the City of Alameda, a lease with La Costa Pacifica, Inc. dba Urban Legend Cellars, for Building 25 located at 1951 Monarch Street at Alameda Point for ten years, with one five-year extension option subject to such technical or clarifying revisions as are reasonably determined necessary by the City Manager and approved by the City Attorney, 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 if, for any reason, 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.

Presiding Officer of the City Council

Attest:

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 the Council of the City of Alameda in a regular meeting assembled on the ____ day of _____, 2016, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSENTIONS:

IN WITNESS, WHEREOF, I have hereunto set my hand and affixed the official seal of said City this ____ day of _____, 2016.

Lara Weisiger, City Clerk
City of Alameda

APPROVED AS TO FORM:

Janet C. Kern, City Attorney
City of Alameda