



City of Alameda

Master

File Number: 2019-7181

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Type: Regular Agenda Item

Status: Agenda Ready

Reference:

Body: City Council

File Created: 08/13/2019

File Name:

Final Action:

Title: Introduction of Ordinance Authorizing the City Manager or His Designee to Execute a 66-Month Lease with One Option to Extend the Term for 60 Months with Park Street Wine Cellars, Inc. for the Premises at 2315 Central Avenue, Suite 122 (Historic Alameda Theatre Building). [Requires Four Affirmative Votes] (Commercial Revitalization 227)

Notes:

Sponsors:

Enactment Date:

Attachments: Exhibit 1 - Premises, Exhibit 2 - Lease, Ordinance

Enactment Number:

Contact:

Hearing Date:

Drafter: lcourtis@alamedaca.gov

Effective Date:

History of Legislative File

Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1 City Council	10/01/2019					

Text of Legislative File 2019-7181

Introduction of Ordinance Authorizing the City Manager or His Designee to Execute a 66-Month Lease with One Option to Extend the Term for 60 Months with Park Street Wine Cellars, Inc. for the Premises at 2315 Central Avenue, Suite 122 (Historic Alameda Theatre Building). [Requires Four Affirmative Votes] (Commercial Revitalization 227)

To: Honorable Mayor and Members of the City Council

EXECUTIVE SUMMARY

This action will introduce an ordinance authorizing a Lease with Park Street Wine Cellars, Inc. for a Term of 66 months with one option to extend the Term for an additional 60 months with monthly rent during the Term of \$2,765.00 - \$3,021.39 for the premises at 2315

Central Avenue, Suite 122, including approximately 700 square feet of interior space in the Historic Alameda Theatre Building. The lease includes a 6 month rent abatement for the tenant to perform improvements, and allows time of Alcohol Beverage Control licensing.

BACKGROUND

The portion of the Historic Alameda Theatre Building located at 2315 Central Avenue, Suite 122 has been vacant since March 1, 2019. Upon its vacancy, the City of Alameda's (City) real estate brokers at Cushman & Wakefield listed the property. Several parties showed interest in the location and were provided information and shown the property. Of the proposals submitted, two serious tenant prospects presented the City with a Letter of Interest in June 2019. Both proposals requested six months of rent credit. The City responded to each with a counteroffer. Park Street Wine Cellars, Inc. was the only serious prospect to respond to and accept the City's higher counteroffer.

DISCUSSION

This action requires City Council approval pursuant to City Charter Section 3-10. The affirmative vote of four (4) members of the City Council is required. The proposed Lease area is approximately 700 square feet of interior space in the Historic Alameda Theatre Building, located at 2315 Central Avenue, Suite 122. The premises may only be used by the tenant as a retail wine shop.

The following summarizes the major business terms of the Lease:

Terms 2315 Central Avenue, Suite 122

Square Footage 700

Uses Retain wine shop

Length 60 months + 6 months rent free (66 month total)

Extension One option to extend for 60 months

Monthly Base Rent Months 1 - 6 = \$ 0.00* Months 7 - 18 = \$2,765.00 Months 19 - 30 = \$2,847.95 Months 31 - 42 = \$2,933.39 Months 43 - 54 = \$3,021.39 Months 55 - 66 = \$3,112.03 * Subject to abatement pursuant to Section 4.1(b)

Security Deposit \$3,021.39

The tenant will comply with all requirements of the Lease, including providing insurance satisfactory to the City.

ALTERNATIVES

Alternatives include:

- Approve lease with Park Street Wine Cellars, Inc.
- Direct staff to renegotiate lease terms. Under this alternative, staff would continue to negotiate lease term with Park Street Wine Cellars, Inc. based on City Council

direction.

- Direct staff to seek other prospective tenants. If Park Street Wine Cellars, Inc. is not the desired tenant, staff would market the properties to other prospective tenants.

FINANCIAL IMPACT

The funds from these Lease payments will be deposited in the Commercial Revitalization Fund 227.

MUNICIPAL CODE/POLICY DOCUMENT CROSS REFERENCE

This action has no impact on the Alameda Municipal Code.

ENVIRONMENTAL REVIEW

This action is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guideline section 15301 (Existing Facilities).

CLIMATE IMPACTS

This action has no anticipated climate impacts.

RECOMMENDATION

Introduce an ordinance authorizing the City Manager to execute a 66-month lease, including a 6-month rent abatement period, and one option to extend the term for 60 months with Park Street Wine Cellars, Inc. for the premises at 2315 Central Avenue, Suite 122 (Historic Alameda Theatre Building).

CITY MANAGER RECOMMENDATION

The City Manager recommends approval of lease with Park Street Wine Cellars, Inc.

The City Manager recommends approval.

Respectfully submitted,
Debbie Potter, Community Development Director

By,
Nanette Mocanu, Assistant Community Development Director

Financial Impact section reviewed,
Elena Adair, Finance Director

Exhibits:

1. Premises

2. Lease

cc: Eric J. Levitt, City Manager