



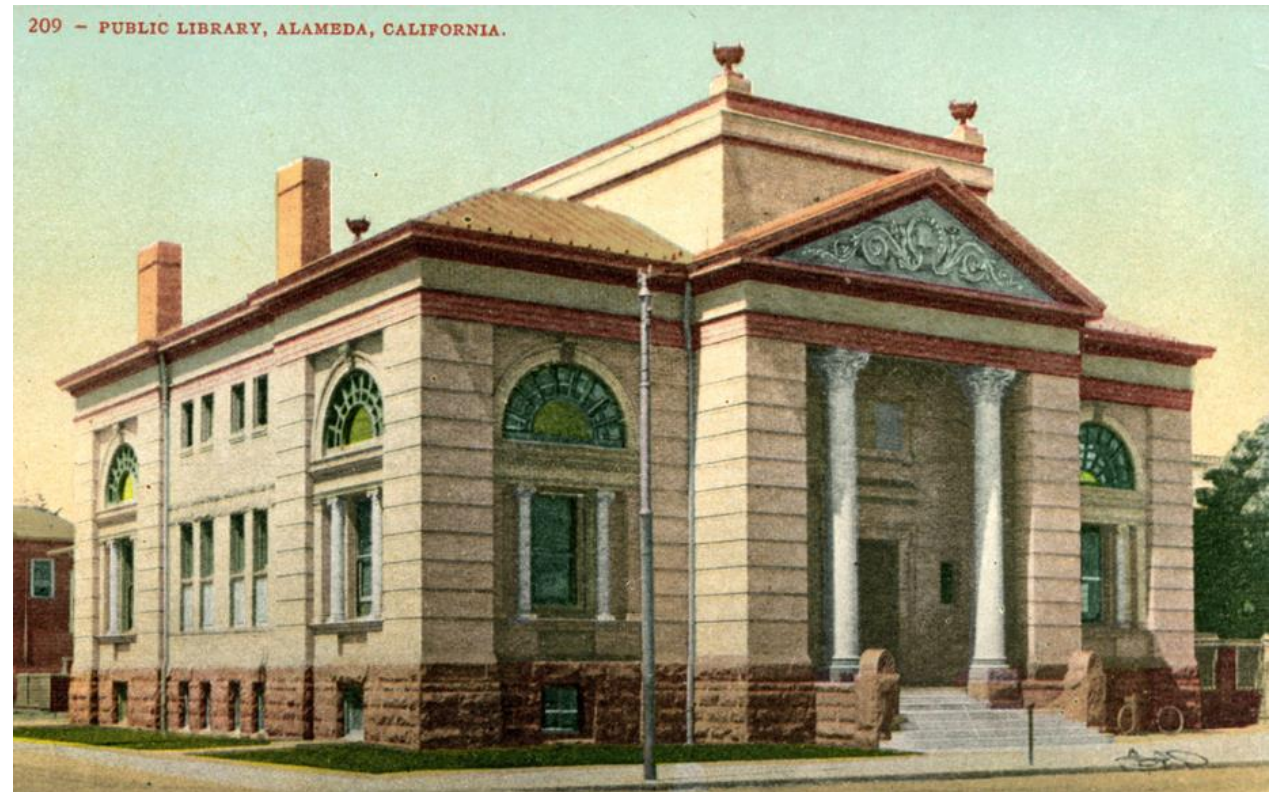
Carnegie Building and Foster House Draft Lease Agreement



Tuesday, October 15, 2019

Alameda Carnegie Building

- Built in 1902
- Operated as a library until 1998
- National Register of Historic Place



Request for Qualifications Process

- Released in October 2018
- Objectives
 - Provide community benefits
 - Restore & maintain historic character
 - Provide for public use
 - Demonstrate financial resources
- Estimated \$6 million in restoration



Carnegie Innovation Hall

- Experienced team
- Restoration of Building
- Non-profit center for arts, education and innovation
- Event venue rental





Proposed Lease Terms

| Lease Term | Proposed Lease |
|------------------------------|--|
| Length | 33 years, with one 33-year option to extend |
| Rent for first 33 years | Abated to cover cost of restoration |
| For-profit Special Event Fee | 2% of gross revenue generated from for-profit special events, after the first \$300,000 earned |
| Rent for Extension Option | 2% of gross revenue, minus any income taxes |
| Workforce Requirements | Must pay prevailing wages; Tenant will endeavor to negotiate an agreement to ensure labor peace prior to commencement of construction. |

Proposed Lease Terms

| Lease Term | Proposed |
|------------------------------|---|
| Community Benefit Benchmarks | <ul style="list-style-type: none">• A minimum of 200 youths per year will participate in recurring course offerings.• A minimum of 100 adults per year will participate in recurring course offerings.• CIH will hold at least 10 community events per year with discounts available to Alameda residents for each event.• CIH will hold at least 1 open house per year• CIH classes will offer at least 5 different course offerings for youths per year.• CIH hours of operation for non-profit activities will be an average of 30 hours/week over at least 5 days/week.• Free use for City-sponsored events up to 12 times per year• 10% discount on applicable fees for up to 36 events per year for Alameda community-based organizations and public entities (e.g., AUSD).• 10% discount on applicable fees for Alameda residents. |



Proposed Lease Terms

| Lease Term | Proposed Lease |
|------------------------|--|
| Reporting Requirements | <p>Monthly: tenant to submit monthly reports to City on applications for discounted community use, including the status of all requests.</p> <p>Annual: tenant to submit an annual report of program activities and organization finances, and a course catalog containing course descriptions. Tenant and City to have annual check-ins to ensure Community Benefit Benchmarks are met.</p> <p>Every 5 years: the tenant must provide a 5-year plan summarizing its upcoming program goals. If needed, the Community Benefit Benchmarks can be adjusted (by mutual agreement) to reflect any changes to the organization's goals and mission. Any material changes must be approved by City Council.</p> |

Recommendation

Staff recommends approval of the lease.

Key benefits include:

- Restoration of the historic Carnegie Building
- Public access
- Educational and arts programming
- New event rental venue

