



Legislation Details (With Text)

File #: 19-374 **Version:** 1 **Name:**
Type: Consent Item **Status:** Passed
File created: 6/25/2019 **In control:** City Council/Public Finance and Economic Development Authority/Parking Authority/Successor Agency to the Redevelopment Agency
On agenda: 7/15/2019 **Final action:** 7/15/2019

Title: SUBJECT: Approval of Lease Agreement Between the City of Merced and Coralisa Gary, d.b.a. Glamazon, for 490 Square-Feet of Tenant Space in the Bell Station (415 W. 18th Street) for a Three (3) Year Term and a One Year Option with Rent Starting at \$612.50 Per Month

REPORT IN BRIEF

Considers a lease agreement (3-year term with a 1-year option) with Coralisa Gary, d.b.a. Glamazon for tenant space in the Bell Station located at 415 W. 18th Street.

RECOMMENDATION

City Council - Adopt a motion approving the lease agreement between Coralisa Gary, a sole proprietor, doing business as Glamazon and the City of Merced and authorizing the City Manager or the Assistant City Manager to execute the necessary documents.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Coralisa Gary, DBA Glamazon Lease Agreement

Date	Ver.	Action By	Action	Result
7/15/2019	1	City Council/Public Finance and Economic Development Authority/Parking Authority/Successor Agency to the Redevelopment Agency	approved	Pass

Report Prepared by: Karen Baker, Development Associate, Merced Visitor Services

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ALTERNATIVES

1. Approve as recommended by staff; or,
2. Approve, subject to modifications as conditioned by Council; or,
3. Deny the request completely; or,
4. Refer back to staff for reconsideration of specific items as requested by Council; or,
5. Continue item to a future Council meeting (date to be specified in City Council motion).

AUTHORITY

Section 200 of the City of Merced Charter.

CITY COUNCIL PRIORITIES

City of Merced Adopted Budget Fiscal Year 2019-2020, Section 7 - Economic Development (Bell Station): Goal - "Secure and maintain tenants for the main level of the facility (Bell Station) while preserving its historic character."

DISCUSSION

Staff has negotiated a Lease Agreement with Coralisa Gary, doing business as Glamazon, for 490 square-feet of tenant space located in the Bell Station, 415 W. 18th Street (Attachment 1.) The Lease Agreement includes a 3-year term, a 1-year option, and rent starting at \$612.50 per month (\$1.25 per square-foot.) The negotiated rent includes utilities and maintenance as part of the lease. The rent revenues generated are deposited into the Bell Station Fund, Line 063-2005-352.10-12.

Coralisa Gary, d.b.a. Glamazon, operates a home-based business that is growing. She desires to expand the business by moving into a larger retail space and include a showroom and storage area. Considered a fashion boutique, Glamazon specializes in custom jewelry and cutting-edge fashions. Most of the business is conducted on-line, but the tenant space in Bell Station will allow Ms. Gary to have a retail store front and showroom.

Key Lease Terms: Notable terms of the Lease Agreement include:

Parties: Lessor: City of Merced
 Lessee: Coralisa Gary
 d.b.a., Glamazon

Premises: The subject site is a portion of the City-owned Bell Station, located at 415 W. 18th Street, consisting of 490 square-feet. Use of the common area facilities include the lobby area, bathrooms for patrons and business staff (See Exhibits A and B of Attachment 1).

Term: Three (3) year lease with one (1) year term commencing on year four (4).

Rent: Year 1: \$ 612.50 per month
 Year 2: \$ 630.50 per month
 Year 3: \$ 650.00 per month
 Year 4: \$ 670.50 per month

Tenant

Improvements: No tenant improvement (TI) allowance is included.

Utilities and Maintenance: Lease rate includes cost of water, sewer, garbage, and electricity. Also includes costs for maintenance, repairs, and janitorial services for the Common Area (See Exhibit C of Attachment 1).

The Lease includes an option for early termination. Early termination during year one (1) incurs a ten percent (10%) penalty on the remaining months left in the term. Failure to pay ten percent (10%) early termination penalty shall result in the forfeiture of Lessee's security deposit in equal amount to penalty owed.

Home-based Glamazon expanding into a retail space in the Bell Station is consistent with the Zoning designation of Central-Commercial and is a welcome addition to Downtown Merced.

IMPACT ON CITY RESOURCES

The rent revenues generated are deposited into the Bell Station Rent of Facilities account 063-2005-352.10-12, which is used for ongoing operations and maintenance.

ATTACHMENTS

1. Coralisa Gary, DBA Glamazon Lease Agreement