



## Legislation Text

---

**File #:** 19-374, **Version:** 1

---

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

**SUBJECT:** Approval of Lease Agreement Between the City of Merced and Coralisa Gary, d.b.a. Glamazon, for 490 Square-Foot of Tenant Space in the Bell Station (415 W. 18<sup>th</sup> 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. 18<sup>th</sup> 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.

### 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. 18<sup>th</sup> 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. 18<sup>Th</sup> 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