



Legislation Text

File #: 19-676, **Version:** 1

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SUBJECT: Approval of Lease Agreement Between the City of Merced and Westamerica Bank for 6,100 Square-Foot Located at 1801 M Street Starting at \$1.25 Per Square Foot for Three (3) Years and an Option for a Three (3) Year Extension

REPORT IN BRIEF

Considers a lease agreement between the City of Merced and Westamerica Bank, located at the Merced Center Parking Garage (1801 M Street) for three (3) years and one (1) option for a three (3) year extension.

RECOMMENDATION

City Council - Adopt a motion approving the lease agreement between the City of Merced and Westamerica Bank 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

As provided for in the 2019-20 Adopted Budget

DISCUSSION

Westamerica Bank has leased 6,100 square-feet in the Merced Center Garage since 2009. The lease with Westamerica Bank has expired, and the company desires to enter into a new lease with the City. A new lease was drafted, and Westamerica Bank agrees to the terms (Attachment 1.)

Proposed Lease

The City of Merced and Westamerica Bank negotiated a lease subject to the following key terms (Attachment 1):

Location: Merced Center Parking Garage, 1801 M Street, Merced CA

Leased Area: 6,100 square feet of ground floor retail/office space

Term: Three (3) years and one (1) three (3) year option to extend

Common Area: Interior hallway

Rent:	June 1, 2019 - May 31, 2020	\$1.25 per square foot
	June 1, 2020 - May 31, 2021	\$1.29 per square foot
	June 1, 2021 - May 31, 2022	\$1.33 per square foot

Landlord Responsibilities: Lessor shall keep in good condition/repair the structural parts of the Building including structural walls, the roof, roof membrane, foundation, electrical, parking structure and sewer and water mains. Lessor shall be responsible for managing the Building in a manner consistent with first class office buildings in Merced, including providing landscaping, maintenance and utilities.

Parking: Lessee shall have the right to reserve up to fifteen (15) spaces for its sole use. Such spaces may be signed at the Lessee's discretion with written approval from Lessor; such approval shall not unreasonably be withheld. A monthly fee of \$36 per space shall be assessed for each said reserved space.

Utilities: Lessee agrees that it shall be responsible for payment of all utilities, including water, gas, electricity, heat and other services delivered to the Premises. Garbage costs shall be prorated.

Westamerica is a valued member of the downtown business community. It wishes to continue operations at the Downtown location. Staff recommends approval of the proposed lease with Westamerica Bank.

IMPACT ON CITY RESOURCES

No appropriation of funds is needed.

ATTACHMENTS

1. Proposed Westamerica Bank Lease