



STAFF REPORT
7/14/2021

TO: Honorable Mayor and City Council Members

FROM: Maritza Martinez, Public Works Director

SUBJECT: Approve First Amendment to Lease Agreement with Sixth Street Coffee, for property located at 1500 Sixth Street; authorize non-substantive changes as authorized by City Attorney.

STAFF RECOMMENDATION:

Approve First Amendment to Lease Agreement with Sixth Street Coffee, for property located at 1500 Sixth Street; authorize non-substantive changes as authorized by City Attorney.

EXECUTIVE SUMMARY:

The Coachella Library was constructed with a storefront commercial space for a restaurant/café tenant. Through a competitive Request for Proposals selection process, Sixth Street Coffee was identified as the tenant for this commercial space within the Coachella Library. The City entered into a lease with Sixth Street Coffee for this space from July 25, 2018-August 30, 2021. As the term of the agreement is ending, staff reached out to the lessee to confirm if there was interest in extending the term of the lease. The tenant has advised they are interested in extending the term of the agreement an additional three (3) years. The proposed amended lease would extend the term through August 30, 2024 and would be for the originally established monthly rate of \$658.00 per month (\$1.00 per square foot). During the original term the lease allowed the lessee to credit any tenant improvement costs towards its monthly rental payment; the extended term would no longer allow additional credits be applied towards rent payments. Overall, the proposed lease identifies the below lease terms:

- Extended Term = three years; August 30, 2021 – August 30, 2024.
- Utilities = to be paid by Lessee for said property
- Maintenance/Janitorial = to be completed by Lessee for said property.
- Insurance = to be provided by Lessee for said property.
- Rent = \$658.00 per month.

FISCAL IMPACT:

The recommended action will provide additional revenues to the City from the rents received under the terms of the lease agreement.

Attachment:

First Amendment