



STAFF REPORT
10/14/2020

TO: Honorable Mayor and City Council Members

FROM: Maritza Martinez, Public Works Director

SUBJECT: Approve Lease Agreement with Culturas Music & Arts, for property located at 510 Vine Street/1670 Second Street, Coachella; authorize non-substantive changes as authorized by City Attorney.

STAFF RECOMMENDATION:

Approve Lease Agreement with Culturas Music & Arts, for property located at 510 Vine Street/1670 Second Street, Coachella; authorize non-substantive changes as authorized by City Attorney.

BACKGROUND:

The City owns three adjacent parcels located at 510 Vine Street/1670 Second Street (“property”); the assessor parcel numbers for this property are: 778-041-010, 778-041-011, 778-041-012. The three parcels are approximately 0.48 acres. This property was the location of the old City Yard prior to 2011. This property has one structure totaling 640 square feet and is depicted below. The rest of the property is vacant land with open shade structures.



From 2013-2020, this property was leased to Oraway Engineering as the site for a metal/iron- work fabrication business. Located on this property remains an *equipment wash-out* that has continued to be used for city business as needed to wash out various equipment, such as street striping equipment; this continued use was agreeable with the prior tenant. In 2013, the city’s Engineering Department did evaluate the option of constructing an *equipment wash out* on-site at the city’s new

yard; preliminary engineering estimates placed the investment for this improvement at \$100,000 and funding was not available.

DISCUSSION/ANALYSIS:

Culturas Music & Arts, has identified interest in leasing the 510 Vine Street/1670 Second Street property to allow the organization to serve Coachella youth and provide music and art programming. Staff obtained comparable market value rates for vacant land, which is being listed at \$0.05 per square foot, per month. As the total square footage of this property is 0.48 acre or 20,908.80 square feet, the annual rent for the total property would be \$12,545.28. As noted city does need to retain ongoing access to this property for recurring operational needs. Thus, staff is recommending rent for this property be provide at half the market rate, \$0.025 per square foot or \$522.72 per month/ \$6,272.64 per year. Additionally, the proposed lease identifies the below lease terms:

- Term = ten years; October 15, 2020 – October 14, 2030.
- 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.
- Tenant Improvements = any tenant improvement completed by Lessee that Lessee obtains a City Building Permit for can be used as credit towards the rent.

FISCAL IMPACT:

The recommended action would not have fiscal impact on the FY 2020/2021 budget.

Attachments: Proposed Lease