



City of Colusa California

STAFF REPORT

DATE: February 4, 2025
TO: City Council
FROM: City Manager, Jesse Cain

AGENDA ITEM:

Consideration of the revised Lease Agreement with SF Metalworks for continued tenancy in the Colusa Bio Innovation Center

Recommendation: Council approve the revised lease and authorize the City Manager to execute the revised lease agreement with SF Metalworks/Ron Moore.

BACKGROUND ANALYSIS:

In October 2021 the City of Colusa entered a sub lease with SF Metalworks for up to 10,000 square feet of the Pirelli Cable/Prysmian Manufacturing facility while the City of Colusa finds funding to complete the purchase of said property. SF Metalworks moved into the building in January 2022 and began working on the building to get it in a place so that it can be used. SF Metalworks and I worked together on improvements to the building that needed to be completed to make the space tenant ready. Because the City of Colusa has not yet been able to obtain grants to funds to make the repairs, SF Metalworks used what they would have been paying the City in a lease payment to make the repairs that were the City responsibility. The repairs that have been made are concrete saw cut outs in the floors where old equipment had been installed and doweled into the concrete floor. Those areas were then filled with concrete so that the floors are now flat and drain correctly. A dividing demising wall was installed to separate out the leased area from the other tenant areas, conduit and electricity was run to install lights in the leased area, a restroom facility was built, and the gutter drains on the building were reconstructed and installed. These were all items that the City of Colusa was responsible for providing.

Because we have now completed the purchase of the former Pirelli Cable/Prysmian Manufacturing facility building and most of the improvements have been made for SF Metalworks leased area, we need to enter into a new lease with SF Metal works as the original lease was a sub lease.

The lease terms use the original lease amount the City of Colusa approved in 2021 of \$.35 per sq. ft. for year 3 of the lease. SF Metalworks has spent \$96,797.77 as of to date on property improvements. That amount has been listed as a credit against lease payments and is shown

in the table in section 5 of the lease under Rent. I backed into the lease payments that they would have been made if the City had paid for the property improvements. SF Metalworks will be making the first lease payment on the amount of \$1,003.03 February 28, 2025. From that point the monthly lease payment shall be \$4,525.85 per month

BUDGET IMPACT:

An increase of revenues of \$62,068.80 annually

STAFF RECOMMENDATION:

Council to adopt Resolution 25-.

ATTACHMENTS: Resolution 25-____
Lease Agreement