
AGENDA REPORT

Meeting Date:	<u>August 16, 2023</u>	Item Number:	<u>3</u>
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Date Prepared:	<u>August 11, 2023</u>	Exhibits:	<u></u>

Subject

Consider and act upon issues related to the commercial lease at 104 S Ballard.

Recommendation

Discussion

As the Board will recall, the WEDC acquired 104 S Ballard in January 2022 and assumed the existing lease on file for All the Rave Nutrition at that time. Since then, the tenants have further expanded the general retail space into more of a restaurant use and modified the building to operate as Loteria Fruteria. At the previous meeting, staff discussed the tenant’s request to install new and/or additional A/C units at 104 S Ballard. Following discussions from last meeting, Staff is presenting this item for the Board’s discussion and consideration for action.

As previously noted, the former occupants of this building were a Pawn Shop and All the Rave Nutrition and neither use caused any issues for the existing infrastructure. However, due to the recent change of use, the existing A/C unit on the roof does not have the excess capacity to offset the heat generated by the new coolers, freezers, ice machines and additional equipment that the tenants have installed for Loteria Fruteria. Additionally, the relatively short-term lease does not allow sufficient time for the tenants to recoup the investment in new A/C units and the Board didn’t indicate a desire to invest in new rooftop A/C units, especially if the building will be demolished and ultimately redeveloped sometime soon.

Staff discussed a possible option and requested feedback from the Board regarding concessions on the next month’s rent to help offset the cost of the temporary floor A/C units. The Board agreed to allow the costs of the interior/floor A/C units to be taken from the amount due in the monthly rent. Since that time, the WEDC Property Manager has indicated that the floor units have been installed.

With the Board’s recent feedback and direction regarding redevelopment and revitalization of WEDC owned properties, Staff simply needs Board direction with this item.