



DATE ISSUED: April 7, 2010 REPORT NO.: CCDC-10-09

ATTENTION: Honorable Chair and Members of the Redevelopment Agency
Docket of April 13, 2010

ORIGINATING DEPT.: Centre City Development Corporation

SUBJECT: Allen’s Flowers and Plants, Inc. (620 Market Street) – First
Amendment to Lease Agreement with Max Levy and Brad Levy
doing business as Allen’s Flowers and Plants, Inc. – East Village
Redevelopment District of the Expansion Sub Area of the Centre
City Redevelopment Project – **PUBLIC HEARING**

COUNCIL DISTRICT: Two

REFERENCE: None

STAFF CONTACT: Susan C. Diekman, Assistant Project Manager, (619) 533-7142

REQUESTED ACTION:

That the Redevelopment Agency of the City of San Diego (“Agency”) approves the First Amendment (“Amendment”) to the lease agreement (“Lease”) between the Agency and Max Levy and Brad Levy, doing business as Allen’s Flowers and Plants, Inc. (“Allen’s Flowers”), located in the Park-It-On-Market garage (“Garage”) at 620 Market Street in the East Village Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project (“Project Area”).

STAFF RECOMMENDATION:

That the Agency approves the Amendment to the Lease between the Agency and Allen’s Flowers located in the Garage at 620 Market Street in the Project Area.

SUMMARY:

The Agency owns the 500-space Garage, located between Sixth and Seventh avenues fronting on Market Street. There are two tenant spaces in the Garage. One space is approximately 459 square feet and is currently occupied by a deli; the second space is approximately 1,744 square feet and is currently occupied by Allen’s Flowers.

On October 13, 2009, the Agency approved a Lease with Max Levy and Brad Levy doing business as Allen’s Flowers (Attachment A). The Lease term would be for an initial five years with the ability for the lessee to extend the Lease term by two additional five-year terms, for a not-to-exceed cumulative term of 15 years, plus any first partial month of the initial term. The Lease extension would apply provided the lessee is not in default of the Lease.

During Allen's Flowers' recent tenant improvements, it requested the installation of the condenser for its refrigerator unit on the floor above the tenant space and staff approved the request. This caused the definition of the term "Premises" to change in the Lease, which triggered a need for the Amendment to the Lease (Attachment B).

FISCAL CONSIDERATIONS:

None.

CENTRE CITY DEVELOPMENT CORPORATION RECOMMENDATION:

On January 27, 2010, the Corporation Board of Directors voted unanimously in favor of the proposed Amendment to the Lease.

KEY STAKEHOLDERS AND PROJECT IMPACTS:

Lessee: Max Levy and Brad Levy (individuals doing business as Allen's Flowers and Plants)

OTHER RECOMMENDATIONS:

None.

BACKGROUND

The proposed Project advances the Visions and Goals of the Centre City Community Plan and the Objectives of the Centre City Redevelopment Project by:

- Eliminating and preventing the onset and return of blight through continued utilization of redevelopment vacant or underutilized property.

On November 5, 2009 the Lease was fully executed and Allen's Flowers began its tenant improvements. During the improvements, Allen's Flowers requested that a condenser for its refrigeration unit be located in the Garage's open mechanical cage that is located one floor above the tenant space. It was explained that by having the condenser located one floor above them their employees will not hear the noise or feel the heat and the condenser will breathe better in an open-air location. Staff requested an official site plan of the mechanical cage area and details regarding how all of the elements of the condenser related to all of the components in the tenant space. Due to Allen's Flower's desire to open the store by December 12, 2009, a Use and Occupancy Permit was issued and signed by the Agency and Allen's Flowers; this permit is effective for six months.

DISCUSSION

The proposed Amendment is required because the definition of the term "Premises" in the Lease has now changed to include the language "approximately 320 additional square feet of space known as the "mechanical cage" located on the first floor of the Parkade."

Environmental Impact – This activity is not a “project” under the definition set forth in CEQA Guidelines Section 15378. Therefore, pursuant to CEQA Guidelines Section 15060(c)(3), the activity is not subject to CEQA.

CONCLUSION

Allen’s Flowers is requesting the installation of the condenser for its refrigerator unit on the floor above the tenant space, thus causing the definition of the premise to change in the Lease, therefore, staff recommends that the Agency approves the Amendment to the Lease.

Respectfully submitted,

Concurred by:



Susan C. Diekman
Assistant Project Manager



Frank J. Alessi
Executive Vice President & Chief Financial
Officer

Attachments:

- A – Original Lease Agreement
- B – Amendment to Lease