



## Legislation Text

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**File #:** 140726., **Version:** 1

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### **Approval and Authorization to Approve a Lease Agreement and Temporary License Agreement (B)**

#### **This item is a request to Approve and Authorize the Execution of a Lease Agreement and License Agreement with Steamers, Inc., a Florida Corporation.**

After the previous tenants at the city-owned Bethel Station indicated they would not be renewing their lease, the CRA acting as agent on behalf of the City, sought a new tenant. This restaurant opportunity was widely advertised and interested parties were directed to submit online responses. Eleven responses were received prior to the deadline on December 8, 2014. A seven-member CRA evaluation team invited the top candidates for in-person interviews and evaluated and ranked the top four respondents. The top-ranked respondent, Arthur H. Guy, president of Steamers Inc., a Florida Corporation was invited to begin lease negotiations for the site.

Steamers, Inc. was a very popular restaurant located at 1618 NW 1<sup>st</sup> Avenue, owned by Arthur H. Guy from 2000-2005. The original Steamers business was sold in 2005, and since that time Mr. Guy has been operating a successful tempeh products business known as Arto Moro Tempeh Company, which is located in East Gainesville and which produces tempeh products for numerous local and regional restaurants and grocery stores.

Mr. Guy proposes to serve the affordable curry rice dishes and loose meat sandwiches that the original Steamers restaurant was known for as well as some new offerings suited to the Downtown Plaza location. The Bethel Station was renovated specifically for restaurant use in 2010 and does not require any additional improvements.

The proposed lease, after negotiations is for a term of five years, and due to planned closure and renovations of the Downtown Plaza, waiving the first two months of rent and providing a discounted base rental rate of \$850.00 per month for the remainder of the first year or until construction is completed and the Downtown Plaza is reopened. Immediately following the reopening of the renovated Downtown Plaza, a market base rental rate of \$1,200 per month with three percent annual increases would be implemented.

Renovation of the Downtown Plaza is planned to begin in March 2015 and the entire Plaza with the exception of the Bethel Station location will be fenced off with construction fencing.

During this construction the Bethel Station restaurant will be the only part of the Plaza that is accessible to the public of the Downtown Plaza and therefore, the tenant has requested a temporary license agreement for private use/control of the Right of Way and parking spaces adjacent to the area covered by the lease agreement effective only for the duration of construction. After the construction has been completed and the Plaza has been reopened, the license agreement will become ineffective and the Right of Way will again be open to the public and under the sole control of the City.

CRA staff believes it would be in the best interest of the City to approve the Lease and License Agreement with Steamers, Inc.

Total revenue anticipated over the five year lease term is \$68,744.20 excluding sales tax, property taxes, and utilities. Total revenue for the temporary license agreement would be \$600.00.

The City Commission: Approve the Lease Agreement and License Agreement with Steamers, Inc. for the space available at 104 SE 1<sup>st</sup> Avenue and Authorize the City Manager to execute the Lease Agreement and temporary License Agreement with Steamers, Inc., subject to approval by the City Attorney as to form and legality.