



AGENDA REPORT

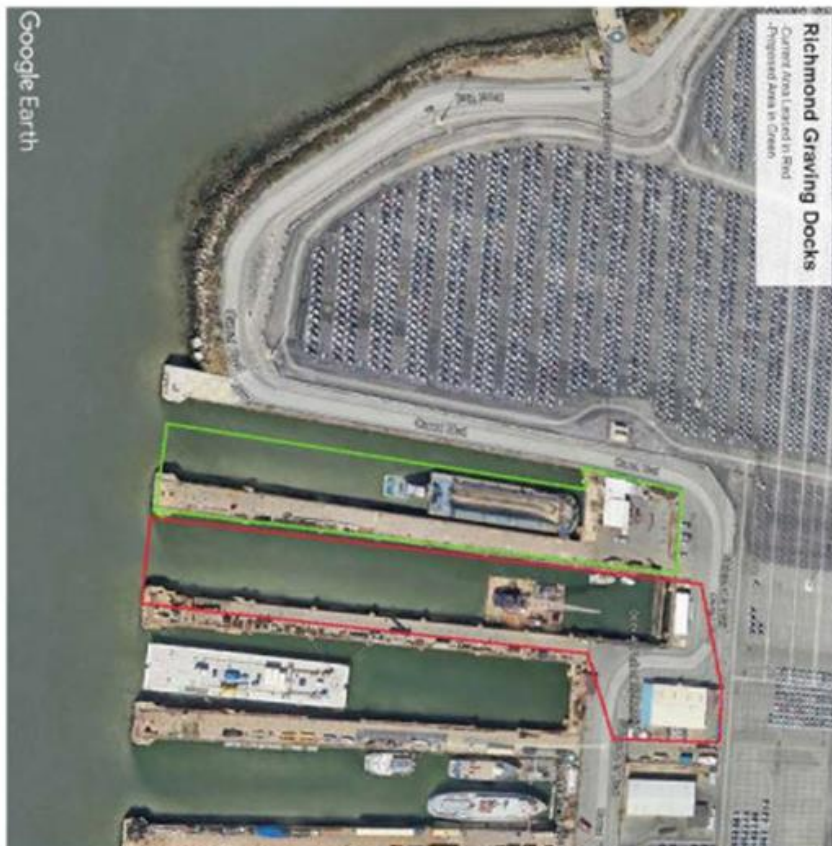
Economic Development
Port Division

DATE:	February 27, 2024
TO:	Mayor Martinez as the President of the Board of the Richmond Surplus Property Authority (SPA) and SPA Board Members
FROM:	Nannette Beacham, Director of Economic Development Charles Gerard, Port Director Lizeht Zepeda, Senior Business Assistance Officer
Subject:	Basin 1 Lease
FINANCIAL IMPACT:	This action authorizes the receipt of annual lease revenue, in the amount of \$150,000, which may be added to the Port of Richmond FY 24-29 budgets (Account String 40162780-362801). The lease will include an annual rent increase by Consumer Price Index (CPI) of two to four percent.
PREVIOUS COUNCIL ACTION:	None.
STATEMENT OF THE ISSUE:	Staff is seeking approval of a lease with The Dutra Group, a California Corporation for Basin 1 at Point Potrero Marine Terminal.
RECOMMENDED ACTION:	APPROVE a Lease Agreement between the Surplus Property Authority for the City of Richmond and The Dutra Group, a California Corporation, in the amount of \$150,000 annually, to terminate on May 31, 2027, with two (2) five-year extension options to potentially extend the lease through January 31, 2037 – Port of Richmond (Charles Gerard 510-620-6792).

DISCUSSION:

The Dutra Group has been a tenant in good standing with the Port of Richmond since 2017. The tenant currently occupies Basin/slip 2 and an office with parking at Point Potrero Marine Terminal (PPMT), formally known as Shipyard 3. The City solicited a Request for Proposals (RFP) for the Lease of Basin 1 on July 20, 2023, with a proposal deadline of August 21, 2023. Dutra was the only respondent.

Basin No. 1 and No. 2 are shown in the diagram below. Dutra currently occupies Basin 2 and a workshop structure across the street as outlined in red. This new lease will expand Dutra's leased property to include the basin, structure, and parking outlined in green.



Key items for the lease agreement are as follows:

- The lease commences as soon as possible. The lease is to expire on May 31, 2027, to align with existing lease term of Basin 2, with two (2) five-year options which would potentially extend the lease to May 31, 2037.
- Dutra proposed a lease fee of \$11,000, which was subsequently increased to \$12,500 after further discussion and verbal agreement with the Port.

- The lease will include an annual rent increase by Consumer Price Index (CPI) of two to four percent.

DOCUMENTS ATTACHED:

Attachment 1 – RFP for Basin #1

Attachment 2 – Richmond Basin #1 New Lease Pricing 2.3.2023

Attachment 3 – Graving Dock 1 RFP Response

Attachment 4 – The Dutra Group Richmond Proposal

Attachment 5 – PORT – Dutra lease