



Legislation Details (With Text)

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Title: Actions pertaining to the City of Fresno’s Downtown Parking Garage 9 storefront leases (District 3):
1. Adopt a finding of Categorical Exemption pursuant to Section 15301/Class 1 of the California Environmental Quality Act (CEQA) Guidelines
2. Approve a Three-Year Lease Agreement located at 1231 Van Ness (Unit A), with Kocky’s Bar and Grill
3. Approve a Three-Year Lease Agreement located at 1241 Van Ness (Unit C), with Vivian Sanders, dba, All About Nails & Season Trends
4. Approve a Three-Year Lease Agreement located at 1245 Van Ness (Unit E), with Fresno Arts Council

Sponsors: Office of Mayor & City Manager, General Services Department

Indexes:

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Attachments: 1. Development Department Map of Garage 9 Storefronts Units A-G, 2. Lease for 1231 Van Ness, with Kocky's Bar and Grill, 3. Supplement Packet - 1-C ID 23-1358

Date	Ver.	Action By	Action	Result
12/14/2023	1	City Council	APPROVED	Pass

REPORT TO THE CITY COUNCIL

FROM: GEORGEANNE A. WHITE, City Manager
Office of Mayor & City Manager

BY: BRIAN BARR, Director
General Services Department

SUBJECT

Actions pertaining to the City of Fresno’s Downtown Parking Garage 9 storefront leases (District 3):

1. Adopt a finding of Categorical Exemption pursuant to Section 15301/Class 1 of the California Environmental Quality Act (CEQA) Guidelines
2. Approve a Three-Year Lease Agreement located at 1231 Van Ness (Unit A), with Kocky’s Bar and Grill
3. Approve a Three-Year Lease Agreement located at 1241 Van Ness (Unit C), with Vivian Sanders, dba, All About Nails & Season Trends
4. Approve a Three-Year Lease Agreement located at 1245 Van Ness (Unit E), with Fresno Arts Council

RECOMMENDATION

Staff recommends the Council adopt a finding of categorical exemption pursuant to Section

15301/Class 1 (existing facilities) and approve three-year lease agreements for retail and office space use in the City of Fresno Downtown Parking Garage 9, located at and with the following:

- 1231 Van Ness, (Unit A) with Kocky's Bar and Grill
- 1241 Van Ness, (Unit C) with Vivian Sanders, dba, All About Nails & Season Trends
- 1245 Van Ness, (Unit E) with Fresno Arts Council

EXECUTIVE SUMMARY

The City of Fresno owns Downtown Parking Garage 9 located at Van Ness and Merced, and has 7 storefront retail and office spaces that vary in square footage from 916 square feet to 9,930 square feet. Currently, five tenants are operating under month-to-month agreements. This action will update the leases for three tenants with new three-year leases.

General Services Department will return to Council with updated lease agreements with the remaining two tenants, Ajua Bail Bonds and Lucky Bail Bonds, once terms are agreed upon.

BACKGROUND

The City of Fresno owns downtown Parking Garage 9 located at Van Ness and Merced, that consists of 7 storefront retail and office spaces with long-term tenants that have expired leases. Five of these tenants are currently operating under month-to-month agreements.

Through the General Services Department's lease management services provided by their newly hired Property Specialist, these leases will secure three current establishments in the Downtown Parking Garage 9 with active three-year leases, while increasing rent to all who have not seen increases in recent years. These increases will better assist the City in addressing needed building maintenance and repairs to the aging garage storefronts retail and offices, while also providing uniform tenant language to all current tenants (some who have rented for over 20 years or more from the City).

Coming out of the pandemic, it was the Administration's desire to update all contracts, leases, and license agreements within the City of Fresno and to assign a single manager to oversee them. During the discussion of the FY23 Mayor's Budget, a proposed General Services Department was introduced, and one of its functions was to place properties under updated leases and a single oversight to provide opportunities for better management.

Unit A, at 1231 Van Ness is 3,134 square feet and under lease to Kocky's Bar and Grill for over twelve years. Unit A's current rental rate will move from \$2,270.38 to \$3,134 per month and provides rental relief created by various closures and operating restrictions during the pandemic.

Unit C at 1241 Van Ness is 1,144 square feet and under lease to Vivian Sanders, dba, All About Nails & Season Trends, who has been a long-term tenant. Unit C's current rental rate will move from \$600.00 to \$1,144.00 per month.

Unit E at 1245 Van Ness is 2,155 square feet and under lease to the Fresno Arts Council. The Fresno Arts Council is a 501(c)(3) nonprofit organization originally established in 1979 under the name "Alliance for the Arts" by local artists, arts organizations and interested individuals who wished to create a voice for the arts in the Central San Joaquin Valley and they are the designated state-local

partner to the California Arts Council. By a Memorandum of Understanding, the Arts Council serves as the local arts agency for the City & County of Fresno. The current rate being paid by the tenant is \$1.00 per year. The new lease contains only updated lease language and the current rate of rent will remain unchanged.

There are two remaining units in Parking Garage 9. One retail space is available to lease with interested tenants, and another space currently under design for Planning and Development's Housing Division to move into early next fall.

ENVIRONMENTAL FINDINGS

This project, which consists of three (3) leases within Parking Garage 9, is exempt under Section 15301 (Class 1/Existing Facilities) of the CEQA Guidelines because it involves the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.

The proposed project is a request to enter into three (3) lease agreements between three (3) private businesses (Kocky's Bar and Grill, Vivian Sanders dba All About Nails & Season Trends, and the Fresno Arts Council (tenants)), and the City of Fresno (Landlord) for existing commercial spaces within the City of Fresno's existing Parking Garage Structure Number 9 located at 1231 Van Ness Avenue. No physical development is proposed with this application. The project complies with all conditions listed above. There is no substantial evidence in the record that any of the exceptions to these Categorical Exemptions, set forth in CEQA Guidelines section 15300.2, apply to this project and no adverse environmental impacts will occur as a result of the proposed project. Accordingly, the Categorical Exemption, as noted above, has been determined to be appropriate.

LOCAL PREFERENCE

Local preference was not implemented as these are new updated three-year leases for existing businesses under month-to-month agreements.

FISCAL IMPACT

This project has no fiscal impact to the General Fund.

Attachment(s):

Development Department Map of Garage 9 Storefronts Units A-G

Lease for 1231 Van Ness, with Kocky's Bar and Grill

Lease for 1241 Van Ness, with Vivian Sanders, dba, All About Nails & Season Trends

Lease for 1245 Van Ness, with Fresno Arts Council