



Lease Amendment 120 East Santa Fe Ave

July 15, 2025
City Council Meeting



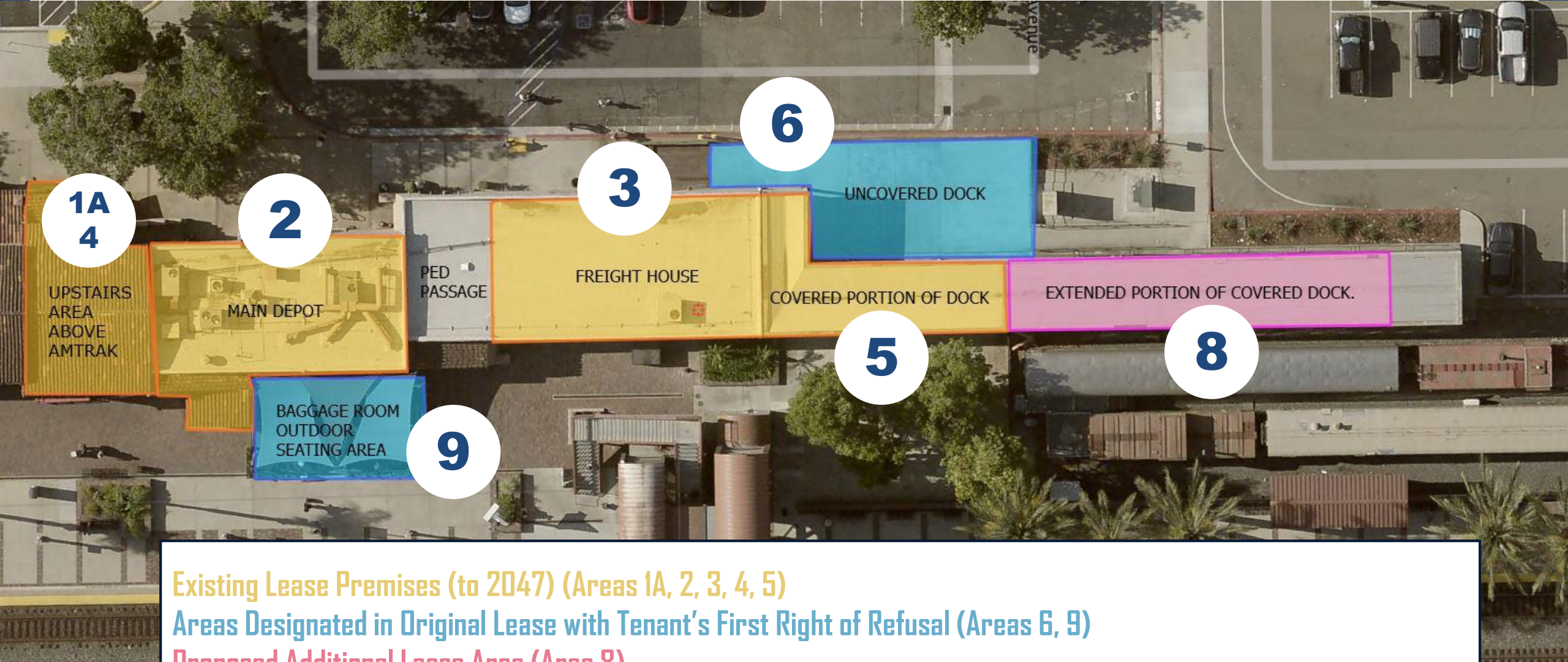
Background

- Lease originated in 1990 with Bushala Brothers, Inc. and Fullerton Redevelopment Agency
- Amended in 1992 for a 35-year term expiring in 2027
- Current lease includes two 10-year extension options through 2047
- City became landlord following redevelopment agency dissolution



Summary of Proposed Amendment

- **Lease Term Extension:** Confirms extension through 2047. Adds a new optional extension to 2060, with potential for further extension subject to City Council approval.
- **Expansion of Premises:** Adds several indoor and outdoor areas (Areas 6, 8, and 9), including an outdoor seating area.
- **Expanded Uses:** Authorizes restaurant use, including food preparation, alcohol sales, entertainment, and outdoor dining.
- **Tenant Improvements:** Requires significant investment in upgrades across multiple areas, with a 5-year deadline for completion.



Existing Lease Premises (to 2047) (Areas 1A, 2, 3, 4, 5)

Areas Designated in Original Lease with Tenant's First Right of Refusal (Areas 6, 9)

Proposed Additional Lease Area (Area 8)



Lease Premises Images



PREMISES 1
Amtrak Existing Lease Area



PREMISES 1A & 4
**Amtrak Area &
Upstairs Leased Office Area**



PREMISES 2 & 9
**Santa Fe Café & Outdoor
Dining Public Access Area**



Lease Premises Images



PREMISES 3
**Existing Leased Freight
House Area**



PREMISES 5
**Existing Lease Covered
Loading Dock Area**



PREMISES 6
**Option Exercise Premises
*Extended Portion of
Covered Dock***



Lease Premises Images



PREMISES 8
NEW Premises
Extended Portion of
Covered Dock



PREMISES 8
Inside NEW Premises
Extended Portion of
Covered Dock



PREMISES 10
Unenclosed Dock Area NOT
Included in Expansion



Community Benefits of Amendment

- **Private Investment in Public Property:** Tenant will pay for all site improvements, including building upgrades, outdoor dining areas, and utility enhancements.
- **Revitalization of Vacant Space:** Long-unused areas of the Depot will be transformed into active restaurant and entertainment spaces, generating tax revenue and creating jobs.
- **Improved Access and Safety:** Upgrades include lighting, walkways, fire safety systems, and other public-facing improvements.
- **5-Year Performance Requirement:** Tenant must complete improvements within 5 years or risk losing extension rights.



Rent Structure Overview

- **Maintains existing rent for current areas with CPI adjustments (4% cap)**
- **New rent established for Areas 6 and 8**
 - **Area 6:** Same rate as current areas
 - **Area 8:** \$1,904/month starting rate + CPI
- Rent credits for tenant-funded improvements
- Rent abatement if hotel construction impacts access



Staff Recommendation

Approve Lease Amendment No. 2 between the City of Fullerton and Bushala Brothers, Inc. and authorize City Manager to execute all necessary documents for the lease of property located at 120-140 East Santa Fe Avenue.