



City of Oceanside

300 North Coast Highway,
Oceanside, California 92054

Staff Report

File #: 25-1009

Agenda Date: 10/15/2025

Agenda #: 6.

DATE: October 15, 2025

TO: Honorable Mayor and City Councilmembers

FROM: Public Works Department

TITLE: AMENDMENT 3 TO THE LEASE AGREEMENT WITH PETITE MADELINE BAKERY FOR THE PREMISES AT 223 NORTH COAST HIGHWAY

RECOMMENDATION

Staff recommends that the City Council approve Amendment 3 to the Lease Agreement with Petite Madeline Bakery and Bistro Inc., DBA Petite Madeline Bakery, for the use of City-owned property located at 223 North Coast Highway, extending the term of the Agreement to December 31, 2028, for a three-year minimum total revenue of \$146,899; and authorize the City Manager to execute the amendment upon receipt of all supporting documents.

BACKGROUND AND ANALYSIS

On April 21, 2010, the City entered into a Lease Agreement ("Agreement") with Petite Madeline Bakery and Bistro, Inc., DBA Petite Madeline Bakery ("Lessee") to operate a bakery at 223 North Coast Highway ("Premises"). The term of the Agreement was for five years and provided for two five-year extension options.

Lessee exercised the first five-year extension option on March 16, 2016, through Amendment 1, and exercised the second five-year extension option on December 2, 2020, through Amendment 2, which provided for one additional five-year extension. Both Amendments stipulated that the rent would be adjusted according to the City's calculated fair market rental rate at the beginning of each extension.

At this time, Lessee has requested to exercise the final remaining extension option, extending the term of the Agreement for three years, commencing on January 1, 2026 and expiring on December 31, 2028 ("Amendment").

The proposed Amendment will also adjust the monthly rent to \$4,000. Rent will be adjusted annually thereafter, beginning on January 1, 2027, and based on the semi-annual Consumer Price Index (CPI), with a two percent minimum, and a five percent maximum adjustment rate.

Lessee has satisfied the terms of the Agreement throughout its entirety, and staff supports continued occupancy by Lessee.

FISCAL IMPACT

The proposed Amendment will result in a minimum total revenue in the amount of \$146,899 over the three-year term, and will be deposited into account 1101.4351.

Description	1 st Year Annual Amount	3-Year Minimum Revenue Amount	Revenue Account
Minimum Rent Revenue	\$48,000	\$146,899	1101.4351

COMMISSION OR COMMITTEE REPORT

Does not apply.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

Prepared by: Bryan Smithwick, Property Agent I
Reviewed by: Hamid Bahadori, Public Works Director
Submitted by: Jonathan Borrego, City Manager

ATTACHMENTS:

1. Staff Report
2. Amendment 3
3. Lease Calculation