



Detroit Water and Sewerage Department

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Legislation Text

File #: 20-0039, **Version:** 1

The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to enter into **Lease Agreement LA-20-12520, “Lease of Property” with Pewabic Society, Inc. for a duration of five (5) years, beginning February 1, 2020** and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

Agenda of February 19, 2020

Item No. 20-0039

Proposed Contract No. LA-20-12520

Project Length: Five (5) Years with an option for one five (5) year extension

Revenue Amount: \$45,300.00

TO: The Honorable
Board of Water Commissioners
City of Detroit, Michigan

FROM: Gary Brown, Director
Water and Sewerage Department

RE: Proposed DWSD Contract No. LA-20-12520
“Lease of Property”
9900 East Jefferson, Detroit, Michigan 48214

MOTION

Upon recommendation of Thomas Naughton, Chief Financial Officer, the Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to enter into **Contract No. LA-20-12520, “Pewabic Society Lease Agreement” in the amount of \$45,300.00 for no longer than 5 years**, and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

JUSTIFICATION

The proposed contract is a lease agreement of the property located at 9900 East Jefferson, which will be used as additional material preparation and parking for Pewabic Pottery.

The primary objectives of this lease is:

Pewabic uses the firehouse to make pottery. The pottery and tile that is made generates two-thirds of the operating revenue, so the additional production space provided by the firehouse is critical for sustainability. The revenue from the work that is made in the space helps sustain the National Historic Landmark pottery and supports all of the educational

work that is done in the community. The second floor serves as a studio for Pewabic staff artists to create their own personal work.

BACKGROUND

Pewabic Society, Inc. is known for the clay tiles produced through its 501(c)(3). Pewabic Pottery, a national historic landmark in Detroit founded in 1903. It is located at 9900 East Jefferson Avenue, Detroit, MI 48214 across from the Water Works Park Water Detroit Plant currently leased to Great Lakes Water Authority. Pewabic started leasing the facility soon after it was transferred to the water department in the mid-1980s, space was needed to assemble the murals Pewabic was creating for the Detroit People Mover stations. The vessel-making department was moved into the facility in 2004, and currently the space is used to make all of the vases, mugs and bowls that are sold in their National Historic Landmark pottery. Pewabic has been part of the architectural fabric of Detroit for over a century, with installations in the Guardian Building, the DIA, the Detroit People Mover, Comerica Park, Little Caesars Arena, the QLINE stations and dozens of other public buildings - and many of those have been created or assembled in the firehouse.

PROPERTY INQUIRY METHOD

This is a request to renew the current longstanding lease agreement.

LEASE AGREEMENT STATUS:

- A. Lease Start Date: February 1, 2020
- B. Final Lease Date: January 31, 2025
- C. Total Lease Revenue: **\$45,300.00**
- D. Projected Fiscal Year (FY) Lease Term Revenue:

| | |
|---|------------------|
| February 1, 2020 through January 31, 2021 | \$ 8,388 |
| February 1, 2021 through January 31, 2022 | \$ 8,712 |
| February 1, 2022 through January 31, 2023 | \$ 9,048 |
| February 1, 2023 through January 31, 2024 | \$ 9,396 |
| February 1, 2024 through January 31, 2025 | \$ 9,756 |
| TOTAL COST | \$ 45,300 |

Proposed DWSD Contract No. LA-20-12520 does not require funding from Capital or O&M funds.