

Legislation Details (With Text)

File #: 17-162 **Version:** 2

Type: Action Item **Status:** Passed

In control: City Council

On agenda: 4/24/2017 **Final action:** 4/24/2017

Title: 413 Industries, LLC Lease Amendment

Ward(s): 1
Councilor(s): Kaser
Neighborhood(s): CANDO

Sponsors:**Indexes:****Code sections:**

Attachments: 1. Lease, 2. Proposed First Amendment

Date	Ver.	Action By	Action	Result
4/24/2017	2	City Council	approved	Pass

TO: Mayor and City Council

THROUGH: Steve Powers, City Manager

FROM: Kristin Retherford, Urban Development Director

SUBJECT:

413 Industries, LLC Lease Amendment

Ward(s): 1

Councilor(s): Kaser

Neighborhood(s): CANDO

ISSUE:

Shall the City Council authorize the City Manager to execute the attached lease amendment with 413 Industries, LLC for retail space at Liberty Parkade?

RECOMMENDATION:

Authorize the City Manager to execute the attached lease amendment with 413 Industries, LLC for retail space at Liberty Parkade.

SUMMARY AND BACKGROUND:

The City and 413 Industries, LLC (dba Cherry City CrossFit)(Lessee), whose principal is Ryan Savage, entered into a lease agreement on 4/18/2014 for 1,010 square feet of retail lease located at 365 Ferry St. Suite A located in the Liberty Parkade (Lease)(Attachment 1).

Due to growth, Lessee requires a larger space and desires to amend the Lease to allow for early termination.

FACTS AND FINDINGS:

Staff and Lessee have come to terms on a settlement for early termination of the lease in the proposed First Amendment to the Lease (Attachment 2). If approved by Council, Lessee will vacate the space by April 30, 2017, pay a termination fee of \$1,100 plus forfeiture of the \$1,000 security deposit for vacating the space four months prior to the original Lease termination date (August 31, 2017). The net loss to the Liberty Parkade Leasehold Fund in rental revenue and common area charges is \$3,000.

Original Lease Term:	5/1/2014 - 8/31/2017
Current Lease Rate:	\$757.50/month
Current Common Area Charges	\$517.58/month

A consideration in the recommended amendment is that per the Lease, Lessee holds a Right of First Refusal on the adjacent retail space in Liberty Parkade should it become available. The adjacent space did become available in 2015 and the space has since be re-leased. The City and Lessee are in disagreement that proper notice was given regarding the Right of First Refusal in 2015.

Attachments:

1. Lease
2. Proposed First Amendment

4/7/2017