

Legislation Details (With Text)

File #: 17-553 **Version:** 1

Type: Action Item **Status:** Passed

In control: City Council

On agenda: 11/27/2017 **Final action:** 11/27/2017

Title: Chemeketa Parkade Retail Lease Amendments - Rudy's Steakhouse LLC

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

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

Attachments: 1. Current Restaurant Lease, 2. Current Banquet Lease, 3. Proposed Restaurant Lease Amendment, 4. Proposed Banquet Lease Amendment

Date	Ver.	Action By	Action	Result
11/27/2017	1	City Council	approved	Pass

TO: Mayor and City Council

THROUGH: Steve Powers, City Manager

FROM: Kristin Retherford, Urban Development Director

SUBJECT:

Chemeketa Parkade Retail Lease Amendments - Rudy's Steakhouse LLC

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

ISSUE:

Shall City Council authorize the City Manager to execute the attached amendments to the leases with Rudy's Steakhouse LLC for property located at 315 and 350 Chemeketa Street NE?

RECOMMENDATION:

Authorize the City Manager to execute the attached amendments to the leases with Rudy's Steakhouse LLC for property located at 315 and 350 Chemeketa Street NE.

SUMMARY AND BACKGROUND:

On May 22, 2017, and August 28, 2017, the City Council authorized the City Manager to execute leases (Leases) with Rudy's Steakhouse LLC (Lessee), whose principal is Robert Kunke, for property located at 350 Chemeketa Street NE (restaurant space) (Attachment 1) and 315 Chemeketa Street NE (banquet space) (Attachment 2) respectively. Due to the larger than anticipated cost of remodeling both spaces, Lessee desires to amend the Leases to allow for a longer term to amortize the costs incurred. In return for additional lease option periods, Lessee is willing to extend the base term for both spaces from two years to ~20 years each.

FACTS AND FINDINGS:

Staff and Lessee have come to terms on proposed amendments for the restaurant space lease (Attachment 3) and the banquet space lease (Attachment 4). The key elements of the proposed amendments are below.

Term: Restaurant - August 1, 2017 - July 31, 2037
 Banquet - September 1, 2017 - July 31, 2037

Square Feet: Restaurant - 5,224
 Banquet - 1,774

Rate: As stated in Leases

Renewal Options: Upon mutual agreement of Lessor and Lessee
 Restaurant - Four five-year terms
 Banquet - Four five-year terms

Clint Dameron
Real Property Services Manager

Attachments:

1. Current Restaurant Lease
2. Current Banquet Lease
3. Proposed Restaurant Lease Amendment
4. Proposed Banquet Lease Amendment