



Staff Report

File #: 17-553

Version: 1

Date: 11/27/2017

Item #: 3.3d.

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