



TO: Elizabeth A. Pauli, City Manager
FROM: Ronda Cornforth, Senior Real Estate Specialist, Public Works
Michael P. Slevin III, P.E., Director, Environmental Services *MS*
COPY: City Council and City Clerk
SUBJECT: Resolution – Lease Addendum with Ex Land LLC – April 23, 2019
DATE: March 29, 2019

SUMMARY:

A resolution authorizing the execution of an Addendum to the Lease Agreement with Ex Land LLC, to extend the term for an additional 36 months from date of execution and amend the monthly rents, including triple nets, from \$4,450.00 to \$4,715.92, for a projected contract total of \$300,626.84, for the property located at 4102 East 11th Street, currently used as Environmental Services' TAGRO Bagging Operations.

STRATEGIC POLICY PRIORITY:

- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

Approval of this Lease Addendum will allow Environmental Services to remain in its current, and most convenient, location without disruption to production and service to the general public seeking TAGRO's lawn and garden products.

BACKGROUND:

In 2017, the City entered into a one-year lease agreement for the temporary housing of its TAGRO Bagging Operations location. Since 2017, City staff has continued to search for a long-term suitable location available for purchase; however, no suitable properties have been found to date. While the search continues for suitable lands, Environmental Services requests to remain in its current location.

ISSUE:

The current one-year lease agreement expired in November 2018. Lessor, Ex Land LLC, is agreeable to a three-year extension and has permitted our continued use of the property in a hold over status, at 150 percent of the monthly rents, as provided for within the originating lease. The anticipated contract expenses including annual reconciliations and an estimated CPI are expected to be \$300,626.84.

ALTERNATIVES:

The City Council could decide not to approve this request, requiring the immediate ejection of bagging operations until such time as more suitable lands can be acquired.

RECOMMENDATION:

Environmental Services recommends that the City Council approve the execution of this Addendum to the Lease Agreement with Ex Land LLC.



FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
ES Wastewater Fund 4300	527000	5417000	\$300,626.84
TOTAL			\$300,626.84

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
ES Wastewater Fund 4300	527000	4343755	\$300,626.84
TOTAL			\$300,626.84

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$100,559.32

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes