

AGENDA ITEM SUMMARY

FORT COLLINS CITY COUNCIL

ITEM NUMBER: 14

DATE: August 17, 1999

STAFF: Helen Matson/
Tom Frazier

SUBJECT:

First Reading of Ordinance No. 134, 1999, Approving the Terms of the Lease for the City's Lease of the Building at 220 East Olive Street/235 Mathews Street Fort Collins, Colorado

RECOMMENDATION:

Staff recommends adoption of the Ordinance on First Reading.

FINANCIAL IMPACT:

Adoption of this Ordinance authorizes the terms of the City's lease of 220 East Olive Street/235 Mathews Street and will permit the Larimer County Treasurer's Office to remove the leased property from the tax rolls in accordance with C.R.S. Sections 31-15-801 and 802. If the leased property remains on the tax rolls, the City would be responsible to pay the taxes.

EXECUTIVE SUMMARY:

In order for this property to remain tax exempt, state law requires that the Council approve the terms of the lease by Ordinance.

The City's Transportation Department leases the building at Olive and Mathews Streets. The current lease expires August 31, 1999. Staff has renegotiated the lease to continue until the Transportation Department moves into the new City office building upon its completion. The term of this Lease Agreement commences on September 1, 1999 and continues until August 31, 2002, with the City having the option to terminate at any time with a six-month notice of termination. The lease is for 10,384 square feet of office space and 2,040 square feet of warehouse space. The gross rental for this facility is \$11,624.17 per month. This breaks down to \$12.50/square foot for the office space, which is comparable to other downtown office gross leases, and \$4.50/square foot for the warehouse space, which is comparable to warehouse leases in Fort Collins. Expenses paid by the Landlord are structural insurance, building and grounds maintenance, custodial, and utilities. The only other City responsibility will be for personal property insurance. The lease will be increased by the annual Consumer Price Index at the end of each year.

ORDINANCE NO. 134, 1999
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROVING THE TERMS OF THE LEASE FOR THE CITY'S LEASE OF
THE BUILDING AT 220 EAST OLIVE STREET/235 MATHEWS STREET
FORT COLLINS, COLORADO

WHEREAS, the City intends to continue leasing 10,384 square feet of office space and 2,040 square feet of warehouse space at 220 East Olive Street/235 Mathews Street, Fort Collins, Colorado (the "Property"), pursuant to a Lease Agreement between the City and the owners of the Property, Abdelnour Family Limited Liability Partnership (the "Lease Agreement"); and

WHEREAS, under the Lease Agreement, the gross annual rent is \$139,490; and

WHEREAS, the negotiated term of the Lease Agreement commences September 1, 1999 and expires August 31, 2002, or upon the City issuing a six-month notice of termination; and

WHEREAS, in order for the Property to continue to be exempt from taxation C.R.S. Section 31-15-801 requires that the Lease Agreement and the terms thereof be approved by ordinance by the City Council; and

WHEREAS, the negotiated Lease Agreement is presently on file with the office of the City Clerk; and

WHEREAS, the City Council wishes to approve the Lease Agreement by ordinance so that the Property may be removed from the tax rolls.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF THE FORT COLLINS that the City Council hereby approves the Lease Agreement, which is on file and available for public inspection in the Office of the City Clerk, the terms of which include a lease period of three years, at a gross annual rent of \$139,490, adjusted annually for inflation, contingent upon the annual appropriation of funds sufficient to meet the City's obligations under the Lease Agreement.

Introduced, considered favorably on first reading, and ordered published this 17th day of August, A.D. 1999, and to be presented for final passage on the 7th day of September, A.D. 1999.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading this 7th day of September, A.D. 1999.

Mayor

ATTEST:

City Clerk