



Legislation Text

File #: 17-396, Version: 1

First Amendment to the Train Depot Lease Agreement with First City Central Marketplace and Bistro

RECOMMENDED ACTION (Motion):

Staff recommends approval of the First amendment to the Train Depot Lease Agreement.

BACKGROUND:

First City Central Marketplace and Bistro currently leases the Train Depot, located at 1757 Washington Street, providing dining and bicycle sales and services. The services provided by the Tenant support the City's plan for an activated downtown, including in the north end of downtown, where the Train Depot is located and a user of the facility. The remodel of the Train Depot took longer than expected, resulting in a delayed opening of the Bistro. The Bistro is working to build the customer base and capitalize on the summer season. The original lease included a tiered lease rate, beginning at \$0 and then increasing to \$500, \$1,000 and finally \$1,500. The Tenant's current lease rate is \$1,000. Due to the delayed opening, poor weather and the process of building a customer base, the Bistro has fallen behind on lease and utility payments.

Staff proposes that the Urban Renewal Commission consider the first amendment to the lease agreement to support the start up business. The amendment would:

- 1) Reduce the rent to \$500 from June 1, 2017 to August 31, 2017;
- 2) The Tenant shall pay an additional \$318.66 per month for 24 months for back lease and utility payments. The monthly payment includes principal and 4% interest over the 24 months;
- 3) The Tenant shall provide a monthly profit and loss statement;
- 4) The Tenant has signed a personal guarantee;
- 5) The Landlord and Tenant have the option to review and amend the First Amendment once the profit and loss statement for August 2017 is provided to the City; and
- 6) All other terms of the original agreement remain in full force except those terms set forth in the proposed First Amendment.