

RESOLUTION R-16-13

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A FIRST AMENDMENT TO A COMMERCIAL LEASE WITH SNOW & COMPANY, LLC.

WHEREAS, on January 28, 2014, the City of Gladstone (the "City") and Snow & Company, LLC entered into a commercial lease (the "Lease") for property located at 504 NE 70th Street, Gladstone, Missouri; and

WHEREAS, the City and Snow & Company, LLC, desire to amend the Lease to revise the following provisions:

1. Section 3 to revise the term of the Lease extending it from seven (7) years and ten (10) months to eight (8) years and two (2) months ending on December 31, 2022.
2. Section 4 to adjust the schedule for rent payments without any change in the amount of rent to be paid during the term of the Lease; and
3. Section 16 to adjust the schedule for payment of common area maintenance charges without any change in the amount of common area maintenance charges to be paid during the term of the Lease.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI, AS FOLLOWS:

THAT, the City Manager of the City of Gladstone is hereby authorized and directed to execute the proposed First Amendment to Commercial Lease and to take such other action as may be necessary to effectuate the intent of this Resolution.

INTRODUCED, READ, PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI THIS 22nd DAY OF FEBRUARY, 2016.



Mayor Bill Garnos

ATTEST:



Ruth E. Bocchino, City Clerk



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816-436-2200
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MEMORANDUM

TO: Kirk L. Davis, City Manager

FROM: Melinda Mehaffy, Economic Development Administrator *mm*

DATE: February 18, 2016

SUBJECT: Lease Addendum, Snow & Co.

The City and Snow & Co. LLC signed a lease in January 2014 prior to the opening of Snow & Co. at 504 NE 70th Street. Snow & Co. has been opened for the past fifteen months and has a better understanding of their operational cost. With this in mind, they have asked for a revision to their lease that would allow for the City to accept the annual CAM fees over a nine month period instead of twelve months. CAM fees would be collected at a higher level during the months of February through October.

Additionally, we have used this opportunity to revise the rent payment schedule. The new schedule still allows for the same funds to be collected over the term of the lease. The lease has been extended from seven (7) years, ten (10) months to eight (8) years, two (2) months.

AMENDMENT 1 TO COMMERCIAL LEASE

THIS AMENDMENT is made as of April 15, 2016 by and between the City of Gladstone ("Landlord") and Snow & Co, LLC ("Tenant") who entered into a Commercial Lease ("Lease") on January 28, 2014;

WHEREAS, paragraph 36 of the Lease provides for amendments; and

WHEREAS, the Landlord and Tenant agree to amend the Lease

THEREFORE, in consideration of the mutual covenants agreements made herein, the Landlord and Tenant agree to amend the Lease as follows:

1. Paragraph 3 **TERM** is deleted and replaced with the following:

3. Term. The Term of this Lease ("Term") is for **eight (8) years and two (2) months**, commencing on November 1, 2014 and ending on the **last (31) day of December, 2022.**
2. Paragraph 4 **RENT PAYMENTS** is hereby amended to read:

Phasing of Base Rent: Payment of monthly base rent and all other rent payable under the lease shall commence and be payable as follows:

	Rent Rate	Annual Rent
November 1, 2014 – March 31, 2016	\$0/SF	\$0.00
April 1, 2016- December 31, 2016	\$4/SF	\$13,200.03
January 1, 2017 – December 31, 2017	\$5.50/SF	\$24,200.00
January 1, 2018 – December 31, 2018	\$7.50/SF	\$33,000.00
January 1, 2019 – December 31, 2019	\$8.00/SF	\$35,200.00
January 1, 2020 – December 31, 2020	\$9.00/SF	\$39,600.00
January 1, 2021 – December 31, 2021	\$10.00/SF	\$44,000.00
January 1, 2022 – December 31, 2022	\$10.50/SF	\$46,200.00

3. Paragraph 16 **COMMON AREA MAINTENANCE CHARGE** is amendment to read:

COMMON AREA MAINTENANCE CHARGE (CAM): Operating expenses, Landlord's Insurance and Taxes shall be \$1.50 per square foot (\$6,600 annually). Tenant shall pay a prorated fee between the months of March – November of Seven Hundred and Thirty-Three Dollars and 33/100 Cents (\$733.33).

All other terms and conditions as stated in the Lease, including but not limited to the security deposit amount in and notice requirements to Owner in the event of the Tenant's intent to vacate the premises, remain unchanged.

IN WITNESS WHEREOF, said parties hereto subscribed their names.

CITY OF GLADSTONE

LANDLORD

By: 

Title: City Manager

Date: 5/18/16 Time: 4:22pm

SNOW & CO, LLC

TENANT

By: 

Title: CEO

Date: 4-15-16 Time: 5:00pm

ATTEST:

 5/18/16

Ruth E. Bocchino
City Clerk, City of Gladstone, MO