

# GENERAL

## Ordinance Fact Sheet

**Brief Title: Authorizing lease of 1704-12 E. 18<sup>th</sup> Street to Cherish the Cakes LLC**

**Approval Deadline**

**Reason: Authorizing Dir. of General Services to execute a lease of 1704 E. 18<sup>th</sup> Street in 18<sup>th</sup> & Vine District to Cherish the Cakes LLC & Lawona Jeffery**

### Details

#### Reason for Legislation

This Ordinance authorizes the Director of General Services to execute a lease of the City-owned property at 1704 East 18<sup>th</sup> Street in the 18<sup>th</sup> & Vine District to Lawona Jeffery and Cherish the Cakes LLC for its use as a retail bakery and coffee bar.

**Discussion (explain all financial aspects of the proposed legislation, including future implications, any direct/indirect costs, specific account numbers, ordinance references, and budget page numbers.)**

This ordinance would authorize the Director of General Services to enter into a Lease Agreement for the City-owned property located at 1704 East 18<sup>th</sup> Street, K.C., Mo. in the 18<sup>th</sup> and Vine District to Lawona Jeffery and Cherish the Cakes LLC. The space will be used for a retail bakery and coffee bar.

The Initial Term of the lease is for 5 years and 4 months; beginning on January 1, 2020 and ending on April 30, 2025. The lease provides for 2 additional terms each for an additional 5 years; each exercisable by the Lessees.

During the first 4 months, Lessees pay no rent. It is during that time period that the improvements to the space will be made to enable the Lessees to use the space for their retail bakery and coffee bar business. Thereafter, during the Initial Term, the rent for the following 3 years will be \$1,427 per month and the rent for the last 2 years of the Initial term will be \$1,570.00 per month. Throughout both of the two option terms, the rent will go up 2% per year.

This Lease also authorizes the Lessee to expend up to \$35,000.00 for tenant improvements to the leased space which would be reimbursed by the City.

1704 East 18<sup>th</sup> Street consists of approximately 1,427 square feet. The initial rent is based on a charge of \$12.00 per square foot per annum.

### Positions/Recommendations

<b>Sponsor</b>	
<b>Programs, Departments, or Groups Affected</b>	City Manager's Office General Services Department
<b>Applicants / Proponents</b>	<b>Applicant</b>  City Department General Services Department Other  None Known
<b>Opponents</b>	<b>Groups or Individuals</b>  <b>Basis of opposition</b>  <input checked="checked" type="checkbox"/> For <input type="checkbox"/> Against
<b>Staff Recommendation</b>	<b>Reason Against</b>  <b>By</b>  <input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> No action taken  <input type="checkbox"/> For, with revisions or conditions ( see details column for conditions)
<b>Board or Commission Recommendation</b>	<input type="checkbox"/> Do pass <input type="checkbox"/> Do pass (as amended) <input type="checkbox"/> Committee Sub. <input type="checkbox"/> Without Recommendation <input type="checkbox"/> Hold <input type="checkbox"/> Do not pass
<b>Council Committee Action</b>	

Discussion

Policy/Program Impact	
Policy or Program Change	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
Operational Impact Assessment	
Finances	
Costs & Revenue Projections - Including Indirect Costs	During Initial Term, \$17,124.00 per year in rental revenue over first 3 years during which rent is owed and \$18,840.00 per year during the last 2 years of the Initial Term. Total rent paid during Initial Term will be \$89,052.00.
Financial Impact	\$35,000.00 in costs for reimbursable tenant finish improvements during the first 4 months of the Lease term
Fund Source(s) and Appropriation Account Codes	Acct AL-3436-648043-B-64017101, 18 <sup>th</sup> and Vine for Tenant Improvements
	(Use this space for further discussion, if necessary)

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