

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 190484

Authorizing the Director of Neighborhoods and Housing Services Department to execute both an amendment to the lease agreement with Lipari Brothers, Inc., for the purposes of operating a grocery store at the Linwood Shopping Center and an amendment to the lease agreement with Linwood Shopping Center Initiative, LLC for the retail parcels at the Linwood Shopping Center both for the purposes of restructuring certain payments; authorizing the Director of Neighborhoods and Housing Services Department to execute an amendment to the Property Management and Maintenance Agreement for the Linwood Shopping Center with Linwood Shopping Center Initiative, LLC; and appropriating funds in the amount of \$375,000.00 for designated purposes related to the operation of the Linwood Shopping Center.

WHEREAS, the City owns and has redeveloped the Linwood Shopping Center generally located at 31st Street and Prospect Avenue in Kansas City, Missouri pursuant to authority granted by the Council in Ordinance Nos. 160448 and 160451; and

WHEREAS, the resulting improvements to the Linwood Shopping Center consist of an approximately 38,000 square foot Grocery Store Parcel and approximately 26,580 square feet of commercial space (the "Retail Parcels"); and

WHEREAS, pursuant to authority granted by Committee Substitute for Ordinance No. 150993, the Director of the Neighborhoods and Housing Services Department entered into a Master Lease and Completion Agreement (hereinafter "Master Lease") dated May 9, 2016 with Linwood Shopping Center Initiative, LLC, for the Retail Parcels for an initial term of 20 years and later amended that Master Lease pursuant to authority granted by Ordinance No. 170145; and

WHEREAS, the Director of the Neighborhoods and Housing Services Department also entered into a Property Management and Maintenance Agreement dated May 9, 2016 with Linwood Shopping Center Initiative, LLC for it to operate and manage the Linwood Shopping Center for a period of time; and

WHEREAS, pursuant to authority also granted in Ordinance No. 170145, the Director of the Neighborhoods and Housing Services Department entered into a Lease Agreement dated March 30, 2017, with Lipari Brothers, Inc., for the grocery store for an initial term of 20 years with four renewal options totaling an additional 20 years; and

WHEREAS, to improve the future operations of both the Retail Parcels and the grocery store, the City has determined that it is in the City's best interests to restructure payments under the Master Lease for the Retail Parcels and the Lease Agreement for the grocery store, to increase the term of the Property Management and Maintenance Agreement and to provide funding for certain common area maintenance expenses, for collateral for a line of credit for the operations of the grocery store and for marketing of the grocery store; NOW, THEREFORE;

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BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the Director of Neighborhoods and Housing Services is hereby authorized to negotiate and execute a Second Amendment to the above Master Lease and Completion Agreement with Linwood Shopping Center Initiative, LLC, for the Retail Parcels which provides for accrued Payments in Lieu of Taxes to be paid over a period of four years.

Section 2. That the Director of Neighborhoods and Housing Services is hereby authorized to negotiate and execute a First Amendment to the above Lease Agreement with Lipari Brothers, Inc., for the grocery store which provides for accrued Supplemental Rent and Common Area Maintenance Charges to be paid over a period of four years. Section 3. That the Director of Neighborhoods and Housing Services is hereby authorized to execute a First Amendment to the above Property Management and Maintenance Agreement with Linwood Shopping Center Initiative, LLC, extending its term to August 31, 2019.

Section 4. That the amount of \$375,000.00 is hereby reduced from the following account:

20-1000-179990-619960	Contingent Appropriation	\$375,000.00
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Section 5. That the amount of \$375,000.00 is hereby appropriated from the Unappropriated Fund Balance of the General Fund to the following accounts:

20-1000-572556-B	Linwood Property Management	\$125,000.00
20-1000-121466-B	Linwood Credit Line	<u>250,000.00</u>
	TOTAL	\$375,000.00

Section 6. That the Director of Finance is authorized to execute an agreement that would provide collateral for an operating expense line of credit for the operation of the grocery store at the Linwood Shopping Center and to execute any other related documents necessary to provide collateral for such a line of credit.

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I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment is to be made, each sufficient to meet the obligation hereby incurred.

  
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Randall J. Landes  
Director of Finance

Approved as to form and legality:

  
\_\_\_\_\_  
Galen P. Beaufort  
Assistant City Attorney



Authenticated as Passed

  
\_\_\_\_\_  
Sly James, Mayor

  
\_\_\_\_\_  
Marilyn Sanders, City Clerk

JUL 11 2019

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Date Passed