

MEMORANDUM

TO: City Commission

FROM: Doug Hutchens, Interim City Manager 

DATE: December 1, 2016,

SUBJECT: First Amendment to Lease Agreement – 362 Scotland Street

PRESENTER: Robert Ironsmith, CRA Director

RECOMMENDATION: Approve First Amendment to Lease Agreement

BUDGET IMPACT: \$4,500 in additional funds to the previously approved \$24,000 amount in FY 16/17 for the parking lot lease at 362 Scotland Street. The additional funds are available from the Parking Fund account through a budget amendment.

PAST ACTION: On December 19, 2013, Commission approved a 3-year lease agreement with property owner.

NEXT ACTION: With approval of the First Amendment to Lease Agreement, improvements would be made to the drive lanes of the site to control dust and provide more user- friendly vehicle movement.

ATTACHMENTS: Parking site plan
First Amendment to Lease Agreement

BACKGROUND: The Dunedin Station lot at 362 Scotland Street (corner of Douglas Avenue and Scotland Street), which is a complimentary or free parking lot, is being used quite extensively by visitors, residents, and employees. The Lease Agreement with Dunedin Station Square is set to expire on December 19, 2016 and the owner does not wish to renew under the previous terms.

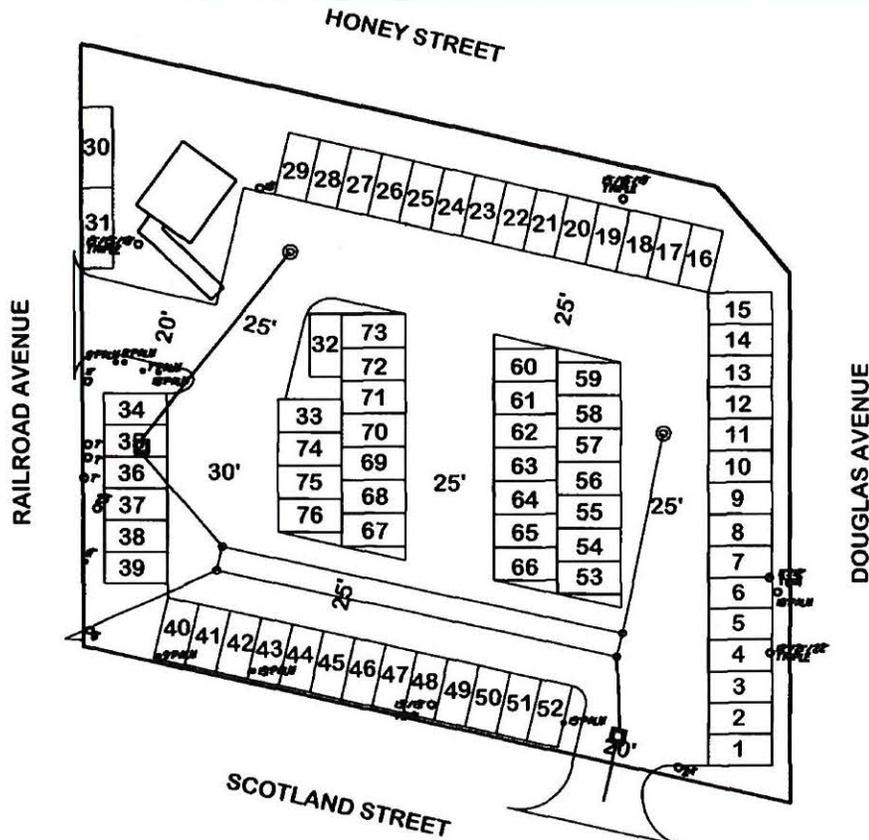
Recognizing the importance of the site, which houses over 70 parking spaces, City staff has been in negotiations with the property owner. The previous Lease Agreement was at \$24,000 for one year and the new proposed First Amendment to Lease Agreement calls for \$30,000. The actual lease amount for the year, however, would be \$28,500 as it takes into account the old lease rate for the first 3 months.

With a \$24,000 amount already approved in FY 16/17 for the parking lease at 362 Scotland Street, additional funding of \$4,500 is needed to continue the lease. The \$4,500 is available in the Parking Fund and would be accomplished through a budget amendment.

Please note, in the First Amendment to Lease Agreement there is also an option for an additional 1-year term at a cost of \$36,000 and if the Pilot Parking Program is not continued the lease cost would revert back to the \$30,000 amount as opposed to the \$36,000 amount.

It also needs to be stressed that the First Amendment to Lease Agreement is considered at-risk and is subject to a 90-day cancellation of the Lease without cause by either party.

Staff recommends approving the First Amendment to Lease Agreement as a measure to continue offering this area for downtown parking.



**PROPOSED GRASS PARKING LAYOUT
76 9'x18' SPACES**

FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT, made and entered into this ___ day of _____, 2016, by and between the CITY OF DUNEDIN, a municipal corporation of the State of Florida, hereinafter referred to as "City" and DUNEDIN STATION DEVELOPMENT, LLC, a Florida limited liability company, hereinafter referred to as "Dunedin Station."

W I T N E S S E T H:

WHEREAS, Dunedin Station and City entered into a Lease Agreement dated December 19, 2013, by which Dunedin Station leased to City property described in Exhibit "A" to the Lease Agreement for the purposes of public parking, special events, locations for vendors or other persons participating in City events or functions, or for any other lawful municipal purpose; and

WHEREAS, the term of the Lease Agreement is set to expire on December 19, 2016; and

WHEREAS, City and Dunedin Station to desire to enter into this First Amendment so as to extend the term of the Lease Agreement for one (1) year with an option to renew for a second year and so as to set forth the lease payments to be due during said extension period.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained herein, it is agreed as follows:

1. Paragraph (6) of the Lease Agreement is hereby amended to extend the term thereof through December 19, 2017. As amended, said Paragraph (6) shall provide as follows:

- (6) The term of this Lease shall be for a period of four (4) years commencing December 20, 2013, with the City having an option to renew this Lease for an additional one (1) year term, unless terminated sooner in accordance with the terms of this Lease.

2. Paragraph (5) of the Lease Agreement is hereby amended to set forth the rental payments due during the expanded term of the Lease Agreement. As amended, said Paragraph (5) shall provide as follows:

- (5) The City shall pay to Dunedin Station the sum of Twenty-Four Thousand Dollars and 00/100 (\$24,000.00) annually, through the term of the Lease ending December 19, 2016, and shall pay the sum of Twenty-Eight Thousand Five Hundred Dollars and 00/100 (\$28,500.00) for the Lease term ending December 19, 2017 (\$2,000.00 per month for the first three (3) months and \$2,500.00 per month for the next nine (9) months), said payments to be made semi-annually, in advance, commencing as of the date of this Lease. Dunedin Station acknowledges that it has been paid in full for the Lease term through December 19, 2016. Should the City exercise the option for the additional one (1) year term, the City will pay to Dunedin Station the sum of Thirty-Six Thousand Dollars and 00/100 (\$36,000.00) annually, said payments to be made semi-annually, in advance. Should,

however, the City Commission terminate the pilot parking program before December 19, 2017, the Lease payment to Dunedin Station shall be in the sum of Thirty Thousand Dollars and 00/100 (\$30,000.00) annually, said payment to be made semi-annually, in advance.

3. The Lease Agreement shall also be amended to add an additional paragraph that would allow the City to improve the property subject to the Lease Agreement. The additional paragraph shall read as follows:

(21) The City may improve the subject property to provide for better parking surfaces including, but not limited to, installing washed shell.

4. Except as expressly set forth herein, all of the terms, covenants and conditions of the Lease Agreement, as amended, are hereby ratified and confirmed by the City and Dunedin Station and each, by execution of this First Amendment to Lease Agreement, hereby signify their intent to be bound thereby.

IN WITNESS WHEREOF, this First Amendment has been signed and sealed, in duplicate, by the respective parties hereto.

WITNESSES: **CITY OF DUNEDIN,** a municipal corporation of the State of Florida

Print Name: _____ By: _____
Julie Ward Bujalski, Mayor

Print Name: _____ ATTEST:

Denise Kirkpatrick, City Clerk

APPROVED AS TO FORM:

Thomas J. Trask, City Attorney

WITNESSES: **DUNEDIN STATION DEVELOPMENT, LLC,** a Florida limited liability company

Print Name: _____ By: _____
Paul Bakkalapulo, Manager

Print Name: _____

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CITY OF DUNEDIN, a municipal corporation of the State of Florida

By: _____

Julie Ward Bujalski, Mayor

WITNESSES:

Print Name: _____

ATTEST:

Denise Kirkpatrick, City Clerk

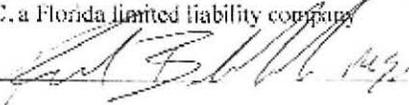
Print Name: _____

APPROVED AS TO FORM:

Thomas J. Trask, City Attorney

WITNESSES:

DUNEDIN STATION DEVELOPMENT, LLC, a Florida limited liability company

By: 

Paul Bakkalapulo, Manager

Print Name: _____

Print Name: _____

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