

ORDINANCE NO. 170457

Authorizing the Director of General Services to execute a Lease Agreement with OTF KC LLC for portions of 320 E. 12th Street for use as a fitness center; appropriating \$147,457.51 from the Unappropriated Fund Balance of the General Fund for interior improvements to be made by the City and the real estate leasing commission earned upon the execution of the Lease; and recognizing an accelerated effective date.

WHEREAS, OTF KC LLC, desires to lease the former fitness center in the Wolf Garage consisting of approximately 6,500 square feet on the ground floor of 320 E. 12th Street to operate a fitness facility and other supporting services, opening for business starting February 1, 2018, with rent commencing on February 1, 2019 through November 30, 2023, for an initial term of 72 months, with two successive renewal terms of three years each, for a maximum term through November 30, 2029; and

WHEREAS, the proposed leased premises are in need of renovation and the City as the owner and landlord proposes to allocate and invest \$125,000.00 toward that renovation; and

WHEREAS, the City entered into a Commercial Exclusive Right to Represent Landlord Agreement with Cassidy Turley Commercial Real Estate Services, Inc., D/B/A Cushman & Wakefield, under which a commission will be earned in the amount of \$22,457.51 upon the execution of the Lease, to be equally shared with the brokerage firm of Naus Companies, LLC, which represents the proposed tenant; and

WHEREAS, Ordinance No. 160778 states that the monies from the sale of Pioneer Community College would be used for such a purpose; this ordinance requests a reappropriation of a portion of those funds; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the Director of General Services is authorized to conclude negotiations and execute a Lease with OTF KC LLC, a Kansas limited liability company, for approximately 6,500 square feet on the ground floor of 320 E. 12th Street to operate a fitness facility and other supporting services, for business commencing on February 1, 2018, with rent commencing on February 1, 2019, through November 30, 2023 with two successive renewal terms of three years each, for a maximum term through November 30, 2029, substantially in the form of Exhibit A attached hereto, with the final signed form to be maintained on file with the Director of General Services (“Lease”), and such signed form of Lease will be controlling, and with the express authorization given to such Director to modify, amend, and extend the terms and conditions of such Lease as deemed appropriate by the Director due to circumstances determined to exist.

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Section 2. That the sum of \$147,457.51 is hereby appropriated from the Unappropriated Fund Balance of the General Fund to the following account:

18-1000-071600-B Contracts with Non-Municipal Agencies \$147,457.51

Section 3. That this ordinance is recognized as having an accelerated effective date within the provisions of Section 503 of the City Charter in that it appropriates money, and shall take effect in accordance with that section.

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.

Randall J. Landes
Director of Finance

Approved as to form and legality:

Amelia McIntyre
Associate City Attorney