

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 170064

Authorizing the Director of General Services to execute a Second Lease Amendment with 8400 Petticoat, LLC, extending the current lease term for up to 50 years for a portion of property associated with 8320 Ward Parkway upon which a four story garage has been constructed.

WHEREAS, the City, as Lessor, executed a Lease Agreement effective March 1, 1985, with Ward Parkway Office Park North Associates, a Missouri general partnership, for an original term of fifty (50) years ending May 31, 2035 for certain property, previously described as Lot 40, Cresthill Acres, a subdivision in Kansas City, Jackson County, Missouri (the "Lease"); and

WHEREAS, on September 27, 1990, the Council passed Ordinance No. 900461 authorizing the City's execution of a First Amendment of Lease with 8400 Partners, L.P. for the same property which was the subject of the Lease, but which had been re-platted in the interim and was then, and is now legally described as Lot 1, Ward Parkway Office Park, North, Second Plat, a subdivision in Kansas City, Jackson County, Missouri ("Lease Property") subject to various easements held by the City for storm water drainage, sanitary sewer and water line facilities (collectively referred to as "City Utility Easements"); and

WHEREAS, the City and 8400 Partners, L.P., a Kansas limited partnership, executed that certain First Amendment to Lease Agreement dated October 17, 1990, related to the Lease and the Lease Property;

WHEREAS, the tenant leasehold interest of 8400 Partners, L.P., in the Lease, as amended, is now held by 8400 Petticoat, LLC, a Delaware limited liability company ("Current Tenant");

WHEREAS, the Current Tenant is seeking to refinance its interest primarily in abutting and adjacent property, and the prospective lender has requested a further extension of the original lease term to strengthen the collateral to be pledged by the Current Tenant;

WHEREAS, the City desires to encourage further investment and economic development in the Ward Parkway Corridor;

WHEREAS, Current Tenant desires to extend the Lease, as amended, for a subsequent additional term of fifty (50) years ending on May 31, 2085;

WHEREAS, the City desires as a part of the Second Amendment, so extend the Lease, as amended, and to affirm the rent now payable monthly in the amount of \$2,000.00, and the future adjustment mechanism thereto, NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

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Section 1. That the Director of General Services is authorized to execute a Second Lease Amendment with 8400 Petticoat, LLC for the Lease Property, affirming the current monthly rent in the amount of \$2,000.00, and the mechanism of the adjustment thereof, and adding a subsequent extension term of fifty (50) years, with such Second Amendment being 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, and such signed form will be controlling and supersede, if necessary, the form of Second Lease Amendment included with this Ordinance as Exhibit A.

Approved as to form and legality:

Amelia J. McIntyre
Associate City Attorney