

## Legislation Text

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**File #:** BILL NO. 20-33, **Version:** 1

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An Ordinance approving the Lease Agreement between Roger L. and Sheryl L. Fender and the City of Lee's Summit, Missouri, for the use of the property at 216-218 SE Douglas Street for additional downtown public parking, and authorizing the Mayor to execute the same. (F&BC 2/10/20)

Issue/Request:

An Ordinance approving the Lease Agreement between Roger L. and Sheryl L. Fender and the City of Lee's Summit, Missouri, for the use of the property at 216-218 SE Douglas Street for additional downtown public parking, and authorizing the Mayor to execute the same.

Key Issues:

The City has been leasing the property addressed as 216 & 218 SE Douglas Street from Roger and Sheryl Fender since 2005 for the purposes of providing public parking in the downtown area. The leased property is an extension of the public parking lot in which the City owns located immediately north of the leased property . The lease agreement expired on December 31, 2018, however the City continued to utilize and the lessor continued to permit public parking on the property. The City is seeking to renew the lease to provide for a three-year lease starting in 2020 with two one-year renewal periods which if renewed each year, the lease would terminate on December 31, 2024. As the property was utilized for public parking during the entire 2019 calendar year, the lease is structured to compensate the lessor for use of the property in 2019. The proposed lease payments therefore are structured as follows:

2019 - \$6,200 (to be paid in conjunction with 2020 lease payment)  
2020 - \$6,200  
2021 - \$6,200  
2022 - \$6,200  
2023 - \$6,325  
2024 - \$6,325

The City has been incorporating the lease payments into the annual budget for the City since 2005.

One change from the previous Lease Agreements that is incorporated into the proposed Lease Agreement is the removal of the western 15 feet of property as that area of the subject parcels does not provide space for public parking, is currently undeveloped, and the City has no proposed uses of this area. The property owner is currently discussing the potential to allow for improvements with adjoining property owners/businesses. The area could potentially be improved to allow for trash enclosure/receptacle purposes to benefit surrounding businesses. For this reason, the undeveloped portion of the property is not included within the proposed lease agreement.

Proposed City Council Motion:

FIRST MOTION: I move for second reading of an Ordinance approving the Lease Agreement between Roger L. and Sheryl L. Fender and the City of Lee's Summit, Missouri, for the use of the property at 216-218 SE Douglas Street for additional downtown public parking, and authorizing the Mayor to execute the same.

SECOND MOTION: I move for adoption of an Ordinance approving the Lease Agreement between Roger L. and Sheryl L. Fender and the City of Lee's Summit, Missouri, for the use of the property at 216-218 SE Douglas Street for additional downtown public parking, and authorizing the Mayor to execute the same.

Background:

On November 18, 2004, staff presented the Downtown Parking Strategy to the Mayor and City Council. Staff was directed to move forward with the implementation of the plan. Among the recommendations in the plan was the expansion of the City's public parking lot on Douglas Street between 2nd and 3rd streets (across the street from the Fire Headquarters). Based on the direction of the Mayor and City Council, staff entered into negotiations with property owners regarding the use of the vacant property to the south of the existing public parking lot (addressed as 216-218 SE Douglas Street).

As a result of those negotiations, in January 2005 the City approved Ordinance No. 5880 for a Lease Agreement with Mr. and Mrs. Fender and has been leasing the property for public parking since that time.

Under the previous lease agreement, the last lease payment in 2018 was for \$5,125 annually. In 2019, the assessed value increased such that property taxes doubled on the property, therefore the lease rate for 2019 and future years has increased accordingly.

Other Information/Unique Characteristics:

The 2004 Downtown Master Plan identifies the City owned parking lot and the property addressed as 216 - 218 SE Douglas as underutilized parcels. As the City continues to implement downtown parking strategies, the potential redevelopment of these parcels may occur.

Mark Dunning, Assistant City Manager

Staff recommends approval of the Ordinance and Lease Agreement.

A motion was made by Councilmember Forte, seconded by Councilmember Carlyle, that this Ordinance be recommended for approval to the City Council. The motion carried unanimously.