



Legislation Details (With Text)

File #: 2661-2013 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 11/6/2013 **In control:** Finance Committee

On agenda: 11/18/2013 **Final action:** 11/20/2013

Title: To authorize the Director of Finance and Management to execute those documents necessary to assign a Lease Agreement between the City and Viking Properties to Empire Real Estate Holdings LLC and to extend the term of the lease for an additional one (1) year term, which will include an additional automatic one (1) year renewal thereafter, subject to Council appropriation of necessary rental funds; to appropriate and authorize the expenditure of \$108,793.04 from the 2013 Special Income Tax Fund for payment of rent in connection to the lease of office/warehouse space located at 2028 Williams Road for the first one (1) year term beginning on February 1, 2014; and to declare an emergency. (\$108,793.04)

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
11/20/2013	1	CITY CLERK	Attest	
11/19/2013	1	MAYOR	Signed	
11/18/2013	1	COUNCIL PRESIDENT	Signed	
11/18/2013	1	Columbus City Council	Approved	Pass

Background: Since November 2002, the City has leased approximately 36,879 square feet of office/warehouse space located at 2028 Williams Road from Viking Properties to house the central warehouse operations of the Division of Fire. The current Lease Agreement, dated February 12, 2009, was amended by the First Amendment To Lease Agreement, dated January 10, 2012, as approved by City Council Ordinance 1955-2011, collectively referred to hereinafter as the “Lease”, will expire on January 31, 2014.

On June 6, 2013 Viking Properties assigned its interest in the 2028 Williams Road property and the Lease to a new legal entity Empire Real Estate Holdings LLC that is owned by the same principals as Viking Properties.

The City and Empire Real Estate Holdings LLC, as the successor in interest to Viking Properties, desire to enter into a Second Amendment To Lease Agreement to provide for the assignment of the Lease to Empire Real Estate Holdings LLC and to extend the Lease term an additional one (1) year and to add an additional automatic one (1) year renewal, with said automatic renewal being subject to the subsequent appropriation of funds by Columbus City Council and certification of funds availability by the City Auditor. All other terms, conditions, and provisions of the Lease will remain unchanged.

This legislation authorizes the Director of Finance and Management to execute those documents necessary to enter into a Second Amendment To Lease Agreement to assign the existing Lease between the City and Viking Properties for the lease of office/warehouse space located at 2028 Williams Road to Empire Real Estate Holdings LLC, FIN #46-2835490 and to further extend the term of the Lease; and also authorizes the appropriation and expenditure of \$108,793.04 from the 2013 Special Income Tax Fund for payment of the rental cost associated with the one (1) year term beginning February 1, 2014.

Fiscal Impact: This ordinance appropriates and expends \$108,793.04 from the 2013 Special Income Tax Fund for payment of the rental cost for the office/warehouse space located at 2028 Williams Road for the renewal term.

Emergency Action: Emergency action is requested to allow the current lease agreement to continue uninterrupted, and to provide funding to allow for the timely payment of rent.

To authorize the Director of Finance and Management to execute those documents necessary to assign a Lease Agreement between the City and Viking Properties to Empire Real Estate Holdings LLC and to extend the term of the lease for an additional one (1) year term, which will include an additional automatic one (1) year renewal thereafter, subject to Council appropriation of necessary rental funds; to appropriate and authorize the expenditure of \$108,793.04 from the 2013 Special Income Tax Fund for payment of rent in connection to the lease of office/warehouse space located at 2028 Williams Road for the first one (1) year term beginning on February 1, 2014; and to declare an emergency. (\$108,793.04)

WHEREAS, the City and Viking Properties entered into a Lease Agreement dated February 12, 2009 and as amended by the First Amendment To Lease Agreement, dated January 10, 2012, for the lease of approximately 36,879 square feet of office/warehouse space within a building located at 2028 Williams Road, the Lease and the First Amendment To Lease collectively referred to hereinafter as the “Lease”; and

WHEREAS, Viking Properties has assigned all right, title and interest in, to and under the Lease to Empire Real Estate Holdings LLC, a new legal entity owned by the principals of Viking Properties; and

WHEREAS, it is necessary to authorize the assignment of all present and future business conducted by the City of Columbus under the Lease with Viking Properties to Empire Real Estate Holdings LLC; and

WHEREAS, the City and Empire Real Estate Holdings LLC, the successor in interest to Viking Properties, desire to further extend the Lease for one (1) additional year and add an additional automatic one (1) year renewal thereafter, subject to Council appropriation of funds and certification of funds availability by the City Auditor; and

WHEREAS, all other terms and conditions will remain the same, including rent; and

WHEREAS, funding is provided for and available in the Special Income Tax Fund for the payment of the one (1) year extension of the Lease; and

WHEREAS, it is necessary to authorize the appropriation and expenditure of \$108,793.04 from the 2013 Special Income Tax Fund for the one (1) year extension, being February 1, 2014 and ending January 31, 2015; and

WHEREAS, an emergency exists in the usual daily operation of the Finance and Management Department, in that it is necessary to immediately authorize the Director of the Department of Finance and Management to execute those documents necessary enter into a Second Amendment to Lease Agreement; and to authorize the appropriation and expenditure of \$108,793.04 from the 2013 Special Income Tax Fund for the timely payment of rent for the one (1) year extension thereby preserving the public health, property, safety, and welfare; now therefore:

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the Director of Finance and Management be, and hereby is authorized to execute those documents as approved by the Department of Law, Real Estate Division, necessary to enter into a Second Amendment To Lease Agreement to assign the Lease dated February 12, 2009 with Viking Properties for the office/warehouse space located at 2028 Williams Road, Columbus Ohio 42207 and to Empire Real Estate Holdings LLC and to extend the term of the Lease.

SECTION 2. That the terms and conditions of the Second Amendment To Lease Agreement shall be in a form approved by the City Attorney's Office and shall include the following:

- a) Assignment of the Lease for office/warehouse space located at 2028 Williams Road to Empire Real Estate Holdings LLC as successor in interest to Viking Properties.
- b) Extend the Lease for one (1) year, beginning on February 1, 2014.
- c) Provide an additional one (1) year automatic renewal, which is subject to approval by Columbus City Council appropriation of funds and certification of funds availability by the City Auditor.
- d) That all other terms, conditions, covenants, and provisions of the Lease shall remain unchanged and in full force and effect.

SECTION 3. That to pay the cost of the one (1) year extension, the appropriation and expenditure of \$108,793.04, or so much thereof that may be necessary, is hereby authorized and approved as follows:

Division: 45-51
Fund: 430
OCA Code: 430459
Object Level 1: 03
Object Level 3: 3301
Amount: \$108,793.04

SECTION 4. That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated, and the City Auditor shall establish such accounting codes as necessary.

SECTION 5. That the City Auditor is authorized to make any accounting changes to revise the funding source for all contracts or contract modifications associated with this legislation.

SECTION 6. That the Director of Finance and Management be, and hereby is authorized to expend funds for the one (1) year lease extension for the term February 1, 2014 to January 31, 2015.

SECTION 7. That for reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared to be an emergency measure and shall take effect and be in full force from and after its approval by the Mayor, or ten days after the passage if the Mayor neither approves nor vetoes the same.