



## Legislation Text

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**File #: 0310-2010, Version: 1**

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**Background:** The City of Columbus, ("Landlord") through its Department of Finance and Management, entered into Lease Agreement with Directions for Youth and Families Group, Inc. ("Tenant") on June 21, 2006 for a three year lease of approximately 27,662 square feet of space located at 657 S. Ohio Avenue, Columbus, Ohio. The Lease Agreement was amended by Lease Amendment #1 to allow for an additional rental term of three years pursuant to Ordinance 0620-2009, approved by City Council on May 14, 2009.

The Lease contains an option to purchase the property for \$380,000 and allows for the application of credit toward the purchase price of the cost of certain property improvements, as approved by the Department of Finance and Management, and completed by the Tenant at the Tenant's expense prior to purchase of the property. Directions for Youth and Families Group, Inc. wishes to execute its purchase option but has requested that the City amend the Lease Agreement to permit credit against the purchase price for certain approved property improvements to be completed after the purchase and transfer of the property. The Director of the Department of Finance and Management believes that this change should be granted and benefits the City by enabling Directions for Youth and Families Group, Inc. immediately exercise its purchase option and begin construction of building improvements.

Under the amended agreement, Directions for Youth and Families Group, Inc. will purchase the property at the agreed upon price of \$380,000 and at closing, the City will allow the approved amount for certain property improvements to be deducted from the City's proceeds and held in escrow. Upon completion, to the City's satisfaction, of the approved property improvements, the escrowed amount will be released for payment to Directions for Youth and Families Group, Inc.

This legislation authorizes the Director of the Department of Finance and Management to enter into a Lease Amendment #2 to allow for certain City approved credits against the purchase price to be applied after the sale and transfer of the property. All other terms and conditions of the Lease will remain unchanged.

Emergency Justification: Emergency action is requested to allow for the immediate sale of the property and allow Directions for Youth and Families Group, Inc. to begin construction of the improvements without delay.

To authorize the Director of the Department of Finance and Management to execute Lease Amendment #2 with Directions for Youth and Families Group, Inc. to allow for credits against the purchase price for certain property improvements to be completed post closing and property transfer; and to declare an emergency.

WHEREAS, pursuant to Ordinance No. 2006-2005, the City of Columbus, ("Landlord") entered into a Lease Agreement with Directions for Youth and Families Group, Inc. ("Tenant"), dated June 21, 2005, for a term of three years, for the lease of approximately 27,662 square feet of space located at 657 S. Ohio Avenue, Columbus, Ohio; and

WHEREAS, the Lease was amended pursuant to Ordinance 0620-2009 to allow for an additional three year lease term; and

WHEREAS, the City and Tenant now desire to execute Lease Amendment #2 to allow credits toward the purchase price following acquisition and transfer of ownership, rather than prior to acquisition as is currently required; and

WHEREAS, all others terms and conditions of the Lease Agreement will remain unchanged and in full force and effect; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Finance and Management, in that it is immediately necessary to authorize the Director of Finance and Management to execute Lease Amendment #2 with Directions for Youth and Families Group, Inc. to allow for credits against the purchase price for certain property improvements to be completed post closing and property transfer, thereby preserving the public health, peace, property, safety, and welfare; now, therefore:

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

**SECTION 1.** That the Director of the Department of Finance and Management be, and hereby is, authorized to execute Lease Amendment #2 to allow for certain City approved credits against the purchase price to be applied to the purchase price after the sale and transfer of the property rather than prior to the sale and transfer, as is currently is required in the Lease.

**SECTION 2.** That the terms and conditions of Lease Amendment #2 shall be in a form approved by the City Attorney's Office, and shall include a provision to allow for the application of certain credits against the purchase price as approved by the Department of Finance and Management to be applied to the purchase price after the sale and transfer of the property rather than prior to the sale and transfer. All other terms, conditions, covenants and provisions of the original Lease Agreement remain unchanged and in full force and effect.

**SECTION 3.** That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor or ten days after passage, if the Mayor neither approves nor vetoes the same.