



## Legislation Text

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**File #:** 2339-2019, **Version:** 1

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**Background:** The Department of Recreation and Parks has leased space in the Morse Centre shopping center for twenty years for use as the Gille Senior Recreation Center. The existing lease is outdated and has no renewal terms remaining thus necessitating the need for the Department to enter into a new lease agreement with MC-NC, LLC, a Delaware limited liability company, for the lease of space for the Gille Senior Recreation Center located at 4625 Morse Centre Drive. The new lease will provide for an initial term of five (5) year and include one renewal option for an additional five (5) year term. The base rent is \$126,000 per year, \$630,000 for the initial 5 year term of the lease. Taxes, Common Area Maintenance (CAM) charges, and insurance add an estimated \$4.25 per square foot yearly, for an additional \$415,839.46 over the five year lease period that includes \$33,339.46 in fees from prior (5) year lease.

See Ordinance #0246-2015 and 0108-2016. Taxes and CAM charges and insurance will be adjusted annually to reflect their actual costs. CAM charges include snow removal, lawn care, security system, etc. This is a new five-year option for renewal of this lease. Current lease will expire in 2019.

The Federal I.D. Number for MC-NC, LLC Company is #20-1078935.

Principal Parties:

**MC-NC, LLC, Lockbox Account FBO**

**German American Capital Corp. as Lender**

**Account # 329681160878**

**P.O. BOX 713805**

**Cincinnati, Ohio 45271-3805**

Mark Clements

314-270-5991

**Emergency Justification:** Emergency action is requested to allow for commencement of the new lease, and to meet the schedule outlined in the lease terms.

**Fiscal Impact:** \$1,045,839.46 is required from the Special Income Tax Fund to meet the financial obligation of this lease agreement covering years 2020 through 2024.

To authorize and direct the Director of Recreation and Parks to enter into an initial five-year lease with MC-NC, LLC Company to provide space for the operation of a senior center, to authorize the appropriation of \$1,045,839.46 from the unappropriated balance of the Special Income Tax Fund, to authorize the expenditure of \$1,045,839.46 from the Special Income Tax Fund, and to declare an emergency. (\$1,045,839.46)

**WHEREAS,** the City of Columbus desires to continue operating at 4665-4667 Morse Center Drive as a senior center facility; and

**WHEREAS,** the existing lease is outdated and has no renewal terms remaining thus necessitating the need for a new lease agreement; and

**WHEREAS,** it is necessary to appropriate the required funds from the unappropriated balance of the Special Income Tax

Fund; and

**WHEREAS**, an emergency exists in the usual daily operation of the Recreation and Parks Department in that it is immediately necessary to appropriate said funds in order to meet the deadlines outlined in the lease for renewal, thereby preserving the public health, peace, prosperity, safety, and welfare; **now, therefore**

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

**SECTION 1.** That the Director of Director of Recreation and Parks be, and hereby is, authorized to execute a Lease Agreement by and between the City of Columbus and MC-NC, LLC, a Delaware limited liability company, as prepared and approved by the Department of Law, Division of Real Estate, to enter into a lease agreement for an initial five-year lease term and include the option for one additional five (5) year term renewal term that is subject to the authorization of rental funds by City Council and certification of funds availability by the City Auditor.

**SECTION 2.** That from the unappropriated monies in the Special Income Tax Fund No. 4430, and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ending December 31, 2019, the sum of \$1,045,839.46 is appropriated to the Recreation and Parks Department, Department No. 5101 in object class 03 (Services) per the accounting codes in the attachment to this ordinance.

**SECTION 3.** That the expenditure of \$1,045,839.46, or so much thereof as may be needed, is hereby authorized in Fund 4430 (Special Income Tax Fund), DeptDiv 5101(Recreation and Parks), in object class 03 (Services) per the accounting codes in the attachment to this ordinance.

**SECTION 4.** That the City Auditor is authorized to make any accounting changes to revise the funding source for any contract or contract modification associated with the expenditure of the funds in Section 3 above.

**SECTION 5.** 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 6.** That for the reasons stated in the permeable 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 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.