



Legislation Text

File #: 1039-2024, **Version:** 1

Background: The Department of Recreation and Parks has leased space in the Morse Centre shopping center for twenty four years for use as the Gillie Senior Recreation Center. The current 5-year lease with MC-NC, LLC was approved under ordinance 2339-2019 and shall expire on July 31, 2025. 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, the original contract allocated \$374,951.18 for this expense. In total the original lease contract was for the amount of \$1,004,951.18. Taxes, CAM charges and insurance are adjusted annually to reflect their actual costs.

This legislation shall authorize the modification of contract PO231266 between the City of Columbus and MC-NC, LLC for the lease of 4625 Morse Centre Drive. The modification shall increase the amount of the contract by \$55,000. The increase is required due to the actual costs for taxes, insurance and CAM exceeding the estimated costs for these expenses. The cost basis for the additional amount needed is based upon the average annual actual costs for taxes, insurance and CAM over the life of the contract. The new aggregate total of the contract shall be \$1,059,951.18. All other terms and conditions of Contract PO231266 shall remain in effect.

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

Fiscal Impact: \$55,000.00 is required from the Debt Retirement Fund to meet the financial obligation of the final year of this lease agreement.

To authorize and direct the Director of Recreation and Parks to modify a contract with MC-NC, LLC Company to provide an additional \$55,000.00 for allowed expenses under the contract, to authorize the appropriation of \$55,000.00 from the unappropriated balance of the Debt Retirement Fund, and to authorize the expenditure of \$55,000.00 from the Debt Retirement Fund. (\$55,000.00)

WHEREAS, the City of Columbus has a 5-year lease agreement expiring July 31, 2025 with MC-NC, LLC for a property located at 4665-4667 Morse Center Drive which currently houses the Gillie Senior Center facility; and

WHEREAS, the actual amount required for the payment of taxes, insurance and CAM charges have exceeded the original estimated contractual amount; and

WHEREAS, it is necessary to modify contract PO231266 to increase the amount by \$55,000.00 in order to cover the actual costs of taxes, insurance and CAM charges for the final year of the lease; and

WHEREAS, it is necessary to appropriate the required funds from the unappropriated balance of the Debt Retirement Fund; **now, therefore**

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS

SECTION 1. That the Director of Recreation and Parks be, and hereby is, authorized to modify contract PO231266 with MC-NC, LLC, originally authorized by ordinance 2339-2019, in order to add \$55,000.00 to the contract for an aggregate total contracted amount of \$1,059,951.18.

SECTION 2. That from the unappropriated monies in the Debt Retirement 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, 2024, the sum of \$55,000.00 is appropriated to the Recreation and Parks Department per the accounting codes in the attachment to this ordinance.

SECTION 3. That the expenditure of \$55,000.00, or so much thereof as may be needed, is hereby authorized in Fund 4430 (Debt Retirement Fund), Dept-Div 51-5101(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 this ordinance shall take effect and be in force from and after the earliest period allowed by law.