

EXECUTIVE SUMMARY

July 30, 2020

Request for renewal of lease agreement with State of Idaho Liquor Division at 723 E. Sherman (Located in the City’s parking lot across from the Police Department)

Over the last 30 plus years the State of Idaho Liquor Division has rented a building from the City of Pocatello at 723 E. Sherman. (Across the parking lot from the Police station in the Centennial Plaza.)

The lease term is for sixty (60) months. The rental rate for the first year is \$10.27 per square foot, per year. The total square footage of the premises is 3,979. The total for the first year lease payment is \$40,866.48

The increase in payments of the next 5 years (60 Months) are as followed

Rent Terms Effective 07/01/2020 based on 3,979 SF

Year	Start Date	End Date	Rent/SF	Monthly Rent
Annual Rent				
1	7/1/2020	to 6/30/2021	\$10.27	\$3,405.54
				\$40,866.48
2	7/1/2121	to 6/30/2022	\$10.58	\$3,425.73
				\$41,108.80
3	7/1/2022	to 6/30/2023	\$10.90	\$3,528.51
				\$42,342.06
4	7/1/2023	to 6/30/2024	\$11.22	\$3,634.36
				\$43,612.32
5	7/1/2024	to 6/30/2025	\$11.56	\$4,028.74
				\$48,344.85

RESOLUTION NO. 2020-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POCATELLO, A MUNICIPAL CORPORATION OF IDAHO, APPROVING A LEASE AGREEMENT BETWEEN THE CITY OF POCATELLO AND THE STATE OF IDAHO, IDAHO STATE LIQUOR DIVISION, FOR THE LEASE OF CERTAIN PREMISES; DECLARING THE PROPERTY NOT NEEDED FOR CITY PURPOSES; AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AND ATTEST SAID LEASE AGREEMENT ON BEHALF OF THE CITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Pocatello ("City") is the owner of certain lands located at 726 East Sherman, Bannock County, Idaho; and

WHEREAS, the State of Idaho ("State") is engaged in the operation of a liquor store at the above referenced location; and

WHEREAS, City and State entered into a Lease Agreement on or about July 30, 2010, which Lease Agreement has now expired; and

WHEREAS, City and State wish to enter into a new lease agreement for the subject property; and

WHEREAS, the City Council has determined that leasing the subject property pursuant to the terms of the attached Lease Amendment is appropriate and is in the best interest of the citizens of Pocatello.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF POCATELLO AS FOLLOWS:

1. The Lease Amendment attached hereto and made a part hereof is hereby approved both as to form and content.
2. The Mayor and City Clerk are authorized to respectively execute and attest said Lease Amendment for and on behalf of the City of Pocatello.
3. This Resolution shall be in full force and effect immediately upon its adoption and approval.

RESOLVED this ____ day of August, 2020.

CITY OF POCA TELLO, a municipal
corporation of Idaho

BRIAN C. BLAD, Mayor

ATTEST:

RUTH NEWSOM, City Clerk

LEASE AMENDMENT No. One

THIS LEASE AMENDMENT ("Lease Amendment"), made and entered into this ____ day of _____, 2020, by and between the City of Pocatello, 911 North 7th Avenue, Pocatello, Idaho 83201 ("Lessor") and the STATE OF IDAHO, by and through the Idaho State Liquor Division, 1349 East Beechcraft Court, Boise, Idaho 83716 ("Lessee"), is an amendment of the Lease Agreement for Space between the Lessor and the Lessee entered into on August 3, 2010, for space located at 726 East Sherman, Pocatello, Idaho.

WITNESSETH

WHEREAS, the parties desire to amend the Lease Agreement for Space;

WHEREAS, the LESSEE is legally authorized to enter in this amendment by power granted by Title 67, Chapter 57 of Idaho Code, with the approval of the Department of Administration; and

NOW, THEREFORE, in consideration of the mutual covenants of the parties, the Lease Agreement for Space is hereby amended as follows:

1. SECTION 2. TERM. Section 2 is hereby deleted and replaced with the following:

The term of this Lease Amendment shall be Sixty (60) months and shall begin on July 1, 2020 and end at midnight on June 30, 2025. The Parties agree that this Lease Agreement is subject to the termination, expiration and renewal rights set forth in the Lease Agreement. The Lessee may, at the expiration of the term of this Lease Amendment and without the necessity of renewing said Lease Amendment, continue in its occupancy of the Premises on a month to month basis upon the terms and conditions set forth in this Lease Amendment for a period not to exceed one (1) year. The Lessor may terminate the Lessee's month to month occupancy upon ninety (90) days' prior written notice to the Lessee.

2. SECTION 3. PAYMENT. Section 3 is hereby deleted and replaced with the following:

The Lessee shall pay to Lessor a fixed payment for the term of this Lease Agreement in monthly installments of \$3,405.36 each, subject to adjustment in accordance with Section 7.B of this Lease Agreement. The lease payment shall be computed at a rate of \$10.27 per square foot, per year. The total square footage of the Premises is 3,979, subject to measurement using BOMA standard. The total first year lease payment is \$40,866.48. Upon election by the Lessee to pay in advance: N/A, quarterly, semi-annually, or annually, the Lessor shall allow Lessee a discount of Zero Percent (0%). The lease payments shall be paid pursuant to the Lessor's timely submission of invoices for payment. Upon receipt, Lessee shall forward Lessor's invoice to the State Controller for payment. Lessor specifically acknowledges that State vouchers are processed by the State Controller, not Lessee. Therefore, any payment that is made no later than sixty (60) days after it is actually due shall not be considered an event of default. Lessee shall use its best efforts to expedite payment. It is expressly covenanted and agreed that any prepayment of rent made by the Lessee under the terms of this Lease Agreement shall be considered as an advance payment of rent only and no part thereof shall be considered as a security or cash deposit.

3. **SECTION 7.B. SPECIAL PROVISIONS. Increase in Payment.** Section 7.B. is hereby deleted and replaced with the following:

SECTION 7.B. Increase in Payment

Rent Terms Effective 07/01/2020 based on 3,979 SF						
Year	Start Date		End Date	Rent/SF	Monthly Rent	Annual Rent
1	7/1/2020	to	6/30/2021	\$ 10.27	\$ 3,405.54	\$ 40,866.48
2	7/1/2021	to	6/30/2022	\$ 10.58	\$ 3,425.73	\$ 41,108.80
3	7/1/2022	to	6/30/2023	\$ 10.90	\$ 3,528.51	\$ 42,342.06
4	7/1/2023	to	6/30/2024	\$ 11.22	\$ 3,634.36	\$ 43,612.32
5	7/1/2024	to	6/30/2025	\$ 11.56	\$ 4,028.74	\$ 48,344.85

4. **SECTION 7.C. SPECIAL PROVISIONS. Option to Renew.** Section 7.C. is hereby deleted and replaced with the following:

SECTION 7.C. Lessor's Work

Lessor to provide the following work up to a \$10,000.00 tenant improvement allowance:

1. Remove and replace flooring throughout
2. Paint interior
3. Provide updated LED lighting

If the work is estimated to be above the \$10,000.00 tenant improvement allowance the Lessor will notify Lessee prior to performing Lessor's Work to allow the Lessee to offer to pay the additional amount or reduce the scope of the Lessor's Work.

5. **NO ADDITIONAL PROVISIONS.** The parties agree that all provisions of the original Lease Agreement for Space, dated August 3, 2010, and all previous agreements, unless specifically hereby amended, shall remain in force during the period covered by the Lease Amendment. No other understanding, whether oral or written, whether made prior to or contemporaneously with this Lease Amendment, shall be deemed to enlarge, limit or otherwise affect the operation of the Lease Agreement for Space or this Lease Amendment.

IN WITNESS WHEREOF, the Parties have executed this Lease Amendment as set forth above.

LESSOR: City of Pocatello

By: _____
Signature, Brian C. Blod, Mayor

STATE OF _____)
) ss.
COUNTY OF _____)

On this _____ day of _____, 2020, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, known or identified to me to be the person whose name is subscribed to the foregoing instrument on behalf of the City of Pocatello, as Lessor, and acknowledged to me that he/she executed the same on behalf of the Lessor.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

APPROVED BY LEGAL

Date 7/30/20 Atty Bybee

Comments _____

NOTARY PUBLIC _____
Residing at: _____
Commission expires _____

LESSEE: Idaho State Liquor Division

By: _____
Signature

STATE OF _____)
) ss.
COUNTY OF _____)

On this _____ day of _____, 2020, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, known or identified to me to be the person whose name is subscribed to the foregoing instrument on behalf of the Idaho State Liquor Division, and acknowledged to me that he/she executed the same on behalf of the Lessee.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

NOTARY PUBLIC _____
Residing at: _____
Commission expires _____

APPROVED BY:

Richard Brien, Statewide Leasing Manager
Division of Public Works, Department of Administration

Date