



CITY COUNCIL AGENDA ITEM

To: Mayor Graham and City Council

From: Ted Shekell, Planning Director
Walter Denton, City Administrator

Date: April 21, 2008

Subject: Resolution No. _____: A Resolution Authorizing the Mayor to Sign a Lease of Real Estate

List of Committees that have reviewed: The Community Development Committee reviewed the Lease at their April 14, 2008 meeting and recommended approval.

Background: The attached lease is a renewal of a lease for City property located to the east of 1309 W. Highway 50 which is adjacent to the former American Freedom Mortgage company. The lease is being renewed between the City and the adjacent property owner, Broadway Buildings, LLC. The lease expired on July 9, 2006, and was not renewed. However, the adjacent property owner has maintained the property in good conditions per the terms of the lease, and the City has not had any problems with the property. The building at 1309 West Highway 50 is currently in the process of being leased to a new tenant, Growing Scholars Education Center, LLC, a tutoring business for school-age children.

The terms of the lease include the lessee is permitted to maintain the sign currently located on the property for the use of the business located at 1309 W Hwy 50, and the lessee must maintain the leased property (mow grass, maintain landscaping).

Legal Considerations, if any: Involves signing of a lease of City-Owned Real Estate between the City of O'Fallon and the adjacent property owner. The lease requires that the City be listed as an "also insured" under the comprehensive public liability insurance policy.

Budget Impact: Terms are the same as previous lease, which includes one (1) dollar per year and reduction in costs of Public Works maintaining the property.

Staff recommendation: Approval.