



To: Members of Dublin City Council
From: Marsha I. Grigsby, City Manager *MLG*
Date: March 20, 2014

Initiated By: Stephen J. Smith, Law Director
Michelle L. Crandall, Assistant City Manager

Re: Resolution 22-14 – Dublin Village Tavern Amended Lease

Summary

The attached resolution is for an amendment to the existing lease of the Dublin Village Tavern. The original lease, initiated with GTN Corporation (GTN), commenced in October, 1998. Two subsequent lease amendments occurred in April, 2004 and November, 2006.

The 2006 amended lease was put in place to address improvements GTN planned to complete. These improvements included a dining room expansion in the front of the building and a kitchen expansion in the rear of the building. In 2007, these planned improvements were completed, resulting in 557 square feet of new usable space being added to the original 1,097 square feet. This additional square footage was then included in the base calculation of the lease, bringing the total square footage (for the purpose of lease calculations) to 1,654.

Both the initial building renovations and the 2007 expansions were the result of significant investment in this City-owned building by GTN. Aside from a grant of \$50,000, provided by the City to offset costs of the initial building renovation costs, all building renovations and repairs have been paid for by GTN. In recognition of these investments, the amended lease provides for a modified lease calculation that includes the original square footage of 1,097. Assuming this revised square footage, the new lease rate, effective April 1, 2014, would be \$1,012.90.

The original lease was for a term of five years and provided two five-year options to extend the lease. The April, 2004 amended lease provided for one additional five-year option. The lessee recently exercised this third five-year lease option, which begins March 1, 2014 and runs through February 28, 2019.

Recommendation

Staff recommends passage of Resolution 22-14. Should you have specific questions regarding this memorandum prior to Monday, please contact Michelle Crandall at 614-410-4403 (desk) or 614-206-4886 (mobile).

RECORD OF RESOLUTIONS

Dayton Legal Blank, Inc. Form No. 30045

Resolution No. 22-14 Passed _____, 2020

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDED LEASE AGREEMENT WITH GTN CORPORATION

WHEREAS, the City of Dublin is the owner of a building located at 27-29 South High Street in Historic Dublin; and

WHEREAS, Dublin City Council has expressed the desire to maintain the location as a business establishment in support of Historic Dublin; and

WHEREAS, the current tenant has exercised a third five-year lease option for the property, with a term beginning March 1, 2014 and running through February 28, 2019; and

WHEREAS, the current tenant has made significant investments in the property over the course of the lease terms; and

WHEREAS, the City desires to acknowledge such investments as part of an amended lease agreement.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Dublin, State of Ohio, _____ of the elected members concurring that:

Section 1. The City Manager is hereby authorized to execute the Lease Amendment attached as Exhibit "A."

Section 2. This Resolution is effective upon passage in accordance with Section 4.04(a) of the Revised Charter.

Passed this _____ day of _____, 2014.

Mayor – Presiding Officer

ATTEST:

Clerk of Council

**AMENDMENT NO. 3 TO
LEASE AGREEMENT**

This Amendment No. 3 to Lease Agreement (this "Amendment") is made effective as of _____ (the "Effective Date"), by and between the CITY OF DUBLIN, OHIO, an Ohio municipal corporation, with offices at its City Hall, 5200 Emerald Parkway, Dublin, Ohio 43017 ("Lessor") and GTN CORPORATION, an Ohio corporation, whose address is 4482 Dunleary Drive, Dublin, Ohio 43017 ("Lessee").

Background Information

A. Lessor and Lessee entered into a Lease Agreement, dated October 19, 1998, as amended by Amendment No. 1 to Lease Agreement, dated April 1, 2004, and as amended by Amendment No. 2 to Lease Agreement, dated November 21, 2006 (collectively, the "Lease"), for the premises described on Exhibit "A" attached hereto and hereby made a part hereof (the "Premises"), which Premises is commonly known as 27-29 South High Street, Dublin, Ohio 43017.

B. The Lease provided for an original term of five (5) years, with two (2) successive 5-year options to renew ("Option One" and "Option Two" respectively).

C. Both Option One and Option Two have been exercised.

D. Amendment No. 1 to Lease Agreement provided for an additional option to renew for 5 years ("Option Three").

E. The Premises originally included the approximate 1,097 square foot building located on the Premises (the "Original Building").

F. The Lessee expanded the Original Building by enclosing the existing front porch and a portion of the existing outdoor seating area located in front of the Original Building and adding an addition to the rear of the Original Building to accommodate a new kitchen, thereby adding approximately five hundred fifty seven (557) square feet of additional space to the Original Building.

G. The Lessee also made various site improvements to the Premises.

H. Taking into consideration the investment Lessee has made in the Premises, Lessor and Lessee agree to amend the Lease to provide for an adjustment of the square footage used for rent calculations.

Agreement

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency which are hereby acknowledged, the parties agree to the foregoing background information and as follows:

ARTICLE I
MODIFICATION

1. Exercise of Option Three. Lessor and Lessee hereby acknowledge Lessee's timely exercise of Option Three. Option Three commenced on March 1, 2014 and will terminate on February 28, 2019.

2. Expansion Premises. Lessor and Lessee hereby acknowledge that Lessee has completed work on the expansion of the Premises. Section 1 of the Amendment No. 2 to Lease Agreement is hereby deleted in its entirety.

2. Rent. Lessor and Lessee hereby acknowledge that the rent payment calculations shall be based on the square footage of the Original Building, which was 1,097 square feet. Sections 2 and 4 of the Amendment No. 2 to Lease Agreement are hereby deleted in their entirety and replaced with the following:

Section 4.2 of the Lease is hereby modified to provide that, commencing upon the execution of this Amendment, Lessee hereby covenants and agrees to pay to Lessor as rent for the Premises the sum of One Thousand Twelve Dollars and Ninety Cents (\$1,012.90) per month during Option Three, payable in advance upon the first day of every calendar month during the term. Such rent is based on a rate of Eleven Dollars and Eight Cents (\$11.08) per square foot and a total square footage of 1,097 square feet. Rent shall be prorated for any fraction of a month.

3. Notices. Pursuant to Section 16.9 of the Lease Agreement and Section 3 of the Amendment No. 2 to Lease Agreement, the address for notices to Lessor is hereby changed to:

City of Dublin
5200 Emerald Parkway
Dublin, Ohio 43235
Attention: City Manager

With a copy to:

Stephen J. Smith
Frost Brown Todd, LLC
10 West Broad Street
Columbus, Ohio 43215

4. Ratification of Lease. Except as specifically modified herein, all of the terms, covenants, conditions, and agreements contained in the Lease shall remain in full force and effect in accordance with the terms thereof and Lessee hereby ratifies and confirms its obligations as Lessee thereunder.

5. Conflict. In the event of a conflict between the terms and conditions of this Amendment and the terms and conditions of the Lease, the terms and conditions of this

Amendment shall prevail. Except as modified herein, all terms, covenants, and conditions of the Lease shall remain in full force and effect.

6. Counterparts. This Amendment may be executed in a number of counterparts, each of which shall be deemed an original, all of which together shall constitute one and the same instrument.

7. Binding Effect. This Amendment shall bind and inure to the benefit of the successors and assigns of Lessor and the successors and assigns of Lessee.

8. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of Ohio.

(Signatures on following page)

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized officers to execute this Amendment in duplicate originals, each of which shall be deemed an original, effective as of the date first written above.

LESSOR:
CITY OF DUBLIN, OHIO,
an Ohio municipal corporation

By: _____
Marsha Grigsby, City Manager

STATE OF OHIO :
:SS
COUNTY OF FRANKLIN :

The foregoing instrument was acknowledged before me this ____ day of _____, 2014 by Marsha Grigsby, the City Manager, of the City of Dublin, Ohio, an Ohio municipal corporation, for and on behalf of said municipal corporation.

Notary Public
My Commission Expires: _____

LESSEE:
GTN CORPORATION,
an Ohio corporation

Timothy Picciano, President

STATE OF OHIO :
:SS
COUNTY OF FRANKLIN :

The foregoing instrument was acknowledged before me this ____ day of _____, 2014 by Timothy Picciano, the President of GTN Corporation, an Ohio corporation, for and on behalf of said corporation.

Notary Public
My Commission Expires: _____

EXHIBIT LISTING:
EXHIBIT "A"- Legal Description

EXHIBIT "A"

Legal Description

To be attached.