



Legislation Text

File #: 18-4674, Version: 1

Title:

Retail Tenant Lease - Government District Parking Deck

Summary

ACTION:

Adopt an amended resolution titled "Mecklenburg County Board of Commissioners Resolution Declaring Intent to Lease Property to John and Hresanthe Georgopoulos, Owners of Little Village Grill"

Staff Contact: Jennifer Morell, Asset & Facility Management

Presentation: No

BACKGROUND/JUSTIFICATION:

The original resolution was approved on April 3, 2018. The resolution stated the Board's intent to approve the proposed lease arrangement at the Board's May 15th meeting, but because of a change in publication requirements, the meeting date changed from May 15th to June 5th. The Board is being asked to adopt an amended resolution to reflect this change.

The County has secured a prospective tenant for one of the retail suites attached to the Government District Parking Deck at Fourth & McDowell Streets. John and Hresanthe Georgopoulos, owners of Little Village Grill, have submitted a proposal to lease Suite A. The County's Asset and Facility Management Department, as well as Colliers International LLC, the real estate firm secured by the County to obtain tenants for the parking deck, are in agreement with the proposed terms.

The County Manager will negotiate a lease consistent with the following business terms:

Little Village Grill

Location - 901 E. 4th Street, Suite A

Total Square Footage - 1,457 SF

Lease Term - Five (5) years & Six (6) Months

Option to Renew - One extension option: Four (4) years and one hundred and seventy-nine (179) days

Base Lease Rate - \$20.00 per sq. ft. (29,140/yr.)

Annual Increases - Years 2 - 5.5: 3% annually; Option Years: 3% annually

Revenue (Years 1-5) -

Year 1	(Months 1-6)	\$0.00	
Year 1	(Months 7-12)	\$20.00/SF	\$2,428/month
Year 2	(Months 13-24)	\$20.60/SF	
Year 3	(Months 25-36)	\$21.22/SF	
Year 4	(Months 37-48)	\$21.85/SF	
Year 5	(Months 49-60)	\$22.51/SF	
Year 6	(Months 61-66)	\$23.19/SF	

Insurance - Tenant is required to maintain required insurance including liability, property, Worker's Compensation and Professional Errors & Omissions insurance.

Maintenance & Janitorial- Tenant is responsible for all maintenance and janitorial services required within the Premises. Tenant shall be responsible for building systems within the Premises including, but not limited to, fire alarm, electrical, and plumbing. Tenant agrees to enter into a service contract for preventive maintenance of HVAC equipment, including regular inspections. Tenant is responsible for HVAC repairs under \$5,000.

For major HVAC repairs exceeding \$5,000, Landlord agrees to contribute to a replacement unit by waiving Tenant's Base Rent for three (3) consecutive months.

Common Area Maintenance - In addition to Base Rent (Revenue), Tenant will pay Landlord their pro-rata share of the exterior maintenance, landscaping, trash removal and general maintenance. Tenant's pro-rata share amount in year 1 is estimated to be \$404.32/month.

Delivery of Premises - Tenant to take Premises "as is".

Commission - County shall pay a total of 4% commission on the guaranteed base rent for years 1-5 to County's broker, Steve Rich of Colliers International. The total commission to be paid by the County for Little Village Grill will be \$6,281.15.

PROCUREMENT BACKGROUND:

N/A

POLICY IMPACT:

N/A

FISCAL IMPACT:

N/A