



MEMORANDUM

To: Mayor and City Councilors

From: Rich Olson, City Manager

Date: September 19, 2013

Re: Consideration – Lease Agreement Renewal for Southgate Mall Customer Service Office

BACKGROUND:

On November 28, 2011, the City opened a Customer Service satellite office at Southgate Mall in an effort to ease congestion at City Hall due to the utility relocation work occurring downtown. The City's initial lease expired on March 31, 2012. On February 27, 2012, the City Council authorized staff to extend this temporary lease on the Southgate Mall location for an additional six months. The additional lease provided time to determine the extent of continued use by our customers after the utility relocation project was completed and streets were reopened. That lease expired on September 30, 2012 and was renewed for an additional year, based on customer traffic at the location.

ANALYSIS:

Prior to opening the mall location, the City averaged over 7,500 customers who paid their bill at our City Hall location. Those customers were split evenly between walk-ins and the drive-up window. Since the utility relocation project has been completed, customers have continued to use the mall office on an approximate 40/60 basis. Our customers still enjoy the convenience of having the mall location. The opening of this satellite office has been a success and has been well received by our customers.

Over the next three years while work is being done on Elizabeth Street and traffic patterns are changing to meet NCDOT's phasing plan, the City can anticipate additional challenges for our downtown utility office.

Staff would like to keep the mall office open on a permanent basis. No additional staff would be required and the cost to operate the satellite office is

estimated to be approximately \$10,000 annually. The monthly rental remains at \$569.93 per month.

The Finance Committee discussed this matter during their meeting on September 19, 2013 and recommends approval.

STAFF RECOMMENDATION:

By motion, authorize a one year lease extension with ABC Properties, the parent organization of Southgate Mall.

RCO/vdw

TEMPORARY OCCUPANCY AGREEMENT

October 1, 2013

TO: **Rich Olson**
City Manager
City of Elizabeth City

RE: **Temporary In-Line Store #10B**

This Agreement confirms the mutual understanding with respect to your use of a portion of the Southgate Mall (the "Mall"), as a Temporary Occupancy, under the following terms and conditions:

1. You shall have the right to use that portion of the Mall identified on Schedule A ("Rental Premises") consisting of approximately **1,648** square feet, for a term of **One Year, beginning October 1, 2013** and terminating **September 30, 2014** such use to be solely for the **City of Elizabeth City Customer Service Department** for no other purpose whatsoever.
2. The rental fee for the temporary occupancy described above shall be **\$569.93 per month, due and payable on the first day of the month.**
3. You agree to be responsible for and make all payments required for services used by you in connection with your use of the Rental Premises, **to include the cost of public utilities**, it being understood that the rental payments set forth above are intended to be net payment to Landlord.
4. You shall not make any installations or improvements or do any work in the Rental Premises without first obtaining our written consent, and thereafter securing all required permits and licenses. You agree that all work, installations and improvements shall be at your sole expense and comply with all government laws, rules and regulations.
5. **Your occupancy and use shall be in good taste and shall comply with the Center's operation rules and regulations and with the directions given you from time to time by our management.** You shall keep your area and adjacent portions of the Center neat, clean, safe and orderly, free of litter and debris. You shall not allow your area to be used by any other person or entity.
6. Any damage or destruction to our property or the property of others caused or occasioned by you, your employees, invitees, contractors, or your use or occupancy, shall be replaced or repaired immediately. You shall indemnify and hold harmless the Landlord, its agents, and Tenants of the Center, their respective agents and Employees, from and against any liability, claim, expenses and actions arising in any way from this Agreement or your use and occupancy.
7. We shall have the right to terminate this Agreement immediately if we deem that an emergency exists or that any activity being conducted by you is illegal, or in violation of your stated obligations or you are otherwise in default under the terms of this Agreement. If Landlord terminates the lease due to an emergency, the rent will be abated.
8. Landlord shall have the right to terminate this Agreement, upon giving Tenant thirty (30) days notice if a permanent lease is secured for the premises, provided such notice of termination is given within 60 days of the Commencement Date.
9. When this Agreement expires or terminates, you shall vacate the Rental Premises immediately and you shall remove all of your property and repair any damage caused by your installation(s) or removal(s) and restore the designated and surrounding areas to the same condition as existed prior to your occupancy and use.

10. There shall be no change or modification of this Agreement except by written agreement signed by both Landlord and Tenant. Neither this Agreement nor your rights hereunder shall be assignable by you.

This agreement shall only become operative and binding upon the parties when a copy of same executed by Landlord and Tenant is delivered to you.

IN WITNESS WHEREOF each corporate party hereto has caused this Lease to be executed in its name and behalf by an authorized officer; each individual party hereto has hereunto set his hand and seal; and each partnership party hereto has caused this Lease to be executed in its name and behalf by at least one of its general partners

LANDLORD:

BY: Arthur Cornfeld

TENANT:

BY:

(revised 9/03)