

RESOLUTION 23-85

A RESOLUTION TO AUTHORIZE THE MAYOR TO SIGNED AN AMENDED LEASE RENEWAL BETWEEN THE CITY OF SPRING HILL AND WORLD WIDE STAGES SPRING HILL, LLC

WHEREAS, the City of Spring Hill is currently in a lease agreement with World Wide Stages for office space for the Development Services department located at 5000 Northfield Lane, Building 600, Spring Hill, TN; and

WHEREAS, the current lease agreement expires May 31, 2023; and

WHEREAS, World Wide Stages Spring Hill, LLC has submitted a lease renewal agreement with an expiration of June 30, 2024 with amendments to:

1. Increase the square footage of the leased space for Development Services to 5,141 square feet
2. Increase the price per square footage to \$21.11 per square foot per year (\$18.00 for occupied space and \$3.11 for common area maintenance), for a monthly rental cost of \$9,043.88 (annually, \$108,526.51).
3. Addition of Early Termination Terms

NOW, THEREFORE BE IT RESOLVED, the City of Spring Hill Board of Mayor and Aldermen:

1. Approves the amended lease agreement between the City of Spring Hill and World Wide Stages Spring Hill, LLC for a period of one year, expiring on June 30, 2024, for a monthly rental cost of \$9,043.88 (annually, \$108,526.51) for office space for Development Services, as attached hereto.
2. Authorizes the Mayor to sign the amended lease agreement with World Wide Stages Spring Hill, LLC.

Passed and Adopted by the Board of Mayor and Aldermen of the City of Spring Hill, Tennessee on the 15th day of May, 2023.


Jim Hagaman, Mayor

ATTEST:


April Goad, City Recorder

April Goad, City Recorder

LEGAL FORM APPROVED:


Patrick Carter, City Attorney

Patrick Carter, City Attorney



REQUEST: **Approval of Resolution 23-85**

SUBMITTED BY: Missy Stahl, CIP Manager

DATE: May 15, 2023

RE: To authorize the Mayor to sign an amended lease agreement with World Wide Stages Spring Hill, LLC for office space for Development Services

ATTACHMENTS: Exhibit A – lease agreement

PURPOSE:

The purpose of this resolution is to authorize the Mayor to signed an amended lease agreement with World Wide Stages Spring Hill, LLC for office space at the Northfield building for Development Services.

BACKGROUND:

The City of Spring Hill is currently in a lease agreement with World Wide Stages for office space not available in City Hall for Development Services. The current lease agreement expires May 31, 2023; therefore, a renewal is required. World Wide Stages has submitted an amended lease agreement with amendments to the square footage occupied and the cost per square foot. The City requested item #3 – Early Termination Terms – be added in the event office space is found that can be leased in lieu of the Northfield space. World Wide Stages has relayed to the City that the lease will end on June 30, 2024 and will not be eligible for renewal.

The City attorney has reviewed the amendments and has no concerns with the additions.

FINANCIAL IMPACT:

The cost per square foot per year increases from \$13.11 (\$10 per occupied space plus \$3.11 for common area maintenance) to \$21.11 (\$18 per occupied space plus \$3.11 for common area maintenance) plus the additional square footage requested. Original annual cost is \$65,641.80; with the amended lease agreement, the annual cost will be \$108,526.51 (net increase of \$42,884.71).

STAFF RECOMMENDATION:

Staff recommends approval of Resolution 23-85, to authorize the Mayor to sign an amended lease agreement between the City of Spring Hill and World Wide Stages Spring Hill LLC Services.

FIRST AMENDMENT TO LEASE AGREEMENT, AS EXTENDED

This First Amendment to Lease Agreement, as extended, (this "Amendment") is dated as of May 15, 2023, between Worldwide Stages Spring Hill, LLC, a Tennessee limited liability company ("Lessor") and the City of Spring Hill, Tennessee, a Tennessee municipality ("Lessee").

WITNESSETH:

WHEREAS Lessor and Lessee are parties to a certain Lease Agreement dated the 31st day of May, 2021 (the "Lease"), as extended by notice to Lessor for an additional year terminating the 31st day of May, 2023 (the "Original Lease Term"), whereby Lessee leased certain heated and cooled space in building 600 at Northfield (the "Premises"), as set out in Exhibit A to the Lease; and

WHEREAS the parties have agreed to amend and extend the Lease as set out herein.

1. **Lease Term.** The Lease Term shall be extended until June 30, 2024. At termination of the Lease, Lessee shall return the Premises to Lessor broom clean, with carpets shampooed, and in as good condition and repair as when first received/after tenant improvements, normal wear and tear excepted, and with all improvements made by Lessee.

2. **Leased Premises and Lease Rate.** Effective June 1, 2023, the lease rate shall be increased to \$21.11 per square foot per year and the square footage of the Premise shall be increased by an additional 134 square feet to 5141 square feet (now defined as the "Premises"), as set out in Exhibit A to this Amendment, resulting in monthly rental cost of \$9,043.88 (annually, \$108,526.51).

3. **Early Termination Terms.** Early termination without cause can be requested by the Lessee after January 1, 2024 and Lessee must provide a 90-day notice. The lease rate for the remaining 90 days will increase to a fair market value rate of \$29.11 per square foot per year for 5141 square feet, resulting in monthly rental cost of \$12,471.21.

4. **Ratification.** Except as otherwise set forth in this Amendment, all terms and conditions contained in the Lease, and as it has been previously amended, shall continue to apply.

5. **Entire Agreement.** The Lease, as hereby amended, contains all of the agreements of the parties of this Amendment and supersedes any previous negotiations. To the extent of any inconsistency between the terms of this Amendment and the Lease, the terms of this Amendment shall control. Unless addressed herein, all of the terms of the original Lease, and as it has been previously amended, shall remain in full force and effect. The Lease, as hereby amended, may not be modified except by written instrument duly executed by the parties hereto.

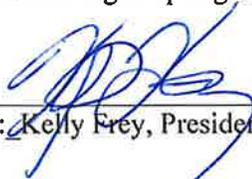
6. **Counterparts.** This Amendment may be executed in multiple counterparts or by facsimile transmissions, each of which shall be treated as an original of this Amendment for all purposes, and all of which shall constitute one (1) agreement, binding upon all of the parties hereto, notwithstanding that all parties are not signatory to the original of the same counterpart or facsimile transmission.

[Signatures on following page]

IN WITNESS WHEREOF, the parties have executed this Amendment the day and year first above written.

LESSOR:

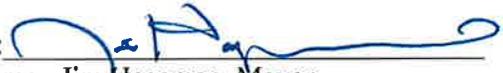
Worldwide Stages Spring Hill, LLC

By: 

Name: Kelly Frey, President

LESSEE:

City of Spring Hill, Tennessee

By: 

Name: Jim Hagaman, Mayor

Exhibit A

