

# Staff Summary Report



**Council Meeting Date:** March 5, 2009

**Agenda Item Number:** \_\_\_\_\_

**SUBJECT:** This is the introduction and first public hearing for an ordinance authorizing an amendment to the lease between the City of Tempe and Urban Outfitters. The second public hearing is scheduled for March 26, 2009.

**DOCUMENT NAME:** 20090305cdnc03 **CENTRAL BUSINESS DISTRICT (0403-05) ORDINANCE NO. 2009.09**

**SUPPORTING DOCS:** No

**COMMENTS:** N/A

**PREPARED BY:** Heidi Graham, Senior Planner (x. 8528)

**REVIEWED BY:** Chris Salomone, Community Development Director (x. 8294)

**LEGAL REVIEW BY:** Cynthia McCoy, Assistant City Attorney (x. 2187)

**FISCAL NOTE:** The proposed modification of the rent calculation will likely result in a drop in the rent payments to the City in the short term. Long term, it is anticipated that the rent will match or exceed its current level.

**RECOMMENDATION:** Approve Ordinance No. 2009.09 as presented.

**ADDITIONAL INFO:** Urban Outfitters is currently leasing space from the City in the 525 Building. In an effort to stay competitive in the market, Urban Outfitters requested the City modify the current rent structure to reduce the rent from 5% of gross revenues to 4%. In exchange, they have agreed to a 10-year lease term. Staff has analyzed their request and recommends this change as a means of retaining this tenant and to maintain Urban Outfitter's presence within the Mill Avenue District.

**ORDINANCE NO. 2009.09**

**AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA, AUTHORIZING THE MAYOR TO EXECUTE AN AMENDMENT TO THE LEASE BETWEEN THE CITY OF TEMPE AND URBAN OUTFITTERS.**

**WHEREAS**, the City leased to Urban Outfitters Inc., certain commercial space within the City-owned building located at 525 South Mill Avenue pursuant to a lease agreement dated March 21, 2004, as amended by a First Amendment to Lease dated July 20, 2006 (the "Lease");

**WHEREAS**, the City and Urban Outfitters Inc. mutually desire to modify the Lease.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA**, as follows:

Section 1: That **the Mayor is authorized to execute the Second Amendment to Lease to effect a change in the rental rate and extend the term, and to execute any other documents referenced therein, copies of which are on file with the City Clerk's office and to take such further actions as are necessary to implement its terms.**

Section 2: The Mayor is hereby authorized to execute any further documents that may be necessary to carry out the provisions of this Ordinance.

Section 3: Pursuant to City Charter, Section 2.12, ordinances are effective thirty (30) days after adoption.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA, this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

\_\_\_\_\_  
Hugh Hallman, Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney