



## Request for City Council Committee Action From the Department of Public Works

**Date:** December 8, 2009  
**To:** Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee  
**Referral:** Honorable Paul Ostrow, Chair Ways & Means Committee  
**Subject:** Lease of City Owned Retail Space – 420 4<sup>th</sup> Street South

**Recommendation:**

Authorize proper City officers to negotiate and execute a sixty-five (65) – month lease to include renewal options with Tickles Food and Bar, Inc. for retail and storage space in the Haaf Municipal Parking Ramp (420 4<sup>th</sup> Street South). Revenue from this lease will be deposited in the Parking Fund (Fund 07500 Department 685072R 685HAAF).

**Previous Directives:**

- None

**Prepared by:** Greg Goeke, Director of Property Services, 673-2706

**Approved by:**

\_\_\_\_\_  
Steven A. Kotke, P.E., City Engineer, Director of Public Works

**Presenters:** Greg Goeke, Director of Property Services

**Reviews**

Permanent Review Committee (PRC):	Approval	NA	Date _____
Civil Rights Approval	Approval	NA	Date _____
Policy Review Group (PRG):	Approval	NA	Date _____

**Financial Impact**

Action provides increased revenue for appropriation increase  
Dept Name: Public Works – Traffic and Parking Services  
Fund Name: 07500  
Amount: Approximately \$ 16,800 for 2010 and \$33,600 for 2011 (does not include revenue sharing)

Action is within the Business Plan

Other financial impact: City may need to invest in the space (HVAC, Life Safety and Electrical) to make the space ready for the Tenant's occupancy. Any costs incurred will be part of final negotiations.

### **Community Impact**

Neighborhood Notification: NA

City Goals: NA

Comprehensive Plan: NA

Zoning Code: NA

### **Background/Supporting Information**

The Haaf Municipal Parking Ramp was designed and built to have a street level, store front office or retail space. The previous tenant (Little Wagon) defaulted on their lease and officially closed for business on May 4, 2009. The space has remained vacant since that date. Property Services hired NorthMarq Commercial Real Estate Services to provide professional brokerage services and to represent the City in negotiations with potential new tenants.

Tickles Food and Bar, Inc. is proposing to move its current business from 1032 3<sup>rd</sup> Avenue Northeast. The owner is concurrently applying for appropriate business and liquor licenses with the goal of opening for business on December 31, 2009.

Tickles Food and Bar, Inc. is requesting a multi year lease with renewal options. The lease has incentives envisioned to cover the costs of relocation. Staff recommends a multi-year lease with relocation incentives that would allow the tenant an opportunity to re-establish their business at this new location. The lease also contains revenue sharing with the City after certain milestones are met.

Therefore, Property Services is recommending a new sixty-five (65) month lease to include renewal options be negotiated and executed with Tickles Food and Bar, Inc., and request that proper City officers be authorized to negotiate and execute an agreement.

Revenue from this lease will be deposited in the Parking Fund (Fund 07500 Department 685072R 685HAAF).

CC: Tim Blazina  
Doug Kress  
Gary Modlin