

CITY COUNCIL MEMORANDUM

AGENDA ITEM

Authorize Lease Agreement Amendment No. 1 with Bell County Human Services at the Killeen Arts & Activities Center

ORIGINATING DEPARTMENT

Community Development

BACKGROUND INFORMATION

The City Council approved the lease agreements and amendments on July 26, 2016, for tenants occupying space at the Killeen Arts & Activities Center (KAAC). The leases were for a period of three years, expiring in July and August 2019.

DISCUSSION/CONCLUSION

Upon further consideration, Bell County would like to propose different terms than were approved on July 26, 2016. The county would like to propose a one-year term with two (2) additional one (1) year terms for your consideration. During council discussion it was mentioned several times that council would have liked to see a shorter lease term for consideration. This proposal accomplishes that.

FISCAL IMPACT

The increase to the monthly rent from sixty-three (63) cents per square foot to seventy (70) cents per square foot went into effect August 1, 2016. The total monthly rent expected to be received from Bell County is \$4,140.14. All utilities that are not directly billed to Bell County will be prorated based on the square foot of space that they occupy and will be billed in arrears by the City of Killeen.

RECOMMENDATION

Staff recommends that council approve this lease amendment with Bell County and authorize the interim city manager to execute the lease agreement - Amendment No.1 with Bell County for the space at the Killeen Arts & Activities Center occupied by Bell County Human Services.