



City of Broken Arrow

Request for Action

File #: 17-2354, Version: 1

**Broken Arrow City Council
Meeting of: 07-03-17**

**To: Mayor and City Council
From: Office of the City Manager**

**Title:
Approval of and authorization to execute a renewal lease agreement with Peyday Realty, LLC, for space at the Oak Crest Shopping Center, 1635 South Main Street, to house the Department of Public Safety Driver License Exam Site**

Background:

On February 5, 2007 the City Council approved an Interlocal Agreement with the State of Oklahoma, Department of Public Safety (DPS) to locate a Driver's License Test Facility in Broken Arrow. The Agreement provides for the City to identify space for the DPS facility. Since its inception the City has leased space for the DPS facility at 1635 South Main Street.

The existing lease expired on March 31, 2017. The staff has been in negotiation with the property owner, Peyday Realty LLC. The parties have agreed to a three-year lease, effective April 1, 2017 with the City paying the following amounts:

Year 1 - \$2,500 per month
Year 2 - \$2,600 per month
Year 3 - \$2,700 per month

The lease is payable in monthly installments through March 31, 2020. The Lease shall terminate on June 30th of any year in which the city does not appropriate the funds for the lease the next fiscal year.

In addition, the City agreed to increase its share of the Common Area maintenance fee from \$4,500 to \$7,200. This is a one-time fee.

All other terms remain unchanged.

Sufficient funds have been budgeted in the General Government Account of the General Fund to pay for the expenditures.

Cost: \$30,000 for the first contract year with an increase of \$1,200 annually for each subsequent year and a one-time payment of \$7,200 maintenance fee.

Prepared By: Russell M. Gale, Assistant City Manager - Administration

Reviewed By: Legal Department

Approved By: Michael L. Spurgeon, City Manager

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Attachments: **Standard Lease Agreement**

Recommendation: Approve the Lease Agreement with Peyday Realty, LLC.