

## **Mammoth Lakes Town Council Agenda Action Sheet**

**Title:** Town Office Lease Agreement - Third Amendment to Lease agreement between Town of Mammoth Lakes and Minaret Village Shopping Center LLC.

**Council Meeting Date:** 11/2/2022

**Prepared by:** Rob Patterson – Administrative Services / Finance Director

**Recommended Motion:** Approve the Third Amendment to Lease Agreement between Town of Mammoth Lakes and Minaret Village Shopping Center LLC, pending final legal review, updating duration and lease rates for Town office facilities.

**Summary:** The current lease for the Town offices located at 437 Old Mammoth Road expired on September 30, 2021. This previous lease was 12.5 years in duration and was the second extension of the original lease dated September 14, 2001. The Town and Minaret Village Shopping Center LLC have been working over the last year to secure a new lease for the offices. The expectations of the landlord and approach to negotiation caused much concern for both staff and Town Council. The decision was made to explore opportunities in other facilities or to develop plans for a new Civic Center that the Town would construct and occupy. The Town has been working to get a rough order of magnitude for the new facility, outlining both cost and time to construct. This work has been completed and the timeframe necessary to design and construct the building is clear. The Town continued with negotiations for a term that would end in time for the new facility to be ready for occupancy. The terms of this new lease agreement are set to terminate on September 30, 2025, with an option to extend one year should the new facility not be ready. A second, one-year lease extension is also available to accommodate additional delay in construction or to facilitate a new lease in another building if necessary. The new lease incorporates almost all of the elements of the original lease, some of which the Town was seeking to remove during this renewal. Absent any leverage with the existing landlord, the Town was able to achieve only incremental changes to support improvements to the building and the reduction of lease space no longer needed. In total this is the best contract we could achieve for the period of time necessary to exit the facility without interruption of service.