

**A RESOLUTION BY
COMMUNITY DEVELOPMENT/
HUMAN RESOURCES COMMITTEE**

A RESOLUTION AUTHORIZING THE MAYOR, ON BEHALF OF THE CITY, TO AMEND THE CHASTAIN PARK STABLES LEASE/MANAGEMENT AGREEMENT SO AS TO INCREASE THE TERM AND INCREASE THE RENT; AND DIRECTING THAT ALL RENT SHALL CONTINUE TO BE DEPOSITED INTO 1001 (GENERAL FUND) 000002 (GENERAL REVENUE ORG) 3810008 (BUILDING RENTALS, GENERAL); AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta ("City") owns a Horse Park ("Horse Park") that is located in Chastain Park; and

WHEREAS, on March 27, 1998, the City entered a lease/management agreement ("Agreement") with the Chastain Horse Park, Ltd. (CHP) whereby CHP operates and manages the Horse Park, including without limitation providing a professional horsemanship program, providing riding lessons, and providing therapeutic horse riding services; and

WHEREAS, the term of the Agreement is twenty years of which ten has passed. The Agreement is set to expire in 2018; and

WHEREAS, pursuant to the Agreement, the rent paid by CHP is a percentage of CHP's gross operational revenue, and the percentage rate has increased over the course of the Agreement. Currently, CHP's rent is 1.3% of its gross operational revenue, and will increase to 1.4% for the period of March 1, 2013 to March 1, 2018; and

WHEREAS, CHP and the City would like to increase the term of the Agreement to add an additional fifteen years, such that the Agreement will expire in 2033. In exchange, the parties wish to increase the rent, so that CHP will pay the City 1.5% of its gross operational revenue from the time of the execution of an amendment to the Agreement through 2017, and 1.7% from 2018 through 2033; and

WHEREAS, as an example of the significance of this rental increase, CHP estimates that its gross operational revenue in 2009 will be \$1,350,000.00. Rent of 1.3% of that amount would be \$17,550.00. Rent of 1.5% of that amount would be \$20,250.00.

THE CITY COUNCIL OF THE CITY OF ATLANTA, GEORGIA, HEREBY RESOLVES, that the Mayor, on behalf of the City, is hereby authorized to enter into Amendment 1 (“Amendment”) to the Agreement with CHP, which Amendment shall establish the following:

- 1) An additional fifteen years shall be added to the term of the Agreement, such that the Agreement expires in 2033; and
- 2) The rent paid by CHP shall be 1.5% of its gross operational revenue from the time of the execution of the Amendment through 2017, and shall increase to 1.7% of its gross operational revenue from 2018 through 2033; and
- 3) All other terms of the Agreement shall remain unchanged.

BE IT FURTHER RESOLVED, that all rental fees paid by CHP pursuant to the Agreement and Amendment shall continue to be deposited into 1001 (General Fund) 000002 (General Revenue Org) 3810008 (Building Rentals, General).

BE IT FURTHER RESOLVED, that the City Attorney or her designee is hereby directed to prepare said Amendment for execution by the Mayor, to be approved as to form by the City Attorney or her designee.

BE IT FINALLY RESOLVED, that said Amendment shall not become binding on the City, and the City shall incur no liability upon the same until the Amendment has been executed by the Mayor and attested to by the Municipal Clerk.

Part II: Legislative White Paper: (This portion of the Legislative Request Form will be shared with City Council members and staff)

A. To be completed by Legislative Counsel:

Committee of Purview: Community Development/ Human Resources Committee

A RESOLUTION AUTHORIZING THE MAYOR, ON BEHALF OF THE CITY, TO AMEND THE CHASTAIN PARK STABLES LEASE/MANAGEMENT AGREEMENT SO AS TO INCREASE THE TERM AND INCREASE THE RENT; AND DIRECTING THAT ALL RENT SHALL CONTINUE TO BE DEPOSITED INTO 1001 (GENERAL FUND) 000002 (GENERAL REVENUE ORG) 3810008 (BUILDING RENTALS, GENERAL); AND FOR OTHER PURPOSES.

Council Meeting Date: May 19, 2008

Requesting Dept.: Department of Parks, Recreation and Cultural Affairs

B. To be completed by the department:

1. Please provide a summary of the purpose of this legislation (Justification Statement).

The purpose of this legislation is to authorize an amendment to the existing Lease/Management Agreement with the Chastain Horse Park, Ltd, and its owner Ms. Amy C. Lance so as to change two provisions in the Lease/Management Agreement regarding the term and rental amounts.

2. Please provide background information regarding this legislation.

The City leases the Chastain Park Stables to Chastain Horse Park Ltd ("Lessee"). The lease term is twenty years of which ten has passed. Lessee operates and manages the stables, and pays the City rent based upon its gross operational revenue. Currently Lessee pays the City 1.3% of its gross operational revenue. The Department of Parks, Recreation and Cultural Affairs has negotiated with Lessee to increase the rent paid in exchange for extending the term of the lease. This legislation proposes to amend the lease such that the lease term will end in 2033, providing Lessee with an additional 15 years. The new rent will be 1.5% of gross operational revenue from 2009 through 2017 and 1.7% from 2018 through 2033. As an example, Lessee estimates that its gross operational revenue in 2009 will be \$1,350,000.00. Rent of 1.3% of that amount would be \$17,550.00. Rent of 1.5% of that amount would be \$20,250.00.

3. If Applicable/Known:

(a) **Contract Type (e.g. Professional Services, Construction Agreement, etc):** N/A

(b) **Source Selection:** N/A

(c) **Bids/Proposals Due:** N/A

(d) **Invitations Issued:** N/A

(e) **Number of Bids:** N/A

(f) **Proposals Received:** N/A

(g) **Bidders/Proponents:** N/A

(h) **Term of Contract:** N/A

4. Account Segment is as follows: General Fund 100 General Revenue 000002

Building Rentals 3810008

5. Source of Funds: Revenue Generating Project for the City of Atlanta

6. Fiscal Impact: Revenue Generating Project for the City of Atlanta

7. Method of Cost Recovery:

This Legislative Request Form Was Prepared By: Debra F. Harris

TRANSMITTAL FORM FOR LEGISLATION

TO: MAYOR'S OFFICE

ATTN: GREG PRIDGEON

Dept.'s Legislative Liaison: Debra F. Harris

Contact Number: (404) 817-6795

Originating Department: Department of Parks, Recreation and Cultural Affairs

Committee(s) of Purview: Community Development/ Human Resources Committee

Chief of Staff Deadline: April 30, 2008

Anticipated Committee Meeting Date(s): May 13, 2008

Anticipated Full Council Date: May 19, 2008

Legislative Counsel's Signature: Terry Grandison *Terry Grandison*

Commissioner Signature: *[Signature]*

Chief Procurement Officer Signature: _____

CAPTION

A RESOLUTION AUTHORIZING THE MAYOR, ON BEHALF OF THE CITY, TO AMEND THE CHASTAIN PARK STABLES LEASE/MANAGEMENT AGREEMENT SO AS TO INCREASE THE TERM AND INCREASE THE RENT; AND DIRECTING THAT ALL RENT SHALL CONTINUE TO BE DEPOSITED INTO 1001 (GENERAL FUND) 000002 (GENERAL REVENUE ORG) 3810008 (BUILDING RENTALS, GENERAL); AND FOR OTHER PURPOSES.

Mayor's Staff Only

Received by CPO: _____ Received by LC from CPO: _____
(date) (date)

Received by Mayor's Office: 4/30/08 *[Signature]* Reviewed by: *[Signature]*
(date) (date)

Submitted to Council: _____