



Legislation Text

File #: 08-0462, **Version:** 1

Resolution to Approve Amendment No. 1 of the Lease Agreement with The Regents of the University of Michigan for the Community Dental Center for \$1.00 Per Year

The City currently has a commercial lease agreement with the The Regents of the University of Michigan for the lease of City-owned property at 406 N. Ashley Street for use as a Community Dental Center. The University of Michigan has leased the City-owned building since 1981 to provide dental services to low-income Ann Arbor residents at the Community Dental Center.

The current lease provided for an option to renew the lease annually for three additional one-year periods through June 30, 2009. Instead of continuing to exercise the option to renew the lease for one-year periods, the University of Michigan has requested that the current lease terms be amended to allow for the renewal of the lease for a period of five (5) years, commencing July 1, 2008 and terminating June 30, 2013 with the option to renew for an addition five-year period to be reviewed 60 days prior to expiration and subject to approval by the City Administrator.

Passage of the attached resolution is recommended.

Prepared by: Dee Lumpkin, Procurement, Financial Services

Reviewed by: Tom Crawford, Chief Financial Officer

Whereas, The University of Michigan has leased the City-owned building at 406 N. Ashley Street since 1981 for use by the Community Dental Center;

Whereas, The City of Ann Arbor has contracted with The University of Michigan to provide dental services to low-income Ann Arbor residents at the Community Dental Center since 1981; and

Whereas, The University of Michigan has requested and the Administration recommends amendment of the renewal provisions of the current commercial lease agreement to modify the available one-year renewal term to five years and allow for one additional five-year renewal term on mutual agreement of the parties;

RESOLVED, That City Council approve Amendment No. 1 to the Commercial Lease Agreement between the City of Ann Arbor and The Regents of the University of Michigan for lease of City-owned property at 406 N. Ashley Street to provide for a new 5-year renewal term commencing July 1, 2008 and terminating June 30, 2013 with an option to renew the lease for one addition five-year term subject to approval of the City Administrator;

RESOLVED, That the Mayor and Clerk are authorized and directed to execute the lease amendment after approval as to substance by the City Administrator and approval as to form by the City Attorney; and

RESOLVED, That the City Administrator is authorized to evaluate and if in the best interest of the City approve renewal of the lease under the terms of the option provision of Amendment No. 1 of the Lease.