

CITY OF KEIZER MISSION STATEMENT
**KEEP CITY GOVERNMENT COSTS AND SERVICES TO A MINIMUM BY PROVIDING CITY SERVICES TO THE
COMMUNITY IN A COORDINATED, EFFICIENT, AND LEAST COST FASHION**

AGENDA

KEIZER CITY COUNCIL
SPECIAL SESSION

Wednesday, June 13, 2018
Immediately Following Adjournment of
City Council/Planning Commission Work Session
Robert L. Simon Council Chambers
Keizer, Oregon

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. FLAG SALUTE**
- 4. ADMINISTRATIVE ACTION**
 - a. RESOLUTION – Authorizing the City Manager To Enter Into First Amendment of Ground Lease (Keizer Cinema 9)**
- 5. ADJOURNMENT**

The City of Keizer is committed to providing equal access to all public meetings and information per the requirements of the ADA and Oregon Revised Statutes (ORS). The Keizer Civic Center is wheelchair accessible. If you require any service that furthers inclusivity to participate, please contact the Office of the City Recorder at least 48 business hours prior to the meeting by email at davist@keizer.org or phone at (503)390-3700 or (503)856-3412. Most regular City Council meetings are streamed live through the City's website and cable-cast on Comcast Channel 23 within the Keizer City limits. Thank you for your interest in the City of Keizer.

SPECIAL CITY COUNCIL MEETING: June 13, 2018

AGENDA ITEM NUMBER:_____

TO: MAYOR CLARK AND COUNCIL MEMBERS

THROUGH: CHRISTOPHER C. EPPLEY, CITY MANAGER

FROM: E. SHANNON JOHNSON, CITY ATTORNEY

SUBJECT: AMENDMENT OF GROUND LEASE (KEIZER CINEMA 9)

This matter is before the City Council at the request of Keizer Cinema 9 with regard to the Ground Lease for the parcel in Keizer Station Area B.

The Ground Lease has a financing contingency to provide for a period of time for the theater owner to arrange financing. The theater owner is not requesting an extension of that timeline which is approximately July 18, 2018.

However, there is an additional deadline of June 15, 2018 by which the theater owner must terminate the lease or be responsible for the 2018 – 19 property taxes. This is because the property will lose its tax exemption on July 1 if the lease is in effect.

The theater owner is requesting a short extension to better confirm all the financing details before moving forward. I indicated to their attorney that we had some cushion built into that timeframe with regard to notifying the County whether the property was leased or not. The theater owner has requested that we extend the deadline from June 15 to June 27.

RECOMMENDATION:

Consider the matter and if there are no questions, adopt the attached Resolution.

Please contact me if you have any questions in this regard. Thank you.

ESJ/tmh

CITY COUNCIL, CITY OF KEIZER, STATE OF OREGON

Resolution R2018-_____

AUTHORIZING THE CITY MANAGER TO ENTER INTO FIRST
AMENDMENT OF GROUND LEASE (KEIZER CINEMA 9)

WHEREAS, Keizer Cinema 9 and the City of Keizer entered into that certain
Ground Lease effective January 19, 2018;

WHEREAS, Keizer Cinema 9 is obligated to pay the 2018-19 property taxes
unless Keizer Cinema 9 terminates the Lease in writing on or before June 15, 2018;

WHEREAS, Keizer Cinema 9 has requested that the City extend that deadline to
June 27, 2018;

NOW, THEREFORE,

BE IT RESOLVED by the City Council of the City of Keizer that the City
Manager is authorized to sign the First Amendment of Ground Lease, a copy of which is
attached hereto.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately
upon the date of its passage.

PASSED this _____ day of _____, 2018.

SIGNED this _____ day of _____, 2018.

Mayor

City Recorder

DATE: _____, 2018

Keizer Cinema 9, LLC,
dba Keizer Cinema 9 (hereinafter "Tenant")

This Lease is contingent upon Tenant obtaining a financing commitment and closing its financing for construction of the theater on the leased Premises reasonably satisfactory to the Tenant within 180 days from the Effective Date.

Tenant shall give a written notice to Landlord before the expiration of the 180 day contingency period that the contingency is not met. If Tenant gives such timely notice, this Lease is deemed terminated and neither party shall have any liability or obligations hereunder, except for any liability or obligations that occurred or accrued prior to the date of termination. Tenant shall remove any improvements constructed or installed by Tenant within thirty (30) days following the date of notice. If Tenant fails to give written notice within the 180 day period, then this contingency is deemed satisfied or waived and this Lease continues in full force and effect as contemplated under Section 1.5 above. All obligations of Landlord and Tenant shall be in force during the contingency period, including, but not limited to the obligation of Tenant to pay taxes, insurance or other items, except that Tenant shall not be required to begin construction until and unless the contingency is satisfied or waived. However, Tenant shall be obligated to pay the 2018-19 property taxes unless Tenant terminates the Lease in writing on or before June 27, 2018.

2. Except as expressly modified herein, all terms and conditions of the Ground Lease remain in full force and effect.

CITY OF KEIZER, an Oregon
Municipal corporation

KEIZER CINEMA 9, LLC, dba
KEIZER CINEMA 9

By: _____
Christopher C. Eppley,
City Manager

By: _____
Charles Nakvasil,
Manager

Dated: _____

Dated: _____