

RESOLUTION NO. 23-34

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF CASTLE PINES, COLORADO APPROVING A SECOND
AMENDMENT TO LEASE AGREEMENT WITH PT VILLAGE SQUARE LLC FOR
MUNICIPAL OFFICE SPACE**

WHEREAS, Section 1.3 of the Castle Pines Home Rule Charter authorizes the City to enter into leasehold agreements; and

WHEREAS, the City of Castle Pines previously entered into a commercial lease dated as of June 30, 2020 (“Lease”) with PT Village Square LLC (“Landlord”), for the lease of approximately 1,728 square feet (identified in the Lease as 1605 square feet) of office space in the premises known as 7437 Village Square Drive, Unit 215, Castle Pines, CO 80108 (the “Premises”); and

WHEREAS, the City of Castle Pines and Landlord subsequently entered into a first amendment to the Lease to increase the leased area dated as of January 24, 2023 (“First Amendment”), for the lease of approximately 5,632 square feet total of office space in the premises known as 7437 Village Square Drive, Unit 200 and Unit 212, Castle Pines, CO 80108 (the “Premises”); and

WHEREAS, the City and Landlord desire to further amend the Lease to increase the leased area of the Premises to a total amount of 5,995 square feet, as set forth in the Second Amendment to Lease Agreement, attached hereto and incorporated in this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CASTLE PINES, COLORADO:

Section 1. **Approval.** The City Council hereby approves (a) a Second Amendment to Lease Agreement by and between PT Village Square LLC and the City of Castle Pines, in substantially the same form as attached hereto as **Exhibit A**, subject to minor modifications approved by the City Manager and City Attorney that do not increase the financial obligations of the City; and (b) authorizes the City Manager to execute the Second Amendment in final form.

Section 2. **Effective Date.** This Resolution shall take effect upon its approval by the City Council.

INTRODUCED, READ AND ADOPTED AT A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF CASTLE PINES BY A VOTE OF 6 IN FAVOR, 0 AGAINST AND 1 ABSENT THIS 25 DAY OF JULY, 2023.


Tracy Engerman (Jul 27, 2023 14:30 MDT)

Tracy Engerman, Mayor



ATTEST:

Tobi Duffey

Tobi Duffey, MMC, City Clerk

Approved as to form:

Linda C. Michow

Linda C. Michow, City Attorney

EXHIBIT A
SECOND AMENDMENT TO LEASE

SECOND AMENDMENT TO LEASE AGREEMENT

This SECOND AMENDMENT TO VILLAGE SQUARE AT CASTLE PINES LEASE AGREEMENT (“Second Amendment”), dated July 25, 2023, (the “Effective Date”) is entered into by and between PT VILLAGE SQUARE LLC, a Colorado limited liability company (“Landlord”) and THE CITY OF CASTLE PINES, COLORADO, a Home-rule municipal corporation (“Tenant”), whose address is 7437 Village Square Drive, Suite 200, Castle Pines, CO 80108.

RECITALS:

- A. Landlord and Tenant previously entered into a written Commercial Lease dated as of June 30, 2020, by and between Landlord and Tenant (the “Original Lease”), pertaining to approximately 1,605 rentable square feet (“RSF”) of space in the premises known as 7437 Village Square Drive, Unit 215, Castle Pines, CO 80108 (the “Original Premises”).
- B. Landlord and Tenant subsequently amended the Lease with the First Amendment to Commercial Lease dated February 1, 2023(“First Amendment”), expanding the Original Premises and extending the term of the Lease to January 31, 2028.
- C. Landlord and Tenant desire to further amend the Original Lease, as amended by that certain First Amendment, to expand the Original Premises as set forth herein below. The Original Lease, as amended by the First Amendment and this Second Amendment shall be the “Lease.”
- D. Capitalized terms used herein and not otherwise defined herein shall have the meanings given to them in the Lease.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant hereby agree as follows:

- 1. Term. The term shall be as set forth in the First Amendment with an expiration date of January 31, 2028 (the “Term”).
- 2. Premises. The Original Premises of 1,605 sf contained in Unit 215 (which is stated in the Lease – however by survey on 12/15/2023 – is corrected to 1,728 sf), plus 2,078 sf contained in Unit 212, and 1,826 sf contained in Unit 200 pursuant to the First Amendment. This Second Amendment incorporates an additional 363 sf contained in Unit 210, making a total of 5,995 sf to constitute the “Leased Premises.”
- 3. Base Rent. Commencing on August 1, 2023, Tenant shall pay Base Rent monthly, in advance, in the manner as set forth in the Lease, with 3% annual increases over the Term of the Lease, as follows:

<u>Period</u>	<u>Rate per SF</u>	<u>SF</u>	<u>Monthly Base Rent</u>	<u>Annual Base Rent</u>
8/1/2023 – 6/30/2024	\$16.90	5,995	\$8,442.96	\$101,315.50
7/1/2024 – 6/30/2025	\$17.40	5,995	\$8,692.75	\$104,313.00
7/1/2025 – 6/30/2026	\$17.92	5,995	\$8,952.53	\$107,430.40

7/1/2026 – 6/30/2027	\$18.46	5,995	\$9,222.31	\$110,667.70
7/1/2027 – 1/31/2028	\$19.01	5,995	\$9,497.08	\$66,479.55

Additional Rent. In addition to the Base Rent specified above, and in addition to all other amounts for which Tenant is obligated under the Lease, Tenant shall continue to pay as Additional Rent, Tenant’s Pro Rata Share of Common Area and Center Charges as defined in the Lease. The 2023 estimated CAM (less property tax) is *estimated* to be \$10.17/sf

4. Lease Term Extension. Tenant acknowledges and agrees that it shall have two (2) additional options to extend the Term of the Lease for an additional three (3) years each (each an “Extension Term”), at the then-current market rate, to begin immediately upon the Expiration of the then-current Term (without the necessity of executing a new lease therefor, to run successively thereafter upon the same terms, provisions and conditions as contained in the Lease, except for the rental provisions hereinafter set forth). Notice of exercise of an Extension Option shall be in writing to the Landlord and shall be given not more than 12 months nor less than 180 days prior to the expiration of the then-current Term, subject to modification of such notice period in the Landlord’s sole and absolute discretion. After the exercise of each of the two Extension Options, if at all, there shall be no further rights on the part of Tenant to extend the Term. If the Lease is terminated prior to the exercise of an Extension Option, the right to exercise any remaining Extension Options shall be null and void.

5. Continuing Effect. Except as expressly amended by the terms of this Second Amendment and the First Amendment, the Lease shall remain unchanged and in full force and effect and binding on the parties.

6. Brokers. Tenant hereby warrants and represents to Landlord that it has not engaged any brokers or agents in the transaction which resulted in this Second Amendment.

7. Other Terms. If there is any conflict between the terms and provisions of this Second Amendment and the terms and provisions of the Original Lease, or the First Amendment, the terms and provisions of this Second Amendment shall govern. Except as herein specifically set forth, all other provisions of the Lease shall remain in full force and effect and the Lease, as hereby amended is hereby, ratified and affirmed by the parties, and is binding upon the parties in accordance with its terms.

8. Counterparts. This Second Amendment may be executed in one or more separate counterparts but each separate counterpart, when assembled with the other signature pages from the corresponding counterpart signature pages, shall constitute one original executed Amendment.

9. Recitals. The Recitals set forth above are incorporated herein as though fully restated herein, and such Recitals are true and correct.

[Signatures appear on following page]

IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS AMENDMENT AS OF THE DAY AND YEAR FIRST WRITTEN ABOVE.

LANDLORD:
PT VILLAGE SQUARE LLC, a Colorado
limited liability company

By: Andrew Biggs
Its: Manager

TENANT:
CITY OF CASTLE PINES, a Colorado
home rule municipal corporation

By: Michael Penny
Its: City Manager, City of Castle Pines