

RESOLUTION 20-50

A RESOLUTION TO WAIVE ADDITIONAL HOLDOVER CHARGES ON IBEX GLOBAL MONTHLY RENT

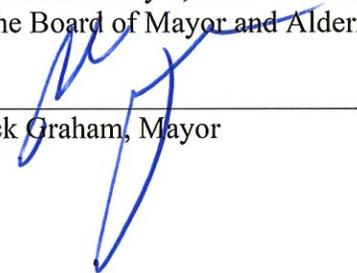
WHEREAS, Ibex Global has been a tenant at Northfield since 2011 and occupies 47,101 square feet; and

WHEREAS, Ibex Global is currently paying \$43,175.91 per month as a monthly lease rate but current term has expired and the "holdover" clause considers continued occupancy as month to month but requires a monthly payment that includes an additional twenty five percent (25%) of the agreed-upon term payment resulting in an additional \$10,793.77 per month; and

WHEREAS, the board of Mayor and aldermen approved in January 2020 a one-year extension of the term at the same lease rate of \$43,175.91 per month; and

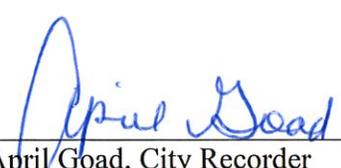
WHEREAS, the uncertain economy along with social distancing requirements due to COVID-19 has caused Ibex Global a loss of revenue and has created conditions of hesitancy within the company to enter into new lease agreements and is, therefore, requesting a waiver of the additional twenty five percent (25%) "holdover" rate until these uncertain times with the economy and social distancing requirements can return to normal.

NOW THEREFORE BE IT RESOLVED, that the Board of Mayor and Aldermen of the City of Spring Hill authorizes the waiver of the additional twenty five percent (25%) "holdover" rate in the amount of \$10,793.77 per month until January 1, 2021 or until an additional extension or new lease term is approved by the Board of Mayor and Aldermen.



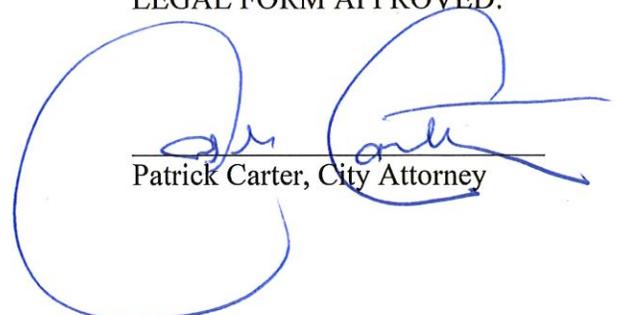
Rick Graham, Mayor

ATTEST:



April Goad, City Recorder

LEGAL FORM APPROVED:



Patrick Carter, City Attorney



REQUEST: TRG / Ibex Global Lease Discussion
SUBMITTED BY: Dakota Mercer, Northfield Facility Manager
DATE: April 6, 2020
RE: TRG / Ibex Global Holdover Period
ATTACHMENTS: none

PURPOSE:

Ibex has asked to allow their lease agreement to go month-to-month beginning June 1, 2020 with no increase to their monthly rate. Ibex is currently paying \$43,175.91 per MONTH.

BACKGROUND:

Ibex Global has been a tenant at Northfield since 2011 and occupies 47,101 sq. ft. inside of Door 600. Ibex's most recent lease amendment, which would extend the lease for one (1) additional year, was approved by the BOMA at the February 18, 2020 voting meeting to be executed March 1, 2020. That one (1) year agreement kept the current lease rate of \$43,175.91 per MONTH. Ibex has not returned a fully executed lease amendment and are now in a 3-Month (March, April, May) holdover period.

If the amendment has not been returned by June 1, 2020, Ibex's rent will increase to 125% (an additional \$10,793.77 per Month) of their previous rent according to the terms of their current agreement.

The reasoning for the delay in returning the agreement is that the "stay/safer at home" Federal, local and State government orders/guidelines, high absenteeism with overall fears/panic, and social distancing requirements have caused a 40% loss of revenue thus causing Ibex to be hesitant to enter into any new lease agreement.

FINANCIAL IMPACT:

Based upon the terms contained in the lease agreement, Ibex must pay an increase of \$10,793.77 per month for every month in holdover beginning June 1st, 2020. IBEX is requesting that the BOMA waive the additional \$10,793.77 per month until these uncertain days of work/attendance restrictions are over and business can return to normal.



STAFF RECOMMENDATION:

Should BOMA desire to provide temporary relief by not requiring the 25% increase in monthly rental, then staff recommends that period not exceed the limits of the originally proposed one (1) year agreement so that a new rate and term is reviewed and approved by BOMA prior to March 1, 2021.