

**OFFICE OF THE CITY MANAGER
LITTLE ROCK, ARKANSAS**

**BOARD OF DIRECTORS COMMUNICATION
AUGUST 16, 2022 AGENDA**

Subject:	Action Required:	Approved By:
<p>A resolution to consent to the assignment of Lease Agreement, as amended, and to authorize the execution of a Fourth Amendment to Lease Agreement and Consent to Assignment of Lease for Oakland & Fraternal Historic Cemetery Park.</p>	<p style="text-align: center;">Ordinance √ Resolution</p>	<p style="text-align: center;">Bruce T. Moore City Manager</p>
<p style="text-align: center;">SYNOPSIS</p> <p style="text-align: center;">FISCAL IMPACT</p> <p style="text-align: center;">RECOMMENDATION</p> <p style="text-align: center;">BACKGROUND</p>	<p>A resolution to allow the Board of Directors to consent to an assignment of a Lease Agreement dated June 11, 1959, as amended, for the benefit of Oakland & Fraternal Historic Cemetery Park. The resolution also authorizes the Mayor and City Clerk to execute a Fourth Amendment to Lease Agreement and Consent to Assignment of Lease.</p> <p>The Oakland & Fraternal Cemetery receives the rent from the Lease.</p> <p>Approval of the resolution.</p> <p>The Oakland & Fraternal Historic Cemetery Park has under their control and jurisdiction certain real property which the City leased in June 1959 for the benefit of the Cemetery to produce revenue for Cemetery purposes. On June 11, 1959, the City and East 26th Street Development Corporation entered into a Lease Agreement for the benefit of the Oakland & Fraternal Historic Cemetery. On October 11, 2001, the City and East Roosevelt Road Shopping Center, LLC, as the assignee of the original Lease Agreement, entered into a Second Amendment and Renewal of Lease Agreement to extend the term of the original Lease Agreement for an additional thirty (30) years (to expire December 11, 2050); to</p>	

**BACKGROUND
CONTINUED**

make certain improvements to the buildings thereon, namely a Kroger Store and a Family Dollar Store; and to obtain additional rent for the benefit of Oakland & Fraternal Historic Cemetery.

A Third Amendment to Lease Agreement, dated November 12, 2015, was executed by the City, as Lessor, East Roosevelt Road Shopping Center, LLC, and LMS Properties, LLC, (“Current Lessee”) in order to amend and renew the Original Lease Agreement, as amended, and to consent to assignment of the Original Lease Agreement, as amended, and to consent to assignment of the Original Lease Agreement, as amended, to the Current Lessee pursuant to a Special Warranty Deed and Assignment of Ground Lease dated November 3, 2015 (“Third Assignment”).

LMS Properties, LLC, now desires to assign the Original Lease Agreement, as amended, to Fourth Assignee Sky Little Rock, LLC, d/b/a Sky Even Katan, LLC, and the Fourth Assignee is requesting to have the option of six (6) additional consecutive five (5)-year renewal periods beginning in the 91st lease year. This is currently the 63rd year of the Lease Agreement. As additional consideration for the City’s consent to the assignment by the Current Lessee to Fourth Assignee, of all of Current Lessee’s rights pursuant to the Original Lease Agreement, as amended, Current Lessee LMS Properties, LLC will agree to pay prepaid rent in the amount of \$25,000.00 for the use and benefit of the Oakland & Fraternal Historic Cemetery Park, said prepaid rent to be paid to the Oakland & Fraternal Historic Cemetery Park Board at the closing of this transaction. On July 29, 2022, the Oakland Cemetery Board approved the Fourth Amendment to Lease Agreement and Consent to Assignment of Lease regarding Fourth Assignee Sky Little Rock, LLC, d/b/a Sky Even Katan, LLC. City Board approval is required to consent to this assignment of the Lease Agreement, as amended.