



Legislation Text

File #: 20-0253, **Version:** 2

TO: Mayor Richard C. Irvin

FROM: Jessica L. Kalal, Assistant Corporation Counsel

DATE: April 16, 2020

SUBJECT:

Requesting approval of a lease amendment to the current lease between the City of Aurora and Subway, for the property located at 5 E. Downer Place, Aurora, Illinois, to allow for Subway and the Franchisee/tenant to defer 50% of its rent for both the months of April and May 2020, to be repaid in monthly installments over a twelve month period, due to Subway's lost revenues as a result of COVID-19.

PURPOSE:

To allow Subway and its Franchisee/tenant to pay 50% less rent for the months of April and May, 2020, due to COVID-19, and permitting Subway to repay the deferred rent in twelve equal monthly installments from June 1, 2020 through May 31, 2021.

BACKGROUND:

Subway's corporate office reached out to the Law Department with the proposed amendment which sets forth the 50% rent deferral for two months due to its struggling and reduced revenues as a result of COVID-19.

DISCUSSION:

Entering into this lease amendment will assist a local business during the COVID-19 pandemic, while still requiring Subway and its Franchisee/tenant to repay the deferred rent over a twelve month period. There is no financial loss to the City due to the repayment provisions.

IMPACT STATEMENT:

The impact on the community is positive, as this lease amendment will assist a local business during this pandemic. The impact on the City is minimal, as the deferred rent will be required to be repaid as set forth in the proposed amendment.

RECOMMENDATIONS:

I request the proposed Resolution approving the lease amendment be adopted.



CITY OF AURORA, ILLINOIS

RESOLUTION NO. _____
DATE OF PASSAGE _____

A Resolution approving an amendment to the existing lease between the City of Aurora and Subway for the property located at 5 E. Downer Place, Aurora, Illinois, to allow for a 50% deferral on Subway's rent for the months of April and May 2020 due to COVID-19, with the deferred rent to be paid back in twelve equal monthly installments from June 1, 2020 through May 31, 2021.

WHEREAS, the City of Aurora has a population of more than 25,000 persons and is, therefore, a home rule unit under subsection (a) of Section 6 of Article VII of the Illinois Constitution of 1970; and

WHEREAS, subject to said Section, a home rule unit may exercise any power and perform any function pertaining to its government and affairs for the protection of the public health, safety, morals, and welfare; and

WHEREAS, the City recognizes that Subway and its Franchisee/tenant have experienced a significant loss in revenue due to COVID-19; and

WHEREAS, the City is agreeable to allowing Subway and its Franchisee/tenant a 50% rent deferral for the months of April and May 2020, with the deferred rent to be paid back over a twelve month period; and

WHEREAS, the City is agreeable to amending the existing lease to provide for both the two month rent deferral, as well as the repayment provisions; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Aurora, Illinois, as follows: the lease amendment to the existing lease between the City of Aurora and Subway for the property located at 5 E. Downer Place, Aurora, Illinois, to allow for a 50% rent deferral on Subway's rent for the months of April and May 2020, to be paid back in twelve equal monthly installments from June 1, 2020 through May 31, 2021, is hereby approved.