



# Huntsville, Alabama

305 Fountain Circle  
Huntsville, AL 35801

## Cover Memo

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**Meeting Type:** City Council Regular Meeting **Meeting Date:** 12/5/2024

**File ID:** TMP-4874

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**Department:** General Services

**Subject:**

**Type of Action:** Approval/Action

Resolution authorizing the Mayor to execute Modification No. 6 to the Lease Agreement between Bailey Cove, LLC and the City of Huntsville, Alabama, for a Lease Previously Adopted by Resolution No. 99-351 for property at Bailey Cove Shopping Center.

Resolution No.

**Finance Information:**

**Account Number:** 14-14300-515460-00000000

**City Cost Amount:** \$14,955.21 monthly

**Total Cost:** \$179,462.52 per year

**Special Circumstances:**

**Grant Funded:** No

**Grant Title - CFDA or granting Agency:** N/A

**Resolution #:** Click or tap here to enter text.

**Location: (list below)**

**Address:**

**District:** District 1 ☐ District 2 ☐ District 3 ☐ District 4 ☐ District 5 ☐

**Additional Comments:**

The lease is for office space at Bailey Cove Shopping Center, 7900 Bailey Cove Road, Suite 4L for the HPD South Precinct. Term begins on Jan. 1, 2025 and ends on Dec. 31, 2029. Per square foot cost is \$14.65 based on 12,250 square feet.

**STATE OF ALABAMA)  
COUNTY OF MADISON)**

**MODIFICATION 006 TO LEASE AGREEMENT  
BETWEEN CITY OF HUNTSVILLE AND BAILEY COVE,  
LLC PREVIOUSLY ADOPTED BY RESOLUTION NO.  
99-351 ON APRIL 15, 1999 AND AMENDED  
PURSUANT TO RESOLUTIONS 99-1009, 01-827, 09-  
1169, 14-1006, AND 19-739**

**MODIFICATION 006 TO LEASE AGREEMENT**

**THIS MODIFICATION** is made and entered into as of this 5<sup>th</sup> day of December, 2024, by and between Bailey Cove, LLC ("Landlord"), and the City of Huntsville, Alabama ("Tenant").

**WHEREAS**, the Lessor and Lessee entered into a Lease Agreement on April 15, 1999, as amended November 23<sup>rd</sup>, 1999, as amended September 27<sup>th</sup>, 2001, as amended December 3<sup>rd</sup>, 2009, as amended December 18<sup>th</sup>, 2014 and subsequently amended August 22, 2019 for a term beginning January 1, 2020 and ending December 31<sup>st</sup>, 2024. The lease is comprised of office space at Bailey Cove Shopping Center, 7900 Bailey Cove Road, Suite 4L Huntsville, Alabama 35802. The Lessor and Lessee now desire and agree among other matters to renew the lease pursuant to paragraph 2.01 in the original lease agreement and adjust the beginning and ending dates of the lease to coincide the renewal term.

**THEREFORE**, Lessor and Lessee hereby agree to amend the Lease Agreement as follows:

- 1) Subject to and upon the terms and conditions set forth herein, or in any Exhibit or Addendum hereto, this Lease shall be renewed for a term (hereinafter referred to as "Renewal Lease Term") of sixty (60) months beginning on the first day of January, 2025, (hereinafter referred to as the "Commencement Date"), and ending on the last day of December, 2029, (hereinafter sometimes referred to as the "Lease Expiration Date").
- 2) Lessee agrees to pay Lessor at such place as Lessor may designate without deduction, offset, prior notice or demand, and the Lessor agrees to accept as rent for the Leased Premises, the sum of One Hundred Forty-eight Thousand five hundred sixty-seven and twenty cents (\$179,462.52) or (\$14.65) per square foot of space per annum. Based on 12,250 square feet, the monthly rental sum payable shall be \$14,955.21 during the renewal term of this lease, and the same amount being due on the first day of each month thereafter during the renewal term of this Lease except as provided below.
- 3) The monthly rental specified in paragraph 2 above, shall be the amount due and payable for each month during the first year under the renewal lease term which shall be from January 1, 2025 through December 31, 2029. Commencing with the first month of the next year under the Lease term hereunder, the aforesaid rent shall be increased by an amount equal to 3% over and above the lease amount specified in paragraph 2 hereof. Each year thereafter the monthly rental for such succeeding year shall be increased by an amount equal to 3% above the monthly rental due for the prior year.
- 4) Provided Tenant is not in default under any of the terms and conditions of the lease and after thirty-six (36) months of continuous occupancy Tenant shall have a "one-time option to terminate the Lease effective on the first day of the thirty-seventh (37) renewal month of the lease by providing one hundred eighty (180) days advanced written notice to Landlord of Tenant's intent to vacate early.

In the event the Option to Terminate is exercised by Tenant, Tenant shall pay Landlord, upon Tenant's notice of vacating the Demised Premises, a Termination Fee equal to the un-amortized costs of any tenant improvements (without charge for interest) and brokerage commissions (4% of the rental amount) paid for the first three years of the lease.

- 8) The terms and conditions of this lease amendment supercede all other terms under the original lease agreement that Landlord and Tenant have executed prior to its execution. All other terms and conditions of the Lease remain the same and in effect.

Agreed this 5th day of December, 2024

Tracy J Hunter  
Witness

(LANDLORD)  
BAILEY COVE, LLC

By: Charles Greer, Jr. President  
Chase Commercial  
Its: Real Estate Services, Inc.  
Authorized Agent

(TENANT)  
THE CITY OF HUNTSVILLE, ALABAMA

\_\_\_\_\_  
Witness

By: \_\_\_\_\_

Its: \_\_\_\_\_

**RESOLUTION NO. 24-\_\_\_\_\_**

**BE IT RESOLVED** by the City Council of the City of Huntsville, Alabama, that the Mayor be, and is hereby authorized to execute Modification No. 6 to the Lease Agreement Between Bailey Cove LLC (“Landlord”) and the City of Huntsville, Alabama (“Tenant”) as adopted and approved Pursuant to Resolution No. 99-351 of the City Council of the City of Huntsville on April 15, 1999, and modified by Resolution Nos. 99-1009, 01-827, 09-1169, 14-1006, and 19-739, on behalf of the City of Huntsville, a municipal corporation in the State of Alabama, which said agreement is substantially in words and figures similar to that certain document attached hereto and identified as “Modification No. 006 to Lease Agreement Between City of Huntsville and Bailey Cove LLC Previously Adopted by Resolution No. 99-351 on April 15, 1999, and amended Pursuant to Resolutions 99-1009, 01-827, 09-1169, 14-1006, and 19-739,” consisting of two (2) pages and the date of December 5, 2024, appearing on the first page, together with the signature of the President or President Pro-Tem of the City Council, an executed copy of said document being permanently kept on file in the Office of the City Clerk of the City of Huntsville, Alabama.

**ADOPTED** this the 5th of December, 2024.

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President of the City Council of  
the City of Huntsville, Alabama.

**APPROVED** this the 5th of December, 2024.

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Mayor of the City of Huntsville, Alabama