



AGENDA REPORT

City Council Meeting

TODAY'S DATE: April 25, 2025

MEETING DATE: May 07, 2025

TO: City Council

FROM: Cheryl Hughes, Central Services Director

SUBJECT: Approve Real Property Lease Agreement A25-1970-7 with Welsh Restaurants, Inc.

DESCRIPTION/BACKGROUND:

The City owns the real property located at 703 US Route 2 in Sandpoint, which was acquired on December 21, 2023. Dubs Drive In Restaurant (the "Business") is located at that location and the City had entered into a lease agreement with MLM, Incorporated in on February 01, 2023 for MLM, Inc to lease the business on the property for a two-year period, which would terminate December 20, 2025. MLM, Inc. sublet the business, as authorized by the City to Welsh Restaurants, Inc. who have been running the Business since. This lease supersedes any previous lease agreement and the original lease with MLM, Inc. will be terminated effective June 01, 2025.

The terms of the new lease with Welsh Restaurants, Inc is for an initial period of two years and has the option to renew for three additional one-year terms and each renewal with be authorized through an executed Amendment to this Agreement.

The first year's rent will be \$525 per month for an annual total of \$6,300 and rent will be increased 5% annually in the initial term of the Agreement with the first annual increase being June 01, 2026. Beginning with the June 01, 2027 Lease renewal, the City may negotiate rent for subsequent Lease renewals.

STAFF RECOMMENDATION:

Staff asks Council to consider approving the Real Property Lease Agreement A25-1970-7 with Welsh Restaurants, Inc. for the Dubs Drive In Restaurant.

ACTION:

Staff requests City Council approve the Real Property Lease Agreement A25-1970-7 with Welsh Restaurants, Inc. for the Dubs Drive In Restaurant.

WILL THERE BE ANY FINANCIAL IMPACT? Yes HAS THIS ITEM BEEN BUDGETED? Yes

ATTACHMENTS:

Proposed Resolution

A25-1970-7- Real Property Lease Agreement with Welsh Restaurants, Inc.