

No: 25-  
Date: May 7, 2025

RESOLUTION  
OF THE CITY COUNCIL  
CITY OF SANDPOINT

**TITLE: REAL PROPERTY LEASE AGREEMENT WITH WELSH RESTAURANTS,  
INC. (CITY AGREEMENT #A25-1970-7)**

WHEREAS: On December 21, 2023, the City acquired the real property located at 703 US Route 2 in Sandpoint, the site of Dubs Drive-In restaurant (the "Business");

WHEREAS: The City entered into a lease agreement with MLM, Inc., on February 1, 2024, with MLM leasing the Business on the property for a two-year period, through December 20, 2025;

WHEREAS: MLM sublet the Business, as authorized by the City, to Welsh Restaurants, Inc., who have been running the Business since that time;

WHEREAS: The new lease with Welsh Restaurants that has been presented to Council will supersede any previous lease agreement, including the original lease with MLM, which will be terminated effective June 1, 2025;

WHEREAS: The terms of the new lease with Welsh Restaurants is for an initial period of two years with an option to renew for three additional one-year terms, with each renewal authorized through an amendment to the agreement; and

WHEREAS: The first year's rent will be \$525 per month, for an annual total of \$6,300, with rent increased 5% annually during the initial term of the Agreement and the City negotiating rent for subsequent lease renewals beginning with the June 1, 2027, renewal.

NOW, THEREFORE, BE IT RESOLVED THAT: The Real Property Lease with Welsh Restaurants, Inc. (Agmt A25-1970-7), a copy of which is attached hereto and made a part hereof as if fully incorporated herein, is hereby approved.

BE IT FURTHER RESOLVED THAT: The Mayor or his designee is hereby authorized, on behalf of the City, to execute this agreement.

---

Jeremy Grimm, Mayor

ATTEST:

---

Melissa Ward, City Clerk