

# SPECIAL CITY COUNCIL MEETING

## UNITED STATES POSTAL SERVICE LEASE

Franklin City Building

November 20, 2023

5:00 P.M.

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### MAYOR AND COUNCIL IN ATTENDANCE

**John D. Packer**

Lyle J. Fuller

Stuart Parkinson

Mark Dietrich

Kevin D. Beck

### STAFF

Tyona Atkinson, City Clerk

### ATTORNEY

Aaron K. Bergman

Special City Council Meeting was called to order at 5:10 p.m. by Mayor Packer.

### **Consider and Approve United States Postal Service Lease (.30)**

Attorney Aaron Bergman, Franklin City attorney, has been speaking with Doug Smith who works for the United States Postal Service (USPS) he is their real estate broker in this area. They have been working on the lease contract between the USPS and City of Franklin. Aaron questioned Doug about why the city was having to pay a commission when he is the broker for USPS. Typically, the property owner hires a real estate broker. Doug stated basically this is how USPS does it. It is a one-time payment in the beginning based on the total value of the lease. Doug pointed out that the rent is about 20% more than what the last lease ended at. The lease with the city starts at \$16,398.00 a year.

An inspection of the Franklin Post Office was completed by Brighton Home Inspections in March of 2022, there were no repairs needed.

The terms of the lease are basically the same as the lease that was written in 1983. What the lease provides is USPS makes the payments and in return they can run their operation at the Franklin Post Office. The city will maintain responsibility for the roofing, and the exterior. The bigger repairs will be the responsibility of the city. USPS will take care of the normal upkeep and smaller items.

The funds from the annual rent will be general income.

One issue is USPS wants a transfer of ownership package completed. The paperwork is from the perspective of if the past landlord sold the property to the city. That is not what is going on, their lease ended, and the city owns the property, so USPS is leasing it from the city. Aaron thinks that what the USPS wants is a signature from the city and one from the past landlord saying the city owns the property and will assume it going forward. Aaron asked the city for permission to reach out and obtain a signature from the past landlord.

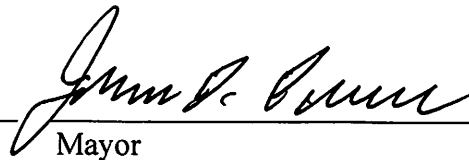
Doug wants a deed showing that Franklin owns the property, so Aaron found that. He stated the city obtained the property in the 70's from the school district. Councilmember Lyle Fuller mentioned to Aaron that if he was not able to get a signature from the past landlord the city could pay Northern Title to get a Lot Book Report that would show the current deed. This would show Franklin City as the owners. Aaron stated USPS just wants to make sure they are dealing with the right person who has ownership.

Under code Franklin City can lease real property under the terms that are just and appropriate. Councilmember Lyle Fuller asked if statutorily the city would need to have a separate study conducted showing what similar buildings rent for. Aaron stated no.

It was moved by Councilmember Lyle Fuller and seconded by Councilmember Kevin Beck that the city move toward the execution of the agreement that has been presented to the council in this special meeting specifically to authorize the city attorney, Aaron K. Bergman, to prepare and or sign any necessary documentation to establish Franklin Cities ownership of the property to the satisfaction of the post office up to and including if necessary spending the money for the title company to do a title report and have Mayor Packer work with the city attorney to finalize and sign the lease agreement and the commission agreement as well on behalf of the city. Motion passed. unanimous

It was moved by Councilmember Stuart Parkinson and seconded by Councilmember Mark Dietrich to adjourn the Special City Council Meeting at 5:38 p.m. Motion passed. Unanimous

  
City Clerk

  
Mayor