



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Department Source: City Utilities - Solid Waste

To: City Council

From: City Manager & Staff

Council Meeting Date: August 20, 2018

Re: Property Management Agreement for 910 & 912 East Walnut

Executive Summary

Staff has prepared for Council consideration a resolution authorizing the City Manager to execute a property management agreement with Hawthorne Management Company for the recently purchased property at 910 & 912 East Walnut.

Discussion

On May 21, 2018 Council authorized the purchase of property at 910 & 912 East Walnut for the development of a permanent solid waste collection site. This collection site will serve properties in the CID, particularly those properties in the 800 and 900 blocks between Walnut and Broadway.

The property currently has an existing structure on the north half and the south half is used for parking. The existing structure has a commercial unit (912 East Walnut) and three residential units (910 East Walnut, apartments 101, 201 & 202).

The intent is to subdivide the property, in accordance with the UDC and install the solid waste collection site on the south portion. Until such time that the decision is made for the northern portion of the property, staff is proposing to hire Hawthorne Management Company to manage the commercial and residential rental units.

Hawthorne Management shall be responsible for keeping the units rented, advertising the availability of vacant units; sign and renew leases; collect all rents and security deposits; and make necessary repairs pending City approval.

As compensation for their services, Hawthorne shall retain 9% of the gross rent collected from the property with a minimum monthly fee of \$40.00 and shall retain 50% of any late fees that are collected.

Copy of the proposed management agreement is attached.

Fiscal Impact

Short-Term Impact: The total monthly rent from 910 & 912 E. Walnut is \$2,075.00 per month (based upon current leases). In accordance with the proposed management agreement, Hawthorne will retain \$186.75 per month (9% of \$2,075.00) and remit the remaining balance of the monthly rent (\$1,888.25) to the City, minus any funds spent on maintenance and repairs.



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Long-Term Impact: There are no long term impacts anticipated with this agreement.

Strategic & Comprehensive Plan Impact

Strategic Plan Impacts:

Primary Impact: Not Applicable, Secondary Impact: Not Applicable, Tertiary Impact: Not Applicable

Comprehensive Plan Impacts:

Primary Impact: Not Applicable, Secondary Impact: Not applicable, Tertiary Impact: Not Applicable

Legislative History

Date	Action
05/21/2018	B72-18 Authorizing a contract for sale of real estate 912 East Walnut – Tabled on 4/16/2018, adopted on May 21, 2018.

Suggested Council Action

Authorize the City Manager to execute the property management agreement.