
AGENDA ITEM SUMMARY

Subject: Lease with CC Arts Council for the Carnegie building

Background Summary:

The lease with the CC Arts Council for the Carnegie building is set to expire December 2020. I have contacted Emily at the Center to inform her of this and she was to discuss it with the board. As of right now, I haven't been told that they want to change anything in this lease. I am enclosing the current lease for your review. I've asked that someone from the arts board be in attendance at the meeting so we can discuss.

This lease would be for 3 years.

CITY OF CHARLES CITY

LEASE

WHEREAS, the City of Charles City, Iowa, hereinafter referred to as "Landlord," owns the historic Carnegie Library Building at 301 Jackson Street; and

WHEREAS, the Charles City Arts Council, hereinafter referred to as "Tenant," has been occupying this building and utilizing it to provide art exhibits and events for the benefit of the community; and

WHEREAS, the lease agreement under which the Tenant previously occupied this facility has now terminated and it is the desire of the Landlord and the Tenant to continue with the use of the building by the Tenant for the purpose of providing and promoting artistic events and activities within the community, and to this end are entering into a new lease agreement to facilitate this continuing relationship.

NOW, THEREFORE, IN CONSIDERATION OF THE PROMISES AND MUTUAL COVENANTS HEREINAFTER SET FORTH, THE PARTIES AGREE AS FOLLOWS:

1. TERM OF LEASE

Subject to early termination of this lease as provided in paragraph 5, the Landlord hereby leases to the Tenant for a period of three (3) years, commencing on the date of this Lease, the following described real estate:

All of Lots Three and Four (3 & 4), Block Eight (8), St. Charles, now incorporated as the City of Charles City, Floyd County, Iowa, Except the Northwesterly 49.5 (NWly 49.5) feet thereof.

2. USE OF PREMISES

The Tenant shall utilize this property for art exhibits, musical events, and other artistic activities for the benefit of the community, and may use the premises for administrative functions such as board meetings, membership meetings, or other activities related to the Tenant's operations. The Tenant may also allow other community groups to use the facility for meetings and events to the extent that such use is occasional and does not interfere with the Tenant's use of the premises for promotion of the arts. The Tenant shall comply with all federal and state laws and local ordinances and shall not engage in discriminatory activities based on age, religion, race or gender.

3. REPAIRS, MAINTENANCE AND INSURANCE

The Tenant shall maintain the interior of the facility, the air conditioning system, heating system, electrical system, plumbing system, and building structure, except for major structural repairs, which shall be the responsibility of the Landlord. For the purpose of this agreement, "major structural repair" is defined as any repair to the building or fixtures costing in excess of \$10,000.00. If the Tenant identifies a needed repair which it believes to be the responsibility of

the Landlord, it shall notify the Landlord in writing of the needed repair. Within sixty (60) days after receiving this notice, the Landlord shall inspect the building and respond to the Tenant either acknowledging the need for the repair and the responsibility of the Landlord to make this repair, or disputing the need for the repair or the Landlord's responsibility to make the repair, and giving the reasons for its conclusions. The determination of the City on this issue shall be binding on both parties. If the Landlord acknowledges its responsibility for the repair, the repair shall be completed within 24 months from and after the date of its acknowledgment, and the Landlord shall further take such reasonable temporary measures as necessary to protect the property pending the completion of the major repairs.

The Tenant shall maintain the lawn and landscaping and conduct snow removal on the sidewalks and entrances to the building. Tenant shall carry liability insurance with limits of not less than One Million Dollars (\$1,000,000.00), and Tenant shall insure the contents of the building against casualty losses.

The Landlord shall perform snow removal on the sidewalks (except those sidewalks leading into the facility and the stairway in front of the facility) at such times as Landlord removes snow from the walkways in Central Park, and Landlord will similarly mow that portion of the lawn which can be done with its large mower at such times as it mows the grass in Central Park. Landlord shall provide property casualty insurance for the building structure.

4. ADDITIONS

The Tenant agrees that no new buildings shall be built, nor structural changes of any type, or improvements made to said structure presently located on the above-described real estate, without the prior written consent of the Landlord. Any improvements made upon the above-described real estate and any additions made to the facility by the Tenant or Landlord shall remain the property of the Landlord at the termination of the lease.

5. EARLY TERMINATION OF LEASE

Either party shall have the right to terminate this lease by giving 180 days' prior written notice to the other party. The City may also terminate this lease in the event of substantial damage to or destruction of the premises which the City chooses not to repair, or, upon the Tenant's failure to cure any default (failure to perform any obligation under lease terms) within thirty (30) days after receiving notice of the described default.

6. INDEMNIFICATION

The Tenant shall hold the Landlord harmless from and indemnify the Landlord for all claims asserted against the Landlord arising from Tenant's use of the leased premises, and which indemnification shall include all costs incurred by the Landlord in defending against such claims.

7. ASSIGNMENT AND SUBLEASING

Because this lease is given by Landlord to Tenant without actual monetary consideration but in consideration of the unique benefits that the Tenant can provide to the cultural environment of the City of Charles City, the Tenant shall not assign its interest in this lease to

any other person or entity or sublease the premises or any portion thereof to any other person or entity, without the prior written consent of the Landlord.

8. ENTIRE AGREEMENT

This Lease shall embody the entire agreement between the parties.

Executed this 13 day of December, 2017.

CITY OF CHARLES CITY

By James H. Erb
Mayor

Rudy O'Donnell
Attest--City Clerk

CHARLES CITY ARTS COUNCIL

By [Signature]

