
AGENDA ITEM SUMMARY

Subject: Consider Resolution Number 14-21 approving a lease agreement for seven parking stalls

Recommendation: Approve Resolution Number 14-21 approving a lease agreement with Hoover Properties #4 LLC

Background Summary:

At the last Council planning session, a second update was presented on a request to reserve City owned parking lot spaces for a governmental entity to use. We reviewed the proposal to lease seven (7) parking stalls in the parking lot in the 700 block of Blunt Parkway. The Council's consensus was to offer the use of seven stalls in the northeasterly corner of that parking lot as shown on the exhibit that is part of the agreement.

Brad has prepared the attached lease agreement that outlines such items as the leased area, dates, use, rent, maintenance, and includes a hold harmless agreement for the City.

The agreement has been approved by Charles Chandler. In order to proceed in approving the reserved use of the seven parking stalls, we recommend the Council approve Resolution Number 14-21.

LEASE AGREEMENT

The City of Charles City, Iowa (“City”) agrees to lease to Hoover Properties #4, LLC (“Hoover Properties”), and Hoover Properties agrees to lease from the City, the certain parking lot area as described below upon the terms and conditions set forth herein.

Recitals

- A. Hoover Properties has expressed interest in purchasing and acquiring a commercial building located in the 300 block of N. Main Street in Charles City, Iowa (“the Property”), with the intent of leasing the Property to a federal government agency for commercial use. The proposed building does not have on-site parking available.
- B. The prospective federal agency tenant has indicated it will not enter into a written lease agreement without seven reserved parking stalls for parking and storage of government vehicles.
- C. There are multiple public/City-owned parking lots located in the rear of and to the east, northeast south and southeast of the Property which serve the Property and commercial businesses adjacent to and surrounding the Property; the City is concerned that reservation of parking spaces in the public lot adjacent to the back end of the Property may negatively impact nearby property owners and businesses.
- D. There is also a public/City-owned parking lot located to the north / northeast of the Property and Blunt Parkway, and to the south / southwest of Ferguson Street. The City has determined that the lease and reservation of seven parking stalls in this lot (“700 Block Blunt Parkway Lot”) will have minimal impact on surrounding and adjacent property owners, and the City has accordingly agreed to lease a certain parking lot area upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the promises, undertakings and mutual agreements contained herein, Hoover Properties and the City covenant and agree as follows:

1. **PREMISES.** The City does hereby lease to Hoover Properties, or its assign, seven parking stalls in the 700 Block Blunt Parkway Lot as depicted and identified on Exhibit A (“the Premises”). Hoover Properties’ use of the Premises shall be limited to the parking and storing of motor vehicles owned or leased by federal government agencies.
2. **TERM.** The term of this lease shall commence on approximately October 1, 2021 and shall end on September 30, 2024, unless sooner terminated or extended as provided in this lease.
3. **EXTENSION OF LEASE.** This Lease shall automatically renew upon expiration from year-to-year, upon the same terms and conditions, except that either party may terminate the lease on the lease anniversary date by giving one hundred

twenty (120) days written notice to the other party prior to the effective termination date, or the federal government terminates the building lease.

4. RENT. Hoover Properties, or its assign, agrees to pay to the City or assigns for the use of the Premises during the duration of the lease annual rent as follows: \$1.00 payable on October 1, 2021, and \$1.00 on each October 1 thereafter during the term of this lease. In addition, Hoover Properties shall reimburse the City for legal costs associated with preparation of this Lease Agreement in the amount of \$280.00.
5. CARE AND MAINTENANCE OF PREMISES. Hoover Properties takes the Premises AS IS, WITH ALL FAULTS. Hoover Properties or its assign shall, at its own expense, keep all and every part of the premises in good repair and a reasonable safe and clean condition, which shall include but not be limited to snow removal. Upon termination of this lease, Hoover Properties shall be responsible for returning the property to the City in its original condition, ordinary wear and tear excepted.
6. LIABILITY, INDEMNIFICATION AND HOLD HARMLESS. This lease is made upon the express condition that the City shall be free from all liabilities and claims for damage and/or suits for or by reason of any injury or injuries to any person or persons or property of any kind whatsoever, whether the person or property of Hoover Properties, its assigns, tenants, agents or employees, or third persons, from any cause or causes whatsoever while in or upon the Premises or any part thereof during the term of this lease or occasioned by any occupancy or use of said Premises or any activity on the Premises, and Hoover Properties hereby covenants and agrees to indemnify, defend and hold harmless the City, its employees, officers, and agents from and against all damages, claims, loss or liability (including reasonable attorney fees and incidental and consequential damages) on account of damage to property, bodily injury or death, or personal injury of any person or persons arising out of or connected with Hoover Properties' presence or use of the Premises pursuant to this lease, whether or not due in whole or in part to any act or omission of the City.

Further, Hoover Properties agrees to assume all risk of loss, injury, or damage of any kind or nature whatsoever to any motor vehicle or other personal property belonging to Hoover Properties, its tenants, agents, employees or third persons which may be now or hereafter placed upon said Premises and all risk of loss, injury or damage of any kind or nature whatsoever to the contents of any such vehicle or any other property now or that may hereafter be placed upon said Premises, whether belonging to the Hoover Properties or others, and to save and keep harmless the City from all claims and suits growing out of any such loss, injury or damage.

7. INSURANCE. Hoover Properties, the owner of the building or tenant, shall carry general liability insurance naming the City as an additional insured in an amount

not less than \$1,000,000 to cover risks associated with its use of the Premises during the lease term and shall provide proof thereof prior to the beginning of the lease term. The City shall be provided with a Certificate of Insurance establishing compliance with this Paragraph 7 prior to the beginning of the lease term.

8. ASSIGNMENT. Hoover Properties may assign or transfer its rights and obligations under this lease to a federal government agency, provided that, in the event of any assignment or transfer of this lease, Hoover Properties, or its successor property owner, shall continue to be liable for the performance of the provisions of this Lease. Hoover Properties may not otherwise assign, transfer, or sublet said Premises or any part or portion thereof, without sale of the building on N Main Street, without the prior written consent of the City. The provisions of this Agreement shall be binding on Hoover Properties' successors and/or assigns.
9. SIGNS. No sign, marking, or other inscription of any kind, unless approved by City in writing, will be put on or attached to any part of the Premises. The City shall not be responsible for any costs associated with signs or markings.
10. DEFAULT. Hoover Properties shall be in default if it fails to observe or perform any duties, obligations, agreements, or conditions imposed pursuant to the terms of this lease. In the event of default, the City shall provide Hoover Properties with a written notice specifying the default and giving Hoover Properties ten (10) days in which to correct the default. If the default is not remedied within the ten-day period, then the City may declare this lease to be terminated and shall provide Hoover Properties with a written notice of such termination.
11. CONTINGENCIES. This lease is subject to and conditioned upon the following:
 - A. Approval of the City Council of the City of Charles City, Iowa.
 - B. Hoover Properties obtaining legal title to the Property on N. Main Street, Charles City, Iowa, prior to the beginning of the lease term.
 - C. Hoover Properties entering into a written commercial lease agreement with a federal government agency for the lease of property on N. Main Street, Charles City, Iowa, and providing the City with sufficient proof of the same prior to the beginning of the lease term.


If the above conditions are not satisfied by the beginning of the lease term, then this Lease Agreement shall be null and void.

Dated this _____ day of _____, 2021

CITY OF CHARLES CITY

Dean Andrews, Mayor

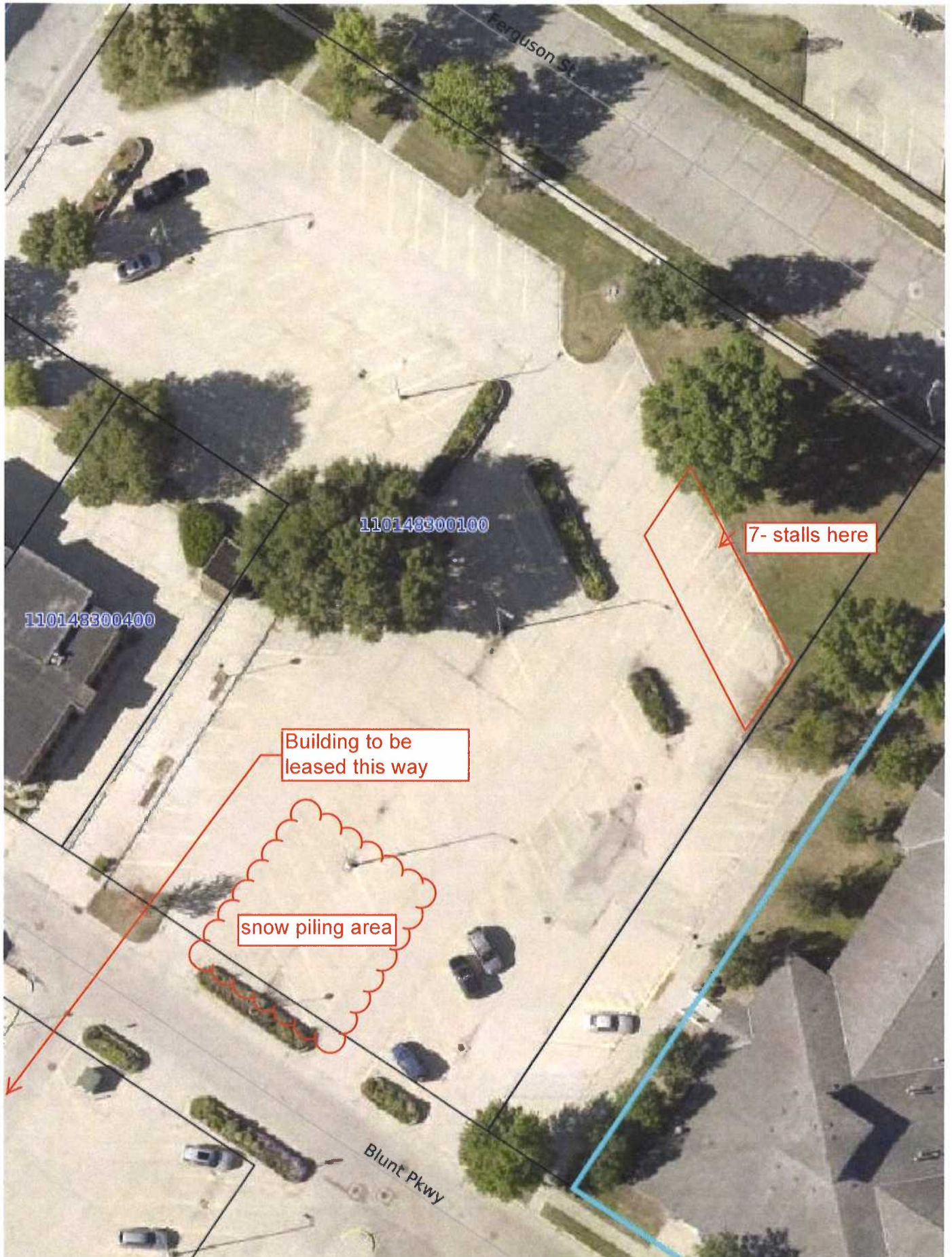
HOOVER PROPERTIES #4, LLC


By Charles Chandler

Title: Managing Member

Attest:

Trudy O'Donnell, City Clerk



RESOLUTION NO. 14-21

RESOLUTION APPROVING LEASE AGREEMENT

WHEREAS, the City of Charles City, Iowa (the City) has engaged in discussions with Charles Chandler of Hoover Properties #4, LLC, regarding the potential lease of parking spaces located in a City-owned parking lot, which parking spaces would be utilized by a federal government agency as a tenant of Hoover Properties #4, LLC; and

WHEREAS, the City and Hoover Properties #4, LLC have tentatively reached an agreement for the lease of specified parking spaces located within a public parking lot, all on the terms and conditions set forth in a written Lease Agreement, which is subject to approval by the City Council.

NOW, THEREFORE, BE IT RESOLVED:

That the Lease Agreement between the City of Charles City and Hoover Properties #4, LLC be and is hereby approved, and the Mayor and the City Clerk are authorized and directed to execute this agreement on behalf of the City.

Council Member _____ moved adoption of the foregoing Resolution; Council Member _____ seconded the motion to adopt. On roll call, the voting was as follows:

Ayes: _____

Nays: _____

Passed and approved this _____ day of _____, 2021

Dean Andrews, Mayor

Attest:

Trudy O'Donnell, City Clerk