

Introduced by _____

First Reading _____

Second Reading _____

Ordinance No. _____

Council Bill No. B 411-07

AN ORDINANCE

authorizing the City Manager to execute a lease agreement with the Carolyn J. Adams Revocable Living Trust for property located at 2311 East Walnut Street; and fixing the time when this ordinance shall become effective.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBIA, MISSOURI, AS FOLLOWS:

SECTION 1. The City Manager is hereby authorized to execute a lease agreement with the Carolyn J. Adams Revocable Living Trust for property located at 2311 East Walnut Street. The form and content of the agreement shall be substantially as set forth in "Attachment A" attached hereto and made a part hereof as fully as if set forth herein verbatim.

SECTION 2. This ordinance shall be in full force and effect from and after its passage.

PASSED this _____ day of _____, 2007.

ATTEST:

City Clerk

Mayor and Presiding Officer

APPROVED AS TO FORM:

City Counselor

LEASE

THIS LEASE, made and entered into this 26th day of November 2007, by and between **Carolyn J. Adams Revocable Living Trust,** hereinafter called "LESSOR," and the **City of Columbia,** hereinafter called "LESSEE:"

WITNESSETH:

In consideration of the respective covenants of the parties and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned do hereby mutually agree as follows:

1. LEASED PROPERTY: That LESSOR, for and in consideration of the rents, covenants and agreements hereinafter set forth and hereby agreed to be paid, kept and performed by LESSEE and subject to the terms and conditions herein contained, do hereby lease to LESSEE, and LESSEE hereby leases from LESSOR, the following described property in the City of Columbia, Boone County, Missouri, to-wit:

Parcel Number 17-118-00-00-013.00
 2311 E WALNUT STREET
 Sct 07 Twp 48 Rge 12 Acreage: 1.65
 S 300' OF W 240' OF E 5 AC, Except the North 115' of the East 70'
 S ½ NE SE

Together with the building thereon and together with the fixtures and appurtenances, upon and subject to the terms and conditions herein set out.

2. TERM: The term of this lease shall be FIVE years commencing on the date that the City of Columbia issues an occupancy permit for the above described leased. Under the terms and conditions hereinafter set forth. This lease can be terminated by either party by giving one hundred and eighty (180) days written notice to the other party. This lease can also be terminated at any time if funding is not approved during the LESSES budget process.

3. RENT: LESSEE shall pay to LESSOR as rent on the leased property during the term of this Lease the following:

a) During the first one (1) year period of this Lease, annual rent in the amount of \$103,860.00 per year and said rent shall be paid in advance in equal monthly installments of \$8,655.00 per month commencing on the commencement date of this Lease and continuing on the same day of each succeeding month thereafter during the initial one (1) year term of this Lease.

b) Rent may be increased by no more than 2% annually. Written notice of an increase must be received sixty (60) days prior to the end of the annual lease period.

4. LATE CHARGES: In the event LESSEE fails to pay any monthly installments of rent within ten (10) days after the due date, LESSEE agrees to pay to LESSOR a late charge in the amount of 5% of the monthly lease amount.

5. POSSESSION: LESSEE shall have the right to possession of the leased property under the terms of this Lease on the commencement date of this Lease, and on paying the rents and performing the covenants herein contained LESSEE may peaceably hold said possession for the term of this Lease.

LESSEE agrees that driveway will be shared with the LESSOR to allow access the Northeast section of the property. LESSOR agrees that the use of driveway will not interfere with the LESSEES use of the property.

6. PURPOSE: LESSEE will use the leased property only for Parks and Recreation Programs and use incidental thereto and for no other purpose without the prior written consent of LESSOR which consent shall not be unreasonably withheld.

7. UTILITIES: LESSEE shall pay when due for all utilities, including water, sewer, gas, electric current, trash pickup and other utilities, furnished to the leased property during the term of this Lease.

LESSEE shall keep the heat in the leased building during freezing weather at a sufficient temperature level to avoid freezing of the waterlines and the utility fixtures on the leased property.

8. PROPERTY TAXES: LESSEE shall pay when due and before the delinquency date all real estate taxes accruing and all special assessments levied on the leased property during the initial term of this Lease and in the event this Lease is extended during the option renewal term of this Lease.

The real estate taxes assessed against the leased property for the first fractional calendar year of the term of this Lease shall be prorated with LESSOR to pay the amount of said real estate taxes accruing from January 1, 2008 until the commencement date of this Lease and with LESSEE to pay the amount of said real estate taxes accruing from the commencement date of this Lease until December 31, 2008. LESSEE shall within twenty (20) days after receiving from LESSOR a copy of the real estate tax bill on the leased property pay to LESSOR the real estate taxes due from LESSEE.

9. CASUALTY INSURANCE: LESSOR will maintain during the term of this Lease maintain in full force and effect fire, windstorm and extended coverage insurance, including vandalism and malicious mischief coverage, on the building and improvements on the leased property.

10. LIABILITY INSURANCE: LESSEE will at its own expense during the term of this Lease maintain in full force and effect liability insurance on the leased property in an amount of at least \$1,000,000.00 per occurrence and \$2,000,000.00 aggregate coverage for personal injury, death and property damage, which policy of insurance shall name both LESSOR and LESSEE as insured. On or before the commencement date of this Lease LESSEE shall furnish to LESSOR a certificate from a reputable insurance company licensed to do business in Missouri showing that said policy is in full force and effect and LESSEE shall maintain said policy in full force and effect during the term of this Lease and at all times during the term of this Lease shall keep

LESSOR furnished with a copy of said policy and a certificate from the insurance company certifying that the same is in full force and effect.

Notwithstanding the fact that LESSEE is required to furnish and maintain liability insurance as provided herein, LESSEE expressly agrees to indemnify and hold LESSOR harmless from any loss or damage, including attorney fees, arising out of or resulting from any claim, demand, action or cause of action brought or instituted against LESSOR on account of or arising out of any act or omission of LESSEE, its agents, servants, employees or invitees in regard to the leased property or the adjacent sidewalk, or arising out of any activities or conditions on the leased property or the adjacent sidewalk, or arising out of any failure of LESSEE to comply with any law, rule or regulation applicable to the leased property or the adjacent sidewalk.

11. MAINTENANCE AND REPAIRS: LESSOR agree at their expense to maintain in good repair and condition during the term of this Lease the roof, foundation and exterior walls of the building on the leased property, excluding windows, glass and exterior doors; provided however, notwithstanding the foregoing LESSEE agrees to repair the damage to any of the foregoing caused by LESSEE or any of LESSEE'S employees, licensees, invitees or other representatives.

LESSEE agrees to maintain in good repair and condition during the term of this Lease the interior of the building on the leased property including windows, glass and doors, including all interior utility lines, all interior lighting and lighting equipment, and all heating, air conditioning, electrical, plumbing and sewer fixtures, equipment and appliances on the leased property and in addition LESSEE shall maintain all of the components of the leased property except those expressly referred to in the preceding paragraph. All repairs exceeding \$200.00 that are not caused by the LESSEE will be the responsibility of the LESSOR.

LESSEE also agrees to keep the gutters, drain spouts and grate covers for the storm water drains clean and free of debris, to have the heating and air conditioning equipment and system inspected in the spring of the year and in the fall of the year, to keep the grass neatly mowed and the yard and landscaped areas neatly trimmed, to keep the snow and ice removed from the parking areas and sidewalks on the leased property and to keep the snow and ice removed from adjacent sidewalks in compliance with City ordinances.

12. LESSOR'S IMPROVEMENTS: LESSOR will at their expense install the improvements on the leased property described on Exhibit "A" attached hereto. LESSOR shall have the aforesaid work substantially completed not later than February 1, 2007. LESSOR shall have said work performed in a good and workmanlike manner and in compliance with the codes and ordinances of the City of Columbia, Missouri.

13. ALTERATIONS: LESSEE will not make any structural alterations, additions or improvements to the leased property without the prior written consent of LESSOR, which consent shall not be unreasonably withheld. All alterations, additions and improvements made to the leased property by LESSEE shall become LESSOR'S property when made, except LESSEE shall have the right to remove its trade fixtures from the leased property prior to the expiration or termination of this Lease and in the event of such removal LESSEE shall thereupon repair in a good and workmanlike manner any damage caused to the leased property caused by said removal

and replace any fixtures removed in connection with the aforesaid alterations, additions and improvements.

Any aforesaid permitted alterations, additions and improvements made by LESSEE shall be performed in a good and workmanlike manner, shall be performed in compliance with all applicable laws, rules and regulations. LESSEE shall promptly pay when due all costs and expenses incurred in making the aforesaid permitted alterations, additions and improvements to the leased property.

14. PROPERTY CARE AND USE: LESSEE agrees to fairly treat, preserve and care for the leased property, to keep the building and improvements on the leased property in good repair as specified herein, to refrain from committing or permitting to be committed waste on the leased property, to not destroy, damage or remove the building or improvements on the leased property without the prior written consent of LESSOR, to keep the leased property free from junk, discarded items, debris and litter, to not use the leased premises or permit the leased premises to be used for any disreputable or ultrahazardous purpose, to use due care and diligence in guarding the leased property from fire, to keep the grass neatly mowed and the shrubs neatly trimmed on the leased property, to keep the snow and ice removed from the parking area on the leased property and to keep the snow and ice removed from the sidewalks on and adjacent to the leased property and to refrain from committing a nuisance on the leased property.

15. ASSIGNMENT AND SUBLETTING: LESSEE will not assign this Lease nor any interest in this Lease nor shall LESSEE sublet the leased property or any part thereof nor shall LESSEE permit any person or entity to come in, with, through or under LESSEE on the leased premises without the prior written consent of LESSOR which consent shall not be unreasonably withheld.

Any permitted transfer, assignment, sublease or license of any part of this leased property by LESSEE shall not relieve LESSEE from its liability to pay rent and to perform all of the covenants, terms and conditions contained in this Lease required to be performed by LESSEE.

16. LAWS AND REGULATIONS: LESSEE agrees that during the term of this Lease LESSEE will comply with all laws, regulations, rules and ordinances of the City of Columbia, County of Boone, State of Missouri and United States of America pertaining to the leased property, and will comply with all rules and regulations of all public boards, commissions, authorities and officers relating to the leased property and the use of the same and will not permit the leased property to be used for any illegal purposes.

17. INSPECTION: LESSEE will permit LESSOR and their representatives to enter the leased property at any reasonably time upon reasonable prior notice from LESSOR and their representatives for the purpose of inspecting, showing for sale or viewing the same for any reasonable purpose and will permit LESSOR or their representatives to enter the leased premises during the last six (6) months of the term of this Lease for the purpose of showing for rent.

18. SIGNS: LESSEE will not install any sign on the leased property which does not comply with the sign ordinances of the City of Columbia, Missouri.

19. MECHANICS' LIENS: LESSEE agrees that LESSEE will pay for all labor and materials furnished to LESSEE in maintaining the buildings and improvements on the leased property and in making any permitted alterations, additions or improvements to the leased property before any mechanics' lien attaches to the property, and LESSEE agrees to indemnify and save LESSORS harmless from any loss or damage, including attorney fees, sustained by reason of any mechanics' liens filed against the leased property to enforce payment of any bills for such labor and materials.

20. ENVIRONMENTAL MATTERS: LESSEE agrees that it will at all times during the term of this Lease conduct its business on the leased property in compliance with all environmental laws, rules and regulations applicable to the leased property including but not limited to said laws, rules and regulations applicable to Hazardous Materials (hereinafter defined) located on the leased property. LESSEE hereby agrees to indemnify and forever hold LESSOR harmless from any loss or damage, including attorney fees, arising out of or resulting from any act or omission of LESSEE on the leased property during the term of this Lease which is in violation of any law, rule or regulation pertaining to Hazardous Materials.

For the purpose of this numbered paragraph, the following terms shall have the meanings set forth below:

a) "Hazardous Materials" shall mean any substance which is or contains (1) any "hazardous substance" as defined in Section 101(14) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601 et seq.) ("CERCLA") or any regulations promulgated under CERCLA, (2) any "hazardous waste" as defined in the Resource Conservation and Recovery Act (42 U.S.C. Section 6901, et seq.) ("RCRA") or regulations promulgated under RCRA, (3) any substance regulated under the Toxic Substances Control Act (15 U.S.C. Section 2601, et seq.), (4) gasoline, diesel fuel or other petroleum hydrocarbons, (5) asbestos and asbestos containing materials, in any form, whether friable or non-friable, (6) polychlorinated biphenyls, (7) radon gas and (8) any additional substances or materials that are classified or considered to be hazardous or toxic under Environmental Requirements (hereinafter defined) or the common law, or any other applicable law, statute, ordinance, rule or regulation. Hazardous Materials shall include, without limitation, any substance, the presence of which on the leased property (A) requires reporting, investigation or remediation under Environmental Requirements; (B) causes or threatens to cause a nuisance on the leased property or adjacent property or poses or threatens to pose a hazard to the health or safety of persons on the leased property or adjacent property; or (C) which, if emanated or migrated from the leased property, could constitute a trespass.

b) "Environmental Requirements" shall mean all laws, statutes, ordinances, rules, regulations, agreements, judgments, orders and decrees now or hereafter enacted, promulgated or amended, of the United States, the states, the counties, the cities or any other political subdivisions in which the leased property is located and any other political subdivision, agency or instrumentality exercising jurisdiction over the owner of the leased property, the leased property or the use of the leased property relating to pollution, the protection from pollution, or regulation of human health, natural resources or the environment, or the emission, discharge, release or threatened release of pollutants,

contaminants, chemicals or industrial, toxic or hazardous substances or waste or Hazardous Materials into the environment, including, without limitation, ambient air, surface water, ground water or land or soil.

21. CONDITION AT END: LESSEE will surrender possession of the leased property at the expiration or termination of this Lease without further notice to quit in as good a condition as received except as otherwise provided herein and except for normal wear.

22. LESSEE'S PROPERTY: LESSOR shall not be responsible or liable at any time for any loss or damage to LESSEE'S equipment, trade fixtures or other personal property on the leased property.

23. DEFAULT: The following events shall be deemed to be events of default by LESSEE under this Lease:

a) Should LESSEE fail to pay any installment of rent referred to in paragraphs 3 above or any late charges referred to in paragraph 5 above and such failure shall continue for a period of ten (10) days after written notice from LESSOR; provided however, in the event two (2) such notices have been given in any calendar year and thereafter during said calendar year LESSEE fails to pay any installment of rent or any late charges due within twenty (20) days after the due date such shall be deemed a default on this Lease without the requirements of any prior written notice being given by LESSOR.

b) Should LESSEE fail to comply with any term, provision or covenant of this Lease, other than the payment of rent or any late charge due, and shall not cure such failure within twenty (20) days after written notice thereof from LESSOR, or if the same cannot be cured within twenty (20) days, shall not have commenced to cure the failure within said twenty (20) days and proceed diligently to cure same.

c) Should LESSEE make a transfer in fraud or creditors, or should LESSEE make an assignment for the benefit of creditors.

d) Should LESSEE file a petition under any section or chapter of the Federal Bankruptcy Act, as amended, or under any similar law or statute of the United States or any state thereof; or should LESSEE be adjudicated a bankrupt or insolvent in proceedings filed against LESSEE thereunder.

e) Should a receiver or trustee be appointed for all or substantially all of the assets of LESSEE.

Upon the occurrence of any such events of default, LESSOR shall have the option to pursue any one or more of the following remedies without any notice or demand:

i) To terminate this Lease and all provisions herein, in which event LESSEE shall immediately surrender the leased property to LESSOR. If LESSEE fails so to do, LESSOR may, without prejudice to any other remedy which they may have for possession or arrearages in rent, enter

upon and take possession of the leased property and expel or remove LESSEE and any other person who may be occupying said leased property or any part thereof. LESSEE agrees to pay to LESSOR on demand the amount of all loss and damage which LESSOR may suffer by reason of such termination, whether through inability to relet the premises on satisfactory terms or otherwise.

- ii) To enter upon and take possession of the leased property and expel or remove LESSEE and any other person who may be occupying said leased property or any part thereof and relet the leased property and receive the rent therefore. LESSEE agrees to pay to LESSOR on demand any deficiency that may arise by reason of such reletting.
- iii) To enter upon the leased property and do whatever LESSEE is obligated to do under the terms of this Lease. LESSEE agrees to reimburse LESSOR on demand for any expenses which LESSOR may incur in thus effecting compliance with LESSEE'S obligations under this Lease.
- iv) To enter upon the leased property and to remove the property and personnel of LESSEE from the leased property and to store the property of LESSEE in a public warehouse or at a place selected by LESSOR at the expense of LESSEE.
- v) To recover all amounts due from LESSEE under the terms of this Lease.

Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, nor shall pursuit of any remedy herein provide constitute a forfeiture or waiver of any rent due to LESSOR hereunder or of any damages occurring to LESSOR by reason of the violation of any of the terms, provisions and covenants herein contained. Failure by LESSOR to enforce one or more of the remedies herein provided upon any event of default shall not be deemed or construed to constitute a waiver of such default, or of any other violation or breach of any of the terms, provisions and covenants contained herein. If LESSOR shall incur any expenses, including court costs, reasonable litigation expenses and reasonable attorney fees, as the result of a default by LESSEE under the terms of this Lease, then LESSOR shall have the right to recover from LESSEE all of said expenses which shall be considered as additional rent hereunder, whether or not such default is subsequently cured.

24. EMINENT DOMAIN: In the event a part of the leased property is taken by eminent domain and the part remaining is still suitable for the use contemplated herein, this Lease as to the part taken shall terminate as of the date title shall be taken by the condemnor and all monies paid or to be paid by the condemnor shall be paid to LESSORS, and LESSEE shall have no right to participate in said condemnation proceedings. In the event said partial taking has any detrimental effect upon LESSEE'S use of the leased property, the rent shall be reduced according to the extent that LESSEE'S use of the leased property has been affected by said condemnation proceedings.

In the event all of the leased property is taken, or so much thereof as to render the leased property unsuitable for the use being made of the leased property at the time of condemnation, this Lease shall terminate as of the date that the condemning authority has the right to possession of the leased property, and the condemnation proceeds shall be paid to LESSOR. The parties acknowledge that the provisions of this paragraph shall not preclude LESSEE from pursuing a separate claim against the condemning authority for any damage sustained by LESSEE as a result of said condemnation proceedings.

25. BUILDING DAMAGE: In the event the building and improvements on the leased property are damaged by fire or other casualty without fault of LESSEE so as to be partially untenable, LESSOR agree to promptly restore said building and improvements to a tenable condition to the extent permitted by the insurance proceeds payable for said damage and any insurance proceeds paid to LESSOR under the loss of rent insurance coverage shall be credited toward the rent due hereunder.

In the event the building and improvements on the leased property are damaged by fire or other casualty without fault of LESSEE to the extent that said buildings and improvements are totally untenable, this Lease shall terminate as of the date of said damage and any prepaid, unaccrued rent shall be refunded to LESSEE.

26. QUIET POSSESSION: LESSOR agrees that so long as LESSEE fully complies with the terms, covenants and conditions herein contained required to be performed by LESSEE, LESSEE may retain possession of the leased property during the term of this Lease.

27. SUBORDINATION: This Lease and all rights of LESSEE hereunder shall be subject and subordinated to the lien of any and all mortgages that may now or hereafter affect the leased property, or any part thereof, and to any and all renewals, modifications, or extensions of any such mortgages. LESSEE shall on demand execute, acknowledge and deliver to LESSOR, without expense to LESSOR, any and all instruments that may be necessary or proper to subordinate this Lease and all rights therein to the lien of any such mortgage or mortgages and each renewal, modification or extension, and if LESSEE shall fail at any time to execute, acknowledge and deliver any such subordination instruments, LESSOR, in addition to any other remedies available in consequence thereof, may execute, acknowledge and deliver the same as LESSEE'S attorney-in-fact and in LESSEE'S name and LESSEE hereby irrevocably makes, constitutes and appoints LESSOR and their successors and assigns, its attorney-in-fact for that purpose. In the event of a foreclosure on any mortgage or Deed of Trust to which this Lease is subject, the mortgage or the purchaser at any such foreclosure sale shall be entitled to substitution as LESSOR of this Lease, and as substitute LESSOR shall be entitled to enforce all terms and conditions hereof.

28. ESTOPPEL CERTIFICATE: LESSEE agrees within ten (10) days after requested by LESSOR to execute such tenant's estoppel certificates as reasonably required by LESSOR or their lender.

29. HOLDING OVER: In the event LESSEE fails to surrender possession of the leased property to LESSOR upon the expiration or termination of this Lease, LESSEE shall be deemed a holdover tenant and may be evicted from the leased property as a holdover tenant and in addition LESSEE shall be required to pay to LESSOR rent on the leased property during said holdover

period in an amount equal to twice the amount of the monthly rent due under the terms of this Lease immediately prior to the expiration or termination of this Lease.

30. NOTICES: All notices or permitted herein shall be in writing, sent to the party to whom addressed at the following address(es) and shall be deemed delivered to, and received by the other party when (i) actually received, if hand delivered, (ii) on the next business day when given by Federal Express or other twenty-four (24) hour delivery service, package prepaid, or (iii) three (3) business days after being deposited in the United States Mail by certified mail, return receipt requested, postage prepaid, the address(es) being as follows:

To LESSOR: Carolyn J. Adams Revocable Living Trust
6691 S. Hill Creek Road
Columbia, MO 65203

To LESSEE: Ctiy of Columbia
Purchasing Agent
PO BOX 6015
800 Cherry Street
Columbia, MO 65202

or at such other address or addresses as may be specified in writing to the other party.

31. RENT PAYMENTS: All rent payments due hereunder shall be made to LESSOR at the address of LESSOR specified in the preceding paragraph or at such other address or addresses as may be specified in writing by LESSOR to LESSEE.

32. LEASE YEAR: The term "lease year" as used herein shall be deemed to mean the one (1) year period commencing on the commencement date of the term of this Lease and extending for a period of one (1) year thereafter and each succeeding one (1) year period thereafter during the term of this Lease.

33. LEGAL STATUS OF LESSEE (CORPORATION, LLC OR OTHER LEGAL ENTITY): City Municipality

34. TIME: Time is of the essence of all of the provisions of this Lease.

35. WAIVER: No waiver of any forfeiture by acceptance of rent or otherwise shall waive any subsequent cause of forfeiture or breach of any condition of this Lease.

36. JURISDICTION AND VENUE: The jurisdiction and venue of any litigation under the terms of this Lease shall be in the Circuit Court of Boone County, Missouri.

37. CHOICE OF LAW: This Lease shall be construed under the laws of the State of Missouri.

38. SUCCESSORS AND ASSIGNS: This Lease shall be binding upon the parties hereto, and their successors and assigns, subject however, to the restrictions herein contained against assignment or subletting by LESSEE.

IN WITNESS WHEREOF, the parties have hereunto executed this Lease the day and year first above written.

LESSOR: CAROLYN J. ADAMS REVOCABLE LIVING TRUST

BY _____
CAROLYN J. ADAMS

ATTEST:

Name: _____

Title: _____

LESSEE:
CITY OF COLUMBIA, MISSOURI

WILLIAM WATKINS, City Manager

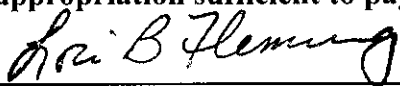
ATTEST:

Sheela Amin, City Clerk

APPROVED AS TO FORM:

Fred Boeckmann, CITY Counselor

I hereby certify that the above expenditure is within the purpose of the appropriation to which it is charged, Account No. 552-5570-602-45-91, and that there is an unencumbered balance to the credit of such appropriation sufficient to pay therefor.



Lori B. Fleming, Director of Finance
OW 11/27/07

Source:

Mike Hood



TO: City Council

FROM: City Manager and Staff

DATE: November 29, 2007

RE: Adams Lease Agreement – Parks & Recreation Program Space

EXECUTIVE SUMMARY:

Fiscal Impact

YES

NO

Other Info.

The Columbia Parks & Recreation Department has for several years operated a major section of the Recreation Services Division from the Parkade Center. This includes recreation programming for the 50+ (seniors), OAK Tours, Life Enrichment programs for all ages, Special Events and pre-school programs. Over the past few years, it has been staff's opinion that the facility at Parkade Center was not meeting the needs of the Department or the program participants. Staff also anticipated the lease amount at Parkade Center would go up when the lease expired based upon other renter's experience. The Parks & Recreation Department, through the Finance Department's Purchasing Division, sought proposals for a new space. In addition, the Department budgeted adequate funds in the FY 08 Recreation Services budget to accommodate a potential new lease. After reviewing the proposals, the City decided to work with Randy Adams and the facility on 2311 E. Walnut. The space appears to best meet the needs of the Department. The proposed ordinance would authorize the City Manager to enter into a lease agreement with Carolyn J. Adams Revocable Living Trust for the purposes of renting the space.

DISCUSSION:

In anticipation of the expiration of the current lease, the Parks and Recreation Department has been attempting to identify alternate locations for the recreation programs currently offered at the Parkade Center. In March 2007, Request for Proposals were sent out through the City's Purchasing Division. These RFP's addressed the areas of need for the Department such as accessibility, parking, location, etc. Based upon an evaluation of the RFP's, it was decided to pursue a lease for the former Adams Construction administrative offices, subject to the availability of funds and having the facility be remodeled to meet the City's needs. The facility is located at 2311 E. Walnut and is directly across the street from the Riechmann Pavilion in Stephens Lake Park. The facility is a total of 9,800 square feet and the rent is \$8,655 per month (\$103,860 per year). This is a one year lease with an option to renew for four additional years. The annual cost, including utilities, is estimated to be \$12.00 per square foot. This amount is similar to what might have been experienced at Parkade after the existing lease expired. It is also in keeping with rates experienced by other rented City operations (Water & Light Engineer Space, CARE Office and the CARE Gallery). As part of the FY 08 budget preparations, the funds for renting this facility were set aside in the Recreation Services Fund through some general operating monies but also through a Supplemental Request for the additional funds. After the start of the new fiscal year in October 2007, the City's Purchasing

Division indicated to Mr. Adams the City's intent to move forward with the project and initiated a Lease Agreement. This Agreement is in front of the City Council for their approval at this time.

SUGGESTED COUNCIL ACTION:

Should the City Council agree with this recommendation, approve the ordinance authorizing the City Manager to enter into an agreement with Carolyn J. Adams Revocable Living Trust for the purposes of renting the facility at 2311 E. Walnut Street for use by the Parks and Recreation Department.