

Montgomery City Council  
**AGENDA REPORT**

<b>Meeting Date: April 13, 2021</b>	<b>Budgeted Amount: N/A</b>
<b>Prepared By: Dave McCorquodale</b>	<b>Exhibits: Lease Agreement, Infomap, Cost Summary</b>

**Subject**

Consideration and possible action regarding renewal of the lease agreement with Virginia Adams for the property located at the northeast corner of SH105 and FM149.

**Description**

The City has leased this property since 2013 and uses it for two purposes:

- City LED sign location
- Overflow event/vendor space during festivals

The proposed lease terms are the same as the current lease:

**Rent:** comprised of two parts: Payment of annual ad valorem taxes and an “Additional Annual Rent Fee.” The Additional Annual Rent Fee was \$1,000 during the first lease and increased to \$2,500 during the second/current lease. The proposed lease leaves the \$2,500 Additional Annual Rent Fee unchanged.

**Term:** the initial lease was for a 5-year term, the second/current lease has a 3-year term. The proposed lease also has a 3-year term.

It is important to note that in order to leave the City’s LED sign in its current location, the lease must be renewed.

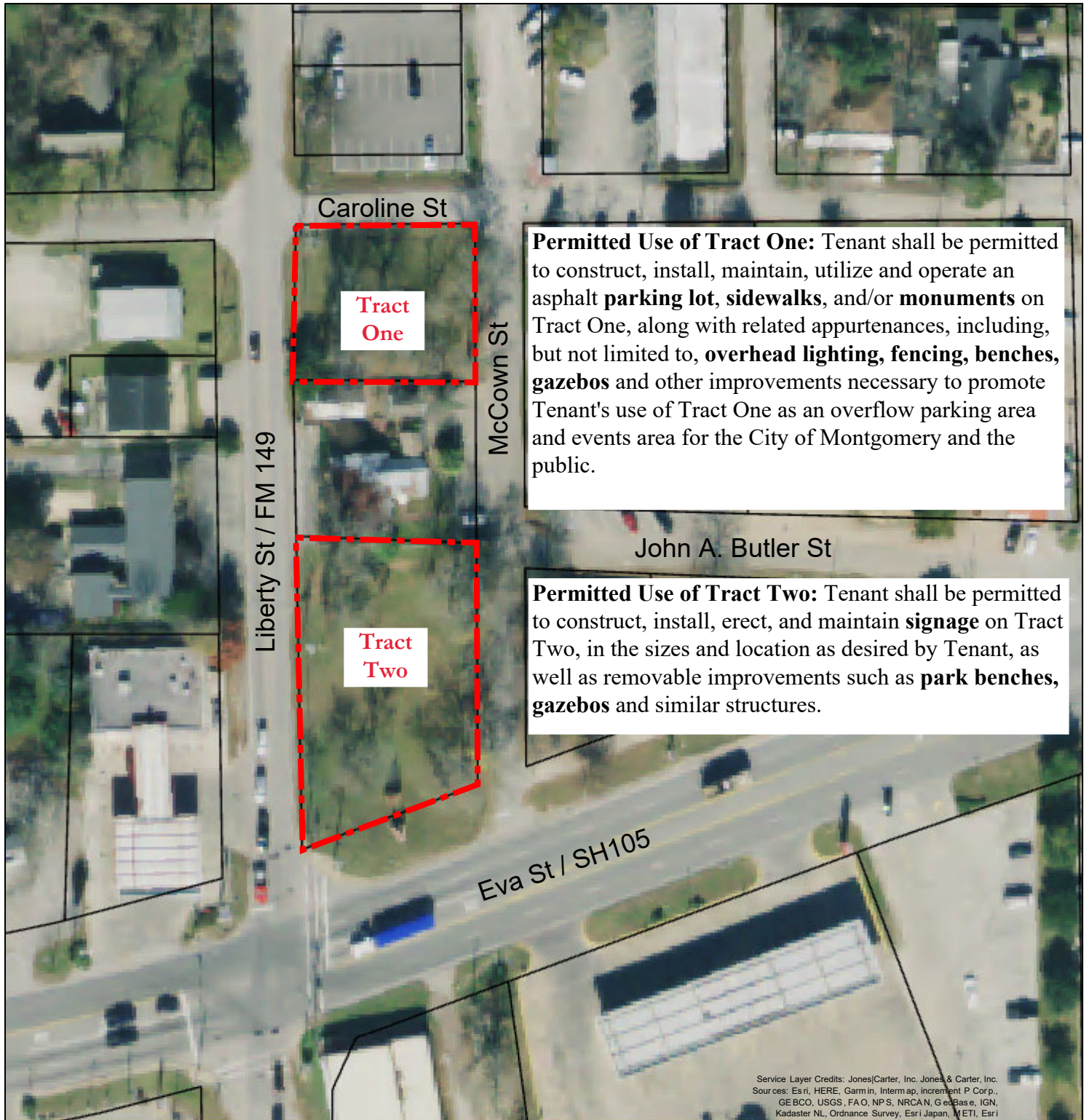
**Recommendation**

Discuss the lease renewal and act as you see fit.

**Approved By**

Asst. City Administrator	Dave McCorquodale <i>DM</i>	Date: 04/8/2021
City Administrator	Richard Tramm <i>RT</i>	Date: 04/8/2021

# Adams Lease Agreement Infomap



## Lease Overview:

3-year lease (2021-2024)

Leased since 2013

5-yr initial lease; 3-yr renewal in 2018

Rent = \$2,500/yr + property taxes (\$2,777 in 2020)



1 inch = 100 feet

Date: 3/24/2021

## Adams Property Lease Cost Summary

	<b>Property tax*</b>	<b>Date paid</b>	<b>Rent</b>	<b>Date Paid</b>
<b>2013</b>	\$1,475.42	12/31/2013	\$1,000.00	5/20/2013
<b>2014</b>	\$1,662.69	5/22/2015	\$1,000.00	7/28/2014
<b>2015</b>	\$1,641.01	5/17/2016	\$1,000.00	5/22/2015
<b>2016</b>	\$3,364.70	1/31/2017	\$1,000.00	5/14/2016
<b>2017</b>	\$2,958.91	12/31/2017	\$1,000.00	8/11/2017
<b>2018</b>	\$3,195.89	3/22/2019	\$2,500.00	5/1/2018
<b>2019</b>	\$2,830.83	12/31/2019	\$2,500.00	4/4/2019
<b>2020</b>	\$2,776.88	1/29/2021	\$2,500.00	5/14/2020
<b>2021</b>				
<b>2022</b>				
<b>2023</b>				

**Total**                      \$19,906.33    \$12,500.00

<b>Grand Total</b>	<b>\$32,406.33</b>
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Lease Date = May 1st - April 30th  
 Rent = Annual ad valorem taxes for property  
 Additional Rent = \$2,500 / year payment

Approximately 20% of ad valorem taxes paid are returned to City.



## LEASE AGREEMENT

BY AND BETWEEN THE CITY OF MONTGOMERY, TEXAS  
AND VIRGINIA LEE ADAMS

**LANDLORD:** VIRGINIA LEE ADAMS  
1309 BROADWAY STREET  
GALVESTON, TEXAS 77550

**TENANT:** CITY OF MONTGOMERY, TEXAS  
101 OLD PLANTERSVILLE ROAD  
MONTGOMERY, TEXAS 77316

**LEASED PREMISES:**

Tract One: shall be that portion of the Premises lying north of the 0.25-acre tract conveyed to the Montgomery Historical Society by instrument filed under Clerk's File No. 8411306.

Tract Two: shall be that portion of the Premises lying south of the 0.25-acre tract conveyed to the Montgomery Historical Society by instrument filed under Clerk's File No. 8411306.

See Exhibit "A" attached hereto depicting Tract One and Tract Two, commonly known as 21050 Eva Street, Montgomery, Texas 77356.

**TERM:** Thirty-six (36) months

**COMMENCEMENT DATE:** May 1, 2021

**TERMINATION DATE:** April 30, 2024.

Landlord shall have the right to terminate this Lease by providing Tenant thirty (30) days written notice. In the event Landlord terminates this Lease prior to the Termination Date, Landlord shall reimburse Tenant the value of all improvements, modifications, additions and alterations to the Lease Premises. In the event Landlord terminates this Lease prior to Termination Date, Landlord shall reimburse Tenant an amount equal to \$208.33 multiplied by the number of months remaining in the current lease year.

**RENT FEE:**

- (1) Tenant shall pay to Landlord all ad valorem taxes assessed against the Leased Premises each year. Tenant shall remit payment to Landlord within thirty (30) days of presentment of said tax bill; and
- (2) Tenant shall pay to Landlord a fee in the amount of Two Thousand Five Hundred and No/100 Dollars (\$2,500.00) upon the execution of this Lease and each year on the anniversary date of the Lease.

**PERMITTED USE OF TRACT ONE:** Tenant shall be permitted to construct, install, maintain, utilize and operate an asphalt parking lot, sidewalks, and/or monuments on Tract One, along with related appurtenances, including, but not limited to, overhead lighting, fencing, benches, gazebos and other improvements necessary to promote Tenant's use of Tract One as an overflow parking area and events area for the City of Montgomery and the public.

**PERMITTED USE OF TRACT TWO:** Tenant shall be permitted to construct, post, install, erect, and maintain signage on Tract Two, in the sizes and location as desired by Tenant, as well as chattels such as park benches, gazebos and similar structures.

**TENANT AGREES TO THE FOLLOWING:**

1. Occupy the Leased Premises for the entire Term beginning on the Commencement Date and ending on the Termination Date.
2. Accept the condition of the Lease Premises "AS IS".
3. Obey all provisions relating to Tenant's use and occupancy of the Lease Premises and Tenant's use of any common areas and (b) any requirements imposed by utility companies serving or insurance companies covering the Lease Premises.
4. Pay all real property ad valorem taxes assessed against the Leased Premises.
5. Pay for all utility charges to the Leased Premises and any connection charges for the utilities. Tenant will pay the charges directly to the utility service provider used by Tenant and not provided by Landlord.
6. Allow Landlord to enter the Leased Premises for any reasonable purpose, including but not limited to purposes for repairs, maintenance, alterations, and showing the Leased Premises to prospective tenants and purchasers. Landlord may access the Leased Premises after Tenant's normal business hours if: (1) entry is made with Tenant's permission; or (2) entry is necessary to complete emergency repairs. Landlord will not unreasonably interfere with Tenant's business operations when accessing the Leased Premises.
7. At the time the Lease ends, Tenant will leave the Leased Premises in a clean condition free of all trash, debris, personal property, hazardous materials, and environmental contaminants.
8. Tenant may not do anything that will cause the title of the Leased Premises to be encumbered in any way.
9. Maintain in full force and effect from an insurer authorized to operate in Texas public liability insurance covering the Leased Premises in an amount that Landlord determines reasonable and appropriate. Before the Commencement Date, Tenant must provide Landlord with a copy of insurance certificates evidencing the required coverage.
10. Maintain the Leased Premises in a clean and sanitary condition including provide grounds maintenance.
11. Tenant may not use or permit any part of the Leased Premises to be used for:
  - i. any activity which is a nuisance or offensive, noisy, or dangerous;
  - ii. any activity that violates any applicable law, regulation, zoning ordinance, restrictive covenant, governmental order, owners' association rules, Landlord's rules or regulations, of this Lease;

- iii. assign this Lease or sublease any portion of the Leased Premises without Landlord's written consent;
- iv. any hazardous activity that would require any insurance premium on the Leased Premises to increase or that would void such insurance; or
- v. any activity that violates any applicable federal, state, or local law, including but not limited to those laws related to air quality, water quality, hazardous materials, wastewater, waste disposal, air emissions, or other environmental matters.

**DEFAULT:**

If Landlord fails to comply with this Lease within thirty (30) days after Tenant notified Landlord of Landlord's failure to comply, Landlord will be in default and Tenant may seek any remedy provided by law. If however Landlord's non-compliance, reasonably requires more than thirty (30) days to cure, Landlord will not be in default if the cure is commenced within the 30-day period and is diligently pursued.

If Tenant is in default, Landlord may: terminate Tenant's right to occupy the Leased Premises by providing Tenant with at least ten (10) days written notice.

**LANDLORD AND TENANT AGREE TO THE FOLLOWING:**

1. Default/Waiver/Mitigation. It is not a waiver of default if the non-defaulting party fails to declare immediately a default or delays in taking any action. Pursuit of any remedies set forth in this Lease does not preclude pursuit of other remedies in this Lease or provided by applicable law. Landlord and Tenant have a duty to mitigate damages.
2. Indemnity: Each party will indemnify and hold the other party harmless from any property damage, personal injury, suits, actions, liabilities, damages, cost of repairs or service to the Leased Premises, or any other loss caused, negligently or otherwise, by that party or that party's employees, patrons, guests, or invitees.
3. Alternative Dispute Resolution. Landlord and Tenant agree to mediate in good faith before filing a suit for damages.
4. Attorney's Fees. If either party retains an attorney to enforce this Lease, the party prevailing in litigation is entitled to recover reasonable attorney's fees and other fees and court and other costs.
5. Venue. Exclusive venue is in the county in which the Leased Premises are located.
6. Entire Agreement. This Lease constitutes the entire agreement of the parties concerning the Leased Premises by Landlord to Tenant. There are no representations, warranties, agreements, or promises pertaining to the lease of the Premises by Landlord to Tenant that are not in this Lease.

7. Amendment of Lease. This Lease may be amended only by an instrument in writing signed by Landlord and Tenant.
8. Limitation of Warranties. THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY, OF FITNESS FOR A PARTICULAR PURPOSE, OR OF ANY OTHER KIND ARISING OUT OF THIS LEASE, AND THERE ARE NO WARRANTIES THAT EXTEND BEYOND THOSE EXPRESSLY STATED IN THIS LEASE.
9. Notices. Any notice required or permitted under this Lease must be in writing. Any notice required by this Lease will be deemed to be delivered (whether actually received or not) when deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the address shown in this lease. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile transmission, or other commercially reasonable means and will be effective when actually received. Any address for notice may be changed by written notice delivered as provided herein.

**TO LANDLORD:**

Virginia Lee Adams  
1309 BROADWAY STREET  
GALVESTON, TEXAS 77550

**TO TENANT:**

City of Montgomery, Texas  
Attn: City Administrator  
101 Old Plantersville Rd  
Montgomery, Texas 77316

10. Abandoned Property. Landlord may retain, destroy, or dispose of any property left on the Leased Premises at the end of the Lease.



**LANDLORD:**

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VIRGINIA LEE ADAMS

**TENANT:**

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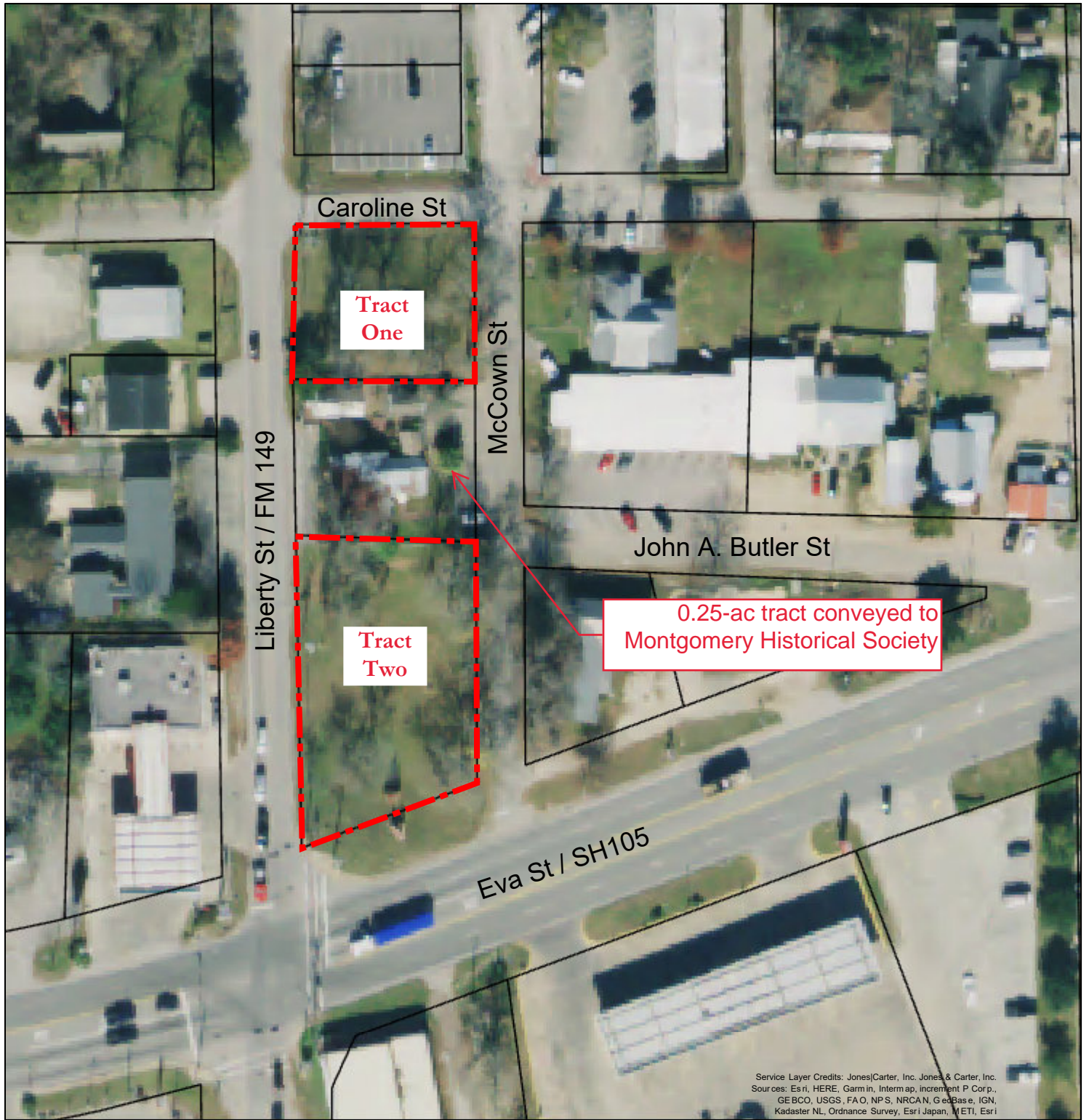
SARA COUNTRYMAN, Mayor

**ATTEST:**

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SUSAN HENSLEY, City Secretary

DRAFT



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Sources: Esri, HERE, Garmin, Intermap, increment P Corp.,  
GEBCO, USGS, FAO, NPS, NRCAN, GeBCo, IGN,  
Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri

1 inch equals 100 feet

LEGEND



Date: 3/24/2021

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

## SPECIAL WARRANTY DEED

**Date:** November 28, 2006

**Grantor:** Mary French Barrett and Kerwin B. Stone, Independent Co-Executors of the Estate of Margaret Davis Cameron, Deceased

**Grantor's Mailing Address (including county):**

c/o Kerwin B. Stone  
390 Park Street, Suite 500  
Beaumont, Jefferson County, Texas 77701

**Grantee:** Virginia Lee Adams, as her sole and separate property

**Grantee's Mailing Address (including county):**

1309 Broadway  
Galveston, Galveston County, Texas 77550

**Consideration:** In accordance with the Last Will and Testament of Margaret Davis Cameron, admitted to probate in Cause No. 93274, in the Probate Court of Jefferson County, Texas

**Property (including any improvements):**

Being .9628 acre of land in the John Corner Survey, A-8, Montgomery County, Texas, and being a part of certain tracts conveyed Nat H. Davis recorded in Volume L, Page 151, and Volume M, Page 202, Deed Records: more fully described in one tract as follows:

Beginning at a ½" bolt at the intersection of the South line of Caroline Street with the East line of Liberty Street;

THENCE: N 89°49' E, 110.0 ft. to an iron rod in the West line of McCown Street and South line of Caroline Street;

THENCE: South, 361.7 ft. to an iron rod in the North line of State Highway 105;

THENCE: S 70°06' W, 116.9 ft. to an iron rod in the East line of F. M. 149 (Liberty Street);

THENCE: North, 401.1 ft. to the place of beginning and containing .9628 acre of land;

### SAVE AND EXCEPT

A .25 acre of land out of said .9628 tract, which .25 acre portion was heretofore conveyed by me to said Montgomery Historical Society Charter Number 407581 by Gift Deed dated March 8, 1984.

**Reservations from and Exceptions to Conveyance and Warranty:**

This conveyance is made subject to the following matters, to the extent same are in effect at this time: Any and all restrictions, rights of way, liens, mortgages, reservations of oil or gas or other minerals, covenants, conditions, easements and reservations, if any, relating to the hereinabove described property, but only to the extent they are still in effect, shown of record in hereinabove mentioned County and State, and to all zoning laws, regulations and ordinances of municipal and/or

other governmental authorities, if any, but only to the extent that they are still in effect, relating to the hereinabove described property.

Grantor, for the consideration and subject to the reservations from and exceptions to conveyance and warranty, grants, sells, and conveys to Grantee the property, together with all and singular the rights and appurtenances thereto in any wise belonging, to have and hold it to Grantee, Grantee's heirs, executors, administrators, successors, or assigns forever. Grantor binds Grantor and Grantor's heirs, executors, administrators, and successors to warrant and forever defend all and singular the property to Grantee and Grantee's heirs, executors, administrators, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the reservations from and exceptions to conveyance and warranty, when the claims are by, through, or under the undersigned but not otherwise.

When the context requires, singular nouns and pronouns include the plural.

STATE OF TEXAS  
COUNTY OF MONTGOMERY

I hereby certify this instrument was filed in File Number Sequence on the date and at the time stamped herein by me and was duly RECORDED in the Official Public Records of Real Property at Montgomery County, Texas.

NOV 30 2006



*Mark Turnbull*  
County Clerk  
Montgomery County, Texas

*Mary French Barrett*  
Mary French Barrett, Independent Co-Executor  
of the Estate of Margaret Davis Cameron, Deceased

*Kerwin B. Stone*  
Kerwin B. Stone, Independent Co-Executor  
of the Estate of Margaret Davis Cameron, Deceased

THE STATE OF TEXAS  
COUNTY OF JEFFERSON

§  
§  
§

This instrument was acknowledged before me on the 14<sup>th</sup> day of November, 2006 by Mary French Barrett, Independent Co-Executor of the Estate of Margaret Davis Cameron, Deceased, on behalf of such Estate, to certify which witness my hand and seal of office.



*Sue McCown*  
NOTARY PUBLIC, STATE OF TEXAS

THE STATE OF TEXAS  
COUNTY OF JEFFERSON

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This instrument was acknowledged before me on the 28 day of November, 2006 by Kerwin B. Stone, Independent Co-Executor of the Estate of Margaret Davis Cameron, Deceased, on behalf of such Estate, to certify which witness my hand and seal of office.

REGORDER'S MEMORANDUM:

At the time of recordation, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc. All blackouts, additions and changes were present at the time the instrument was filed and recorded.

*Sue McCown*  
NOTARY PUBLIC, STATE OF TEXAS

FILED FOR RECORD  
06 NOV 30 PM 1:49

AFTER RECORDING RETURN TO:

Virginia Lee Adams  
1309 Broadway  
Galveston, Texas 77550



*Mark Turnbull*  
COUNTY CLERK  
MONTGOMERY COUNTY, TEXAS