



CITY COUNCIL ACTION FORM

Department Administration	Presented by Drew Nelson - City Administrator	Date June 1, 2021
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ITEM

Resolution 2021-17 – A Resolution Approving a Lease with Chaffee County for Office Space Located at 448 E. 1st Street, Suite 209 for the Chaffee Housing Authority

BACKGROUND

Following the formation of the Chaffee Housing Authority (“CHA”) in late 2020, the CHA has begun to take on additional workload which in turn has required staffing additions. Previously, as the Chaffee Housing Office, office space was only needed for one employee; however, now the office space need includes up to three employees.

The City of Salida owns half of the Touber Building in conjunction with Chaffee County, including space on the second floor previously occupied by Western State College as a small business incubator site. These offices occupied by small businesses were vacated during the Covid-19 pandemic, and they have remained unfilled for the past 9 months. The County placed its Housing Office in an office space in the Touber Building, but that space cannot accommodate three employees. With the City’s empty space, the CHA can move out of its existing space and utilize Suite 209 for its ongoing operations.

The City and CHA have reviewed the attached lease in conjunction with attorneys from both the City and County approving the language.

FISCAL NOTE

There is no cost or revenue associated with the lease. The City will utilize this lease as in-kind contribution to the CHA as part of our ongoing support and partnership for the fledgling institution.



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STAFF RECOMMENDATION

Staff recommends approval of Resolution 2021-17 to establish a lease for office space for the Chaffee Housing Authority in the Touber Building.

SUGGESTED MOTION

A City Councilmember should state, "I move to approve Resolution 2021-17", followed by a second and a roll call vote.

**CITY OF SALIDA, COLORADO
RESOLUTION 2021-17
(Series of 2021)**

**A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF SALIDA, COLORADO,
APPROVING A LEASE WITH CHAFFEE COUNTY FOR OFFICE SPACE LOCATED AT 448
E. 1ST STREET, SUITE 209 FOR THE CHAFFEE HOUSING AUTHORITY**

WHEREAS, the City of Salida is half owner of an office facility located at 448 E. 1st Street, known as the Touber Building; and

WHEREAS, the newly formed Chaffee Housing Authority is in need of new office space; and

WHEREAS, Suite 209 of the Touber Building is currently unoccupied; and

WHEREAS, the Salida City Council desires to support the Chaffee Housing Authority in its mission to provide affordable, workforce, and attainable housing; and

WHEREAS, the Salida City Council desires to enter into a lease with Chaffee County to allow the Chaffee Housing Authority to occupy Suite 209 of the Touber Building.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SALIDA COLORADO, THAT:

1. The Salida City Council incorporates the foregoing recitals as its conclusions, facts, determinations, and findings.
2. The Salida City Council hereby approves a Lease Agreement, attached hereto as Exhibit A, and instructs the Mayor or City Administrator to execute the document.

RESOLVED, APPROVED, AND ADOPTED this 1st day June, 2021.

CITY OF SALIDA, COLORADO

By _____

P.T. Wood, Mayor

[SEAL]

ATTEST:

City Clerk/Deputy City Clerk

LEASE AGREEMENT

THIS LEASE AGREEMENT, effective as of May 1, , 2021, is made by and between the City of Salida, a Colorado statutory municipality (the "City"), located at 448 E 1st Street, Salida, CO 81201 and Chaffee County ("Tenant"), with a legal business address of P.O. Box 699, Salida, Colorado 81201 .

1. Definitions. In this Lease, the words and phrases defined below shall have the meanings indicated:

1.1. "Leased Premises" shall mean an office(s) within the Toubert Building located at 448 E 1st Street, Suite 209, Salida, Colorado, which consists as of the date of this Lease of approximately 368 square feet, as shown in Exhibit A and included herein by this reference.

1.2. "Building" shall mean the building existing on the Leases Premises as of the date of this Lease.

2. Lease, Term and Termination.

2.1. The City hereby leases the Leased Premises to Tenant on the terms and conditions in this Lease.

2.2. Tenant acknowledges having had the opportunity to inspect the Leased Premises, having accepted the Leased Premises "as is," and that the City makes no representations or warranties of any kind with regard to the condition of the Leased Premises, the Building or the Common Areas.

2.3. The term of this Lease shall be for a period of one (1) year commencing at 12:01 a.m. May 1, 2021 (the "Effective Date") and ending at 11:59 p.m. on April 30, 2022 (the "Term"), subject to the "Options" below.

2.4. This Lease shall be terminated by either party at any time, upon thirty (30) days written notice.

3. Utilities.

3.1. Charges. City shall pay for all utility charges including gas, electricity, water, telephone, data, and any other utility services used by Tenant. City shall pay all such charges directly to the provider of the services.

3.2. Interruption. In no event shall the City be liable for any interruption or failure to the supply of any utility to the Leased Premises.

4. Rent.

4.1. Base Rent.

a. Tenant shall pay Rent to the City in the amount of \$00.00 per month on or before the 1st day of each calendar month.

5. Use of Leased Premises.

5.1. Permissible Uses. Tenant may use the Leased Premises only for typical office and/or business purposes, and for no other purpose whatsoever, except with the City's prior written consent.

5.2. Compliance. Tenant shall, at its sole cost and expense, comply with all laws and regulations of any governmental entity, non-profit, board, commission or agency having jurisdiction over the Leased Premises. Tenant agrees not to install anything that overloads any electrical paneling, circuitry or wiring or structural element of the Building and further agrees to comply with the requirements of the insurance underwriter or any governmental authorities having jurisdiction.

5.3. Limitations. Tenant may not make any use of the Leased Premises that would be prohibited by law or the terms of the Lease.

6. Taxes. Tenant shall be responsible for, and shall pay promptly when due, if applicable, any and all taxes and assessments levied or assessed against any business purpose or function, furniture, fixtures, equipment and items of a similar nature, for which Tenant may be responsible.

7. Maintenance. Tenant shall be responsible for maintenance and repair of the interior portions of Leased Premises, and Tenant shall maintain the Leased Premises in substantially the same condition as at the commencement of this Lease, reasonable wear and tear excepted. Tenant shall be responsible for all repairs to the Leased Premises or Property that become necessary due to the intentional or negligent action or inaction of Tenant, Tenant's employees, or Tenant's clients, guests or invitees.

8. Insurance. Tenant shall be solely responsible for insuring the Leased Premises, including equipment, furnishings, fixtures, leasehold improvements and contents, against loss resulting from fire, blood or other casualty. In addition, Tenant shall procure, pay for and maintain comprehensive public liability insurance providing coverage from and against any loss or damage occasioned by an accident or casualty on, about or adjacent to the Leased Premises with limits of not less than \$1,000,000.00 for injury coverage and \$500,000.00 property damage coverage. Certificates for such insurance shall be delivered to the City and shall provide that said insurance shall not be changed, modified, reduced or cancelled without thirty (30) days prior written notice to the City. The City shall be named as additional insured on all of Tenant's insurance policies.

9. Alterations. Tenant shall not make any alterations to the Leased Premises that affect any structural element or portion of the Building or the Property, without the prior written consent of the City, which may be withheld in its sole discretion.

10. Signs. All signs must meet applicable code regulations and be properly permitted.

11. Damage, Destruction, Condemnation.

11.1. Damage or Destruction. If the Leased Premises or the Building are totally destroyed by fire or other casualty or so badly damaged that, in the opinion of the City, it is not feasible to repair or rebuild, the City may, in its sole discretion, terminate this Lease. If the Leased Premises are partially damaged by fire or other casualty, not caused by Tenant's negligence, and are not rendered unleaseable, as determined by the City, the City will allow an equitable reduction in the rent until repair shall be substantially completed.

11.2. Condemnation. If any more than twenty-five percent (25%) of the Building in which the Leased Premises is located is taken for public purposes by any governmental or other entity having the power of condemnation, this Lease shall terminate as of the date legal title vests in the condemning authority or the date such authority takes possession of the Leased Premises, whichever is earlier. The City shall have the exclusive right to any award made by the condemning authority. Tenant waives and relinquishes any and all claims Tenant may have against such award and all other claims for compensation or damages against the City arising from condemnation.

12. Assignment or Subletting. Tenant may not assign this Lease nor sublet the Leased Premises or any part thereof, without the written consent of the City.

13. Subordination. Tenant acknowledges that this Lease is subordinate to any mortgage, trust deed, or ground lease which may now or later affect the Leased Premises and to any advances made, interest, and all renewals, replacements, and extensions. In the event of the sale or assignment of the City's interest in the Building or in the event of any foreclosure proceedings or the exercise of a power of sale under any mortgage made by the City covering the Leased Premises, Tenant shall attorn to the purchaser and recognize such purchaser as the Lessor and/or Landlord under this Lease.

14. Acts or Omission of Others. The City and its employees and agents, shall not be responsible or liable to Tenant or to Tenant's guests, invitees, employees, agents or any other person or entity, for any loss or damage that may be caused by the acts or omissions of Tenant, its guests or invitees, nor caused by persons who are trespassers on or in the Building, nor for any loss or damage caused.

15. Interest. Any amount due to the City that is not paid when due shall bear interest at six percent (6%) per annum from the due date until paid in full. Payment of such interest shall not excuse or cure any default by Tenant under this Lease.

16. Notice. All notices, demands and requests that may be or are required to be given by either party to the other shall be in writing. Any notice given by mail shall be effective as of the date of mailing.

16.1. Notice to Tenant. Notices shall be properly given if served personally on Tenant or an employee of Tenant, posted on the Leased Premises or sent by United States mail, to the following address:

Becky Gray, Director of Housing
Chaffee County
P.O. Box 699
Salida, Colorado 81201]

16.2. Notice to the City. Notices shall be properly given if hand delivered to the City Clerk's office or sent by United States mail to the following address:

Erin Kelley, City Clerk
City of Salida
448 E 1st Street
Salida, CO 81201

17. Controlling Law and Venue. This Lease shall be construed consistently with the laws of the State of Colorado, and venue for any legal dispute arising out of this Lease shall be in Chaffee County, Colorado.

18. Partial Invalidity. If any term, covenant or condition of this Lease shall be ruled invalid or unenforceable to any extent, the remainder of this Lease shall not be affected. Each term, covenant, and condition of this Lease shall be valid and shall be enforced to the fullest extent permitted by law.

19. Default – Remedies.

19.1. Monetary Default. Upon Tenant's failure to pay Rent or any other monetary item in full on the due date or by expiration of any grace period provided in this Lease, the City shall give Tenant written notice specifying such breach and allowing fifteen (15) calendar days for cure. If Tenant fails to cure the breach within the notice period, by paying in full all amounts required to cure such breach (including, but not limited to, any interest or late charge which may accrue during the notice period), Tenant shall be in default under this Lease.

19.2. Non-Monetary Default. If Tenant fails to timely perform any non-monetary obligation of this Lease, the City shall give written notice to Tenant specifying such breach and allowing sixty (60) calendar days for cure. Tenant may cure such breach by tendering performance in full as required during such notice period or, if the breach is of a nature that it cannot be cured by diligent effort during the notice period, Tenant may cure by undertaking a course of performance within the notice period and diligently pursuing it. If Tenant fails to cure its breach or to undertake such course of performance within the notice period, Tenant shall be in default under this Lease.

19.3. Remedies. If Tenant shall be in default, the City shall have all remedies as may be available to landlords under applicable law, and may immediately retake possession of the Leased Premises and remove all persons and property therefrom in any manner permitted by applicable law. The City may, at its option, at any time thereafter, relet the Leased Premises or any part thereof of the account of Tenant or otherwise, receive and collect the rents therefore, apply the rent to the payment of expenses as the City may have incurred in recovering possession and for putting the same in good order for re-rental, and expenses, commissions, and charges paid by the City in reletting the Leased Premises. Any reletting may be for the remainder of the term of this Lease or for a longer or shorter period. In lieu of reletting the Leased Premises, the City may occupy the same or cause the same to be occupied by others. Whether or not the Leased Premises or any part is relet, Tenant shall pay the City the rent and all other charges required to be paid by Tenant until the end of the term of this Lease, less the net amount received by the City for reletting,

if any. Unless waived by written notice from the City to Tenant, no action taken by the City to obtain possession of the Leased Premises or to recover any amount due to the City shall be taken as a waiver of the City's right to require full and complete performance by Tenant of all terms of this Lease, including payment of all amounts due, or as an election by the City to terminate this Lease. If the Leased Premises are reoccupied by the City, and regardless of whether the Leased Premises shall be relet or possessed by the City, all fixtures, additions, furnitures, and the like then on the Leased Premises be retained by the City.

19.4. Insolvency or Bankruptcy. If Tenant makes an assignment of Tenant's business or property for the benefit of creditors, or if Tenant's leasehold interest shall be levied upon by execution or seized by virtue of any writ issued by any court, or if application be made for the appointment of a receiver for the business or property of Tenant, or if a petition in bankruptcy shall be filed by or against Tenant, then, at the City's option, with or without notice, the City may terminate this Lease and immediately retake possession of the Leased Premises without the retaking working a forfeiture of the obligations of Tenant.

19.5. Other Remedies. No one remedy conferred upon or reserved to the City shall be considered exclusive of any other remedy; but all remedies shall be cumulative and in addition to every other remedy now or hereafter existing at law, in equity, or by statute. All powers and remedies given to the City by this Lease may be exercised, from time to time, and as often as occasion may arise or as may be deemed expedient. No delay or omission of the City to exercise any right or power arising from any default shall impair any such right or power or be considered to be a waiver of any rights arising from the default nor acquiescence in the default. The acceptance of rent by the City after default shall not be deemed to be a waiver of any breach of the covenants contained in this Lease nor of any of the rights of the City.

19.6. Joint and Several Obligations and Liabilities. The obligations and liabilities of all persons identified herein as the Tenant are joint and several.

20. Legal Proceedings. In any legal proceedings involving this Lease, the prevailing party shall be entitled to recover from the other, and the court shall specifically award, in addition to any other relief granted, costs and expenses incurred by the prevailing party in such proceedings, including court costs and reasonable fees and disbursements of the prevailing party's legal counsel.

21. Entire Agreement. This Lease and the documents referred to herein set forth all the promises, agreements, conditions, and understandings between the City and Tenant relative to the Leased Premises and there are no promises, agreements, conditions or understandings, either oral or written, between them other than as set forth in this Lease. No modification of this Lease shall be binding upon the parties unless in writing and signed by the parties.

IN WITNESS WHEREOF, the parties hereto have signed this Lease on the dates shown below their respective signatures.

CITY OF Salida, a Colorado home rule municipality

By: _____
PT Wood, Mayor

ATTEST:

By: _____
Erin Kelley, City Clerk

TENANT:

Chaffee County Board of County Commissioners

By: _____

Print Name: Greg Felt

Its: Chairman

STATE OF COLORADO)
) ss.
COUNTY OF _____

The foregoing instrument was subscribed, sworn to, and acknowledged before me this _____ day of _____, 20____, by _____, as _____ of _____.

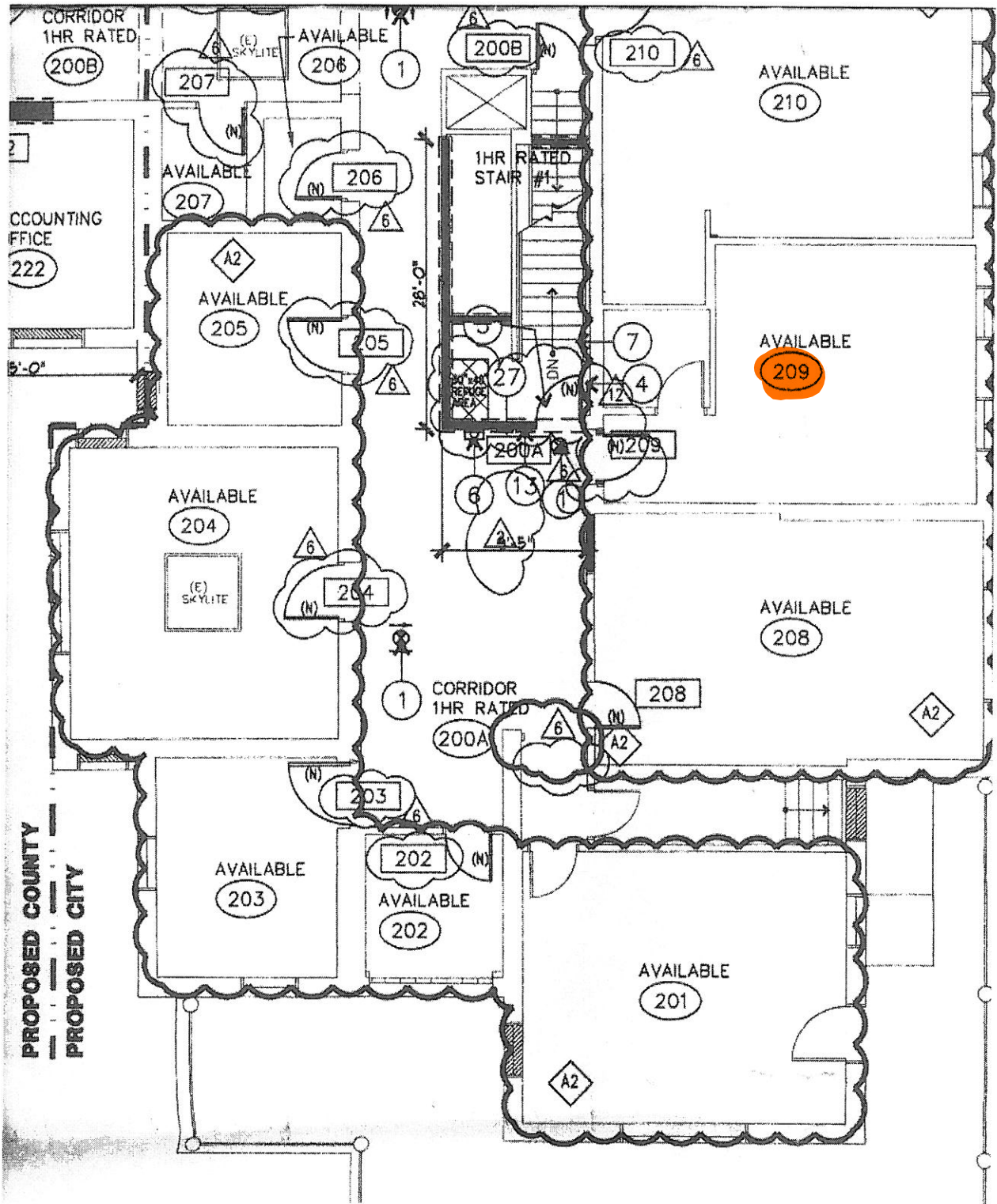
WITNESS my hand and official seal.

My Commission Expires: _____

Notary Public

[S E A L]

EXHIBIT A
PREMISES



Location	Room #	Approximate Dimensions *	Square Footage
1st Floor, Main Corridor	133	23.5 x 13.5	317
1st Floor, Main Corridor	134	15.5 x 13.5	209
1st Floor, Main Corridor	135	12 x 14	168
2nd Floor, South Front	201	21 x 17.5	368
2nd Floor, South Front	202	12 x 14	168
2nd Floor, South Front	203	18.5 x 17.5	324
2nd Floor, SE - West side of hall	204	12.5 x 11.5	144
2nd Floor, SE - West side of hall	205	5 x 6.5	33
2nd Floor, SE - West side of hall	206	5.5 x 7	39
2nd Floor, SE - West side of hall	207	9 x 9.5	86
2nd Floor, SE - East side of hall	208	16 x 25.5	408
2nd Floor, SE - East side of hall	209	12.5 x 24 + 4 x 17	368
2nd Floor - East side of hall	210	24 x 16.5 + 6.5 x 4.5	425
2nd Floor, NE corner	211-215	21 x 39.5	830
		Totals	3,885