



CITY COUNCIL ACTION FORM

DEPARTMENT	PRESENTED BY	DATE
Administration	Christy Doon - City Administrator	January 2, 2024

ITEM

Resolution 2024-07, A Resolution of the City Council for the City of Salida Colorado, Approving the Lease Agreement with Chaffee Housing Authority

BACKGROUND

The City currently leases offices in the Toubert Building to various tenants, including the Chaffee Housing Authority. This lease expired on April 30, 2022. At the time of the initial agreement, CHA was housed within Chaffee County and the City had waived rent. The City has incurred increasing operational and maintenance costs associated with the Toubert Building.

The CHA has begun operating as a stand-alone entity and has plans to move to a new location that will better suit their needs in the coming months.

FISCAL NOTE

The attached Resolution and Lease allows the CHA to utilize the space month to month, rent free until July 1, 2024. If the CHA is still renting space from the City, the rent payment will increase to \$585 per month on or before the 1st day of each calendar month beginning July 1, 2024.

STAFF RECOMMENDATION

Staff recommends that the City Council approve Resolution 2024-07.

SUGGESTED MOTION

A City Councilmember should state, "I move to approve Resolution 2024-07 A Resolution of the City Council for the City of Salida Colorado, Approving the Lease Agreement with Chaffee Housing Authority" followed by a second and a roll call vote.

CITY OF SALIDA, COLORADO
RESOLUTION NO. 07
(Series of 2024)

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO,
APPROVING THE LEASE AGREEMENT WITH CHAFFEE HOUSING AUTHORITY**

WHEREAS, the City of Salida, Colorado (“City”) is a statutory city, duly organized and existing under the laws of the State of Colorado; and

WHEREAS, the City owns and operates the Toubert Building (“Building”) within City limits; and

WHEREAS, in addition to City offices, there are a number of other groups that utilize the space within the Building; and

WHEREAS, Chaffee Housing Authority is a current Tenant within the Building, and the City desires to keep Chaffee Housing Authority as a tenant within the Building; and

WHEREAS, the Council (“Council”) approves the execution of the Lease Agreement between the City and Chaffee Housing Authority, attached hereto as **Exhibit A**.

NOW, THEREFORE, IT IS RESOLVED BY THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO, THAT:

Section 1. The Salida City Council incorporates the foregoing recitals as its conclusions, facts, determinations and findings.

Section 2. The Salida City Council hereby approves and authorizes the City to enter into the Lease Agreement, attached hereto as Exhibit A.

Section 3. The City hereby approves and authorizes the Mayor to sign the Lease Agreement between the City of Salida and Chaffee Housing, attached hereto as **Exhibit A**.

RESOLVED, APPROVED, AND ADOPTED this _____ day of _____, 2024.

CITY OF SALIDA

By: _____

Dan Shore, Mayor

[SEAL]

ATTEST: _____

City Clerk/Deputy City Clerk

Exhibit A

Lease Agreement between the City of Salida and Chaffee Housing Authority

LEASE AGREEMENT

THIS LEASE AGREEMENT, effective as of January 2, 2024, is made by and between the City of Salida, a Colorado Statutory municipality (the "City"), located at 448 E 1st Street, Salida, Colorado 81201 and Chaffee Housing Authority ("Tenant"), located at 448 E 1st Street, 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) withing 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 indicated herein by this reference.

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

1.3. "Operational Expenses" shall mean and include all reasonable and actual expenses directly incurred in the management, operation, maintenance, repair and security of the Building, including real and personal property taxes (on furniture and equipment) used in the operation of the Building, property owners assessments, accounting, legal, janitorial, maintenance, guard and other services, power, water, waste disposal and other utilities, insurance and other expenses which under generally accepted accounting principals are regarded as an expense of maintenance and operation.

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 month-to-month starting from the date of approval of this agreement or until terminated by either party.

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. Monthly rent shall be equal to Tenant's pro rata share of the operational expenses of the Building, the cost of which shall be calculated by the City Administrator each month and proposed by the end of the previous month for the subsequent month's rent. Tenant shall pay Rent to the City in the amount of \$585.00 per month on or before the 1st day of each calendar month beginning July 1, 2024.

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 the Lease, reasonable wear and tear expected. 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, the 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 damaged 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, posed on the Leased Premises or sent by United States mail, to the following address:

Ashely Kappel, Executive Director
Chaffee Housing Authority
448 E 1st Street
Salida, CO 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, 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 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 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 or 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 not of any of the rights of the City.

19.6. Joint and Several Obligations and Liabilities. The obligations and liabilities of all person 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 statutory municipality

By: _____
Dan Shore, Mayor

ATTEST:

By: _____
Erin Kelley, City Clerk

TENANT:

Chaffee Housing Authority

By: _____

Print Name: _____

Title: _____