

REQUEST FOR COUNCIL ACTION

DATE:	TITLE:		
June 15, 2010	COUNTY CONTRACT		
ORIGINATING DEPARTMENT:	TYPE OF ACTION:	<input type="checkbox"/> ORDINANCE	<input type="checkbox"/> RESOLUTION
Administration		<input checked="" type="checkbox"/> FORMAL ACTION	<input type="checkbox"/> OTHER

RECOMMENDATION:

I recommend that the Council approve a contract with Mitchell County for the Morningview building on the North Campus.

FISCAL NOTE:

- Under this agreement, the city would be responsible for the construction costs of the wing that the city police department will occupy. A copy of the cost estimate done by Architect Don Marrs is included. The city police department will also be responsible for paying its share of the maintenance and utility costs for this building.

DISCUSSION:

The Mitchell County Commissioners approved this agreement this week. Chief Stocker and I met with two county commissioners and Architect Don Marrs this week to discuss the plans for renovating Morningview. The county has agreed to pay for all new construction and all architectural fees for this project.

Respectfully submitted,

Glenn Rodden
City Administrator

LEASE AGREEMENT

THIS LEASE AGREEMENT made and entered into as of the ____ day of June, 2010, by the City of Beloit Public Building Commission, a municipal corporation of the State of Kansas, hereinafter referred to as "Lessor" and Mitchell County, Kansas, hereinafter referred to as "Lessee".

WITNESSETH, that Lessor, in consideration of the covenants and agreements of Lessee hereinafter set forth, does let and lease to Lessee, the following described property, to-wit:

The 6630 square foot of the first floor of the former Morningview building located on the former Beloit Juvenile Correctional facility, to be used for the Mitchell County Sheriff's Department, as designated on the attached drawing marked Exhibit "A", except for the 1890 square foot of the first floor of said building which is reserved by Lessor to be used for the Beloit Police Department as designated on Exhibit "A"

WHEREAS, the parties agree as follows:

1. TERM

Lessee to have and hold the square foot area described in Exhibit "A" for a term to begin on the ____ day of June, 2010, and lease term to end on the ____ day of June, 2035. This lease shall be automatically renewed for an additional 25 years unless either party desires to terminate the lease by giving written notice to the other party six (6) months prior to any extended term thereof.

2. RENT

There shall be no rent for the square foot space used by Lessee.

3. USE OF PREMISES

Lessee shall have the full and unrestricted use of the square foot space set forth on Exhibit "A" for the term of this lease or any renewal thereof for the following purposes:

(a) All of the jail facility of the leased premises, including all of the offices for the duties of the Mitchell County Sheriff Department and employees.

4. UTILITIES

(a) The telephone, city water, electricity, and sewer will be billed and paid separately by the Lessor and the Lessee, respectively.

(b) Heat of the building will be billed and paid in the following percentages based on the total square footage of the building premises according to the square footage used by the respective parties as follows:

78% Lessee 22% Lessor

(c) Any other utilities not specifically listed in 4(a) above shall be billed and paid for separately by the respective party using the utility.

5. ADDITIONAL SERVICES

Attached hereto, marked Exhibit "B" is a map outlining the exterior premises, which is a part

of the leased premises. Additional services shall be furnished by the Lessor and paid for by the parties as follows:

- (a) Grounds maintenance and landscaping, lawn care including mowing, cleaning of parking areas, entrances and sidewalks. . . . 50% Lessor 50 % Lessee
- (b) Snow removal. . . . 50 % Lessor 50 % Lessee
- (c) Each party shall provide at their expense, their own pest control.
- (d) Each party shall provide at their expense, their own custodial services for their respective premises.

6. SUBLETTING

Lessee shall not have the right to sublet any or all of the space leased without the consent of the Lessor.

7. REPAIR OF PREMISES

(a) Each of the parties shall pay the cost of maintaining in good repair the walls, windows, floor coverings, structure, roof, air conditioning, plumbing, electrical, mechanical and related fixtures and appliances on the square footage area it is leasing. The parties will divide the cost for any designated commons area cost of maintaining in good repair. Lessor will provide Lessee with a list of persons or firms to contact in case of emergency due to failure of the above facility components.

(b) The parties shall annually inspect the building to determine whether or not major maintenance or repairs of the improvements need to be done within the next five (5) years and if so, obtain an estimate of the cost thereof. The parties mutually agree to establish a capital improvement fund each year thereafter to cover the cost of their respective share of such major improvement project.

8. INDEMNIFICATION BY LESSEE

The Lessee covenants and agrees with Lessor that during the entire term of the Lease, the Lessee will indemnify and save harmless the Lessor against any and all claims, debts, demands, or obligations which may be made against the Lessor or against the Lessor's title in the premises, arising by reason of, or in connection with, any alleged act or omission of the Lessee or any person claiming under, by, or through the Lessee; and if it becomes necessary for the Lessor to defend any action seeking to impose any such liability, the Lessee will pay the Lessor all costs of court and attorneys' fees incurred by the Lessor in effecting such defense in addition to any other sums which the Lessor may be called upon to pay by reason of the entry of a judgment against the Lessor in the litigation in which such claim is asserted.

9. LIABILITY INSURANCE

From time when Lessee makes actual use and occupancy of the demised premises, or any part thereof, Lessee shall have policies of insurance in the form generally known as public liability insurance, insuring the Lessee against any and all claims and demands made by any person or persons whomsoever for injuries received in connection with the operation and maintenance of the premises, improvements, and buildings located on the demised premises or for any other risk insured against by such policies, each class of which policies shall have been written within limits of not less than \$500,000.00 for damages incurred or claimed by any one person for bodily injury, or otherwise,

plus \$100,000 damages to property, and for not less than \$1,000,000.00 for damages incurred or claimed by more than one person for bodily injury, or otherwise, plus \$100,000.00 damages to property. All such policies shall name the Lessee and the Lessor, as their respective interests may appear, as the persons assured by such policies; and the original or a duplicate original of each of such policy or policies shall be delivered by the Lessee to the Lessor promptly upon the writing of such policies, together with adequate evidence of the fact that the premiums are paid.

10. FIRE AND WIND DAMAGE

The Lessor covenants and agrees with Lessee that from and after the time when the Lease commences, the Lessor will keep insured any and all buildings and improvements upon the said premises, against all loss or damage by fire and windstorm, and what is generally termed in the insurance trade as "extended coverage" which insurance will be maintained in the amount of \$1,919,064.00 with premium due April 1 each year.

In the event of substantial destruction of the buildings or improvements by fire, windstorm or other casualty to which either party believes that the insurance proceeds may be insufficient to replace the buildings, Lessor will deposit the proceeds of the casualty loss covered by insurance in a special account with designated bank at that time and the parties shall employ a reliable architect firm, licensed in the State of Kansas, to provide the parties with an estimate of the cost of reconstruction, repair and associated costs thereof, and if the insurance proceeds are sufficient to cover such cost, a building can be rebuilt and ready for occupancy within 15 months from the time when the loss or destruction occurred, Lessor shall employ necessary contractors to rebuild the facilities ready for occupancy. If the architects estimate of the reconstruction cost of the reconstruction, repairs and associated costs are not sufficient to rebuild the building, then Lessor may terminate the Lease. In such event the insurance proceeds will be used by the Lessor to clean up the building site with the balance of the insurance proceeds going to the Lessee.

The 15-month period for reconstruction shall be enlarged by delays caused without fault or neglect on the part of either party by act of God, strikes, lockouts, or other conditions (other than matters of finance) beyond the control of either party.

11. PAYMENT OF CASUALTY INSURANCE PREMIUM

The Lessor's cost of casualty insurance premium shall be paid by the parties at each payment time to the Lessor's insurance agent by the parties as follows:

22 % Lessor

78 % Lessee

within 15 days from receipt of billing of premium each year.

12. REMOVAL OF PERSONAL PROPERTY

All personal property placed, installed or constructed upon the premises by Lessee during occupancy, which may be removed at any time by Lessee at the end of the term without substantial damage to the real estate, shall be and remains the sole property of Lessee and may be removed. If substantial damage would occur, Lessee may elect to remove the property and restore the premises.

13. AGREEMENT WITH KANSAS LAW

This Lease Agreement shall be subject to, governed by, and construed according to the laws of the State of Kansas.

14. BINDING EFFECT

The terms and conditions of this Lease shall be binding upon the parties, their heirs, agents, administrators, executors or legal successors.

15. RESPONSIBILITY FOR TAXES

The Lessor shall not be responsible for, nor indemnify Lessee for any federal, state or local taxes, fees or assessments which may be imposed or levied upon the subject matter of the lease.

16. LIABILITY FOR DAMAGES

Notwithstanding any language to the contrary, neither party shall be responsible for any damages caused by the public or its employees of their respective area, except as provided in the Kansas Tort Claims Act, K.S.A. 75-6101 *et seq.*, as amended.

17. SPECIAL PROVISIONS

The following Special Provisions contained herein, or on an attachment are made a part hereof and incorporated into this contract:

Spec. Prov. 1: Lessee agrees at its expense to purchase a generator for the premises. The city agrees to install the generator and provide maintenance on it during the lease term.

Spec. Prov. 2: The Lessee, at its expense, agrees, with consent of Lessor, regarding location and the aesthetics of building materials of any outside structure, to build two additions to the existing structure as shown on Exhibit "A" but not known for certain at this time as to shape of outside structure or location, but shown for example on Exhibit "A" as follows:

(a) One add to structure is for purposes of lobby with the other for unloading prisoners, kitchen and cooking area.

(b) As each addition is being built and calling for heat, the square footage of Lessees share of cost of heat shall be prorated apportioned with all other utilities for the new additions being paid by Lessee.

(c) Lessee shall be responsible for the cost of maintenance for both additions as set forth in paragraph 7(a) as well as the annual inspections to determine future maintenance set forth in paragraph 7(b).

IN WITNESS WHEREOF, this Lease Agreement is executed the day and year first above written, and by signing the Lease Agreement, the parties certify that the agreement is being entered into within the authority of law, with their approval and they are authorized to do so.

THE CITY OF BELOIT, KANSAS
PUBLIC BUILDING COMMISSION,
A Municipal Corporation

By _____
Rebecca J. Koster, Mayor

ATTEST:

Kerry Benson, City Clerk

“LESSOR”

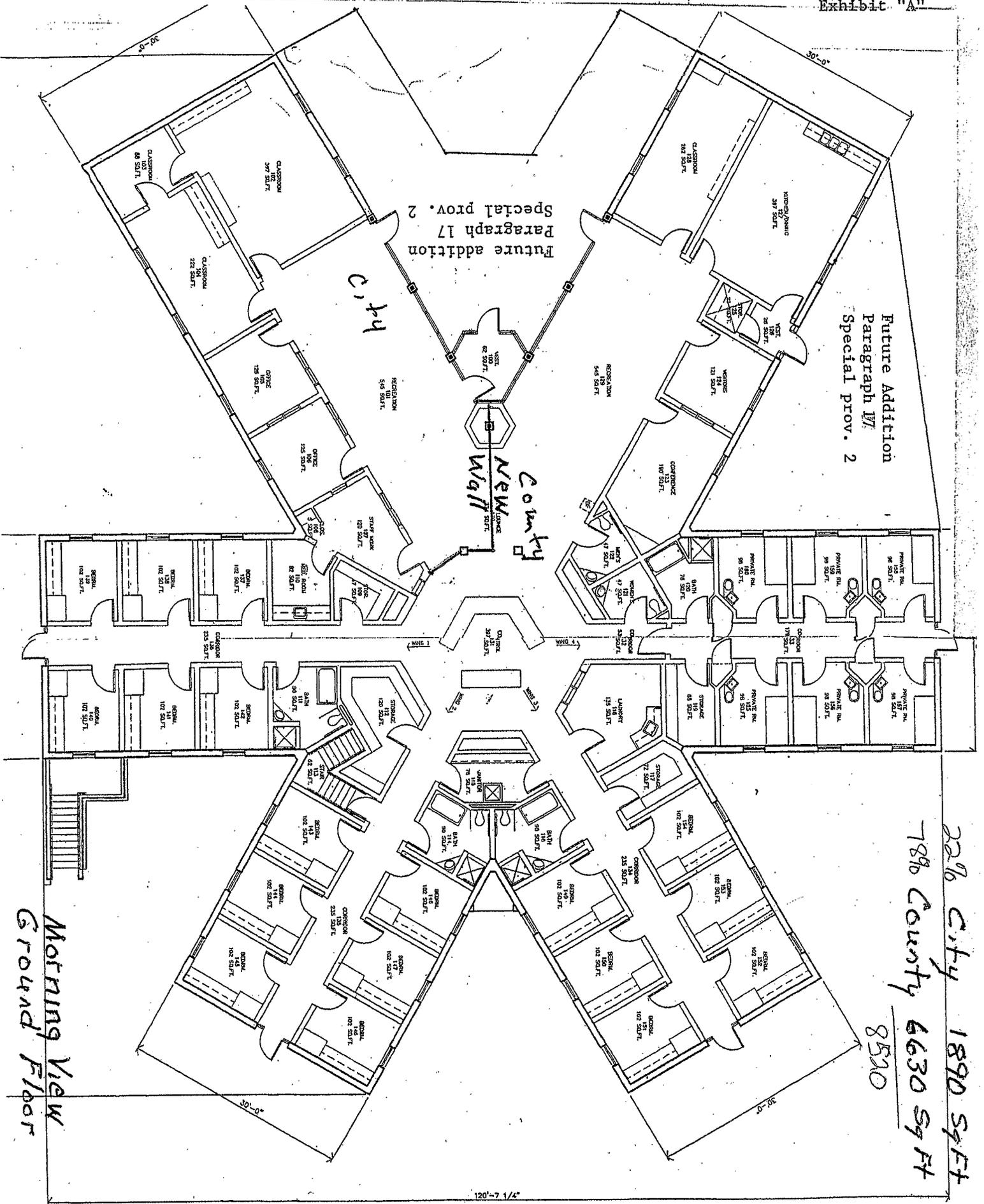
THE BOARD OF COUNTY COMMISSIONERS
OF MITCHELL COUNTY, KANSAS

By _____
Michael Cooper, Chairman of the Board

ATTEST:

Chris Treaster, County Clerk

“LESSEE”



Morning View
Ground Floor

226 City 1890 Sq Ft
786 County 6630 Sq Ft
8510

