



Staff Report

March 14, 2017

TO: Honorable Mayor and Town Council
FROM: Roger Carroll, Treasurer/Finance Director
DATE: March 1, 2017
RE: Resolution Approving Chamber of Commerce Land Lease

RECOMMENDED ACTION:

Approve resolution and attached agreement authorizing a land lease with the Loomis Basin Chamber of Commerce.

ISSUE STATEMENT AND DISCUSSION:

On December 13, 2005, the Town Council agreed to lease the land at 6090 Horseshoe Bar Road to the Loomis Basin Chamber of Commerce. The lease was for the bare land, on which the Chamber located their own acquired building.

The lease was for a ten-year term, and expired on December 14, 2015. Per section 2(b) of the lease (attached), if the Chamber had requested prior to expiration, an extension to the lease, the Town could have granted it on an administrative level after reviewing and assessing the continued suitability of the site for the Chambers purposes. This extension could have been granted twice, giving the Chamber a total of 30 years on the property.

The original staff report spoke of a 30-year agreement, so it was clearly the intent that the lease would be extended.

I have spoken with the Town Planner and he confirms that nothing has changed in that area that would have kept us from granting the extension.

Since the lease has expired without a proper extension, I am recommending the Town Council approve the attached resolution and the new lease (both attached), authorizing the Mayor to sign. The new lease will be retroactive to December 14, 2015 and allows for one ten-year extension, as provided in the original lease.

POLICY AND/OR FINANCIAL IMPLICATIONS:

The lease to the Chamber will be for \$1.00 per year.

Attachments: Resolution
Original lease
New lease

TOWN OF LOOMIS

RESOLUTION 17-

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOOMIS
APPROVING A LAND LEASE AGREEMENT WITH THE
LOOMIS BASIN CHAMBER OF COMMERCE**

WHEREAS, the Loomis Basin Chamber of Commerce has requested to continue to lease Town owned land on which their building is located; and

WHEREAS, the Town Council finds this to be a desirable use of municipal land on Horseshoe Bar Road; and

WHEREAS, the Town Planning Commission and Town Council have approved the type of building and its location on the land; and

WHEREAS, the Town will derive money savings from leasing land to the Chamber of Commerce.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Loomis that the attached agreement (Lease Agreement with Loomis Basin Chamber of Commerce) is hereby approved to go into effect when signed.

PASSED AND ADOPTED this 14th day of March, 2017 by the following vote:

AYES:
NOES:
ABSENT:

Mayor

ATTEST:

APPROVED AS TO FORM:

Town Clerk

Town Attorney

**LEASE AGREEMENT WITH
LOOMIS BASIN CHAMBER OF COMMERCE**

THIS LEASE [Lease] is made this _____ day of _____, 2017, by and between the Town of Loomis, a municipal corporation [Landlord] and the Loomis Chamber of Commerce [Tenant].

IN CONSIDERATION OF the Landlord leasing certain premises to the Tenant, the Tenant leasing those premises from the Landlord and the mutual benefits and obligations set forth in this Lease, receipt and sufficiency of which consideration is hereby acknowledged, the parties to this Lease agree as follows:

1. Leased Premises. The Landlord agrees to rent to the Tenant that real property located at 6090 Horseshoe Bar Road, Loomis, APN # 043-100-016 [Premises] for use as the site of the main office for the Loomis Chamber of Commerce and for other related incidental uses. Neither the Premises nor any part of the Premises will be used at any time during the term of the Lease by Tenant for any other purposes.

2. Term. The term of this Lease is ten years (10) years, beginning December 14, 2015, subject to the following:

(a) Town Council may review the Tenant's use of the Premises after five years to assess the overall suitability of the site for such use, and may provide recommended modifications to the site or to Tenant's operations to enhance the overall suitability and which the Tenant, to the extent feasible, can implement in its continued use of the Premises.

(b) Prior to the expiration of the ten-year term, the Tenant may exercise its option to extend that term for up to an additional ten years, such extension to be subject to the type of review described in subsection (a), immediately above.

3. Rent. Subject to the provisions of this Lease, including subsections (a) and (b) immediately below, the rent for the Premises is one dollar (\$1.00) per year, payable in advance each January [collectively - the Rent]:

(a) Town Council will not be expected to continue making annual monetary contributions to Tenant in addition to entering into this Lease; and

(b) Tenant shall provide Landlord a free booth at the Egg Plant Festival every year, which Landlord in its discretion, can use or allow Tenant to rent to a third party.

4. Quiet Enjoyment. The Landlord covenants that on paying the Rent and performing the covenants contained in this Lease, the Tenant will peacefully and quietly have, hold and enjoy the Premises for the agreed upon term, subject to section 8, below.

5. Inspections. The Landlord and the Tenant will complete, sign and date an inspection report at the beginning and at the end of this tenancy.

6. Indemnification / Insurance. Tenant shall save, defend, indemnify and hold Landlord harmless from any and all claims or causes of action for death or injury to persons, or damage to property, resulting from the intentional or negligent acts, errors, or omissions of Tenant, its employees, agents, guests, members and visitors, during the term of this Lease. Tenant shall carry the necessary types and amounts of insurance to cover this obligation.

7. Property Tax / Utilities. Tenant shall be solely responsible for paying any property, possessory or other tax or charge that may be assessed as a result of Tenant having entered into this Lease or as a result of Tenant's use of the Premises, including but not limited to utilities and refuse disposal fees.

8. Governing Law. It is the intention of the parties to this Lease that the tenancy created by this Lease and the performance under this Lease, and all suits and special proceedings under this Lease, be in accordance with and governed, to the exclusion of the law of any other forum, by the laws of the State of California, without regard to the jurisdiction in which any action or special proceeding was initiated.

9. Severability. If there is a conflict between any provision of this Lease and applicable legislation of the State of California [the Act] the Act will prevail and such provisions of the Lease will be amended or deleted as necessary in order to comply with the Act. Further, any provisions that are required by the Act are incorporated into this Lease.

10. Maintenance. The Tenant will, at its sole expense, keep and maintain the Premises and appurtenances in good and sanitary condition and repair during the term of this Lease and any renewal of this Lease.

11. Care and Use of Premises. The Tenant will:

(a) promptly notify the Landlord of any damage, or of any situation that may significantly interfere with the normal use of the Premises;

(b) not make (or allow to be made) any noise or nuisance which, in the reasonable opinion of the Landlord, disturbs the comfort or convenience of others;

(c) maintain the Premises so it is clean, in good repair and presentable, including the landscaping, mowing strip(s), parking lot surface, curbs gutters, sidewalks, etc.;

(d) will not engage in any illegal trade or activity on or about the Premises;

(e) comply with standards of health, sanitation, fire, housing and safety as required by law; and

(f) at the expiration of the Lease term, as defined herein, or upon Tenant vacating said Lease, quit and surrender the Premises in as good a state and condition as they were at the commencement of this Lease, reasonable use and damages by the elements excepted, giving the Landlord the office building and other improvements onsite.

12. Hazardous Materials. The Tenant will not keep or have on the Premises any article or thing of a dangerous, flammable or explosive character that may unreasonably increase the danger of fire on the Premises or that may be considered hazardous by any responsible insurance company.

13. Rules and Regulations. The Tenant will obey all rules and regulations posted by the Landlord regarding use of the Premises.

General Provisions

14. Any waiver by the Landlord of any failure by the Tenant to perform or observe the provisions of this Lease will not operate as a waiver of the Landlord's rights under this Lease

with respect to any subsequent defaults, breaches or non-performance and will not defeat or affect in any way the Landlord's rights with respect to any subsequent default or breach.

15. There shall be no subletting under or assigning of this Lease without the prior written consent of the Landlord. All covenants are to be construed as conditions to this Lease.

16. All sums payable by the Tenant to the Landlord pursuant to any provision of this Lease are deemed to be additional rent and will be recovered by the Landlord as rental arrears.

IN WITNESS WHEREOF, the parties have executed this Lease in the County of Placer, State of California, on the date first written above.

ATTEST:

LANDLORD

Town Clerk

Mayor

APPROVED AS TO FORM:

TENANT

Town Attorney

By: _____

Title:

**LEASE AGREEMENT WITH
LOOMIS BASIN CHAMBER OF COMMERCE**

THIS LEASE [Lease] is made this 14th day of December, 2005, by and between the Town of Loomis, a municipal corporation [Landlord] and the Loomis Chamber of Commerce [Tenant].

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2. Term. The term of this Lease is ten years (10) years, beginning on the date first written above, subject to the following:

(a) Town Council may review the Tenant's use of the Premises after one year, including how the parking is working and to assess the overall suitability of the site for the Tenant's such use, and may make suggested changes which the Tenant can implement in order to continue its use; and provide recommended modifications to the site or to Tenant's operations to enhance the overall suitability and which the Tenant, to the extent feasible, can implement in its continued use of the Premises.

(b) Prior to the expiration of the ten year term, the Tenant may exercise its option to extend that term for up to an additional ten years, and may do so again after the second term expires, both such extensions to be subject to the type of review described in subsection (a), immediately above.

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7. Property Tax / Utilities. Tenant shall be solely responsible for paying any property, possessory or other tax or charge that may be assessed as a result of Tenant having entered into this Lease or as a result of Tenant's use of the Premises, including but not limited to utilities and refuse disposal fees.

8. Third Party Litigation. Tenant acknowledges that it is aware that its land use approvals granted by the Landlord in order to allow it to locate its offices on the Premises have been appealed by an adjacent property owner, and that that owner may elect to litigate said land use approvals in a court of law. Tenant agrees that in the event its tenancy is interrupted or terminated by such litigation, that it waives any and all rights to seek damages or other legal relief from the Landlord, whether on the basis that the Landlord may have breached this Lease, or on any other basis.

9. Governing Law. It is the intention of the parties to this Lease that the tenancy created by this Lease and the performance under this Lease, and all suits and special proceedings under this Lease, be in accordance with and governed, to the exclusion of the law of any other forum, by the laws of the State of California, without regard to the jurisdiction in which any action or special proceeding was initiated.

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(f) at the expiration of the Lease term, as defined herein, or upon Tenant vacating said Lease, quit and surrender the Premises in as good a state and condition as they were at the commencement of this Lease, reasonable use and damages by the elements excepted, giving the Landlord the ~~choice of keeping the office building, landscaping, parking lot and other improvements onsite, or requiring some or all of these to be removed at Tenant's cost.~~

13. Hazardous Materials. The Tenant will not keep or have on the Premises any article or thing of a dangerous, flammable or explosive character that may unreasonably increase the danger of fire on the Premises or that may be considered hazardous by any responsible insurance company.

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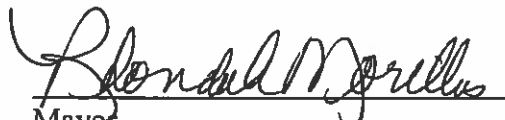
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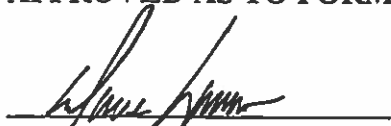
ATTEST:


Town Clerk

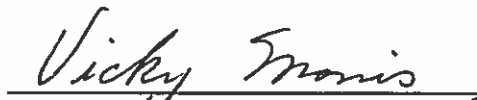
LANDLORD


Mayor

APPROVED AS TO FORM:


Town Attorney

TENANT


By: Tommy Basim *Chairman of Commerce*
Title: President