



Staff Report

Agenda Item: **LEASE AGREEMENT WITH THE CLARKDALE HISTORICAL SOCIETY AND MUSEUM** – Discussion and consideration of a Lease Agreement with the Clarkdale Historical Society and Museum for use of building space at 900 1st North Street.

Staff Contact: Janet Perry, HR/Community Services Director

Meeting Date: August 9, 2011

Background: During the June 14, 2011 regular meeting, Council reviewed and discussed steps being taken towards supporting the next evolution of preservation and promotion of the Town’s historical documents and artifacts. One goal to that end was to allow the Clarkdale Heritage Society and Museum (CHSM) 100% occupancy of the building they currently occupy only the upstairs portion of.

Following the initial review of the draft Lease Agreement rewrite, staff has since included Council’s edits (see Section 7) and received review from the Town Attorney. The final draft is attached.

Recommendation: To approve the Lease Agreement between the Town and the Clarkdale Heritage Society and Museum.

LEASE AGREEMENT

THIS AGREEMENT is made and entered into this ___ day of ___, 2011 by and between the CLARKDALE HISTORICAL SOCIETY AND MUSEUM, a non-profit corporation of the State of Arizona, hereinafter called "THE SOCIETY", and the TOWN OF CLARKDALE, a municipal corporation of the State of Arizona, hereinafter called "TOWN".

WITNESSETH

WHEREAS; THE TOWN desires to have the history and heritage of the Town of Clarkdale preserved and displayed; and

WHEREAS; THE SOCIETY desires to operate a Historical Society and Museum to preserve, share and make available for display the history of the Town of Clarkdale;

NOW, THEREFORE the parties mutually agree as follows:

1. Premises

THE SOCIETY leases the building owned by the TOWN and located at 900 First North Street, a two (2) story building containing approximately 2,198 square feet as set forth in Exhibit A attached hereto.

2. Use of Premises

The use of the premises by THE SOCIETY shall be for the historical society, a museum, and activities, including but not limited to those outlined in paragraph 6 of this agreement. In the event THE SOCIETY shall not use the premises as permitted herein, this Lease Agreement and any renewal thereof shall automatically be terminated, and possession returned to the Town in a reasonably clean, good and tenable condition.

3. Term

The term of this Lease Agreement shall be for a period commencing on _____, 2011 and terminating March 31, 2012. The Lease Agreement shall be extended for two (2) year increments unless either party gives written notice to the other party within ninety (90) days of the expiration of the Lease Agreement. The option to renew this Lease Agreement shall be on the same terms and conditions as set forth herein.

4. Termination

This Lease Agreement may be terminated at any time by written notice being delivered to the other party at least ninety (90) days in advance of the annual termination date. Furthermore, if either party fails to perform its respective obligations herein, the non-defaulting party shall give written notice of the default to the defaulting party. If the default is not cured within thirty (30) days of receipt of the notice of default, the non-defaulting party may terminate this Lease Agreement upon written notice of termination delivered to the defaulting party.

5. Surrender Of Premises; Holding Over

Upon termination of this Lease Agreement whether by lapse of time or upon any voluntary termination, THE SOCIETY shall surrender the premises to the TOWN in reasonably clean, good and tenable condition.

6. Other Considerations

In consideration for the lease of said premises, THE SOCIETY will occupy the premises as a primary advocate and representative for Clarkdale's history and heritage and in doing so shall:

- a. Conduct regular events centered on the history and heritage of Clarkdale,
- b. Have open to the public a museum depicting the history and heritage of Clarkdale,
- c. Adhere to the terms of any Loan Agreements with Clarkdale,
- d. Adhere to other responsibilities as agreed upon by both parties.

7. Valuation and Payment

The current monthly fair market value of commercially leased property ranges from \$.50 to \$2.00 per square foot, with final valuations dependent upon current market trends, negotiated terms and conditions. For the purpose of this Lease Agreement, no monthly rent or other payment shall be paid by THE SOCIETY to the TOWN for use of the premises. However, THE SOCIETY shall be responsible for all costs associated with operations of THE SOCIETY. THE SOCIETY represents that it is occupying and using the premises for recreational and educational use. The parties recognize and agree that the TOWN does not waive the limitation of liability provided to the TOWN for allowing recreational or educational uses of the TOWN property, pursuant to A.R.S. § 33-1551 and further agree that the limitation of liability as set forth in A.R.S. § 33-1551 applies for the benefit and protection of the TOWN.

8. Utilities

Within sixty (60) days of the effective date and throughout any remaining existence of this Lease Agreement THE SOCIETY shall be responsible for full costs incurred for natural gas, electricity and water services to the TOWN's premises occupied by THE SOCIETY. These financial responsibilities will be fully assumed by THE SOCIETY in order to facilitate a direct relationship and accountability between THE SOCIETY and each utility provider. THE SOCIETY is responsible for all other utility expenses incurred including telephone installation and service, internet access, etc.

9. Maintenance of Premises

THE SOCIETY shall be responsible for janitorial duties and shall keep the premises in a neat, clean, secure, and orderly condition. The TOWN shall provide structural building maintenance. To that end, THE SOCIETY shall promptly report any damages to the TOWN's premises, and the TOWN will coordinate with THE SOCIETY a convenient time to affect maintenance work. THE SOCIETY shall be responsible for reimbursement to the TOWN for any and all losses or damages to the premises resulting from the operations, maintenance or use of the premises by THE SOCIETY. This includes the cost to supply replacement keys, or the cost to rekey the facility

should that become necessary during the term of this lease. THE SOCIETY cannot rekey the facility without expressed prior approval of the TOWN. The TOWN may cause an inspection of the premises to be held from time to time.

10. Liability Insurance

THE SOCIETY shall maintain a general liability insurance policy in an amount of not less than one million dollars (\$1,000,000.00) with such company or companies as shall be satisfactory to the TOWN. Such policy shall name the TOWN as an Additional Named Insured. Such coverage shall be for the purpose of protecting the TOWN against liability for damage claims arising through use of or arising out of accidents occurring in and around the leased premises. THE SOCIETY shall obtain a written obligation from their insurers to notify the TOWN in writing at least thirty (30) days prior to cancellation or refusal to renew any policy. A certificate of insurance shall be delivered to the TOWN within thirty (30) days of the commencement of the Lease Agreement and upon each renewal of said policy.

11. Indemnity

The SOCIETY agrees that the TOWN shall not at any time during the term of this Lease Agreement be responsible or in any way accountable, for any loss, injury, death or damage to persons or property from any cause or causes whatsoever which at any time may be by THE SOCIETY, or any other person while occupying and/or using the TOWN'S property, and THE SOCIETY agrees to hold the TOWN harmless for any and all claims, liabilities, losses, damages, costs and expenses whatsoever arising out of any such loss, injury, death or damage.

THE SOCIETY agrees to indemnify, defend and hold harmless the TOWN and its officials, employees and agents from and against any and all liabilities, judgments, settlements, losses, costs or charges (including attorneys fees) incurred by the TOWN and/or any of its officials, employees or agents as a result of any claim, demand, action, or suit relating to any bodily injury (including death), loss of property, damage caused by, arising out of, related to, or associated with this Lease Agreement.

THE SOCIETY acknowledges that the TOWN's insurance policy will not cover THE SOCIETY'S property and that the TOWN recommends THE SOCIETY obtain and keep in force tenant insurance to cover the full value of THE SOCIETY's property and any improvements and betterments made by THE SOCIETY to the premises.

12. Improvements and Betterments

THE SOCIETY shall not place or build any structure, fixture, installation or addition on or to the premises without the prior written consent of the TOWN. THE SOCIETY shall not make any alterations to the premises, whether permanent or otherwise, including but not limited to the construction of walls, demolition, etc., without the prior written consent of the TOWN. Any improvements or betterments approved by the TOWN and added to the premises by THE SOCIETY which become a permanent part of the premises will become property of the TOWN upon completion.

19. Cancellation of Agreement

The parties hereto acknowledge that this Lease Agreement is subject to cancellation pursuant to the provisions of A.R.S. § 38-511.

IN WITNESS WHEREOF, this Lease Agreement has been executed in duplicate, each to be considered an original, as of the effective date and year first above written.

TOWN OF CLARKDALE

Doug Von Gausig, Mayor

Date

CLARKDALE HISTORICAL SOCIETY AND MUSEUM

(Print name & title)

Date

Signature

Approved as to Form

Robert S. Pecharich, Town Attorney
Boyle, Pecharich, Cline, Whittington & Stallings, P.L.L.C.
125 North Granite Street
Prescott, AZ 86301
(928) 445-0122

EXHIBIT A

900 First North Street, Clarkdale, AZ 86324:

A PCL BY M&B APPROX 150X266X 159.8X210.9' CONT APPROX .82AC BE

G 411.8' N OF THE INTRSEC OF MAIN ST & 9TH ST IN CITY OF CLARKDALE

SEC 20 16 3E AP14 FURTHER DESC 325/34

ARCHITECTURE WORKS, INC.

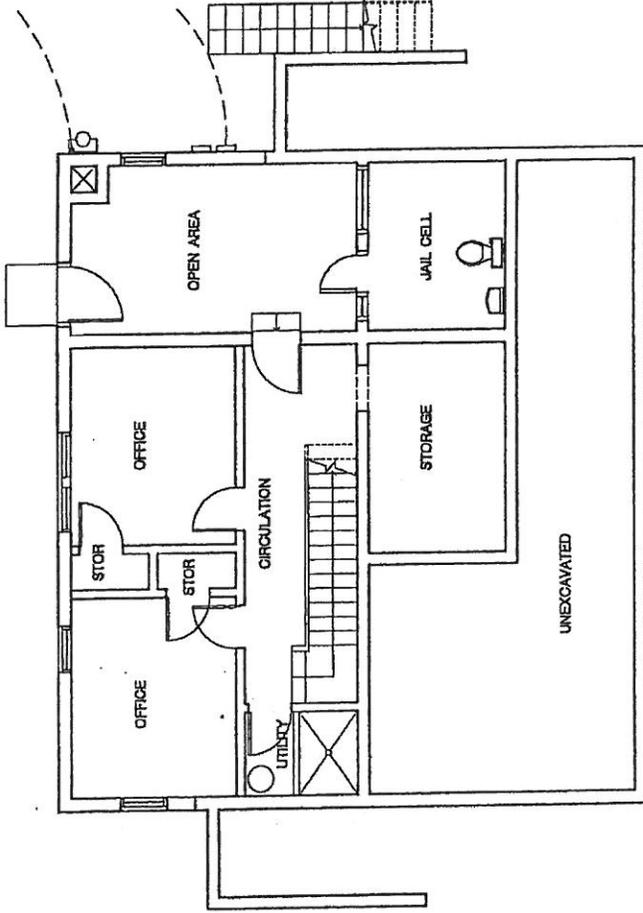
1001 NORTH E. CLAYTON AVENUE, PHOENIX, ARIZONA 85016
 BOX 908, CLAYTON, ARIZONA 85324
 TEL. 352-1100
 FAX 352-1101

PROJECT: TOWN OF CLAYTON WATER PLAN
 NUMBER: MOTOR VEHICLE DIVISION BUILDING
 ADDRESS: 3001 1ST NORTH STREET
 CLAYTON, ARIZONA, 85324
 TITLE: AS-BUILT BASEMENT PLAN

DATE: 11.27.2002
 SCALE: 3/32" = 1'-0"
 DRAWN BY: JASON
 CHECKED BY: JASON

MVD
 I

AS-BUILT SET
 JT FOR CONSTRUCTION



BASEMENT PLAN - MVD
 3/32" = 1'-0" 884 SF.

