



M2007-0018

M2007-0018

City Council Meeting Date: January 22, 2007

CONSENT

Item: 13

Motion

ITEM: Rice County lease for space occupied on second floor of City Hall

ACTION REQUESTED:

Proposed motion for Consideration _____ Motion _____ Second:

The City Council of the City of Northfield approves the lease with Rice County for the years 2007 through 2011 as updated.

SUMMARY:

The City Council is being asked to approve, by motion, an updated lease for space utilized by Rice County on the second floor of city hall.

The current lease with Rice County for space utilized for the WIC program has expired as of December 31st 2006. The new 5 year lease increases the rent from \$3000 to \$4500 annually, the first increase in ten years. This also adds language that provides the City of Northfield the ability to terminate the lease with a 120 day notice, move Rice County offices to another location within city hall with Rice County's approval should the city require the space they are currently occupying, and allows for internal renovations if the city deems necessary. Other than these minor changes, the lease remains the same as it has been for the last ten years.

This is a good relationship for the City of Northfield and for Rice County. With the WIC offices in Northfield, we also enjoy the ability to pay taxes and realize other services from time to time as they are provided. The relationship has been a positive one to this point and I recommend approval.

SUBMITTED BY:

Al Roder, City Administrator

Lease Agreement

This Agreement is entered into as of the 1st day of January, 2007, by and between the City of Northfield, Minnesota ("Owner"), and the County of Rice, Minnesota ("Tenant"). In consideration of the rents and covenants hereinafter mentioned, the parties agree as follows:

1. LEASED PREMISES. Owner agrees to lease to Tenant and Tenant agrees to hire from Owner space located at Northfield City Hall, 801 Washington Street in the City of Northfield, as follows:

Approximately 1,140 square feet of space on the second floor of City Hall, as presently located. However, Owner reserves the right to request that Tenant move to other space within City Hall in the event Owner needs the space currently occupied by Tenant.

In addition, some limited space will be made available on the first floor of City Hall for meeting with Tenant's clients who require such accommodation. Also, contingent upon Owner's need for the facilities on a priority basis, Tenant shall be allowed to use Owner's Council Chambers for meetings and activities such as public health clinics and advisory committee meetings, provided that Tenant shall schedule any such use through the City Administrator's office.

2. LEASE TERM; EARLY TERMINATION. This lease agreement shall continue for a period of five years, through December 31, 2011, provided, however, that Owner may terminate the lease earlier if Owner moves to another facility which, in Owner's opinion, does not accommodate Tenant's space needs, or if Owner requests that Tenant move to other space within City Hall because Owner needs the space occupied by Tenant, and Tenant refuses to do so. In either of those events, Owner shall give Tenant at least 120 days' notice of the effective date of termination of this lease, and rent shall be prorated to the date of termination.
3. RENT. Tenant shall pay rent in the amount of \$4,500 per year, payable in advance on the 1st business day of January of each year.
4. USE OF PROPERTY. Tenant shall be allowed to use the space(s) designated pursuant to this lease agreement for provision of any services normally provided by Tenant, including but not limited to social services.
5. SCHEDULING OF USE. Owner and Tenant shall mutually agree upon facility use schedules. Tenant shall be responsible for security of the building when Tenant is using the building during times when Owner is not.
6. UTILITIES. Electricity, heat and air conditioning shall be provided by Owner at no extra cost to Tenant. Tenant shall pay all of its own telephone expense including operating expense, which shall be billed independently to Tenant.

7. MAINTENANCE. Owner shall provide light maintenance such as emptying wastebaskets and other minor custodial assistance. Tenant shall provide its own regular custodial cleaning service.
8. ALTERATIONS. Any alterations or improvements proposed to be made to the leased premises by Tenant shall be reviewed and approved by the City Administrator and shall be made at the sole expense of Tenant. Tenant shall allow no mechanic's liens to be incurred or filed against the premises. Owner may make any alterations or improvements to its building, including the leased premises, and surrounding areas, at Owner's expense and after consultation with Tenant, so long as such alterations or improvements do not unreasonably interfere with Tenant's use of the leased premises.
9. INSURANCE. Tenant shall maintain and provide evidence of general liability insurance with a limit of at least \$1,000,000, and shall name Owner as an additional insured thereon. Tenant shall also provide all required workers compensation and employers' liability insurance for Tenant's employees.

Owner shall maintain and provide evidence of general liability insurance with a limit of at least \$1,000,000 and shall provide workers compensation and employers' liability insurance for Owner's employees.

Owner shall maintain property insurance on the building, including the leased premises, provided that Tenant shall maintain insurance on its own property located in and about the leased premises, and shall assume the risk of loss to such property.

10. HOLD HARMLESS. Tenant shall defend, indemnify and hold Owner harmless from all liability, loss, costs and obligations, including reasonable attorneys' fees, arising out of the use of the premises by Tenant, its employees, officers, agents, clients and invitees.

Owner shall defend, indemnify and hold Tenant harmless from all liability, loss, costs and obligations, including reasonable attorneys' fees, arising out of the use of the premises by Owner, its employees, officers, agents and invitees.

IN WITNESS WHEREOF, the parties have caused these presents to be signed on their behalf as of the date first above written.

OWNER - CITY OF NORTHFIELD

By: [Signature]
Its: _____

By: Debra Potter
Its: City Clerk

TENANT - COUNTY OF RICE

By: Jake Gillen
Its: Chairperson

By: [Signature]
Its: Co. Administrator