



MEMORANDUM

TO: Bruce Walden
FROM: Pat Pioletti
DATE: February 25, 2005
RE: Lease of Property (Morro Building)

Introduction

In the fall of 2004, in cooperation with the Urbana Free Library Board and Foundation, the property located at 212 W. Green St., Urbana was acquired. The intent was to gain control of the property for eventual use by the library in accordance with their long-term plan, but to lease the property in the short-term. An ad was placed in the News-Gazette to seek interested parties. As a result, agreement has been reached to lease the property for use as a law office. The initial term of the lease is three years. The Mayor presented details of the pending use during a meeting of the Library Board for its information. A copy of a letter of approval from Fred Schlipf, Urbana Free Library Executive Director, on behalf of the concerned parties at the library is included herein.

Fiscal Impact

The revenue generated by the lease will offset the acquisition costs and improvement costs incurred, replacing the anticipated lease revenue from the Tepper Building. The monthly rate is \$950.00, which repays \$100,000.00 principal in 12 years at 5%.

Recommendation

It is the recommendation of staff to approve this lease as prepared.

ORDINANCE NO. 2005-02-027

AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE A LEASE WITH CARL REISMAN

(212 West Green - Marro Building)

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That A Lease Between The City of Urbana and Carl Reisman, in substantially the form of the copy of said Lease attached hereto and hereby incorporated by reference, be and the same is hereby authorized and approved.

Section 2. That the Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver said Lease as so authorized and approved for and on behalf of the City of Urbana, Illinois.

PASSED by the City Council this _____ day of _____, 2005.

AYES:

NAYS:

ABSTAINS:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____, 2005.

Tod Satterthwaite, Mayor

LEASE

THIS LEASE, made this ____ day of February, 2005, between THE CITY OF URBANA, a municipal corporation, Lessor, and _____, Lessee.

WITNESSETH, that Lessor hereby leases to Lessee the premises known and described as follows, to wit:

212 West Green Street, Urbana, Illinois - The South 50 feet of Lot 33 and the South 50 feet of the West one-half of Lot 34, all in James T. Roe's Second Addition to the Town (now City) of Urbana, as per plat recorded in Plat Book "D" at Page 189, situated in Champaign County, Illinois

including a total of seven (7) parking spaces on site (six (6) regular and one (1) accessible with aisle), together with the appurtenances thereto belonging, for the term commencing on March 1, 2005, and expiring on February 28, 2008.

IN CONSIDERATION THEREOF, IT IS AGREED AS FOLLOWS:

1. Lessee shall pay to Lessor the sum of \$950.00 rent per month at 400 South Vine Street, Urbana, Illinois, or wherever designated in writing by Lessor.

Rent for the first month of said term shall be payable on the execution of this lease, thereafter, rent shall be due and payable in advance on the first day of each and every month of said term, it being agreed by the parties hereto that the time of each and all such payments is of the essence of this agreement.

2. Lessee agrees to reimburse the Lessor for any damage to property resulting from Lessee occupying property. Lessee agrees to pay any and all utility costs and sewer use charges.

3. Lessee has examined said premises and appurtenances, is satisfied with the physical condition thereof and accepts the same in its present condition, except it is agreed City will do the following: Roof replacement, exterior siding repair, exterior paint, landscape, stripe parking area.

4. The premises are hereby demised for use as a law office and shall not be used for any other purpose without the express consent of the City. Furthermore, it is expressly understood that the premises shall not be used for any unlawful purpose, nor for the sale of alcoholic beverages. The Lessees shall not assign or sublease this Lease Agreement in whole or in part without the prior written consent of the Lessors, which said consent shall not be unreasonably withheld.

5. Lessee shall not sublease any of the parking spaces which are subject to this Lease.

6. The City will, at its expense, designate and sign one handicapped space among the parking spaces herein leased.

7. Lessee shall not suffer nor commit any waste in and about said premises, nor the building of which they are a part or the furnishings therein, and shall keep the said demised premises together with the fixtures and furnishings therein and appurtenances, in a clean, sightly, and sanitary condition, and in good repair and free from vermin and rodents, all at his own expense, and shall yield the same back to the Lessor upon termination of this lease, by expiration of the term or in any other manner, in the same condition, except as repaired or altered by Lessor, as of the date of the execution hereof, loss by fire and reasonable wear and tear excepted.

8. In the event twenty-five percent (25%) or less of the Premises are damaged or destroyed from any cause whatsoever, whether or not such damage or destruction is covered by any insurance maintained by Lessor, Lessor shall repair, restore and rebuild the improvements to at least as good condition as existed immediately prior to such damage or destruction and, provided such damage or destruction is repairable within ninety (90) days following such damage or destruction, the Lease shall continue in full force and effect. In the event that all or greater than twenty-five percent (25%) of the square footage of the Premises are damaged or destroyed, or in the event any damage or destruction is not repairable within ninety (90) days following the date on which such damage or destruction occurred, then each party, upon thirty (30) days notice thereof, shall have the option of canceling this Lease. Upon any repair, rent shall be abated pro rata based upon the remaining usable square feet of the Premises, until such repair is complete.

9. At the termination of this lease, by lapse of time or otherwise, Lessee shall yield up immediate possession to Lessor and to deliver all keys to Lessor or his agent at the place where rent is payable.

10. The acceptance of rent after it falls due, or after knowledge of any breach hereof by Lessee, or the giving of any notice of making any demand, whether according to any statutory provision or not, or any other act or waiver shall not be construed as a waiver of Lessor's right to act without notice or demand or of any other right hereby given to Lessor, or as an election not to proceed under the provisions of this lease.

11. Lessee shall have the right to make any changes or alterations (all referred to as "Alterations") to the Premises, provided that no such Alteration shall be made which impairs the structural soundness of the Premises; nor without the prior consent of Lessor, which said consent shall not be unreasonably withheld. Lessee hereby indemnifies and holds Lessor harmless with and against any and all costs and expenses, including mechanic's liens, which Lessor may incur or which may result in connection with the construction of any Alterations on or at the premises. All such Alterations shall be done in a good and workmanlike manner in compliance with all applicable laws. Upon the termination hereof, Lessee shall remove all additions they have made, unless otherwise agreed upon, and restore the leased premises to its prior condition.

12. Lessee shall keep in force during the term of this Lease general liability insurance, naming the City as an additional insured, in the amount of One Million (\$1,000,000) Dollars.

13. The rights and remedies of the Lessor under this lease are cumulative, and the use of one or more thereof shall not exclude or waive the right to the use of any other remedy.

14. The occurrence of any one or more of the following events shall constitute a default and breach of the Lease by Lessee:

(a) The failure by Lessee to make any payment of rent as and when due, where such failure shall continue for a period of ten (10) days after written notice thereof from Lessor to Lessee.

(b) The failure by Lessee to observe or perform any of the covenants, conditions or provisions of the Lease or this Addendum to be performed or observed by Lessee other than described in paragraph (a) above, where such failure shall continue for a period of ten (10) days after written notice thereof from Lessor to Lessee of same; provided, however, if the nature of Lessee's default is such that more than ten (10) days is reasonably required to cure such default, then Lessee shall not be deemed to be in default if Lessee commenced to cure such default within said ten (10) day period and thereafter diligently pursues such cure to completion.

15. That in the event that Lessee shall fail to cure any default in the payment of the rent hereunder, or any part thereof, or in any of the covenants or agreements contained herein, within ten (10) days after the mailing of notice to Lessee of such default at his last known address, the Lessor shall have the right and option to declare the entire amount payable hereunder due and owing, and the Lessor may enter upon said premises with process of law, and repossess the same, and distraint for any rent that may be due thereon. After such default shall be made, the tenant, and all persons in position under tenant, shall be deemed guilty of forcible detainer of said premises under the statute, and Lessor shall avail himself or all remedies under and by virtue of such statutes. Should such leased premises be vacated during the term of this lease by the Lessee, the Lessor may take immediate possession thereof for the remainder of the term, and shall make reasonable efforts to mitigate its damages. Lessee shall remain liable for any unpaid balance of the rent.

16. Lessor shall not be in default unless Lessor fails to perform its obligations set forth in the Lease and/or in this Addendum within a reasonable time, but in no event later than ten (10) days after written notice by Lessee to Lessor; provided, however, if the nature of Lessor's obligation is such that more than ten (10) days are required for performance, then Lessor shall not be in default if Lessor commences performance within such ten (10) days period and thereafter diligently prosecutes the same to completion. In the event of any default by Lessor, Lessee may cure such default and deduct the cost therefrom from rent, or may pursue any remedy allowed at law or in equity.

17. Recovery of the premises by Lessor shall not relieve Lessee of any obligations hereunder, and Lessor may let the premises to others upon such terms and conditions as he deems proper, and recover from Lessees sum due hereunder, less any consideration received from others for the use of the premises, for remaining term hereof, after paying expenses. Lessor shall use reasonable efforts to mitigate damages.

18. Lessee shall have the option of renewing this lease for an additional 3 years expiring February 28, 2011, ("Option Term") by giving Lessors notice in writing of its intent to exercise said option at least ninety (90) days prior to the end of the original lease term. In the event of the exercise of said option, the monthly rent for the Option Term shall be adjusted to an amount calculated as follows: Such rent shall be the rent for the month immediately preceding the start of the Option Term, times a fraction, the numerator of which is the U.S. Bureau of Labor Statistics Consumer Price Index for all items for Chicago, Illinois, for the 3rd month preceding the start of the Option Term and the denominator of which is said index for the 15th month preceding said Option Term.

19. Lessee and its respective employees, guests and invitees shall have unrestricted access to all parking facilities appurtenant to the Premises. Lessor, at its own cost and expense, shall be responsible for (i) removing snow from the sidewalks, parking areas, (ii) removing trash originated by Lessee from the Premises and (iii) HVAC replacement.

20. Lessor shall keep in good order and repair all structural elements of the Premises, including specifically the roof, foundation, exterior walls, gutters, sewer lines, and sidewalks, provided, however, if the reasonable cost of making necessary repairs to such exceed the amount of \$3,000.00 for any such repair of the foregoing elements or combination thereof, the Lessor can decline to make such repairs and unless the Lessee and Lessor reach a written agreement to nevertheless make such repairs, then this Lease shall terminate on the final day of the month in which the City serves notice upon the Lessee that the repairs will not be made.

Lessee shall be responsible for interior repairs, routine maintenance of equipment and lights and all other repairs to the portion of the Premises, and to equipment serving only the portion of the Premises, solely under the control of Lessee.

21. All machinery, equipment, trade fixtures, movable partitions, furniture, inventory, and other personal property (collectively "Personal Property") installed or placed in the Premises by Lessee shall be and remain the property of Lessee. Lessee shall be entitled to remove the same or any part thereof during the term or upon termination (for any reason) of the Lease provided Lessee shall not be liable for any damage caused by such removal.

22. Lessor and Lessee each hereby waive any and all rights of recovery against the other, or against the officers, employees, agents and representatives of the other, for loss or damage to such waiving party or its property or the property of others under its control to the extent that such loss or damage is insured against or required to be insured against, under any insurance policy in force at the time of such loss or damage. Each party shall give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Addendum.

23. Lessee, at its sole cost and expense shall be permitted to place signage in, or about the Premises, so long as permitted under relevant City of Urbana Ordinances.

24. Lessor shall be entitled to inspect the Premises during normal business hours of Lessee. In the event Lessee fails to exercise any option it may have to renew the term of the Lease, Lessor shall have the right to place "For Rent" signs on or about the Premises, and to show the Premises during normal business hours of Lessee and without interference with Lessee's employees, customers or business operations. Lessor shall not have any key(s) to the Premises.

25. Lessee, upon paying the rents and other charges herein provided for and observing and keeping all other covenants, agreements and conditions of this Lease on its part to be kept, shall quietly have and enjoy the Premises during the Term of this Lease without hindrance or molestation by Lessor or anyone claiming by or through Lessor.

26. Any notices required to be sent hereunder shall be sent by certified mail, return receipt requested, and if sent to Lessee, addressed to:

and to Lessor, addressed to:

Said notice shall be deemed given when received or, if receipt is refused, such notice shall be deemed given on the date of such refusal.

WITNESS the hands and seals of the parties hereto the day and year first above written.

_____ (SEAL)

_____ (SEAL)

Lessors

By: _____ (SEAL)

Lessee

Attest:

Secretary