



# City of Saginaw

## City of Saginaw

**Meeting Date:** 04/21/2015

**Staff Contact:** Nan Stanford  
City Manager

**Agenda Item:** 7  
(CC-0415-08)

**E-mail:** [nstanford@ci.saginaw.tx.us](mailto:nstanford@ci.saginaw.tx.us)

**Phone:** 817-232-4640

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**SUBJECT:** Consideration and Action regarding Renewal of Sublease Agreement with Saginaw Area Chamber of Commerce for Building and Property located at 301 N. Saginaw Boulevard for Additional Period of 5 Years at a Rate of \$1,200 per Month

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**BACKGROUND/DISCUSSION:**

The current Sublease Agreement with the Saginaw Area Chamber of Commerce for the building and property at 301 N. Saginaw Boulevard expires on May 31, 2015. The agreement included one option to renew the lease for an additional five year term at the rate of \$1,200 per month. The additional term will extend the expiration of the agreement to May 31, 2015. Written notice from the Saginaw Area Chamber of Commerce indicating their wish to renew the lease was received earlier this year.

**FINANCIAL IMPACT**

The financial impact will be the revenue from the monthly rent of \$1,200.

**RECOMMENDATION:**

N/A

Attachments

Letter from SACC  
Information & Current Sublease Agreement



301 S. Saginaw Blvd • Saginaw, TX 76179 • Phone: 817-232-0500 • Fax: 817-232-2311 •  
[www.saginawtxchamber.org](http://www.saginawtxchamber.org)

February 9, 2015

Nan Stanford  
City Manager  
City of Saginaw

Re: Option to Renew Lease

The Saginaw Area Chamber of Commerce wishes to exercise our option to renew lease agreement for one additional term of five years.

Current Lease effective date: July 1, 2010

Name of Building: The Depot Building  
Property address: 301 S. Saginaw Blvd.  
Saginaw, Texas, 76179

A handwritten signature in black ink, appearing to read "Joyce Erwin", written over a horizontal line.

Joyce Erwin  
Executive Director  
Saginaw Area Chamber of Commerce

A handwritten signature in black ink, appearing to read "Jenny Stewart", written over a horizontal line.

Jenny Stewart  
Board of Directors President 2015  
Saginaw Area Chamber of Commerce

April 15, 2015

**City of Saginaw Depot Building  
Saginaw Area Chamber of Commerce  
Facts and Information  
2015**

- The property is located at 301 S. Saginaw Boulevard
- The City of Saginaw purchased the Depot Building from the Eagle Mountain-Saginaw Foundation in January 2007 in the amount of \$41,104.00
- The Depot is located on property leased from Burlington Northern Santa Fe Railroad at an annual cost of \$2,086.00. This amount will increase annually until the end of the lease on July 26, 2020
- The Depot building is approximately 2,525 square feet
- The City provides water and sewer at an annual cost of \$8,632.00
- The City provides lawn mowing service during mowing season at an annual cost of \$4,500.00
- Before May 31, 2015, the Chamber has the option to extend the lease for an additional five years for a monthly lease of \$1,200.00 with a termination date of May 31, 2020. Annual lease of \$14,400.00
- There is office space available for rental income for the Chamber

Note: The City has provided annual support to the Chamber from the Hotel/Motel Tax in the amount of \$5,000.00 since January 2002. The Council considers the continuation of this support at the beginning of each calendar year

May 5, 2010

**City of Saginaw Depot Building  
Saginaw Area Chamber of Commerce  
Facts and Information  
2010**

- The property is located at 301 S. Saginaw Boulevard
- The City of Saginaw purchased the Depot Building from the Eagle Mountain-Saginaw Foundation in January 2007 in the amount of \$41,104.00
- The Depot is located on property leased from Burlington Northern Santa Fe Railroad at an annual cost of \$1,443.87 and will increase to \$1,800.00 on August 1, 2010. This amount will increase annually until the end of the lease on July 26, 2020
- The Depot building is approximately 2,525 square feet
- The City provides water, and sewer at an annual cost of \$1,065.00
- The City provides lawn mowing service during mowing season at an annual cost of \$1,700.00
- The Chamber currently pays a monthly lease of \$950.00 with a termination date of June 30, 2010. Annual lease of \$11,400.00
- There is office space available for rental income for the Chamber

Note: The City has provided annual support to the Chamber from the Hotel/Motel Tax in the amount of \$5,000.00 since January 2002. The Council considers the continuation of this support at the beginning of each calendar year

# SUBLEASE AGREEMENT

## Terms

**Effective Date:** July 1, 2010  
**Landlord:** City of Saginaw  
**Landlord's Address:** 333 West McLeroy Blvd., Saginaw, Texas 76179  
**Tenant:** Saginaw Area Chamber of Commerce  
**Tenant's Address:** 301 S. Saginaw Blvd., Saginaw, Texas 76179  
**Premises:** The parcel of real property described in Exhibit "A" to the Railroad Lease (as hereinafter defined).  
**Name of building:** The Depot Building  
**Street address:** 301 S. Saginaw Blvd.  
**City, state, zip:** Saginaw, Texas 76179  
**Monthly Rent:** \$950.00  
**Commencement Date:** July 1, 2010  
**Termination Date:** May 31, 2015  
**Use:** Office use  
**Amount of Liability Insurance:** \$1,000,000 per occurrence and \$2,000,000 in the aggregate.

## Definitions

*Rent* means Base Rent plus any other amounts of money due Landlord by Tenant.

*Tenant* means the Saginaw Area Chamber of Commerce and its agents, employees, invitees, Tenants, or visitors.

*Landlord* means the City of Saginaw and its officers, employees, agents, invitees, Tenants, or visitors.

*Term* means the period between the Commencement Date and the Termination Date.

*Premises* means the Depot Building.

## **Clauses and Covenants**

### **A. Tenant agrees to:**

1. Accept the Premises in its present condition "AS IS," the Premises being currently suitable for Tenant's intended use.
2. Obey all laws, ordinances, orders, and rules and regulations applicable to the use, condition, and occupancy of the Premises.
3. Pay monthly, in advance, on the first day of the month, the Rent to Landlord at Landlord's Address.
4. Pay, as additional consideration, all other amounts due under this Lease.
5. Pay a late charge of five percent (5%) of any Rent not received by Landlord by the tenth day of the month in which it is due.
6. Pay for all utility services used by Tenant, except water and sewer services.
7. Allow Landlord to enter the Premises to: (i) inspect the Premises, (ii) conduct Landlord's business at such times as may be determined by Landlord, at Landlord's sole discretion, and (iii) verify that Tenant has complied with the terms of this Lease. In the event of a conflict, the right of Landlord to use, maintain and operate the Premises in the manner that Landlord deems appropriate and to use any portion of the Premises at such time Landlord deems necessary, is superior to the rights of Tenant hereunder.
8. Repair, replace, and maintain the Premises in accordance with the provisions of Exhibit "B" attached hereto.
9. Maintain general liability insurance for the Premises and the conduct of Tenant's business, naming Landlord as an additional insured, in the amounts stated herein.
10. Maintain casualty insurance on Tenant's personal property.
11. Deliver certificates of insurance to Landlord before the Commencement Date and on each one-year anniversary thereafter.
12. Tenant, its officers, members, partners, employees, agents, and licensees ("Indemnitors") hereby fully indemnify, save and hold harmless the City of Saginaw, its officers, employees, agents, licensees, and invitees ("Indemnitees") against any and all liability, damage, loss, claims, demands and actions of any nature whatsoever on account of personal

injuries (including, without limitation on the foregoing, worker's compensation and death claims), or property loss or damage of any kind whatsoever, which arise out of or are in any manner connected with, or caused by, or are claimed to arise out of or be in any manner connected with, or caused by, either proximately or remotely, wholly or in part, an act or omission, negligence or misconduct by Indemnitors or Indemnitees or any of Indemnitor's of Indemnitee's agents, servants, employees, contractors, patrons, guests, licensees, or invitees entering upon the Premises pursuant to this Lease, or any of the hazards associated with operation of the Saginaw Area Chamber of Commerce operations on the Premises; or the violation by Indemnitees, Lessee, or any of its agents, servants, employees, contractors, patrons, guests, licensees, or invitees of any law, ordinance, or governmental order of any kind, or out of the use or occupancy of the improvements on the Premises or the Building itself by Indemnitees, Lessee, its agents, servants, employees, contractors, patrons, guests, licensees, or invitees.

13. Vacate the Premises and return all keys to the Premises on termination of this Lease.

**B. Tenant agrees not to:**

1. Use the Premises for any purpose other than that stated in the Lease.
2. Create a nuisance.
3. Permit any waste.
4. Use the Premises in any way that is extra-hazardous, would increase insurance premiums, or would void insurance on the building.
5. Alter the Premises.
6. Allow a lien to be-placed on the Premises.
7. Assign this Lease or any portion of the Premises without prior written notice to Landlord.
8. Commit any act or omission in violation of the terms and conditions of the Railroad Lease (as hereinafter defined).

**C. Landlord agrees to:**

1. Grant Tenant this non-exclusive Lease for use of the Premises in accordance herewith.
2. Obey all laws, ordinances, orders, and rules and regulations applicable to the use, condition, and occupancy of the building.

3. Subject to Section A.7., refrain from unnecessarily interfering with Tenant's use of the Premises and reasonably cooperate with Tenant with respect to scheduling Landlord's use of the Premises.

**D. Landlord agrees not to:**

1. Interfere with Tenant's possession of the Premises as long as Tenant is not in default; provided, however, this concession is subject to Landlord's priority right to use any portion of the Premises for City-related purposes at such times as Landlord may deem appropriate, in its sole discretion.

**E. Landlord and Tenant agree to the following:**

1. *Alterations.* Any physical additions or improvements to the Premises made by Tenant will become the property of Landlord. Landlord may require that Tenant, at termination of this Lease and at Tenant's expense, remove any physical additions and improvements, repair any alterations and restore the Premises to the condition existing at the Commencement Date, normal wear excepted.

2. *Abatement.* Tenant's covenant to pay a Rent and Landlord's covenants are independent. Except as otherwise provided, Tenant will not be entitled to abate the Rent for any reason.

3. *Release of Claims/Subrogation.* Landlord and Tenant release each other from any claim, by subrogation or otherwise, for any damage to the Premises, the building, or personal property within the building, by reason of fire or the elements, regardless of cause, including negligence of Landlord or Tenant. This release applies only to the extent that it is permitted by law, the damage is covered by insurance proceeds, and the release does not adversely affect any insurance coverage.

4. *Notice to Insurance Companies.* Landlord and Tenant will notify the issuing insurance companies of the release set forth in the preceding paragraph and will have the insurance policies endorsed, if necessary, to prevent invalidation of the insurance coverage.

5. *Casualty/Total or Partial Destruction*

a. If the Premises are damaged by casualty and can be restored within ninety days, Landlord will, at its expense, restore the Premises to substantially the same condition that existed before the casualty. If Landlord fails to complete restoration within ninety days from the date of written notification by Tenant to Landlord of the



casualty, Tenant's exclusive remedy shall be to terminate this Lease by written notice to Landlord.

b. If the Premises cannot be restored within ninety days, Landlord has an option to restore the Premises. If Landlord chooses not to restore, this Lease will terminate. If Landlord chooses to restore, Landlord will notify Tenant of the estimated time to restore and give Tenant an option to terminate this Lease by notifying Landlord within ten days. If Tenant does not terminate this Lease, the Lease will continue and Landlord will restore the Premises as provided in subsection a. above.

c. To the extent the Premises are not suitable for occupancy after the casualty and the damage was not caused by Tenant, the Rent will be adjusted as may be fair and reasonable.

6. *Condemnation/Substantial or Partial Taking*

a. If the Premises cannot be used for the purposes contemplated by this Lease because of condemnation, purchase in lieu of condemnation, or by virtue of the exercise of the right to terminate the Railroad Lease by the lessor thereunder, this Lease will terminate.

b. Tenant will have no claim to the condemnation award or proceeds in lieu of condemnation.

7. *Default by Landlord/Events.* Defaults by Landlord are failing to comply with any provision of this Lease within thirty days after written notice thereof.

8. *Default by Landlord/Tenant's Remedies.* Tenant's exclusive remedy for Landlord's default shall be to terminate this Lease.

9. *Default by Tenant/Events.* Defaults by Tenant are (a) failing to pay timely the monthly Rent, (b) abandoning or vacating a substantial portion of the Premises, and (c) failing to comply, within ten days after written notice, with any provision of this Lease other than the defaults set forth in (a) and (b) above.

10. *Default by Tenant/Landlord's Remedies.* Landlord's remedies for Tenant's default are to enter and take possession of the Premises and immediately terminate this Lease by providing written notice thereof to Tenant. Landlord may enter and take possession of the Premises by self-help, by picking or changing locks if necessary, and may lock out Tenant or my other person who maybe occupying the Premises, until the default is cured, without being liable

for damages.

11. *Cancellation.* This Lease may be canceled without cause by either party IF the party canceling has given the other party 120 days prior written notice of the date of cancellation.

12. *Default/Waiver/Mitigation.* It is not a waiver of default if the non-defaulting party fails to declare immediately a default or delays in taking any action. Pursuit of any remedy set forth in this Lease does not constitute an election of remedy or preclude pursuit of other remedies in this Lease or provided by law.

13. *Venue.* Venue is in Tarrant County.

14. *Entire Agreement.* This is the entire agreement of the parties, and there are no oral representations, warranties, agreements, or promises pertaining to this Lease or to any expressly mentioned exhibits and riders not incorporated in writing in this Lease.

15. *Amendment of Lease.* This Lease may be amended only by an instrument in writing signed by Landlord and Tenant:

16. *Option to Renew Lease.* Provided Tenant is not in default, Tenant shall have the option to renew this lease for one (1) additional term of five (5) years, provided the Tenant gives the Landlord written notice of desire to extend the term not less than ninety (90) days prior to the expiration of the original term, which is May 31, 2015, at a rate of \$1,200.00 per month.

17. *Limitation of Warranties.* THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY, OF FITNESS FOR A PARTICULAR PURPOSE, OR OF ANY OTHER KIND ARISING OUT OF THIS LEASE, AND THERE ARE NO WARRANTIES THAT EXTEND BEYOND THOSE EXPRESSLY STATED IN THIS LEASE.

18. *Notices.* Any notice required or permitted under this Lease must be in writing. Any notice required by this Lease will be deemed to be delivered (whether actually received or not) when deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the address shown in this Lease. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile transmission, or other commercially reasonable means and will be effective when actually received. Any address for notice may be changed by written notice delivered as provided herein.

19. *Railroad Lease.* This Lease is in the nature of a sublease in that it was contemplated by the parties to the Railroad Lease that Landlord would contractually arrange for

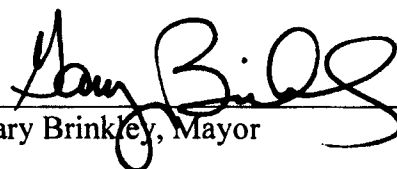
Tenant to occupy the Premises. Landlord is the owner of a leasehold interest in the Premises by virtue of that Definite Term Lease (the "Railroad Lease") dated July 25, 2000, by and between Landlord, as Lessee therein, and The Burlington and Santa Fe Railway Company, as Lessor therein. This lease is subject to the terms of the Railroad Lease. Tenant shall at all times comply with all of the terms of the Railroad Lease as if it were Lessee thereunder. Tenant's failure to so comply shall be a default under this lease. In the event a that the Lessor under the Railroad Lease ever requires Landlord to pay ad valorem taxes on all or part of the Premises, Tenant shall pay that amount of taxes to Landlord as additional Rent.

ATTEST

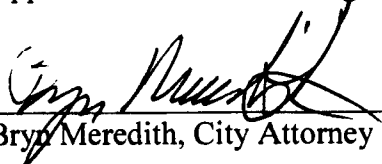
LANDLORD:

City of Saginaw, Texas

  
Janice England, City Secretary

  
Gary Brinkley, Mayor

Approved as to form and legality:


  
Bryn Meredith, City Attorney

TENANT:

Saginaw Area Chamber of Commerce

Saginaw Area Chamber of Commerce

By:   
(Signature)

By:   
(Signature)

Name: Art Jones  
(Printed Name)

Name: Sarah Hollenstein  
(Printed Name)

Title: Executive Director

Title: President, Board of Directors

Board of Directors accepted Lease agreement between City of Saginaw and Saginaw Area Chamber of Commerce on May 11, 2010.

~~Exhibit "B"~~

## **Exhibit "B"**

- A. **Cleaning:** Tenant must keep the leased premises clean, sanitary and properly dispose of all garbage. Tenant will provide at its expense, reasonable janitorial services to the leased premises.
- B. **Repairs of Conditions Caused by a Party:** Each party must promptly repair a condition caused by, either intentionally or negligently, by that party or that party's guests, patrons, invitees, contractors or permitted subtenants.
- C. **Repair and Maintenance Responsibilities:** The specified items must be maintained in good condition, good repair, and operable condition. If law or governmental regulation or order requires a modification to any of the specified items, the party designated to maintain the item must complete and pay for the expense of the modification. The specified items include and relate only to real property in the leased premises. Tenant is responsible for the repair and maintenance of its personal property.
  - (1) Foundation, exterior walls, roof, and other structural components (Landlord).
  - (2) Glass and windows (Tenant)
  - (3) Exterior & overhead doors, including closure devices, molding, locks, and hardware (Tenant)
  - (4) Grounds maintenance, including landscaping and ground sprinklers (Landlord)
  - (5) Fire protection equipment (Landlord). Monitoring of the system will be the responsibility of the Tenant (Tenant)
  - (6) Parking areas and walks (Landlord)
  - (7) Plumbing systems, drainage systems, electrical systems, mechanical systems, except those specifically designated otherwise (Landlord)
  - (8) Regular monthly maintenance of items above (No. 7) (Tenant)
  - (9) Tenant shall perform monthly/routine maintenance on the HVAC system. In the event of a major malfunction such as a compressor unit becoming inoperable, Landlord will be financially responsible. (Tenant/Landlord)
  - (10) Signage (Tenant)
  - (11) Extermination and pest control, excluding wood-destroying insects (Tenant)
  - (12) Wood destroying insect treatment and repairs (Landlord)
  - (13) Outside Restroom and Railcars (Tenant)
- D. **Notice of Repairs:** Tenant must promptly notify Landlord in writing of any item that is hereby defined as the Landlord responsibility and is in need of repair.

**Notice of repair:** Repairs by either party as required should be identified and repairs made in a timely manner. Should an issue arise, either party should notify the other in writing of the repair in need and the responsible party will have said repairs done within twenty (20) days of notification or make a reasonable effort to have repairs made should the extent of the work exceed 20 days.

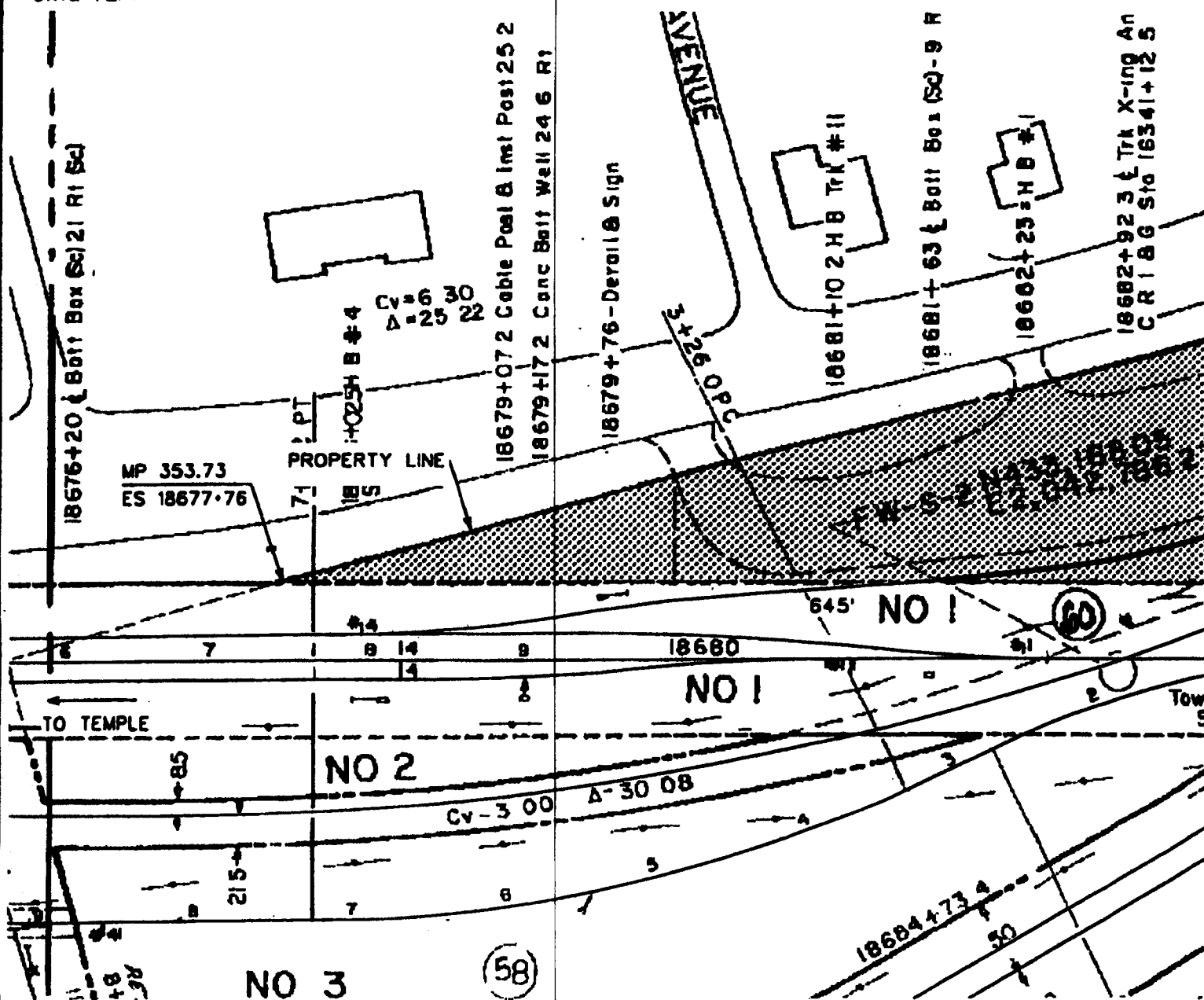
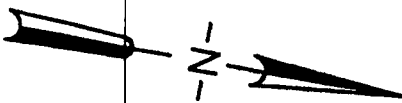
# EXHIBIT "A"

ATTACHED TO CONTRACT BETWEEN  
THE BURLINGTON NORTHERN AND SANTA FE RAILWAY COMPANY  
AND  
SAGINAW AREA CHAMBER OF COMMERCE

## FOUNDATION

FORT WORTH, TEXAS  
SCALE: 1 IN. = 100 FT.  
TEXAS DIV.  
FORT WORTH SUBDIV. L.S. 7500  
DATE 12/07/1999

V- TX-21  
MAP 5  
PARCEL -



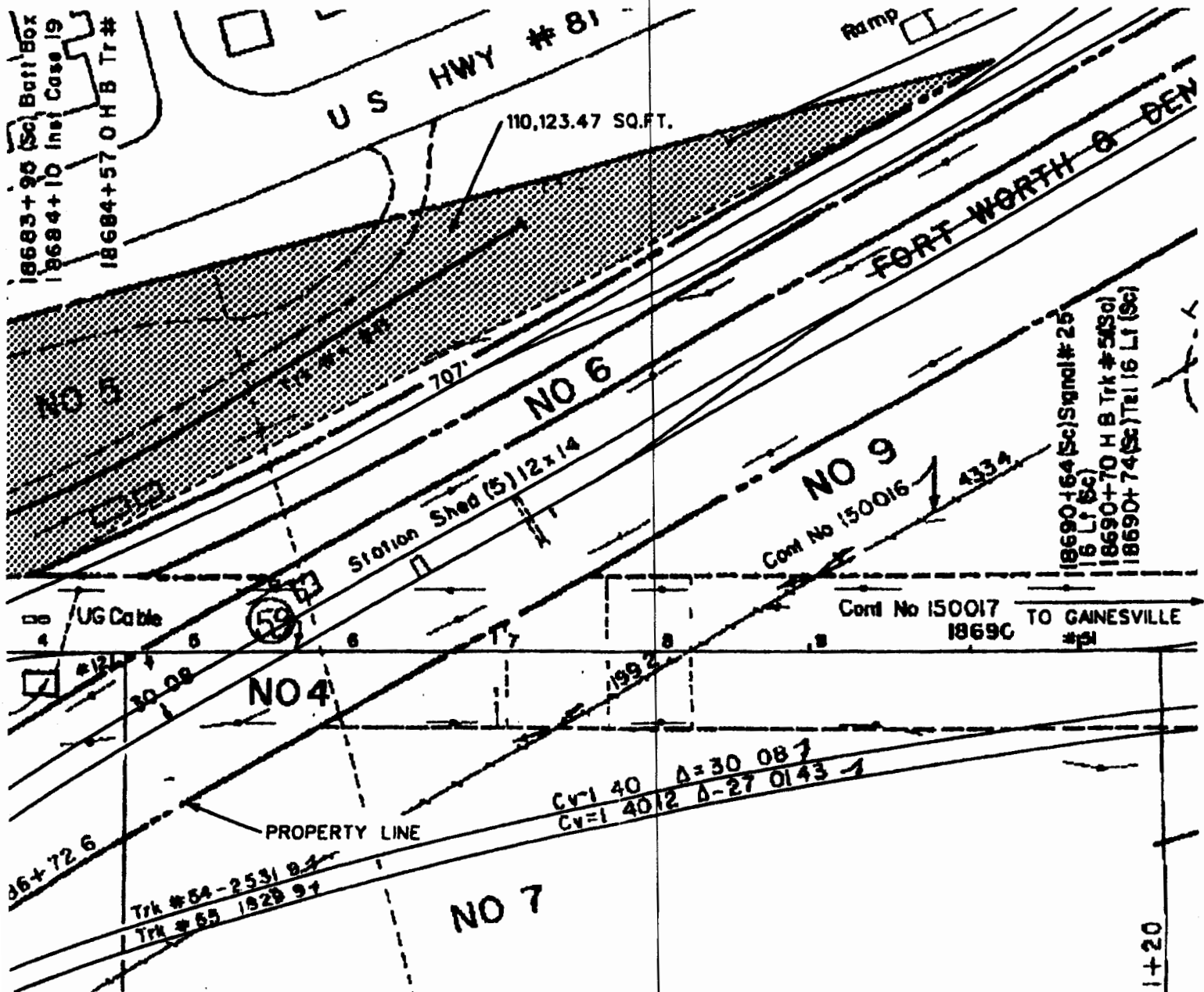
AT SAGINAW  
COUNTY OF TARRANT

STATE OF TX

DESCRIPTION:

A PARCEL OF LAND CONTAINING 110,123.47 SQ.FT.  
(2.53 AC.) MORE OR LESS SHOWN SHADED.  
INCLUDING 600' OF CLIC 8302 (TRK NO.4) SHOWN  
BOLD.

SECTION: \_\_\_\_\_  
TOWNSHIP: \_\_\_\_\_  
RANGE: \_\_\_\_\_



18683+95 (Sc) Batt Box  
18684+10 Inst Case 19  
18684+57 O H B Trk #

18690-164 (Sc) Signal # 25  
16 Lt (Sc)  
18690+70 H B Trk # 58(Sol)  
18690+74 (Sc) Tel 16 Lt (Sc)

1+20

SMK