

RESOLUTION NO. 31308

A RESOLUTION AUTHORIZING THE MAYOR OR HIS DESIGNEE TO ENTER INTO A LEASE AGREEMENT WITH VINCENT PROPERTIES, LLC, IN SUBSTANTIALLY THE FORM ATTACHED, FOR THE USE OF APPROXIMATELY ONE THOUSAND TWO HUNDRED (1,200) SQUARE FEET OF OFFICE SPACE BY THE DEPARTMENT OF PARKS AND OUTDOORS AT 221 RIVER STREET, ON A PORTION OF TAX MAP NO. 135E-N-003, FOR THE TERM OF THREE (3) YEARS, WITH THE OPTION TO RENEW FOR TWO (2) ADDITIONAL TERMS OF THREE (3) YEARS EACH, WITH RENT OF TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500.00) PER MONTH DURING THE INITIAL TERM WITH THE EFFECTIVE DATE OF OCTOBER 1, 2022.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, That it is hereby authorizing the Mayor or his designee to enter into a Lease Agreement with Vincent Properties, LLC, in substantially the form attached, for the use of approximately one thousand two hundred (1,200) square feet of office space by the Department of Parks and Outdoors at 221 River Street, on a portion of Tax Map No. 135E-N-003, for the term of three (3) years, with the option to renew for two (2) additional terms of three (3) years each, with rent of \$2,500.00 per month during the initial term with the effective date of October 1, 2022.

ADOPTED: September 27, 2022

/mem

LEASE AGREEMENT

THIS LEASE AGREEMENT (“Lease”) made and entered into as of the ____ day of _____, 2022, by and between Vincent Properties, LLC, a Tennessee limited liability company (“Lessor”) and the City of Chattanooga, Tennessee, a municipal corporation (“Lessee”).

RECITALS

WHEREAS, Lessee desires to lease facilities from Lessor to be used exclusively for the purpose of providing government services; and

WHEREAS, Lessor has the appropriate authority to, and hereby agrees to lease to Lessee the space (defined below) containing approximately 1200 square feet on property identified in SECTION 1 below, which is situated on that certain parcel of land owned by Lessor.

NOW, THEREFORE, in consideration of the faithful performance of the terms, covenants, and conditions and the mutual obligations of the parties as set forth herein, the parties agree as follows:

SECTION 1. Leased Premises. Lessor leases to Lessee that certain building located at 221 River Street, Chattanooga, Tennessee, situated on Tax Map Number 135E-N-003 containing approximately 1200 square feet as shown in red on **Exhibit A**, attached hereto and incorporated by reference (the “Leased Premises”).

SECTION 2. Consideration; Utilization of Leased Premises. It is expressly agreed to and understood by the parties that the Leased Premises shall be used exclusively for the purpose of providing government services. Lessee shall not utilize the Leased Premises for any other purposes without the express written approval of Lessor.

SECTION 3. Term; Termination The term of this Lease shall commence upon execution by the parties (the “Effective Date”), shall be for an initial period of three (3) years (the

“Initial Term”), and shall not renew automatically, but may be renewed upon mutual agreement of the parties for two (2) additional three (3) year terms (each a “Renewal Term”). Either party may terminate this Lease at any time without cause upon giving the other party written notice of its intention to terminate, and such notice shall be received at least (90) days prior to the termination date. Notwithstanding the foregoing, Lessee reserves the right to terminate this Lease for unappropriated funds or unavailability of funds by giving written notice to the Lessor at least sixty (60) days prior to the effective date of such termination. The obligation of Lessee for payment of rent to Lessor is limited to the availability of funds appropriated in a current fiscal period, and continuation of the Lease into a subsequent fiscal period is subject to appropriation of funds by the Chattanooga City Council.

SECTION 4. Lease Payments.

(a) Lessee shall, during the Initial Term pay to Lessor the sum of Two Thousand Five Hundred and No/100 Dollars (\$2,500.00) per month (the “Rent”) with the first payment due on the Effective Date of this Lease and subsequent monthly payments due on the first day of each month thereafter during the term of this Lease. If the parties elect to renew this Lease, an increase of three percent (3%) shall be added to the Rent or the New Monthly Rent, whichever is applicable, during each Renewal Term. In addition to Rent described above, Lessee must pay to Lessor, as additional rent, the amount by which the total applicable ad valorem property taxes and storm water fees (all collectively being the “Fees”) assessed against the Leased Premises for calendar years 2023 and thereafter exceed the total amount of Fees assessed against the Leased Premises for calendar year 2022 (such excess being the “Additional Fees Expense”); provided however, that for the calendar year in which the term of this Lease expires or is terminated, any Additional Fees Expense owed by Lessee will be prorated for the partial year. Lessor agrees to calculate the Additional Fees

Expense on an annual basis and send notice to Lessee of the amount due; and Lessee will make payment of same within 60 days of being invoiced. All rentals payable by Lessee to Lessor under this Lease shall be paid to Lessor at the address herein designated in SECTION 24.

SECTION 5. Quiet Possession. The Lessor covenants to keep the Lessee in quiet possession of the Leased Premises during the Initial Term and any Renewal Term of this Lease.

SECTION 6. Termination and Holding Over. Upon termination of this Lease, at the expiration of the Initial Term hereof or any Renewal Term thereof, Lessee shall surrender the Leased Premises to Lessor in as good condition as received, ordinary wear and tear and damage by fire or other casualty excepted. Lessee covenants to Lessor that it shall vacate the Leased Premises on or before thirty (30) days following the expiration or termination of the Initial Term or any Renewal Term hereof including removal of all personal property. Any personal property of Lessee which is not removed from the Leased Premises after the expiration of or termination of this Lease shall be deemed abandoned and may be disposed of by Lessor in any manner without accounting or being liable to Lessee. Lessee shall surrender all keys to the Leased Premises at or before the termination of this Lease.

SECTION 7. Insurance. Lessee is self-insured as evidenced by that certain Certificate of Self-Insurance attached as **Exhibit C** and incorporated herein by reference.

SECTION 8. Parking Spaces. During the term of this Lease, Lessee shall be entitled to the use of two (2) tandem parking spaces for a total of four (4) spaces, as shown on **Exhibit B**, (the "Parking") located adjacent to the Leased Premises.

SECTION 9. Assignment or Sublease. Lessee shall neither assign nor transfer this Lease or any interest herein nor sublease the Leased Premises or any part thereof to anyone during the term of this Lease or any extensions or holdovers.

SECTION 10. Discrimination. Lessee covenants to comply with all federal, state, county, and city laws and ordinances in regard to discrimination due to handicap, age, race, color, religion, sex, national origin, or any other classification protected by said laws.

SECTION 11. No Warranties. Lessee takes and accepts the Leased Premises from Lessor “AS IS, WITH ALL FAULTS” that is at its condition as of the Effective Date of this Lease, upon the terms and conditions herein contained.

SECTION 12. Utility and Janitorial Services; Maintenance Fee. All applications and connections for necessary utility services on the Leased Premises shall be made in the name of Lessee only. Lessee shall be solely liable for utility charges as they become due, including, but not limited to, those for water, gas, and electricity. Lessee shall also be responsible for a HVAC maintenance fee payment in the amount of \$36.00 per month and Lessee shall pay be responsible for obtaining and paying for its janitorial services. It shall be a breach of this Lease to fail to keep such payments current.

SECTION 13. Repairs and Maintenance; Improvements and Signage

(a) **Repairs and Maintenance.** Lessor shall make all major repairs to the Leased Premises, except such repairs made necessary by any act or negligence of Lessee or its invitees, agents, employees, or contractors. Lessee shall be responsible for payment of the first \$500 of all major repairs, except for any required repairs related to exterior maintenance and grounds maintenance, which shall be at the sole cost and expense of Lessor. Lessee may make small minor repairs to the interior premises; however, notification of the repairs will need to be provided to the Lessor within seven (7) days of the required repairs.

(b) Improvements and Signage. Lessee shall neither make any improvements to the Leased Premises nor install signage without obtaining the prior written approval from Lessor, which approval shall not unreasonably be withheld.

SECTION 14. Laws and Ordinances. Lessee covenants to comply with all federal, state, county, and city laws and ordinances, including those regarding nuisances insofar as the Leased Premises are concerned, and that the Lessee will not by any act of its agents or officers render the Lessor liable therefor.

SECTION 15. Possession. If this Lease should at any time become void or forfeited, no demand shall be necessary to a recovery of possession of the Leased Premises, and the Lessor shall be entitled to immediate possession.

SECTION 16. Attorney's Fee for Right to Recover Possession. Should the Lessor at any time rightly seek to recover possession of the Leased Premises, and be obstructed or resisted therein, and any litigation thereon ensues, the Lessee shall be bound to pay the Lessor a reasonable attorney's fee.

SECTION 17. Right to Enter. Other than in emergent circumstances in which case the Lessor may enter as appropriate to respond, the Lessor shall, after providing reasonable advance notice to Lessee, have the right to enter into and upon said Leased Premises or any part thereof, at all reasonable hours for the purpose of examining the same, or making such repairs, additions, or alterations as may be necessary for the safety, comfort, and preservation thereof. Lessor shall not unreasonably interfere with Lessee's operations provided that this shall not be construed to prevent Lessor from responding as necessary to an emergent circumstance.

SECTION 18. Damage or Destruction. If, at any time from and after the Effective Date, the Leased Premises or any part thereof shall be damaged or destroyed by fire or other hazard insured by Lessor, then, Lessor shall, promptly thereafter, repair or restore, or cause to be repaired and restored, the Leased Premises and Lessor shall not have any liability or responsibility to repair, rebuild or replace any person property belong to Lessee nor be obligated to commence such repairs and/or rebuilding until insurance proceeds are paid to Lessor. Lessor's obligation to restore the Leased Premises shall be limited to the proceeds received and retained by Lessor under its insurance policy which are allocable to the Leased Premises. Lessor shall repair and/or rebuild the Leased Premises to a condition comparable to that existing prior to such damage or destruction. If the damage to the Leased Premises shall render the whole or any part thereof unsuitable for the use for which they were intended and they are actually not used for their intended purpose, rent payable by Lessee pursuant to this Lease, on a per square foot basis, shall be abated until the earlier of the thirtieth (30th) day after the Leased Premises shall be repaired or restored to substantially the same condition they were in immediately prior to such casualty or the date Lessee reopens for business in the damaged area, but only to the extent of the proceeds actually received by Lessor on account of Lessor under any policy of rent and/or business interruption insurance. Rent paid in advance for a period beyond the date on which the same were so rendered unsuitable for the use for which the same were intended shall be apportioned and adjusted. Lessee agrees to exercise reasonable diligence to reopen for business in the Leased Premises as soon as practicable.

SECTION 19. Defaults. The occurrence of any of the following acts shall constitute an immediate, material, non-curable default by Lessee:

- (a) The occurrence of any of the following acts shall constitute an immediate, material, non-curable default by Lessee:

- (1) Abandonment of the Leased Premises, except for causes of force majeure, as defined in SECTION 23; and
 - (2) Any attempted assignment, transfer, or sublease in violation of SECTION 9 above.
- (b) Failure to pay rent as provided for herein or failure to perform any term, covenant, or condition of this Lease, other than those set forth in subparagraph (a) above, shall not constitute a default unless such breach is not cured within the time periods set forth below. Lessor shall give written notice to Lessee of such default and if Lessee does not cure any rent default within five (5) days, or other default within twenty (20) days, after the giving of such notice (or, if such default is of such a nature that it cannot be completely cured within such twenty (20) days), if Lessee does not commence such curing within twenty (20) days and thereafter proceed with reasonable diligence and in good faith to cure such defaults, then Lessor may terminate this Lease on not less than three (3) days' written notice to Lessee, and on the date specified in said notice the Initial Term or any Renewal Term of this Lease shall terminate, and Lessee shall then quit and surrender the Leased Premises to Lessor. If this Lease shall have been so terminated by Lessor, Lessor may at any time thereafter resume possession of the Leased Premises by any lawful means and remove Lessee or other occupants and their effects.

SECTION 20. Remedies. The parties' remedies hereunder are not exclusive but cumulative to other remedies provided by law or in equity in the event of default.

SECTION 21. Surrender of Leased Premises on Termination. Lessee shall peaceably deliver possession of the Leased Premises to Lessor on the date of expiration or termination of this

Lease, whatever the reason for termination. Lessor shall have the right to re-enter and take possession of the Leased Premises on the date termination becomes effective without further notice of any kind and without instituting summary or regular legal proceedings.

SECTION 22. No Waiver. Any waiver by the parties of any default or breach of any one or more of the terms, conditions, or covenants of this Lease shall be in writing and shall not be construed to be a waiver of any subsequent or other breach or default of the same or of any other term, covenant, or condition of this Lease. No delay, failure, or omission of Lessor to re-enter the Leased Premises, to insist on strict enforcement of any term, covenant, or condition, or to exercise any right, privilege or option arising from any breach or default shall impair any such right, privilege or option or be construed as a waiver of or acquiescence in such breach or default.

SECTION 23. Force Majeure. Lessor shall be excused for the period of any delay in the performance of any obligation hereunder when prevented by doing so by cause or causes beyond Lessor's control which shall include, without limitation, all labor disputes, civil commotion, war, war-like operations, invasion, rebellion, hostilities, military or usurped power sabotage, governmental regulations or controls, fire or other casualty, pandemic or epidemic, inability to obtain any material, services, or financing or through acts of God.

SECTION 24. Notices. All notices and other communications given hereunder by the parties shall be in writing and shall be delivered personally or by mail, postage prepaid, and the date of any notice by certified mail shall be deemed the date of certification thereof delivered by or addressed to the parties as follows:

Lessee: City of Chattanooga, Tennessee
ATTN: Real Property Office
101 E. 11th Street, Suite G18
Chattanooga, TN 37402

With a copy to: Office of the City Attorney
100 E. 11th Street, Suite 200
City Hall Annex
Chattanooga, TN 37402

Lessor: Vincent Properties, LLC
4707 Tennessee Avenue
Chattanooga, TN 37409

SECTION 25. Miscellaneous Provisions.

25.1 Applicable Law. This Lease shall be construed and interpreted pursuant to the laws of the State of Tennessee. Should there be any provision thereof to be invalid, illegal, or unenforceable by a court of competent jurisdiction, the legality, validity, and enforcement of the remaining provisions shall not be affected but shall continue in full force and effect. Any disputes between the parties and/or default by Lessee may only be submitted to a court of competent jurisdiction in Hamilton County, Tennessee, and the prevailing party shall be entitled to recover all costs, expenses, and legal fees in defending such legal action.

25.2 Entire Agreement. This Lease represents and constitutes the entire understanding between the parties and supersedes all other leases, agreements, and communications between the parties, whether oral or written, concerning the subject matter herein. Any amendment to this Lease must be in writing and adopted by lawful resolution of the respective governing bodies to be bound thereby.

25.3 Binding Effect. The terms and conditions of this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

25.4 Headings. Section headings are for convenience of reference only and shall not limit or otherwise affect the meanings of this Lease.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Lease on the _____ day of _____, 2022, at Chattanooga, Hamilton County, Tennessee.

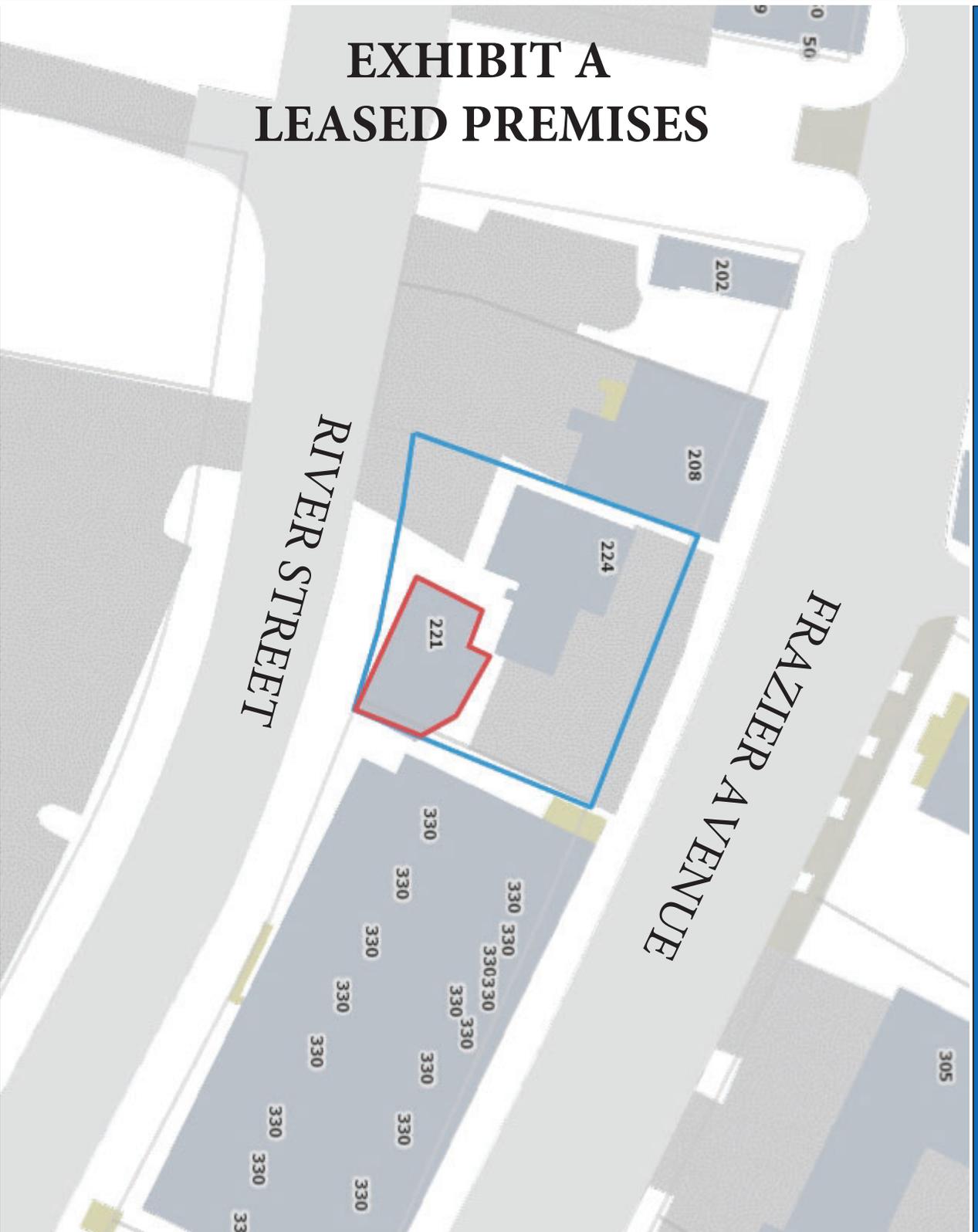
LESSEE: CITY OF CHATTANOOGA, TENNESSEE

BY: _____
JERMAINE E. FREEMAN
Senior Advisor for Economic Opportunity

LESSOR: VINCENT PROPERTIES, LLC

BY: _____
CALLAWAY SEXTON, *President*

EXHIBIT A LEASED PREMISES



Legend

- Parcels
- Addressing <600
- Road Paved Surface
- County Boundary
- Recycling Centers
- Healthcare Facilities
- FIRE
- MEDIC
- POLICE
- Cemeteries
- Religious Facilities
- Schools
- Building Footprints
- Miscellaneous Structures
- Driveways
- Parking
- Water Bodies
- Other Water Bodies
- Recreational Areas
- Surrounding
- Hamilton



NAD_1983_StatePlane_Tennessee_FIPS_4100_Feet
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Disclaimer: This map is to be used for reference only, and no other use or reliance on the same is authorized. This map was automatically generated using HCGIS Mapping System. Parcel lines are shown for reference only and are not intended for conveyances, nor is it intended to substitute for a legal survey or property abstract.

EXHIBIT B PARKING

224 Frazier Ave - Back Porch

221 R.S. 221 R.S. 224 F.A. 224 F.A.

C	C
A	A
R	R
(221 R.S.)	(221 R.S.)

C	C
A	A
R	R
(224 F.A.)	(224 F.A.)

C	C
A	A
R	R
(221 R.S.)	(221 R.S.)

C	C
A	A
R	R
(224 F.A.)	(224 F.A.)

S
I
D
E
W
A
L
K

221 River Street

LOT ENTRANCE

SIDEWALK

RIVER STREET

EXHIBIT C

Certificate of Self-Insurance



City of Chattanooga
Human Resources Department

Tim Kelly, Mayor

CERTIFICATE OF SELF-INSURANCE

This is to certify that the City of Chattanooga Government is a self-insurer in accordance with the Tennessee Governmental Tort Liability Act.

The funded Self-Insurance Plan is established under the provisions of the Tennessee Governmental Tort Liability Act, T.C.A. § 29-20-403, et. seq., which establishes the limits of liability for governmental entities in the State of Tennessee. For all claims against a self-insuring governmental entity, the Act establishes a maximum limit of liability of Three Hundred Thousand (\$300,000.00) Dollars for bodily injury or death of any one (1) person in any one (1) accident, occurrence or act, and Seven Hundred Thousand (\$700,000.00) Dollars for bodily injury or death of all persons in any one (1) accident, occurrence or act, and One Hundred Thousand (\$100,000) Dollars for injury or destruction of property of others in any one (1) accident, occurrence or act. The provisions of the above limits shall apply to any action arising on or after July 1, 2007.

Michael Anthony
Director of Safety, Compliance, & Risk Management