

RESOLUTION NO. 32737

A RESOLUTION AUTHORIZING THE ADMINISTRATOR FOR THE DEPARTMENT OF ECONOMIC DEVELOPMENT TO ENTER INTO A SUBLEASE AGREEMENT WITH CASSETTE, LLC D/B/A CASSETTE SKATE SHOP, IN SUBSTANTIALLY THE FORM ATTACHED, TO SUBLEASE A PORTION OF THE PREMISES AT 3937 ST. ELMO AVENUE, FURTHER IDENTIFIED AS TAX MAP NO. 1550-E-011, FOR THE DEVELOPMENT AND OPERATION OF A TEMPORARY POP-UP SKATE PARK FOR THE BENEFIT OF PUBLIC USE AT NO COST, FOR AN INITIAL TERM ENDING APRIL 30, 2026, AND SUBJECT TO APPROVAL OF ALL PARTIES, AN OPTION TO RENEW FOR TWO (2) ADDITIONAL TERMS OF SIX (6) MONTHS EACH, WITH RENT OF ONE DOLLAR (\$1.00) PER TERM.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, it is hereby authorizing the Administrator for the Department of Economic Development to enter into a Sublease Agreement with Cassette, LLC d/b/a Cassette Skate Shop, in substantially the form attached, to sublease a portion of the premises at 3937 St. Elmo Avenue, further identified as Tax Map No. 1550-E-011, for the development and operation of a temporary pop-up skate park for the benefit of public use at no cost, for an Initial Term ending April 30, 2026, and subject to approval of all parties, an option to renew for two (2) additional terms of six (6) months each, with rent of \$1.00 per term.

ADOPTED: December 9, 2025

/mem

SUBLEASE AGREEMENT

This Agreement is by and between the City of Chattanooga, a Tennessee municipal corporation located at 101 E. 11th Street Chattanooga, TN 37403 (“Sublessor”) and Cassette LLC, d/b/a Cassette Skate Shop, a Tennessee limited liability corporation located at 3935 St Elmo Ave, Chattanooga, TN 37409 (“Sublessee”) or collectively known as (the “Parties”)

Background

- A. This is an agreement (the “Agreement” or the "Sublease") to sublet real property according to the terms specified below.
- B. The Sublessee and Sublessor are herein referred to individually as a “Party” and collectively as “Parties.”
- C. The Lessor is the holder of the Master Lease (hereinafter defined) with respect to the Premises (hereinafter defined). The Master Lease is the applicable lease with respect to the Premises between the Lessor and the Sublessor.

IN CONSIDERATION OF the Sublessor subletting and the Sublessee renting the Subleased Premises (hereinafter defined), both Parties agree to keep, perform and fulfill the promises, conditions and agreements below:

1. Subleased Premises

The Sublessor leases to the Sublessee a portion of the Premises (hereinafter defined) (the “Subleased Premises”) as more particularly described in the Master Lease, Exhibit A attached hereto and incorporated herein by this reference. The Premises are herein referred to as that certain property more commonly known as 3937 St. Elmo Avenue, Chattanooga, Tennessee, Tax Parcel Number 155O-E-011. Sublessor subleases the Subleased Premises for Sublessee’s use as set forth in Paragraph 5.

2. Term

The Effective Date of this Agreement shall be the latter of dates signed by Sublessor and Sublessee (the “Effective Date”). The term (the "Term") of the Sublease shall commence on the Effective Date and shall last until April 30, 2026, and shall not renew automatically, but may be renewed for two (2) additional six-month terms upon mutual agreement of the parties. Subject to the approval of Lessor and renewal of the Master Lease. Sublessee shall give Sublessor at least forty-five (45) days’ prior written notice of the intent to renew.

3. Payable Rent

Subject to the provisions of this Agreement, the rent (the “Payable Rent”) to be paid by Sublessee to Sublessor pursuant to the terms herein for the Subleased Premises is One

Dollar (\$1.00) per term. All rental payments should be paid directly to the Sublessor by mailing such payment to Sublessor at the address in the introductory paragraph of this Agreement or at such other place as the Sublessor may designate at any time by giving notice thereof to Sublessee pursuant to Section 4 of this Agreement. The Payable Rent shall be paid on the Effective Date of this Sublease and thereafter shall be paid on the first day of a renewal term, if any.

4. Notices and Records

Any notice that either party may or is required to give, shall be given by mailing the same, postage prepaid, to the Sublessee at the address in the introductory paragraph of this Agreement, or the Sublessor at the address in the introductory paragraph of this Agreement, or at such other places as may be designated by the Parties in writing from time to time.

5. Permitted Use

The Sublessee may occupy and use the Subleased Premises for the development and operation of a temporary pop-up skate park for the benefit of the public for use at no cost. The development and operation of the pop-up skate park shall be governed by the Skate pop-up park development and operation proposal, Exhibit B attached hereto and incorporated herein by reference. The Sublessor represents that the Subleased Premises may lawfully be used for such purpose.

6. Alterations

Sublessee is expressly permitted to install temporary skate ramps and equipment (“Improvements”) on the Subleased Premises. These Improvements shall remain the property of Sublessee and shall be removed from the Subleased Premises by Sublessee at the end of the term as may be renewed or extended upon the terms and conditions herein contained. Sublessee shall not install any permanent improvements on the Subleased Premises.

7. Sublessor Obligations

Sublessor agrees to provide barricades for the perimeter of the installation as well as trash cans. Prior to and following activation of the pop-up park, Sublessor shall provide pressure washing of the Subleased Premises. Sublessor also agrees to provide marketing and promotion of the pop-up park.

8. Ordinances & Statutes

The Sublessee shall comply with all statutes, ordinances and requirements of all municipal, state and federal authorities now in force, or that may hereafter be in force, pertaining to the Subleased Premises, occasioned by or affecting the use by the Sublessee.

9. Master Lease

The Master Lease is that certain Lease Agreement dated May 1, 2025, by and between the Chattanooga Area Regional Transportation Authority, Lessor, and City of Chattanooga, Lessee. A copy of the Master Lease is attached hereto as **Exhibit A** and made a part hereof. The Master Lease is incorporated herein by reference as though fully set forth. Except as may be otherwise specifically provided herein, the terms of the Master Lease shall apply herein and Sublessee agrees to be bound by and comply with all terms and conditions of the Master Lease as if Sublessee was named as Lessee therein.

10. Indemnification

Subject to the provisions of the Tennessee Governmental Tort Liability Act, T.C.A. § 29-20-101 *et seq.* (“TGTLA”), the Sublessor shall defend, and if found liable, be responsible for paying damages, subject to the limits of liability pursuant to the TGTLA, arising from third party claims, suits, liabilities and judgments for personal injuries or damage to property or financial loss, caused by the negligent acts or omissions of its employees arising out of this Agreement, excepting to the extent any such injury, damage or loss is caused, in whole or part, by the negligence or fault of the Sublessee.

The Sublessee shall hold Sublessor and Lessor harmless, defend, and if found liable, be responsible for paying damages, arising from third party claims, suits, liabilities and judgments for personal injuries or damage to property or financial loss, caused by the negligent acts or omissions Sublessee, its directors, officers, agents, employees, or invites, arising out of this Agreement, excepting to the extent any such injury, damage or loss is caused, in whole or part, by the gross negligence or willful misconduct of the Sublessor, subject to the limits of liability pursuant to the TGTLA.

11. Insurance

During the Sublease Term, Sublessee shall maintain commercial general liability insurance with coverage limits of \$1,000,000 per occurrence and \$2,000,000 in the general aggregate. All insurance policies shall name Lessor, Sublessor and any other party required by either as additional insureds and shall contain an endorsement that such policies may not be modified or canceled without thirty (30) days prior written notice to Lessor and Sublessor. Sublessee shall promptly pay all insurance premiums and shall provide Sublessor and Lessor with policies or certificates evidencing such insurance upon Sublessee’s execution of this Sublease and prior to entering the Subleased Premises. Additionally, Sublessee shall maintain and provide insurance throughout the term of this Sublease.

12. Assignment & Subletting

The Sublessee shall not assign this Sublease or sublet any portion of the Subleased Premises.

13. Sublessor’s Remedies Upon Default

If the Sublessee defaults in the payment of Payable Rent or defaults in the performance of

any of the other covenants or conditions of this Sublease, the Sublessor may give the Sublessee written notice of such default and if the Sublessee does not cure any such default within ten (10) business days after the giving of such notice (or, if such other default is of such a nature that it cannot be completely cured within such period, if the Sublessee does not commence such curing within such ten (10) business days and thereafter proceed with reasonable diligence and in good faith to cure such default), then the Sublessor may terminate this Sublease by giving not less than thirty (30) calendar days' written notice to the Sublessee. On the date specified in such notice, the term of this Sublease shall terminate, and the Sublessee shall then quit and surrender the Subleased Premises to the Sublessor, but the Sublessee shall remain liable as hereinafter provided. If this Sublease shall have been so terminated by the Sublessor, the Sublessor may at any time thereafter resume possession of the Subleased Premises by any lawful means and remove the Sublessee or other occupants and their effects. No failure to enforce any term shall be deemed a waiver

14. Waiver

No failure of the Sublessor or the Sublessee to enforce any term of this Agreement shall be deemed to be a waiver.

15. Heirs, Assigns & Successors

This Agreement is binding upon and inures to the benefit of the heirs, assigns and successors in interest to the Parties.

16. Representation on Authority of Parties/Signatories

Each person signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Agreement on behalf of their respective corporation, sole proprietorship, partnership or other entity. Each Party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such Party's obligations hereunder have been duly authorized and that the Agreement is a valid and legal agreement binding on such Party and enforceable in accordance with its terms.

17. Subordination

This Sublease is and shall be subordinated to all existing and future liens and encumbrances against the Premises. If any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by the Sublessor covering the Subleased Premises, the Sublessee shall recognize such purchaser as the Sublessor under this Sublease.

18. Severability

If any provision of this Agreement is found invalid or unenforceable under judicial decree

or decision, the remainder shall remain valid and enforceable according to its terms. Without limiting the previous, it is expressly understood and agreed that each and every provision of this Agreement that provides for a limitation of liability, disclaimer of warranties, or exclusion of damages is intended by the Parties to be severable and independent of any other provision and to be enforced as such. Further, it is expressly understood and agreed that if any remedy under this Agreement is determined to have failed of its essential purpose, all other limitations of liability and exclusion of damages set forth in this Agreement shall remain in full force and effect.

19. Governing Law

This Agreement shall be governed by the laws of the State of Tennessee.

20. Entire Agreement

The Parties acknowledge that this Agreement expresses their entire understanding and agreement, and that there have been no warranties, representations, covenants or understandings made by either party to the other except such as are expressly set forth in this section. The Parties further acknowledge that this Agreement supersedes, terminates and otherwise renders null and void any and all prior Agreements or contracts, whether written or oral, entered into between the Sublessee and the Sublessor with respect to the matters expressly set forth in this Agreement.

Understood, Agreed & Approved

We have carefully reviewed this Agreement and agree to and accept all of its terms and conditions. We are executing this Agreement as of the dates noted above, the latter of which shall become the Effective Date of the Agreement.

Sublessee: CASSETTE LLC

Sublessor: CITY OF CHATTANOOGA

By

By

Name

Name

Title

Title

Date

Date

Exhibit A Master Lease

LEASE AGREEMENT

THIS LEASE AGREEMENT (“Lease”) made and entered into as of this 1st day of MAY, 2025 (the “Effective Date”), by and between the Chattanooga Area Regional Transportation Authority (hereinafter referred to as “Lessor”), and City of Chattanooga, Tennessee, a municipal corporation (hereinafter referred to as “Lessee”).

RECITALS

WHEREAS, Lessor is the owner of certain property located at 3937 St. Elmo Avenue, Chattanooga, Tennessee, as shown in Exhibit A;

WHEREAS, Lessor agrees to lease to Lessee the real property located at 3937 St. Elmo Avenue, Chattanooga, Tennessee, Tax Parcel Number 155O-E-011; and

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 property located at real property located at 3937 St. Elmo Avenue, Chattanooga, Tennessee, Tax Parcel Number 155O-E-011 (the “Leased Premises”).

SECTION 2. Use of the Leased Premises. It is expressly agreed to and understood by the parties that the Leased Premises shall be used as a pop-up park and that related park rules shall apply, including all those listed in Chapter 26 of Chattanooga City Ordinances.

SECTION 3. Term. The term of this Lease shall be for one calendar year commencing on the Effective Date, and shall not renew automatically, but may be renewed for two (2) additional six-month terms upon mutual agreement of the parties. Lessee shall give Lessor thirty (30) days’ prior written notice of the intent to renew.

SECTION 4. Lease Payments. Lessee shall, during the term of this Lease, pay to Lessor rent in the amount of ONE AND NO/100 DOLLARS (\$1.00) per term to be paid prior to the start of each term.

SECTION 5. Improvements. Lessee is expressly permitted to install temporary skate ramps and equipment (“Improvements”) on the Leased Premises. These Improvements shall remain the property of Lessee and be removed from the Leased Premises by Lessee at the end of the term as may be renewed or extended upon the terms and conditions herein contained.

SECTION 6. Quiet Possession. The Lessor covenants to keep the Lessee in quiet possession of the Leased Premises during the term of this Lease.

SECTION 7. Termination and Holding Over. Upon termination of this Lease, at the expiration of the term hereof or any extension 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 of the term hereof or any extension thereof including removal of all Improvements and personal property. Any personal property of Lessee or Improvements which are not removed from the Leased Premises after 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.

SECTION 8. Insurance. The Lessee is a self-insured government entity. Lessee shall supply a copy of its certificate of self-insurance to Lessor upon request.

SECTION 9. Indemnity. Subject to the provisions of the Tennessee Governmental Tort Liability Act, T.C.A. § 29-20-101 *et seq.* (“TGTLA”), Lessee shall defend, and if found liable, be responsible for paying damages, subject to the limits of liability pursuant to the TGTLA, arising from third party claims, suits, liabilities and judgments for personal injuries or damage to property or financial loss, caused by the negligent acts or omissions of its employees arising out of this Agreement, excepting to the extent any such injury, damage or loss is caused, in whole or part, by the negligence or fault of Lessor.

SECTION 10. 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 11. Discrimination. Lessee covenants to comply with all federal, 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 12. No Warranties. Lessee takes and accepts the Leased Premises from Lessor “AS IS,” that is at its condition as of the Commencement Date of this Lease, upon the terms and conditions herein contained.

SECTION 13. Contractor. Lessee may, at its discretion, hire a contractor or vendor to perform or manage portions of its operations on the Leased Premises. Any such contractor shall be required to provide proof of insurance and indemnification to Lessor and Lessee.

SECTION 14. Laws and Ordinances. Lessee covenants to comply with all state, county, and city laws and ordinances, including those regarding nuisances insofar as the Leased Premises are concerned.

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. Right to Enter. The Lessor shall 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.

SECTION 17. 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 18. 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 19. Termination. Either party may terminate this Lease without breach or cause with thirty (30) days written notice. In the event either party seeks to terminate this Lease for breach or cause, the other party shall have seven (7) days in which to cure the breach or cause.

SECTION 20. 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 of default.

SECTION 21. 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, epidemics, pandemics, 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, inability to obtain any material, services, or financing or through acts of God.

SECTION 22. 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:

Lessor: Chattanooga Area Regional Transportation Authority
Attn: Brent Matthews, Director of Parking and Facilities
1617 Wilcox Boulevard
Chattanooga, TN 37406

With a copy to: Miller & Martin PLLC
Attn: Rachael W. Ruiz
Volunteer Building, Suite 1200
832 Georgia Avenue
Chattanooga, TN 37402

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

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

SECTION 23. 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.

SECTION 24. 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.

SECTION 25. 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.

SECTION 26. Headings. Section headings are for convenience of reference only and shall not limit or otherwise affect the meanings of this Lease.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Lease as of the date first above written.

LESSOR:

**CHATTANOOGA AREA REGIONAL
TRANSPORTATION AUTHORITY**

BY: Charles D. Frazier
Charles D. Frazier, CEO

LESSEE:

CITY OF CHATTANOOGA, TENNESSEE

BY: [Signature]
Richard J. Beeland,
Administrator of Economic Development

City of Chattanooga

Human Resources Department

Tim Kelly, Mayor

Hamilton County, Tennessee

Unofficial Property Card

Location 3937 ST ELMO AVE	Property Account Number 89232	Parcel ID 1550 E 011
Property Type 02	Land Use 640	District CITY

Current Property Mailing Address

Owner CARTA	City CHATTANOOGA
Address 1617 WILCOX BLVD	State TN
	Zip 37406

Current Property Sales Information

Sale Date 5/1/1973	Legal Reference 2106-0011
Sale Price \$0	Grantor(Seller) N/A

Current Property Assessment

Building Value \$0
Xtra Features Value \$0
Land Value \$30,200
Total Value \$30,200
Assessed Value \$0

Narrative Description

This property is classified as **EXEMPT** with a(n) **N/A** style structure on this card, built about with **0** square feet. Total square footage for all structures on this property is **0**.

Land Description

The total land area of this property is (1 acres).

Legal Description

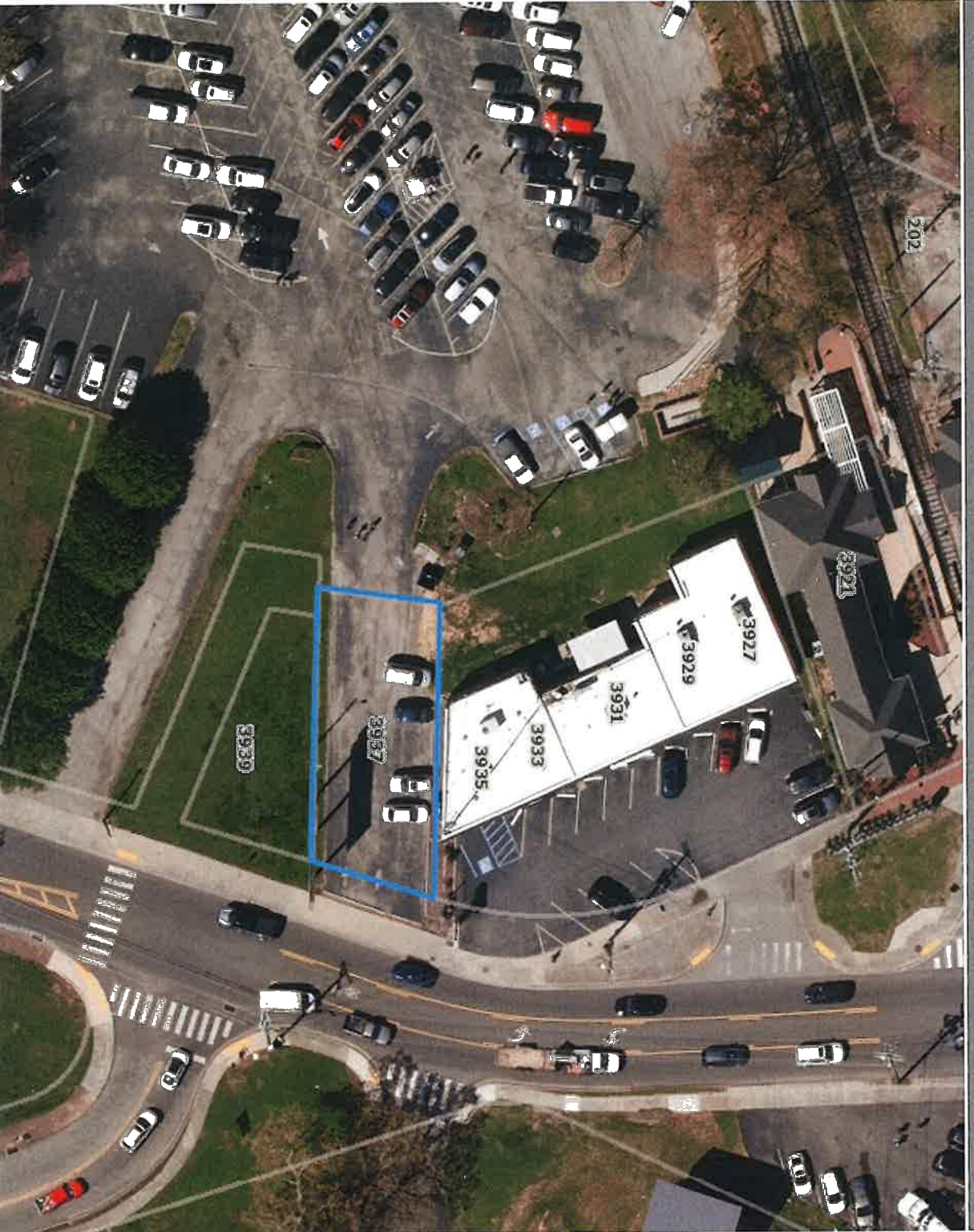
LT 2 & PT 1 ELISHA KIRKLINS LOT 4 PB6 PG25

Property Images

EXHIBIT A

Leased Premises

GISMO 5



0 50,00 100,0 Feet

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.



Legend

Address Labels

□ Parcels



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