



# City of Grand Island

Tuesday, April 9, 2013

Council Session

## Item G-15

**#2013-104 - Approving Renewal of Leases at Former Cornhusker  
Army Ammunition Plant for Storage Buildings**

Staff Contact: Todd McCoy

# **Council Agenda Memo**

**From:** Todd McCoy, Parks and Recreation Director

**Meeting:** April 9, 2013

**Subject:** Approving Renewal of Leases at Former Cornhusker Army Ammunition Plant for Storage Buildings

**Item #'s:** G-15

**Presenter(s):** Todd McCoy, Parks and Recreation Director

## **Background**

On May 22, 2001 City Council approved the leasing of several buildings at the former Cornhusker Army Ammunition Plant pursuant to the provisions of Resolution 2001-132. The resolution that is present for Council consideration would authorize the City to renew the lease of Building's No. A-30 and A-12 located on City property at the former CAAP for two years.

## **Discussion**

The City purchased property at the former CAAP that had several buildings on it. The City has been leasing two of these buildings to Nebraska State Patrol and Jerry Harders to obtain revenue and utilize these assets. There have not been any problems with damage to the property or with nonpayment of rent.

## **Alternatives**

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

## **Recommendation**

City Administration recommends that City Council approve the resolution authorizing the extension of the leases for an additional two year period.

## **Sample Motion**

Move to approve the resolution authorizing the City to extend the leases for an additional two years to Nebraska State Patrol in the amount of \$765.00 and Jerry Harders in the amount of \$925.00 annually.

STATE OF NEBRASKA  
DEPARTMENT OF ADMINISTRATIVE SERVICES  
STATE BUILDING DIVISION CA 65971364  
LEASE AGREEMENT – ADDENDUM #8



THIS LEASE – Addendum #8, hereinafter this “Addendum,” by and between **City of Grand Island**, as “Lessor,” and **Department of Administrative Services, State Building Division**, as “Lessee,” acting on behalf of **Nebraska State Patrol**, as “Tenant Agency,” for storage space located at:

**Cornhusker Army Ammunition Plant Site, Building A-30  
Grand Island, NE**

WHEREAS, Lessor and Lessee entered into that certain Lease Agreement, dated May 22, 2001 and ending on April 30, 2002; renewed by Resolution 2002-67 (Addendum #1), dated March 12, 2002; renewed by Resolution 2003-155 (Addendum #2), dated June 10, 2003; renewed by Resolution 2004-74 (Addendum #3), dated April 13, 2004; renewed and modified by Resolution 2005-141 (Addendum #4), dated May 10, 2005, for electrical upgrade; renewed by Addendum #5, dated May 1, 2007; renewed by Addendum #6, dated May 1, 2009; renewed by Addendum #7, dated May 1, 2011;

WHEREAS, Lessee and Lessor agree to extend the Term of the Lease; and

WHEREAS, Lessee and Lessor agree to a rate increase.

NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties amend this Lease, as follows:

**AGREEMENT**

1. As to Section 2. TERM OF LEASE, the following language shall be inserted at the end of Section 2 as follows:

“The Term of the Building Lease shall be extended for a period of two (2) years commencing May 1, 2013 and ending on April 30, 2015...”

2. As to Section 3. CONSIDERATION, the following language shall be inserted at the end of Section 3, as follows:

“The Lessee shall pay the City rental in advance of the renewal term in the amount of Seven Hundred Sixty Five Dollars (\$765.00)...”

3. NO OTHER CHANGES. Unless expressly amended hereby, all other terms and conditions contained in this Lease shall remain unchanged and in full force and effect, and are hereby ratified and confirmed. To the extent of any conflict between the provisions hereof and this Lease, the provisions of this Addendum shall govern and control and shall be binding on and shall inure to the benefit of the parties hereto and their respective successors and assigns.

4. EFFECTIVE DATE. This Addendum shall be effective as of the latter date of execution.

5. ENTIRE AGREEMENT. This Addendum constitutes the entire and integrated agreement between Lessor and Lessee relating to the subject matter of this Addendum and supersedes all prior understandings, agreements, or representations, between the parties, written or oral, to the extent they relate in any way to the subjects of this Lease.

6. COUNTERPARTS. This Addendum shall be executed in duplicate originals, each of which shall be deemed to be an original, but both of which, together, shall constitute one and the same instrument.

**THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK.**

IN WITNESS WHEREOF, the parties have executed this Addendum as of the day and year last below written.

LESSOR:

ATTEST:

CITY OF GRAND ISLAND, NEBRASKA,  
A Municipal Corporation,

\_\_\_\_\_  
RaNae Edwards, City Clerk

\_\_\_\_\_  
Jay Vavricek, Mayor

ACKNOWLEDGMENT

STATE OF NEBRASKA, COUNTY OF HALL

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 2013 by Jay Vavricek, Mayor, on behalf of the City of Grand Island.

Affix seal here.

\_\_\_\_\_  
Notary Public Signature

LESSEE:



Rodney Anderson, Administrator  
AS – State Building Division

3/27/13

Date

## BUILDING LEASE

THIS LEASE is made and entered into on this \_\_\_\_ day of \_\_\_\_\_, 2013, by and between the CITY OF GRAND ISLAND, NEBRASKA, A Municipal Corporation, herein referred to as "City" and JERRY HARDERS, herein referred to as "Lessee".

1.     **STATEMENT PURPOSE.** This Building Lease is made for the purpose of leasing to the Lessee the property identified as Fire/Guard Building No. A-12, on the former Cornhusker Army Ammunition Plant (CHAAP), together with three (3) concrete parking pads to the front, side and rear of the building, herein after referred to as "premises", for inert storage purposes only.

2.     **TERM OF LEASE.** The term of this Building Lease is for a period of two years beginning on May 1, 2013, and ending on April 30, 2015, subject to the revocation and renewal provisions set forth hereafter.

3.     **CONSIDERATION.** The Lessor shall pay the City rental in advance of the initial term, and any renewal terms, in the amount of Nine Hundred and twenty-five Dollars (\$925.00 per year), payable to the order of The City of Grand Island, Finance Department, P.O. Box 1968, Grand Island, Nebraska, 68802. In the event the Lessee fails or refuses for any reason to pay the foregoing rentals in advance, this Building Lease shall be considered void.

4.     **CONDITION OF PREMISES.** Lessee acknowledges that it has inspected the premises described in paragraph 1 above, knows its condition, and understands the same is leased without any representations or warranties whatsoever and without obligation on the part of the City to make any alterations, repairs or additions thereto. The Lessee shall surrender the premises to the City at the end of the term, or any renewal term, in the same condition as the premises were at the commencement of the initial lease term, normal wear and deterioration excepted. Any portion of the premises damaged by the Lessee must be either replaced or restored to the condition existing at the commencement of the initial lease term or the Lessee shall pay to the City an amount equal to the cost of repair or replacement of the damaged property, whichever is less.

5.     **UTILITIES AND INSURANCE.** During the initial term, or any renewal term, of this Building Lease, the Lessee shall pay all utility costs for services on the premises and shall maintain liability insurance in the amount of not less than a combined single limit of \$100,000.00 coverage for the leased premises. The Lessee shall provide the City with a copy of a Certificate of Insurance evidencing the required coverage, which certificate shall state that the City will be given 30 days written notice of any cancellation or change in such insurance.

6.     **RIGHT TO ENTER PREMISES.** The City reserves the right to enter the premises at any time for any purpose necessary or convenient in connection with government and Lessor purposes, including but not limited to making inspections, removing debris, making

repairs or performing maintenance. The Lessee shall have no claim for damages on account of such entry against the City or its officials, officers, employees, agents or representatives.

7. INDEMNIFICATION OF CITY. The City shall not be responsible for damages to property or injuries to persons which may arise from or be incident to the exercise of the privileges herein granted or for damages to the property of the Lessee, its officers, employees, agents, or others who may be on the premises at their invitation. The Lessee shall hold the City harmless from any and all claims, causes of action, or damages of any nature due to the negligence of the Lessee, its officers, employees, agents, contractors, invitees or licensees.

8. PROHIBITED USES. The Lessee shall not construct or place any structure, improvement, advertising sign, or make any modification to the premises or allow or permit such construction, placement, or modification without prior written approval of the City. The Lessee shall not conduct or allow to be conducted any illegal or prohibited activity on the premises and specifically shall not conduct or allow to be conducted any activities which violate any of the environmental laws, regulations, rules, or other regulatory measures of the United States Environmental Protection Agency (USEPA) or Nebraska Department of Environmental Quality (NDEQ). The Lessee shall be responsible for and hold the City harmless from all claims, costs, penalties, or any other consequences associated with violations of environmental laws.

Routine servicing of vehicles and equipment on the premises is prohibited, including fueling, adding or changing lubricants. Only emergency servicing which is necessary to start a vehicle or equipment shall be permitted. Necessary measures shall be taken to clean up any petroleum products or fluids which leak from vehicles or equipment.

9. TAXES. Any and all taxes imposed by the State of Nebraska or its political subdivisions upon the premises shall, except real estate taxes, shall be paid promptly by the Lessee. In the event the premises owned by the City are made taxable by state or local governments, the lease shall be renegotiated to adjust the consideration in an amount sufficient to reimburse the City for said tax liability.

10. LESSEE'S MAINTENANCE RESPONSIBILITIES. The Lessee shall maintain Building No. A-12 to prevent deterioration of the structure. All openings shall be closed in order to keep out birds and other animals. The Lessee shall maintain and prevent the loss of gravel from the parking areas off the concrete parking pads and maintain proper drainage to prevent erosion. Lessee shall maintain all grassed areas located on the premises and shall control noxious weeds by mowing, spraying, hand grubbing or by a combination of these methods.

11. SURRENDER OF PREMISES. The Lessee shall vacate and remove all its personal property, fixtures and improvements prior to the end of the initial term or any renewal term. The Lessee shall pay the City on demand any sum which may be expended by the City after expiration, revocation or termination of this Building Lease in restoring the premises to a condition in accordance with paragraph 4 above.



12. CHOICE OF LAWS. This Building Lease shall be construed in accordance with the laws of the United States of America, the State of Nebraska and the ordinances of the City of Grand Island.

13. ENTIRE AGREEMENT. This Building Lease constitutes the entire agreement between the City and the Lessee, notwithstanding any other verbal or written agreements or understandings to the contrary. This Building Lease may be amended only in writing, duly approved and executed by the City and Lessee.

14. REVOCATION RIGHTS OF PARTIES. This Building Lease may be revoked by either the City or Lessee for any material violation of the lease, which termination shall be effective 30 calendar days from the date a Notice of Termination is mailed or delivered in hand to the other party at the address noted in paragraph 16.

15. NOTICES. All notices envisioned under the terms and conditions of this Building Lease shall be sent to other party by first class United States Mail, postage prepaid and addressed as follows or delivered in hand to:

City of Grand Island  
Attn: Mayor  
P.O. Box 1968  
Grand Island, NE 68802-1968

Jerry Harders  
633 Yutan Rd  
Boelus, NE 68820

16. BINDING EFFECT. All covenants, terms and conditions herein contained shall extend to and be obligatory on the successors, assigns and legal representatives of the City and Lessee.

17. SUCCESSORS AND ASSIGNS. This Building Lease shall not be assigned, transferred or otherwise conveyed or alienated by the City or the Lessee and any such act, whether accomplished or attempted shall be deemed a material violation of and cause immediate termination of this lease.

DATED: March 19, 2013.

CITY OF GRAND ISLAND, NEBRASKA,  
A Municipal Corporation,

By: \_\_\_\_\_  
Jay Vavricek, Mayor

Jung L Harders

STATE OF NEBRASKA )  
 ) SS:  
COUNTY OF HALL )

Witness my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

STATE OF NEBRASKA )  
 ) SS:  
COUNTY OF \_\_\_\_\_)

Witness my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

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## RESOLUTION 2013-104

WHEREAS, the City of Grand Island is the owner of an approximately 420 acre tract of land at the former Cornhusker Army Ammunition Plant, which has several buildings which were leased by the US Army Corp of Engineers during their ownership of the property; and

WHEREAS, on May 22, 2001, by Resolution 2001-132, the City approved Building Leases with the tenants of the buildings pending development of the property; and,

WHEREAS, the leases will terminate on May 1, 2013; and

WHEREAS, two of the Lessee's of the storage buildings have requested that their lease be renewed.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Building Leases at the former Cornhusker Army Ammunition Plant are hereby authorized to be renewed for an additional two years to the following Lessees in accordance with the Building Leases:

<u>Lessee</u>	<u>Description</u>	<u>Rental</u>
Jerry Harders	Fire/guard building	\$925/yr.
Nebraska State Patrol	Storage building	\$765/yr.

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Adopted by the City Council of the City of Grand Island, Nebraska, April 9, 2013.

\_\_\_\_\_  
Jay Vavricek, Mayor

Attest:

\_\_\_\_\_  
RaNae Edwards, City Clerk

Approved as to Form	<input type="checkbox"/> _____
April 5, 2013	<input type="checkbox"/> City Attorney