

THE CITY OF



OWATONNA

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Community Development Director

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DATE: April 17, 2020
TO: Mayor and City Council
FROM: Community Development Dept. - Troy Klecker
SUBJECT: Renew Parking Lot Lease.

Purpose:

City Council to approve the renewal of the parking lot lease for public parking spaces on West Main Street.

Background:

The City has been leasing parking spaces from Brian and Susan Stendel ever since they purchased the former jail. There are 24 parking spaces in the lot and it is already signed for public parking. The lot was recently paved and would not need any maintenance. The City would be responsible for clearing snow on the parking lot as well as the parking area on the west side of the property and the public sidewalk as we have done in the past. The lease agreement ends April 30, 2021.

Budget Impact:

The terms of the lease call for the same rate as last year of \$14.00 per stall per month. This lease is for 12 months for a total of \$4,032. The payment will be the responsibility of the EDA which has this expense in their annual budget.

Staff Recommendation:

This is important parking for the downtown as the parking lot is usually full every day. Staff recommends approval of the parking lot lease.

PARKING LOT LEASE

THIS AGREEMENT, made this _____ day of April, 2020, by and between Brian K. Stendel and Susan L. Stendel, lessor, hereinafter referred to as "Stendel" and City of Owatonna, lessee, hereinafter referred to as "City."

1. Premises. Stendel, in consideration of the rents and promises hereinafter set forth, does hereby lease to City and City agrees to take possession under the terms of this Agreement of the following described premises situated in the City of Owatonna, County of Steele, State of Minnesota, legally described as follows, to-wit:

The east 2 rows of parking spaces in what was formerly known as the Law Enforcement Center parking lot located on the west one-third of Lot 6, Lot 7, Lot 8, and part of Lot 9, Block 7, original town .

2. Use. The premises shall be used for parking purposes only.

3. Term. The term of this Lease shall commence May 1, 2020, and terminate April 30, 2021.

4. Rent. The rent shall be computed on the basis of twenty-four (24) parking spaces at \$14.00 per space per month for entire term of the lease. For the term of this lease this amount shall be \$4,032.

5. Assignment and Subletting. City agrees that it will not sublet the premises or assign this Lease or any interest therein.

6. Maintenance and Snow Removal. City agrees to maintain the parking lot, including sweeping and patching as necessary together with necessary snow removal. City's maintenance obligation will also include snow removal in the parking area east of and adjacent to the old Law Enforcement Center building, the parking area west of the former Law Enforcement Center building and the 286 feet of public sidewalk along Main Street adjacent to parcel no. 171000707.

7. Real Estate Taxes. Stendel agrees to pay the real estate taxes.

8. Indemnification. City agrees to defend, hold harmless and indemnify Stendel for any loss, claim, damage, demand, or cause of action arising from the acts or omissions of City, except to the extent finally determined to have been caused by Stendel's negligence. Stendel agrees to defend, hold harmless and indemnify City for any loss, claim, damage, or cause of action arising from acts or omissions of Stendel, except to the extent finally determined to have been caused by City's negligence.

9. Mutual Waiver of Subrogation. In accordance with the subrogation provisions of the standard property insurance contract, it is hereby understood

and agreed by and between City and Stendel that they do jointly and separately waive any and all right of recovery against the other for insured loss occurring to property owned by City and property owned by Stendel.

IN WITNESS WHEREOF, the parties have executed this Parking Lot Lease the day and year first above written.

CITY OF OWATONNA

By: _____
Thomas A. Kuntz, its Mayor

Brian K. Stendel

AND

By: _____
Kris M. Busse, its City Administrator

Susan L. Stendel