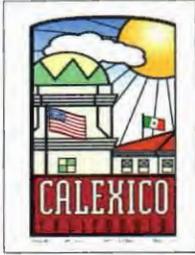


AGENDA
ITEM

21



CITY COUNCIL AGENDA STAFF REPORT

DATE: September 4, 2019

TO: Mayor and City Council

APPROVED BY: David B. Dale, City Manager 

PREPARED BY: Miguel Figueroa, Assistant City Manager

SUBJECT: Approve and Authorize the City Manager to Sign the Enclosed Lease Agreement with SLSCO Ltd.

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Recommendation:

Consideration to approve and authorize the City Manager to sign the enclosed Lease Agreement with SLSCO Ltd. located at 465 West Second Street, Calexico, California.

Background:

SLSCO Ltd. has been contracted to perform professional services for two projects in the City of Calexico. Their purpose to lease this property is for the following uses: storage, preconstruction, fabrication, parking of vehicles, trucks, trailers, and containers.

Discussion & Analysis:

This lease agreement will be for six (6) months beginning September 1, 2019 and ending February 28, 2020. At the end of the term SLSCO Ltd. shall have the right to extend the lease agreement on a month-to-month basis for up to six (6) additional one (1) month periods notifying the City of Calexico three (3) months prior to the expiration of the term.

Fiscal Impact:

\$2,500.00 in monthly payments. Funds are deposited to General Fund.

Coordinated With:

City Manager's Office.

Attachment:

1. City of Calexico – SLSCO Ltd. Lease Agreement.



LEASE AGREEMENT

Preamble: This Lease Agreement (hereinafter "Lease") is intended to memorialize the terms of a lease agreement between the City of Calexico (hereinafter referred to as "Landlord") and SLSCO Ltd. (hereinafter referred to as "Tenant"), to lease certain real property owned by the City of Calexico.

IT IS HEREBY AGREED THAT:

1. **Leased Property:** Landlord and Tenant hereby agree that in consideration of the terms, conditions and covenants herein contained, Tenant shall lease from Landlord that certain land generally located at 465 West Second Street Calexico CA (hereinafter "Property"). A more specific description of this Property is included on Exhibit "A" attached hereto. The Property approximates 3.5 acres.

2. **Purpose:** It is intended by the parties that the Tenant use said Property for the sole purpose of storage, preconstruction, fabrication, parking of vehicles, trucks, trailers, and containers. Tenant shall not use the Property for any other purpose than specified above without first obtaining the written consent of Landlord. Tenant shall not store any toxic waste products on said Property. Using the Property for any other purpose than that specified above, shall constitute a material breach of the terms of this Lease. Any use of the Property that is unlawful, or is in conflict with the Calexico Municipal Code, shall be a material breach of the terms of this Lease.

3. **Term:** The term of this Lease shall be for six (6) months beginning September 1, 2019 and ending February 28, 2020 (hereinafter "Term"). At the end of the Term, if Tenant is not in default, Tenant shall have the right to extend the Lease on a month-to-month basis for up to six (6) additional one (1) month periods, by providing Landlord with notice of intent to extend not less than three (3) months prior to the expiration of the Term.

4. **Rent:** Tenant agrees to pay \$2,500.00 per month. In the event that Tenant elects to extend the Term on a month-to-month basis, the Rent payable during any such extension shall be \$2,500.00 per month. Acceptance of a partial rental payment shall not constitute a waiver of the Landlord's right to demand full payment of all rent as required by this agreement.

5. **Deposit:** First months' rent should be deposited with Landlord by Tenant, due with the first month's payment.

6. **Right to enter Property for purpose of inspection:** Landlord retains the right to enter the Property at reasonable times for the purpose of inspecting the facility as to its maintenance and repair and compliance with City Municipal Code and all laws.

7. **Compliance with all City, State and Federal Laws:** Tenant hereby agrees to comply with all City, County, State, and Federal ordinances and statutes that are applicable to this Lease and the purposes outlined above.

8. **Licenses and Certification:** Tenant will not conduct any business activity, nor offer any services without obtaining, and maintaining in current status at all times, all licensing and/or certification as may be required by applicable Federal, State, and local authorities. Tenant will satisfy all land use requirements of the City of Calexico.

9. **Assignment and Subletting:** Tenant shall not sublet the Property or any part thereof, nor assign this Lease, or any rights therein, without first obtaining the written consent of the Landlord. Any sublease or assignment of this Lease without first obtaining the written consent of Landlord shall allow Landlord the option of canceling this Lease however Landlord's consent shall not be unreasonably withheld.

10. **Liability of Landlord:** Tenant agrees to save and hold Landlord harmless from any injury to person or damage to Property arising out of or in connection with Tenant's occupancy, and/or use of the Property covered by this Lease. Tenant agrees to indemnify Landlord for any and all damage that may result to Landlord from Tenant's use of the Property pursuant to this Lease.

11. **Fire and Casualty Insurance:** Tenant agrees to carry fire and casualty insurance on any, and all, buildings, and the Property, in an amount not less than one million dollars (\$1,000,000) or equal to the replacement cost of it, whichever is higher.

12. **Public Liability Insurance:** Tenant shall provide public liability insurance for personal injury and/or property damage arising out of or in connection with Tenant's occupancy of the Property in an amount of not less than one million dollars (\$1,000,000). The Tenant shall provide the Landlord with a Certificate of Insurance naming the Landlord as an "additional insured" covering said liability.

13. **Maintenance:** Tenant agrees to keep the Property of this Lease including all improvements thereon clean, neat and painted and otherwise reasonably maintained.

14. **Repairs:** All repairs to the Property and its improvements including all maintenance, servicing and replacement parts shall be at Tenant's expense. For the avoidance of doubt, Tenant shall not be responsible for repair or correction of conditions, including environmental conditions, existing on the Property prior to the commencement date of this Lease. The photographs attached hereto depict the condition of the Property as of the commencement date of this lease.

15. **Utilities:** Tenant agrees to pay for all utilities and services furnished to said Property.

16. **Default:** If Tenant, after notice from Landlord, fails to remedy within fifteen (15) days any default in the payment of any sum due under this Lease or in the keeping of any other term, covenant or condition of this Lease, then the Landlord or its agents may enter upon the Property, take possession thereof, and remove all persons therefrom and at Landlord's option, either terminate this Lease and all the Tenant's rights herein, or rent said Property for the account of the Tenant, or follow any other remedy provided by law. Any holding over beyond the term

prescribed herein shall be construed as a month-to-month tenancy.

17. **Alterations:** Tenant must receive prior written confirmation from Landlord before any alterations or additional improvements are made to the Property. A violation of this section of the Lease shall be cause for default by the Tenant.

18. **Attorney's Fees:** Should Landlord be compelled to institute any legal action to enforce any of the terms, covenants or conditions hereof, then in the event of the termination of said proceedings in the Landlord's favor, the Tenant hereby agrees to pay such sums as the court may deem reasonable on account of the Landlord's attorney's fees.

19. **Possessory Interest:** Tenant recognizes and understands that this Lease may create a possessory interest subject to property taxation and that the Tenant may be subject to the payment of property taxes levied on such interest.

20. **Binding Upon Heirs:** The covenants and agreements contained in this Lease shall inure to the benefit of and be binding on the parties hereto, their heirs, legal representatives, successors or assigns.

21. **Notice:** Notices between the parties hereto may be served by mailing in the United States Mail to the following addresses:

Landlord: City Hall, 608 Heber Avenue, Calexico, CA 92231

Tenant: P.O. Box 17017, Galveston, TX, 77552

22. **Modification:** This Lease constitutes the full and complete agreement between the parties. Any modification must be in writing and shall be signed by both parties and authorized by the Calexico City Council.

23. **Severance:** If any provision of this Lease is determined to be void by a court of competent jurisdiction, then such determination shall not affect any other provision of this Lease, and all such other provisions shall remain in full force and effect. It is the intention of the parties hereto that if any provision of this Lease is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning that renders it valid.

Tenant:

City of Calexico:

SISCO Ltd.

Bill Hodge, Mayor

EXHIBIT

“A”

465 West Second Street, Calexico, CA

Property Entrance



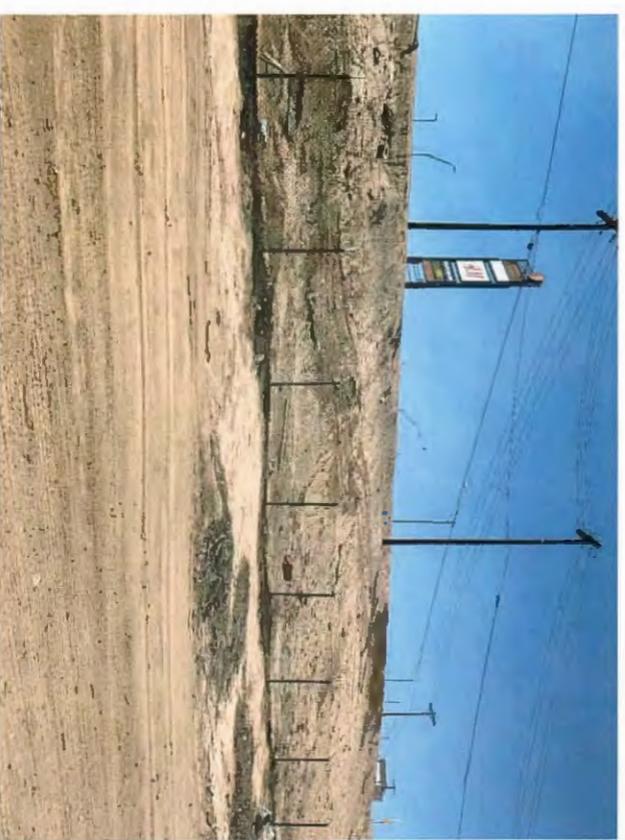
South West Corner of Property



South Perimeter of Property



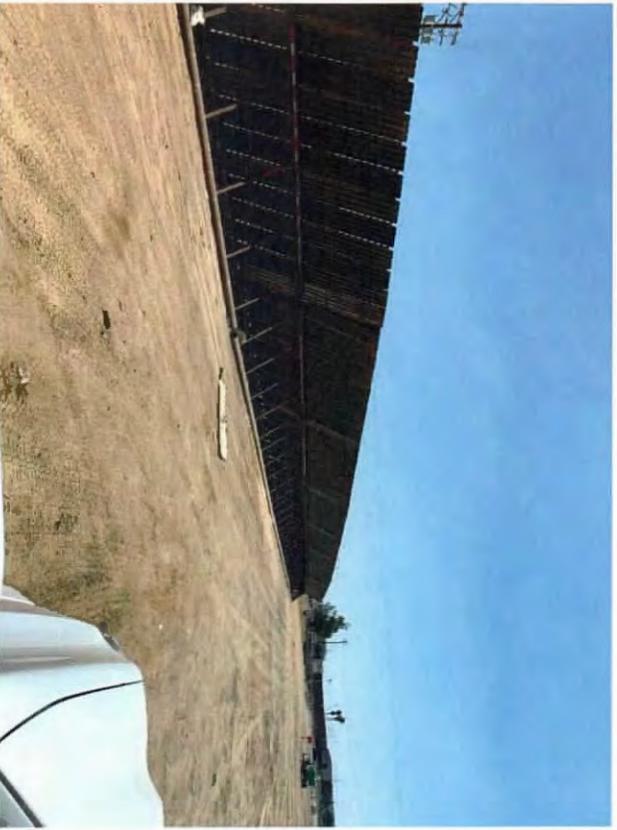
West Perimeter of Property



North Perimeter of Property



East Perimeter of Property



East Perimeter of Property



South East Corner of Property

