



Aurora's Economic Development Partnership

To: Invest Aurora Board of Directors
From: David Hulseberg, President/CEO, Invest Aurora
Date: 10/6/2015
Re: Shodeen/City of Aurora Parking Lot Lease Agreement

Overview The City of Aurora (City) is seeking to enter into an agreement with the Shodeen Family Property Company, LLC. (Shodeen) for the lease of parking lots as defined in the Parking Lot Lease Agreement. This agreement is subject to and conditioned upon two additional agreements, namely the "Redevelopment Agreement" and "Compromise and Release Agreement." The following information highlights the specific details of the "Parking Lot Lease Agreement."

Parking Lot Lease Under the Parking Lot Lease Agreement, Shodeen agrees to lease the defined parking lots to the City of Aurora. The lease shall expire either 5 years from the date of the agreement, or 30 days after Shodeen obtains building permits for a commercial/residential structure on the property, whichever comes sooner.

Rent due to Shodeen will be equal to the property taxes due from the prior year. Rent will be paid directly to Shodeen in 2 installments within 30 days of receipt of proof of payment of property taxes. At the expiration of the term above, if neither party has terminated the lease, the City will pay Shodeen the amount of \$5,000 per year plus applicable real estate taxes, insurance, and maintenance. The lease will be subject and subordinate to any first mortgage.

Conditions The City taking possession of the parking lot properties shall act as standalone evidence that the parking lots were in good order and satisfactory condition. The City agrees to provide maintenance and repair of the parking lot throughout the lease. The City agrees that the parking lots will only be used for the parking of motor vehicles, and for no other purpose without the written consent of Shodeen. Shodeen reserves the right to approve or deny any items stored on the property.

The City agrees to all legal compliance, including any permits, licenses, or government charges relating to occupancy of the property. The City agrees to defend, indemnify, and hold harmless Shodeen, such that Shodeen will not be liable for any and all damages to City equipment or property while on the premises. The City will obtain and continuously maintain liability insurance in an amount not less than \$2,000,000. Insurance may not be amended or canceled without giving Shodeen 90 days prior written notice.

The City will not store, dispose of, or release any hazardous substance, contaminant, or other dangerous environmental material on the property.

The City agrees that it will not transfer or sublet the lease in any way without receiving prior written consent from Shodeen. Should the City retain possession of the property after the termination of the lease, the City will become a month to month tenant owing Shodeen rent in the amount of \$15,000 per month. Month to month rent does not constitute as an extension or consent of occupancy.



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In the event of a failure to pay rent or default of any condition of the agreement, the City will have 20 days to cure said default. In the event that the City fails to cure the default, Shodeen may terminate the lease and reenter the property, storing any City property in a public warehouse at the City's expense. Alternatively, Shodeen may reenter and take possession of the property without terminating the lease or relieving the City of its obligations. Upon default, the City would be responsible for Shodeen's legal fees for eviction proceedings.

No receipt of money from the City to Shodeen after the termination of the lease would constitute a reinstatement or extension of the lease. If the premises are sold or transferred, Shodeen will be automatically released from all obligations under the lease, provided the purchaser agrees to carry out all obligations to the City.

Recommendation Upon reviewing the proposed Parking Lot Lease Agreement, it is the recommendation of Invest Aurora staff that the board approve the agreement between Shodeen Family Property Company, LLC. and the City of Aurora.

Attachments Parking Lot Lease Agreement.
