



**TOWN OF MILLIKEN
TOWN BOARD
AGENDA MEMORANDUM**

To: Mayor Tokunaga and Board of Trustees	Meeting Date:
From: Patrick Murphy, Treasurer, Director of Finance & Accounting	Wednesday, March 11, 2015
Via: Kent Brown, Town Administrator	

Agenda Item #	Action:	Discussion:	Information:
	X		
Agenda Title: To Authorize the Town Administrator to Execute a Lease with Colorado Door Restore for a Portion of the Milliken Grain Elevator			
Attachments: Lease			

PURPOSE

To authorize the Town Administrator to sign a Lease with Nick Baudhuin, of Colorado Door Restore, LLC, to rent a portion of the Milliken Grain Elevator for use as a workshop for wood refinishing.

BACKGROUND

The Town has held the Grain Elevator out for lease for a number of years. While there has been sporadic interest in the property, none of the prospective tenants that have toured and/or evaluated the building have demonstrated a viable use or financial commitment sufficient to warrant any investment by the Town to improve the property to meet a tenant's needs.

Nick Baudhuin, of Colorado Door Restore approached the Town several months ago with a proposal to rent a portion of the building for use as a workshop to accommodate his locally-based door restoration business, which has grown beyond the capacity of his current facility. In response to his sincerely expressed interest, Town Staff contacted a local building contractor to provide a design/build estimate for making the minimum level of improvements necessary to accommodate a functional shop environment, while meeting minimum building and energy codes.

The Board was presented with a proposal to construct the necessary improvements totaling \$30,550, and was able to meet Mr. Baudhuin and have questions asked and answered regarding his business during the Work Session on February 25th. The Board indicated its approval of the proposed arrangement and requested that a lease and formal resolution be prepared and brought before the Board at a formal meeting for approval. The attached Lease outlines the terms of the agreement to rent a portion of the building

for a one-year period for \$300.00 per month, plus utilities. The Town will pay the monthly base fee of the unused water tap and the provision of a portable toilet, which is required for the facility to comply with building codes for this use.

BUDGET IMPLICATIONS

The Town is currently paying the base fee for the unused water tap (\$20.62 per month) and receives no revenue from the Grain Elevator. This agreement will net the Town approximately \$250.00 per month in additional revenue, after deducting the cost of the required portable toilet.

RECOMMENDATION

Town Staff recommends that the Board authorize the Administrator to execute this Lease, which will bring physical and economic activity to a long-idled Milliken landmark, provide additional revenue to the Town, and support local business activity in Milliken.

POSSIBLE MOTION

“I move to authorize the Town Administrator to execute a Lease with Nick Baudhuin, of Colorado Door Restore, LLC, for the rental of a portion of the Grain Elevator as workshop space.”

LEASE

This lease is a contractual agreement for the rental of property entered into between the TOWN OF MILLIKEN, a statutory municipality (hereafter "Town"), hereinafter referred to as Landlord, and Nick Baudhuin, and Colorado Door Restore, LLC, of 1572 S. Cora, Milliken, CO 80543, hereinafter referred to as Tenant, with all parties being jointly and severally liable for complying with the terms of this lease.

Property Address: Approximately 1,280 sq. ft. on the south end of the property, known as the Grain Elevator, at 1301 Broad Street, Milliken, Colorado 80543.

Rent for this Property for the term of this lease is: \$300.00 per month, plus the cost of utilities.

1. Parties:

Tenant: Colorado Door Restore, LLC

Landlord: Town of Milliken, 1101 Broad Street, Post Office Box 290, Milliken, Colorado 80543

2. Premises:

Landlord agrees to lease to Tenant and Tenant agrees to pay rent to Landlord for property known as:

Workshop space of approximately 1,280 sq. ft. on the south side of the Grain Elevator. The town has contracted to make improvements to the structure sufficient to: (1) define and separate the work space, (2) improve the building to meet minimum code requirements, (3) provide electrical service sufficient to meet the Tenant's needs, (4) provide a portable toilet on the premises in accordance with code, (5) provide 2 7.5 KW electric unit heaters for use by the Tenant, and (5) other such improvements as outlined in the attached Proposal, dated February 6, 2015. Tenant may make temporary improvements to further separate the work space with prior written approval of Landlord.

Landlord reserves the right to inspect or repair the premises at all reasonable times.

3. Term:

The term of this lease shall be from May 1, 2015, through April 30, 2016, unless Landlord is unable to deliver the Premises in the condition described above by that date. In the event of a later occupancy, the term of the lease shall be for a period of twelve months from the first day of the month following Tenant move-in and a pro-rata rent shall be paid for any period preceding that commencement date. No notice to terminate at the end of the fixed term is necessary unless otherwise agreed in writing in this lease. If Tenant retains possession of the premises after expiration of the fixed lease term with the permission of Landlord, Tenant shall continue to be bound by the terms and conditions of this lease on a month to month basis. At the end of the term

the lease may then be terminated by either party giving 30 days' written notice prior to the end of the rental month.

4. Rent:

The total rental price for the term of this lease is \$3,600.00.

Utilities: Tenant shall pay the cost of the electricity used on the premises. Landlord will continue to pay base fees for the water tap connected the building, as no plumbing to provide water use has been installed, and provide code-compliant portable toilet.

5. Notice and Irrevocable Appointment of Person for Service of Process.

Notice: Unless otherwise specified in this lease, all notices provided by this lease shall be in writing and shall be delivered to either party personally, or sent by certified mail, postage prepaid, to the Tenant at the address set forth above and to the Landlord at 1101 Broad Street, Post Office Box 290, Milliken, Colorado 80543.

6. Occupancy:

The space will be used as a wood refinishing workshop and a place where customers may visit from time-to-time. Any other uses shall require the written approval of Landlord. There is adequate parking on site for additional employees and/or customers.

7. Privacy:

Landlord reserves the right to inspect, show, or repair the premises at all times. Prior to entry into the premises Landlord will typically attempt to contact Tenant by telephone and arrange a mutually convenient time.

8. Insurance:

Landlord's insurance does not cover Tenant's personal property in the event of loss or damage due to circumstances such as fire, windstorm, flood, theft, leak or vandalism.

9. Attorney's Fees:

In the event Tenant breaches any term of this lease agreement, or violates any rule or regulation herein before referred to, or fails to pay any installment of rent in whole or in part when due, or in any other way defaults under this agreement, Landlord shall have all rights and remedies provided at law or equity, including the right to evict the Tenant, upon service of a three (3) day notice to vacate, specifying the violation of this agreement which gives rise to such notice. In such event, pursuant to Colorado Revised Statute 13-40-123, the prevailing party in any action brought under the provisions of this article is entitled to recover damages, reasonable attorney fees, and costs of suit.

10. Liability:

Tenant, its members, shareholders, and for its clients, employees and invitees, waive any claim which it, may have directly or indirectly and further agree to defend, indemnify, save and hold harmless the Town from any and all liability occasioned by Tenants' acts or omissions.

11. Waiver:

Any waiver by either party of any breach of any provision of this Lease shall not be considered to be a continuing waiver or a waiver of a subsequent breach of the same or a different provision of this Lease.

12. Severability:

The unenforceability of any provision or provisions of this lease shall not affect the enforceability of any other provision or provisions.

13. Keys:

The Tenant acknowledges receipt of _____ keys to the premises.

14. General Provisions:

This lease, together with any written agreements executed simultaneously herewith, contain the entire agreement between the parties and shall not be changed, modified or discharged in whole or in part except by an agreement in writing signed by Landlord and by Tenant. There are no oral understandings, terms or conditions and neither party has relied upon any representation, express or implied, not contained in this lease or in written agreement, if any, executed simultaneously therewith. All prior understandings, terms or conditions are deemed merged in this lease. The promises, agreements, covenants and conditions contained in this lease shall bind and inure to the benefit of Landlord and Tenant and their respective heirs, executors, administrators, successors, and, except as otherwise provided in this lease, their assigns.

15. ADDITIONAL PROVISIONS NOT PROVIDED IN THIS LEASE AGREEMENT, BUT FORMING A PART HEREOF:

Norlin Construction Proposal dated February 6, 2015

IN WITNESS WHEREOF, the Landlord and Tenant have respectively signed and sealed this lease as of the day and year written below.

Town of Milliken, Landlord

Date

Nick Baudhuin, Colorado Door Restore, LLC, Tenant

Date