

**CITY OF PALMER ACTION MEMORANDUM No. 09-029**

**SUBJECT:** Authorize the City Manager to Enter into a Rent Agreement with the Greater Palmer Chamber of Commerce to Reimburse the Chamber Half of their Monthly Rent at a Cost of \$450 per Month for a Three Year Period

**AGENDA OF: May 26, 2009**

<b>Council action:</b>	Authorized for a two year period
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**Approved for presentation by B. B. Allen, City Manager** B. B. Allen

Route To:	Department/Individual:	Initials/Date:	Remarks:
X	Originator – City Manager	<i>BB</i>	
X	City Clerk	<i>JR</i> 5/15/09	
X	City Attorney	<i>[Signature]</i> 5/15/09	
X	Director of Administration	<i>[Signature]</i>	
	Director of Community Development		
	Director of Community Services		
	Director of Public Safety		
	Director of Public Works		

**Attachment(s):** Proposed Chamber Rent Agreement

**Certification of Funds:**

	No fiscal impact.	
X	Funds are budgeted from this account number:	01-01-05-6069
	Funds are not budgeted. Budget modification is required. Affected account number:	

Director of Administration Signature: *[Signature]*

**Summary statement:** The Greater Palmer Chamber of Commerce had been located in the Palmer Visitors Information Center (VIC) building for approximately 25 years. The City owns the building and paid for annual maintenance and upkeep; the Chamber received free office space year round. During that time the Chamber was contracted by the City of Palmer to operate the Visitors Center from May through September.

A few years ago the Palmer Museum of History and Art was formed and began to work with the collection of artifacts housed downstairs in the VIC. The basement is not easily accessible. In 2006 the Museum established displays upstairs in the main portion of the Visitors Center. The

relationship between the two organizations became difficult as each attempted to perform their duties and functions in the small, confined space. In an attempt to address the office space issue, the City encouraged the Chamber to seek other office space which would be more accessible to its members. The Chamber was able to secure space in the Palmer Downtown Plaza for \$900 per month.

The Museum has taken over the VIC and will perform both Museum and Visitor Services this summer. The Chamber has a new president, a new Executive Director and is charting a new course with more of an emphasis on economic development.

Conversations have taken place over the last several months on the Chamber's sustainability, the additional expense of office space, and how the City can support this important organization. The idea of paying half the rent for a three year period was agreed upon. It is a non-renewable agreement and expires in 2011. The cost per month is \$450 for a total expenditure of \$2,700.

**Administration recommendation:** Adopt action memorandum no. 09-029.

## GREATER PALMER CHAMBER OF COMMERCE RENT AGREEMENT

This AGREEMENT, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2009 by and between the CITY OF PALMER, an Alaska municipal corporation hereinafter referred to as the "City" and the Greater Palmer Chamber of Commerce, Incorporated, a non-profit corporation authorized to do business in Alaska, hereinafter referred to as the "Chamber" and together with the City, as the "Parties."

### WITNESSETH

WHEREAS, the Chamber had previously located its principal offices in the Palmer Visitor Information Center (hereinafter "Center"), a property owned by the City; and

WHEREAS, the City and the Chamber have agreed that the Chamber will vacate the Center;

NOW, THEREFORE, in consideration of the amount of ten dollars (\$10.00) and the mutual promises and covenants contained herein, the City and Chamber agree as follows:

1. **LEASE REIMBURSEMENT.** The City shall reimburse the Chamber for fifty percent (50%) of the monthly gross lease amount, up to a maximum of \$450.00 per month, that the Chamber actually incurs and pays in leasing the commercial space at 550 South Alaska Street, Suite 101, Palmer, Alaska (hereinafter "Office") pursuant to the "Downtown Palmer Plaza Lease Agreement" (hereinafter "Lease") for the term of this Agreement. A copy of the Lease is attached hereto as Appendix A.
2. **PAYMENT.** The City shall make reimbursement payments to the Chamber pursuant to Section 1 above within 30 calendar days of receipt of an invoice from the Chamber showing the actual amount of the rent paid by the Chamber for rent and the month for which the rent was paid. Upon request from the City, the Chamber shall provide supporting documentation evidencing its payments under the Lease. Any unpaid amounts by the City shall not incur interest.
3. **RELEASE.** In consideration of accepting reimbursement from the City the Chamber indemnifies, waives, releases and forever discharges the City and its directors, officers, employees, and agents, from any and all claims, actions, causes of actions, unasserted causes of action, or suits of any kind or nature whatsoever at law or in equity and for any and all expenses, damages, costs, loss of use, loss of services and any and all known and unknown damages and demands of any kind of nature whatsoever growing out of, regarding, relating to or arising in connection with the Chamber's use, leasing, renting and/or occupancy of the Center and the City's actions in causing the Chamber to vacate from those premises.
4. **TERM AND EXPIRATION.** The term of this Agreement is for a period of 36 months beginning on June 1, 2009 and continuing until May 31, 2011 at which time it shall automatically expire unless sooner terminated pursuant to the terms of this Agreement or otherwise.

5. **TERMINATION.** This Agreement will automatically cease and terminate upon the occurrence of any one of the following events: (1) the termination, expiration, cancellation or voiding of the Lease; (2) the Chamber's assignment of the Lease; (3) the sublease of the Office to a party other than the Chamber; (4) the use of the Office for any purpose other than as the principal place of business for the Chamber; (5) any material breach of the Lease by the Chamber; (6) the Chamber's insolvency, bankruptcy or assignment for creditors; or (7) the Chamber's failure to cooperate with any reasonable request from the City for verification of the amount paid by the Chamber pursuant to the Lease.

6. **INDEMNIFICATION.** The Chamber shall indemnify, defend, hold and save the City and its directors, officers, employees, and agents harmless from any claims or liability of any nature or kind, including costs and expenses (including attorneys' fees), for or on account of any and all legal actions or claims of any character whatsoever alleged to have resulted from injuries or damages sustained by any person or persons or property (including contract rights or intangible assets) and arising from, or in connection with, performance of this Agreement or the Chamber's performance of the Lease.

7. **LIMITATION OF LIABILITY.** The City's liability to the Chamber under this Agreement is limited to the amount of reimbursement that is past due pursuant to Sections 1 and 2 above. In no event shall the City be liable to the Chamber for any special, indirect, incidental or consequential damages of any kind or nature whatsoever.

8. **GOVERNING LAW AND VENUE.** Any civil action arising from this Agreement shall be brought in the superior court for the third judicial district of the state of Alaska at Palmer. The law of the State of Alaska and the City of Palmer shall govern the rights and obligations of the Parties.

9. **NO ASSIGNMENT OR DELEGATION.** The Chamber may not assign, subcontract or delegate this Agreement, or any part of it, or any right to any of the money to be paid pursuant to the terms of the Agreement.

10. **FEES AND COSTS.** If either party institutes suit concerning this Agreement, the substantially prevailing party shall be entitled to its attorneys' fees and costs.

11. **PERMITS AND TAXES.** The Chamber shall acquire and maintain in good standing all permits, licenses and other entitlements necessary to the performance under this contract. The Chamber shall comply with all applicable statutes, ordinances, rules and regulations involved in the performance of this Agreement. In particular, the Chamber shall pay all taxes pertaining to his performance under this Agreement.

12. **INTERPRETATION.** In any formal or informal dispute, this Agreement shall not be construed against either party.

13. **SURVIVABILITY.** The terms of this Agreement that contain continuing obligations shall survive termination or expiration of the Agreement.

14. SEVERABILITY. If any section or clause of this Agreement is held invalid by a court of competent jurisdiction, or is otherwise invalid under the law, the remainder of this Agreement shall remain in full force and effect.

15. ENTIRE AGREEMENT. This Agreement contains the entire agreement between the Parties. All previous or concurrent agreements, representations, warranties, promises, and conditions relating to the subject matter of this Agreement are superseded by this Agreement.

16. NO DUTY TO THIRD PARTIES. This Agreement shall not create on the part of the City any legal duty owed to Mat Valley Properties, LLC, its successors or assigns, or any other third party.

17. NOTICES. Any notice required pertaining to the subject matter of the Agreement shall be personally delivered or mailed by prepaid first-class, registered or certified mail to the following address:

City: City of Palmer  
Attn: Bill Allen, City Manager  
231 W. Evergreen Avenue, Palmer, Alaska 99645

Chamber: Greater Palmer Chamber of Commerce  
P.O. Box 45, Palmer, Alaska 99645

IN WITNESS WHEREOF, the parties have executed this Agreement.

City of Palmer, Alaska

Greater Palmer Chamber of Commerce

\_\_\_\_\_  
By: B.B. Allen  
Title: City Manager  
Date: \_\_\_\_\_

\_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Janette Bower, City Clerk

(city seal)