City of Columbia

701 East Broadway, Columbia, Missouri 65201



Agenda Item Number: REP 66-14

Department Source: Parks and Recreation

To: City Council

From: City Manager & Staff

Council Meeting Date: July 7, 2014

Re: Report on Lease Termination for Village Square Park

Documents Included With This Agenda Item

Council memo

Supporting documentation includes: Plats and Plans, Copy of 2005 Lease

Executive Summary

The Parks & Recreation Department constructed Village Square Park on land owned by the First Christian Church. Since then, the City had ongoing leases for the park and adjacent Church lots for public parking spaces. When the current lease expired in 2010, the Public Works Parking Utility did not renew the lease, not realizing that the lease for parking also included the park. In 2011, P&R staff was notified by the Church that the lease had been terminated. Since then, P&R and Church representatives have been meeting to determine the appropriate course of action. The Church had some concerns over the design of the park and requested that the park undergo renovations as part of a new lease. However, the Church also has plans for building or parking expansion and did not want to enter into a long-term lease. With the possibility of other park or public space downtown, P&R staff is recommending that effective September 30, 2014 the City withdraw from management of Village Square Park. This would allow the P&R Department to use any future funds on property that is either owned or could be purchased by the City. The First Christian Church Administration Board agreed to not engage in a future lease.

Discussion

Village Square Park was constructed during the late 1970's and has been under the maintenance and care of the Columbia Parks & Recreation Department. The park is built on the south half of Lot 283 of the original town of Columbia, Mo. This lot is owned by the First Christian Church of Columbia. The park was intended to be a "public square" in the downtown area and serve as a venue for hosting public speeches, demonstrations or special events, such as small plays or concerts.

For many years the City of Columbia had a use agreement/lease for the Lot 283, as well as Lots 292, 293, and 294. These non-park lots were leased to provide metered public parking. The lease agreement was monitored by the City of Columbia Public Works Department's Parking Utility. The last lease that is on record is Ordinance #018775, which was approved on November 21, 2005. The lease was for two years plus three additional one-term leases. At the end of 2010, the Parking Utility chose not to renew the lease. They did not realize that the Village Square Park property was also part of that lease. It was not until late December 2011, when P&R was contacted by representatives of the First Christian Church that it was determined that the lease had been terminated.

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From 2012 to today's date, there has been intermittent meetings with various Church representatives regarding the future of Village Square Park. These meetings discussed multiple options for the site, but discussions settled on three primary options:

- 1. Church assumes direct control of the property at which point the City would remove all appropriate City-owned property, and it would be the Church's to use however it was deemed appropriate.
- 2. The City and Church would enter into a new lease where the City would continue to manage and maintain the property. Most of the discussion revolved around this point. The Church wanted the City to address several issues about the park, with many of them being solved by a major renovation to the park.
- 3. The Church would allow Boone County, since they now lease the parking spaces, or some other interested party, such as a not-for profit organization, to take over the management and operation of the park and/or convert it to some Church function other than a park.

Key points of the meetings included the following items:

- The Church wants to see physical improvements to the park ranging from creating more open space to adding a water playground feature. The current park layout presented numerous hiding areas that made parents that utilized the Church's day care uncomfortable. Any new lease would have required the City to renovate the park.
 - o In 2010, alcohol was banned from Village Square Park, Flat Branch and Paquin Parks.
 - In 2012, First Christian Church requested that the City remove the three cafe tables that were located on the north side of the park due to problems with individuals aggressively panhandling, camping and being publicly intoxicated. Staff removed the tables, as requested.
- The Church does not want to commit to a long-term lease. They felt that they would likely need to expand their building within the next 5-10 years. When the City first leased the land for the park, it was known that eventually the Church would need the space for expansion of their building or parking lot. It was only a matter of time when that would occur.
- Since the Church would not commit to a long-term lease, staff feels that it would not be financially feasible for the City to invest in significant improvements to the park. Staff estimates that the cost to renovate the park and construct a water play area would be \$200,000.
- The new City Hall with its Keys to the City artwork is the "public square" for the type of events that staff anticipated Village Square would host. Unfortunately, Village Square never served that role.
- The option of the City acquiring the former AmerenUE site, which is several blocks away, is becoming more of a possibility. If that happens, P&R staff feels that any park or City funds would be best spent on developing a public park in space that the City owns instead of leased land.
- Finally, as plans for the new bus routes take place, the Wabash Station will cease to be a 'hub' for the City's bus lines. Wabash will continue to provide office space for transportation, but there has been suggestions for the parking lot to be used as a farmer's market or public art area.

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Ultimately, it became clear to both the Church and the City that a long-term lease was not prudent for either party. P&R staff felt there were better options for investing park sales tax dollars. The City and Church agreed that at the end of the current 2014 fiscal year, the City would vacate the property and it would become under the management and operation of the owners, the First Christian Church. The Church Administration Board unanimously agreed not to engage in the lease.

Fiscal Impact

Short-Term Impact: None. Staff will continue to maintain the park for the remainder of this fiscal year. Long-Term Impact: None. As new parks and amenities are added to the park system, any annual maintenance cost savings resulting from the termination of the Village Square Park lease will be absorbed into the operations budget of the Forestry, Horticulture and Park Maintenance programs.

Vision, Strategic & Comprehensive Plan Impact

Vision Impact: Not Applicable

Strategic Plan Impact: Not Applicable

Comprehensive Plan Impact: Not Applicable

Suggested Council Action

Information only. No Council action required.

Legislative History

Ordinance 18775. 11-21-2005. Authorizing an agreement with First Christian Church of Columbia for lease of parking facilities.

http://www.gocolumbiamo.com/Council/Final_Ordinances/Series_106/698;.html

Department Approved

City Manager Approved



SUPPORTING DOCUMENTS INCLUDED WITH THIS AGENDA ITEM ARE AS FOLLOWS:

Plats and Plans, Copy of 2005 Lease

VILLAGE SQUARE PARK



LEASE

THIS AGREEMENT, made and entered into this May of M

WITNESSETH THAT:

WHEREAS, Lessor is the owner of real property located in the City of Columbia, Boone County, Missouri; and

WHEREAS, the parties are desirous of entering into a lease wherein the Lessee will lease said parking facilities from Lessor; and

WHEREAS, the parties have reached agreement in regard to all of these matters and wish to reduce their agreement in regard thereto to writing;

NOW THEREFORE, the parties covenant and agree as follows:

- 1. PREMISES. That Lessor hereby leases and Lessee hereby takes as Lessee real estate described as follows:

 Lots 283, 292, 293 and 294 of the original town now City of Columbia, Missouri; EXCEPT that portion of Lot 292 occupied by the rectangular brick building and the sidewalk on the north immediately adjacent thereto presently leased to "The Strand" hair salon. The portion hereby excluded is located in the southeast corner of said Lot 292 and comprises an area of approximately 60 feet east and west by 40 feet north and south.
- 2. TERM. The term of the lease shall be two (2) years commencing on the day following the expiration of the current long term agreement.
- 3. COVENANTS AND AGREEMENTS. In consideration of this lease and the covenants and agreements herein set forth, it is expressly agreed by and between the parties as follows:
 - A. <u>Insurance</u>. Lessee agrees to carry adequate insurance against public liability for personal injury and property damage and further agrees to hold Lessor harmless from any and all liability arising from the operation and the maintenance of said premises. In like manner Lessee agrees that it will indemnify and hold Lessor harmless from any and all liability, damages, expenses, causes of

action, suits, claims or judgments arising from injury to persons or property on the leased premises or upon the adjoining streets and sidewalks which arise out of or are related to the acts, failures to act, or negligence of Lessee, its agents or employees.

- B. The City will repair then chip seal the surface of the lot. At the end of the contract, the Church and City will jointly inspect the lot's surface and again have it repaired, as mutually agreed.
- C. The City will continue to remove trash from the Village Park and the parking lot, and provide snow and ice removal from the parking surface and sidewalks.
- D. <u>Maintenance of Premises</u>. Lessee agrees that Lessor shall be under no obligation to rebuild, replace, maintain or make any repairs to the leased premises or to the improvements thereon during the term of this lease or the renewals thereof. Lessee further agrees that said property shall be maintained in good condition and that Lessee shall bear all costs of maintenance and repair and that said property shall be returned to Lessor in good condition at the termination of this lease.
- E. <u>Services</u>. Lessee shall provide and pay for any utilities, ground maintenance or other services needed for the premises herein described and Lessor shall have no obligation in regard thereto.
- F. <u>Rental</u>. Lessee shall make an annual rental payment to Lessor of Eighteen Thousand Dollars (\$18,000.00) to be paid at a rate of one Thousand Five Hundred Dollars (\$1,500) per month.
- G. <u>Taxes</u>. Lessee agrees to reimburse Lessor for any property taxes, except that portion of Lot 292 occupied by the rectangular brick building and the sidewalk on the north immediately adjacent thereto presently leased to "The Strand" hair salon, per year.
- H. Renewal Options. Lessor agrees that Lessee shall have option renew said lease, upon the same terms and conditions as set forth herein, for three (3) consecutive terms of one (1) year each, following the initial two (2) year base lease term, provided, however, that should Lessor need the leased premises for church purposes, it shall have the right to refuse one or more of these options to renew. It is further understood that Lessor's right to deny one or more renewal options because the premises are needed for church purposes shall include as a church purpose Lessor's need to sell said leased premises. If Lessor desires to sell

said leased premises and denies a renewal option or options on that basis, Lessee shall have a right of first refusal which right shall last for ninety (90) days after being notified thereof, to purchase said premises upon terms at least as favorable as Lessor proposes to sell to a third party. In order to exercise any one of said options to renew, Lessee must notify Lessor, in writing, of its intent to exercise that particular option and said notice must be given to Lessor a minimum of one hundred eighty (180) days prior to the commencement of the option being exercised.

- I. <u>Title</u>. Lessee agrees that the title to all structures and improvements shall remain in Lessor at the expiration of this lease or any renewal option thereof.
- J. <u>Reserved Rights</u>. Lessor reserves the right to use said premises without cost to it at all times that the City is not using the same for rental parking and in any event the church reserves the right to use said parking lot without cost to it all day on Sunday of each week.

K. Church Parking.

- 1. Lessee agrees that Lessor reserves the right to have twenty two (22) parking spaces without cost to Lessor. Lessee will provide the following parking spaces, eleven (11) along the alley on the north edge of the Church, six (6) on the immediate west side of the Church, and the six (6) in the far southwest corner of the lot.
- 2. The Church will be provided ten (10) single meter hoods, which they will control and disburse for occasional Church use. These meter hoods could be used by Church patrons at meters either within the lot or on their adjoining street frontage on Tenth Street or Walnut Street. The on-street use would primarily be for funerals, weddings or other special events.
- L. The City will provide the signs and painting to indicate which spots are designated for Church use. This signage will be installed as soon as possible but no later than sixty (60) calendar days after agreement signing.
- M. The City would designate two (2) other spaces elsewhere within the lot for non-church affiliated Handicapped use.

IN WITNESS WHEREOF, the parties have executed this agreement in duplicate as of the day and year first above written.

"LESSOR" FIRST CHRISTIAN CHURCH OF COLUMBIA, MISSOURI

By: ¿	John O. Monher
STATE OF MISSOURI) COUNTY OF BOONE) ss.	TAN FLONKER Minister
On this $\frac{29^{174}}{\text{day of}}$ day of $\frac{\text{NoV}}{\text{day}}$, 2005 before	e me appeared JOHN J YWKER
the Minister of the First Christian Church of Columbia, Missouri, and that said instrument was signed in behalf of said instrument was signed in behalf of said Church by authority of its officers, and said Minister acknowledged said instrument to be the free act and deed of said Church.	
Mr. Commission annius	Steed Morero Lister Notary Public WENDY MORENO LISTER
My Commission expires: WENDY MORENO LISTER Notary Public - Notary Seal State of Missouri County of Boone	"LESSEE" CITY OF COLUMBIA, MISSOURI
My Commission Expires November 30, 2007 ATTEST:	By: Raymond A. Beck, City Manager
Sheela Amin, City Clerk	,
APPROVED AS TO FORM: Fred Boeckmann, City Counselor	