

Sauk Valley Community College
November 28, 2022

Action Item 4.1

Topic: **Police Academy Housing Lease Agreement**

Strategic Plan: **Direction 1 - Workforce Development: Sauk Valley Community College meets the workforce needs of the region through effective and responsive programming and services for all learners.**

Presented By: **Dr. Jon Mandrell**

Presentation:

As part of the College's Police Academy, 30 police officers will require housing as part of their residential training. Westridge Apartments (located at 1612 Sauk Road and owned by Northridge Properties of Dixon, Illinois) has been identified as the academy's proposed housing provider. Eight four-bedroom units and office space for administration have been designated to meet the residential needs of the officers. A commercial lease agreement has been drafted by Northridge Properties and the police academy leadership, beginning January 1, 2023, and ending December 31, 2023. The agreement will automatically renew annually with a term beginning on January 1 and ending on December 31. As part of the agreement, the College will provide monthly installments of \$10,500 for the apartments and \$1,000 for office space, totaling \$138,000 annually.

Recommendation:

The administration recommends the Board approve the annual lease agreement in the amount of \$138,000 to be paid from the College's operational funds.

COMMERCIAL LEASE AGREEMENT

This Commercial Lease Agreement ("Lease") is made and effective _____, by and between Northridge Properties ("Landlord") and Sauk Valley Community College District No. 506, a unit of local government, with its principal place of business at 173 IL RT 2, Dixon, IL 61021 ("Tenant" or "College").

I. RECITALS

WHEREAS, Landlord is the owner of land and improvements commonly known and numbered as 1612 Sauk Road, Dixon, IL 61021; and

WHEREAS, Tenant, as a public Community College, intends to operate a law enforcement-training academy and needs space for short-term housing; and

WHEREAS, Landlord desires to lease the Leased Premises to Tenant, and Tenant desires to lease the Leased Premises from Landlord for the term, at the rental and upon the covenants, conditions and provisions herein set forth.

THEREFORE, in consideration of the mutual promises herein, contained and other good and valuable consideration, it is agreed:

II. TERMS AND CONDITIONS

1. Term and Termination.

A. Landlord hereby leases the Leased Premises (defined as eight four bedroom units) to Tenant, and Tenant hereby leases the same from Landlord, for an "Initial Term" beginning January 1, 2023, and ending December 31, 2023. Landlord shall use its best efforts to give Tenant possession as nearly as possible at the beginning of the Lease term. If Landlord is unable to timely provide the Leased Premises, rent shall abate for the period of delay. Tenant shall make no other claim against Landlord for any such delay.

B. Renewal Terms. This agreement will automatically renew annually with a term beginning on January 1 and ending on December 31 (Renewal Terms) unless the Landlord or the Tenant provide written notice of its intent to terminate the agreement 60 days prior to the scheduled initial or renewal end date.

C. Termination for Cause. A party that defaults in performance or commits a material breach of this contract ("defaulting party") shall have 10 days to cure the default or breach after receiving notice from the other party. The non-defaulting party may terminate this contract without further notice and pursue other available legal remedies if the defaulting party fails to cure the breach within the prescribed period, or within such other period of time that is agreed by the parties in writing.

D. Termination for Convenience. The Landor or the Tenant may terminate this contract for convenience and without any cause by providing at least 90 calendar days' prior written notice to the other party prior to the ending date of the Initial Term or Renewal Term.

E. Termination for Non-Appropriation. This contract is subject to termination by the College if (i) the General Assembly fails to make an appropriation to make payments under the contract, or (ii) appropriated funds used to make payment under this contract are not timely provided to the College by the State or there is a State rescission of funding to the College, or (iii) sufficient funds are not available from any other funding source for this contract such as grant funds. Upon termination, the College's obligation will be only to pay for Services already performed or Work Product delivered to the College's satisfaction and will be without penalty or further payment being required.

2. Consideration.

A. Tenant shall pay to Landlord during the Initial Term and optional Renewal Terms beginning on January 1, 2024, and January 1, 2025, monthly installments of \$10,500 for eight (8) 4-bedroom adjacent apartments, and \$1,000 for office space. Each installment payment shall be due in advance on the first day of each calendar month during the lease term to Landlord at [212 West River St. Dixon, IL 61021] or at such other place designated by written notice from Landlord. The rental payment amount for any partial calendar months included in the lease term shall be prorated on a daily basis.

3. Landlord Responsibilities.

A. Landlord will provide eight four bedroom units. All units will be in building 1 on the 2nd floor. All utilities and WiFi internet will be provided by Landlord. Units will be cleaned between the 14-week classes. Laundry room access with 28 paid machine activations per student will be provided. All maintenance will be provided by Landlord, including things not normally supplied to a residential tenant such as, light bulbs, furnace filters, etc. All units will include: Living room - Couch, 2 chairs, coffee table, lamp, 55" wall-mounted smart TV. Kitchen - Fridge, microwave, range, dishwasher, coffee maker, basic dishes and flatware, a garbage can with bags, basic cleaning supplies, and a vacuum. Bedrooms - Twin bed, nightstand, dresser, desk, and chair. Bathrooms - Shower curtain, garbage can, toilet brush and plunger.

B. Billing and Payment. In order to be paid, Landlord shall send invoices to: (via email) invoices@svcc.edu, (via mail) Sauk Valley Community College, Attn: Accounts Payable, Dixon, Illinois 61021, or (via fax) 815.288.2038, and submit invoices in accordance with any instructions provided by the College, including any instructions set forth on College's purchase order. Each invoice must contain the vendor name and remittance address, approved PO#, order date, shipping date, payment terms, unique invoice #, itemized list of items, corresponding cost by UOM, total cost in U.S. dollars and any freight/shipping charges to be considered a proper invoice. The College shall make payment within thirty (30) days of approval of proper invoice that includes the information necessary for processing the payment as specified by the College. Payment for all or part of the services, products or deliverables shall not constitute acceptance. Interest on late payment(s) shall be paid in accordance with the Local Government Prompt Payment

Act (50 ILCS 505/). If applicable, any actual travel costs and expenses (i.e., without mark-up), must be pre-approved in writing by the College. Landlord shall provide the College with appropriate and complete documentation (e.g., receipts, invoices marked "Paid in Full") upon the College's request in connection with any expense reimbursement sought by the Vendor in connection with this Contract. The College has the right to audit all invoices presented.

4. Tenant Responsibilities.

A. Tenant shall not use the Leased Premises for the purposes of storing, manufacturing or selling of any explosives, flammables or other inherently dangerous substance, chemical, thing or device.

B. Tenant shall use the Leased Premises for short-term housing of individuals attending the law enforcement academy training class.

5. Sublease and Assignment.

Tenant shall have the right without Landlord's consent, to assign this Lease to a corporation with which Tenant may merge or consolidate, to any subsidiary of Tenant, to any corporation under common control with Tenant, or to a purchaser of substantially all of Tenant's assets. Except as set forth above, Tenant shall not sublease all or any part of the Leased Premises or assign this Lease in whole or in part without Landlord's consent, such consent not to be unreasonably withheld or delayed.

6. Repairs.

During the Lease term, Landlord shall make, at Landlord's expense, all necessary repairs to the Leased Premises. Repairs shall include such items as routine repairs of floors, walls, ceilings, and other parts of the Leased Premises damaged or worn through normal occupancy. The Tenant shall be responsible, at the Tenant's expense, for any repairs of floors, walls, ceilings, and other parts of the Leased Premises damaged through incidents outside of normal occupancy.

7. Alterations and Improvements.

A. Tenant, at Tenant's expense, shall have the right following Landlord's consent to remodel, redecorate, and make additions, improvements and replacements of and to all or any part of the Leased Premises from time to time as Tenant may deem desirable, provided the same are made in a workmanlike manner and utilizing good quality materials. Tenant shall have the right to place and install personal property, trade fixtures, equipment and other temporary installations in and upon the Leased Premises and fasten the same to the premises. All personal property, equipment, machinery, trade fixtures and temporary installations, whether acquired by Tenant at the commencement of the Lease term or placed or installed on the Leased Premises by Tenant, thereafter, shall remain Tenant's property free and clear of any claim by Landlord. Tenant shall have the right to remove the same at any time during the term of this Lease provided that all damage to the Leased Premises caused by such removal shall be repaired by Tenant at Tenant's expense.

8. Property Taxes.

Landlord shall pay, prior to delinquency, all general real estate taxes and installments of special assessments coming due during the Lease term on the Leased Premises, and all personal property taxes with respect to Landlord's personal property, if any, on the Leased Premises.

9. Insurance.

A. If the Leased Premises or any other party of the Building is damaged by fire or other casualty resulting from any act or negligence of Tenant or any of Tenant's agents, employees or invitees, rent shall not be diminished or abated while such damages are under repair, and Tenant shall be responsible for the costs of repair not covered by insurance.

B. Landlord shall maintain fire and extended coverage insurance on the Building and the Leased Premises in such amounts as Landlord shall deem appropriate. Tenant shall be responsible, at its expense, for fire and extended coverage insurance on all of its personal property, including removable trade fixtures, located in the Leased Premises.

C. Tenant and Landlord shall, each at its own expense, maintain a policy or policies of comprehensive general liability insurance with respect to the respective activities of each in the Building with the premiums thereon fully paid on or before due date, issued by and binding upon some insurance company approved by Landlord, such insurance to afford minimum protection of not less than \$1,000,000 combined single limit coverage of bodily injury, property damage or combination thereof. Landlord shall not be required to maintain insurance against thefts within the Leased Premises or the Building.

D. If the Leased Premises or any other party of the Building is damaged by fire or other casualty not resulting from any act or negligence of Tenant or any of Tenant's agents, employees or invitees, the Landlord shall be responsible for any costs incurred by the Tenant to relocate its agents, employees, or invitees that are displaced from the occurrence.

10. Utilities.

Landlord shall pay all utility charges for the designated units, including but not limited to water, sewer, electric, gas, internet, and other services and utilities used by Tenant on the Leased Premises during the terms of this Lease unless otherwise expressly agreed in writing by Landlord and Tenant. Use of supplemental electric heaters is strictly forbidden. Tenant shall not use any equipment or devices that utilizes excessive electrical energy, or which may, in Landlord's reasonable opinion, overload the wiring or interfere with electrical services to other tenants.

11. Signs.

Tenant shall have the right to place on the Leased Premises, at locations selected by Tenant, any signs which are permitted by applicable zoning ordinances and private restrictions.

Landlord may refuse consent to any proposed signage that is in Landlord's opinion too large, deceptive, unattractive or otherwise inconsistent with or inappropriate to the Leased Premises or use of any other tenant. Landlord shall assist and cooperate with Tenant in obtaining any necessary permission from governmental authorities or adjoining owners and occupants for Tenant to place or construct the foregoing signs. Tenant shall repair all damage to the Leased Premises resulting from the removal of signs installed by Tenant.

12. Entry.

Landlord and Tenant or designee shall have the right to enter upon the Leased Premises at reasonable hours to inspect the same, provided Landlord shall not thereby unreasonably interfere with Tenant's business on the Leased Premises.

13. Parking.

During the term of this Lease, Tenant shall have the non-exclusive use in common with Landlord, other tenants of the Building, their guests and invitees, of the non-reserved common automobile parking areas, driveways, and footways, subject to rules and regulations for the use thereof as prescribed from time to time by Landlord. Landlord reserves the right to designate parking areas within the Building or in reasonable proximity thereto, for Tenant and Tenant's agents and employees. Separated structured parking, if any, located about the Building is reserved for tenants of the Building who rent such parking spaces.

14. Building Rules.

Tenant agrees that it will inform all occupants placed by it within units of the rules of the Building adopted and amended by Landlord from time to time. Any changes to such rules will be sent by Landlord to Tenant and SVCC Police Academy Director in writing.

15. Damage and Destruction.

Subject to Section 8 A. above, if the Leased Premises or any part thereof or any appurtenance thereto is so damaged by fire, casualty or structural defects that the same cannot be used for Tenant's purposes, then Tenant shall have the right within ninety (90) days following damage to elect by notice to Landlord to terminate this Lease as of the date of such damage. In the event of minor damage to any part of the Leased Premises, and if such damage does not render the Leased Premises unusable for Tenant's purposes, Landlord shall promptly repair such damage at the cost of the Landlord. In making the repairs called for in this paragraph, Landlord shall not be liable for any delays resulting from strikes, governmental restrictions, inability to obtain necessary materials or labor or other matters which are beyond the reasonable control of Landlord. Tenant shall be relieved from paying rent and other charges during any portion of the Lease term that the Leased Premises are inoperable or unfit for occupancy, or use, in whole or in part, for Tenant's purposes. Rentals and other charges paid in advance for any such periods shall be credited on the next ensuing payments, if any, but if no further payments are to be made, any such advance payments shall be refunded to Tenant. The provisions of this paragraph extend not only to the matters aforesaid, but also to any occurrence which is beyond Tenant's reasonable control,

and which renders the Leased Premises, or any appurtenance thereto, inoperable or unfit for occupancy or use, in whole or in part, for Tenant's purposes.

16. Default.

A. Tenant. If default shall at any time be made by Tenant in the payment of rent when due to Landlord as herein provided, and if said default shall continue for fifteen (15) days after written notice thereof shall have been given to Tenant by Landlord, or if default shall be made in any of the other covenants or conditions to be kept, observed and performed by Tenant, and such default shall continue for thirty (30) days after notice thereof in writing to Tenant by Landlord without correction thereof then having been commenced and thereafter diligently prosecuted, Landlord may declare the term of this Lease ended and terminated by giving Tenant written notice of such intention, and if possession of the Leased Premises is not surrendered, Landlord may reenter said premises. Landlord shall have, in addition to the remedy above provided, any other right or remedy available to Landlord on account of any Tenant default, either in law or equity. Landlord shall use reasonable efforts to mitigate its damages.

B. Landlord. If there is a default with respect to any of Landlord's covenants, warranties or representations under this Lease, and if the default continues more than fifteen (15) days after notice in writing from Tenant to Landlord specifying the default, Tenant may, at its option and without affecting any other remedy hereunder, cure such default and deduct the cost thereof from the next accruing installment or installments of rent payable hereunder until Tenant shall have been fully reimbursed for such expenditures, together with interest thereon at a rate equal to the lessor of twelve percent (12%) per annum or the then highest lawful rate. If this Lease terminates prior to Tenant's receiving full reimbursement, Landlord shall pay the unreimbursed balance plus accrued interest to Tenant on demand. If Landlord refuses to cure, or reimburse any costs incurred by Tenant, Tenant may, at its sole election, terminate this Agreement.

17. Quiet Possession.

Landlord covenants and warrants that upon performance by Tenant of its obligations hereunder, Landlord will keep and maintain Tenant in exclusive, quiet, peaceable and undisturbed and uninterrupted possession of the Leased Premises during the term of this Lease.

18. Condemnation.

If any legally, constituted authority condemns the Building or such part thereof which shall make the Leased Premises unsuitable for leasing, this Lease shall cease when the public authority takes possession, and Landlord and Tenant shall account for rental as of that date. Such termination shall be without prejudice to the rights of either party to recover compensation from the condemning authority for any loss or damage caused by the condemnation. Neither party shall have any rights in or to any award made to the other by the condemning authority.

19. Subordination.

Tenant accepts this Lease subject and subordinate to any mortgage, deed of trust or other lien presently existing or hereafter arising upon the Leased Premises, or upon the Building and to any renewals, refinancing and extensions thereof, but Tenant agrees that any such mortgagee shall have the right at any time to subordinate such mortgage, deed of trust or other lien to this Lease on such terms and subject to such conditions as such mortgagee may deem appropriate in its discretion. Landlord is hereby irrevocably vested with full power and authority to subordinate this Lease to any mortgage, deed of trust or other lien now existing or hereafter placed upon the Leased Premises of the Building, and Tenant agrees upon demand to execute such further instruments subordinating this Lease or attorning to the holder of any such liens as Landlord may request. In the event that Tenant should fail to execute any instrument of subordination herein required to be executed by Tenant promptly as requested, Tenant hereby irrevocably constitutes Landlord as its attorney-in-fact to execute such instrument in Tenant's name, place and stead, it being agreed that such power is one coupled with an interest. Tenant agrees that it will from time to time upon request by Landlord execute and deliver to such persons as Landlord shall request a statement in recordable form certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified), stating the dates to which rent and other charges payable under this Lease have been paid, stating that Landlord is not in default hereunder (or if Tenant alleges a default stating the nature of such alleged default) and further stating such other matters as Landlord shall reasonably require.

20. Notice.

Any notice required or permitted under this Lease shall be deemed sufficiently given or served if sent by United States certified mail, return receipt requested, addressed as follows:

If to Landlord to:

Northridge Properties
212 W. River St.
Dixon, IL 61021

If to Tenant to:

Sauk Valley Community College
Attn: Director of Police Academy
173 IL RT 2
Dixon, IL 61021

Landlord and Tenant shall each have the right from time to time to change the place notice is to be given under this paragraph by written notice thereof to the other party.

21. Waiver.

No waiver of any default of Landlord or Tenant hereunder shall be implied from any omission to take any action on account of such default if such default persists or is repeated, and

no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. One or more waivers by Landlord or Tenant shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition.

22. Memorandum of Lease.

The parties hereto contemplate that this Lease should not and shall not be filed for record, but in lieu thereof, at the request of either party, Landlord and Tenant shall execute a Memorandum of Lease to be recorded for the purpose of giving record notice of the appropriate provisions of this Lease.

23. Headings.

The headings used in this Lease are for convenience of the parties only and shall not be considered in interpreting the meaning of any provision of this Lease.

24. Successors.

The provisions of this Lease shall extend to and be binding upon Landlord and Tenant and their respective legal representatives, successors and assigns.

25. Compliance with Law.

Tenant shall comply with all laws, orders, ordinances and other public requirements now or hereafter pertaining to Tenant's use of the Leased Premises. Landlord shall comply with all laws, orders, ordinances and other public requirements now or hereafter affecting the Leased Premises.

26. Indemnification.

A. The Landlord shall indemnify the Tenant, its officers, employees, trustees, students, and agents against all demands, claims, damages, liabilities, expenses and reasonable attorney fees and costs arising out of the performance of this contract by Landlord, its employees, and agents. This indemnification obligation shall survive the termination or expiration of the contract and any order made under it.

27. Confidentiality.

A. General. The Landlord treat all information relating to this contract as confidential ("College Information"). Unless required by law or preauthorized by the Tenant in writing, the Landlord shall not disclose Tenant information to third parties or use Tenant Information for any purpose other than for performing this contract.

B. FERPA. Family Educational Rights and Privacy Act, 20 U.S.C. §1232g (FERPA). Unless authorized by law or by written permission of the student, the Landlord shall not disclose

to any third-party information concerning College students. The Landlord shall protect all records containing student information in accordance with FERPA and College policy. In addition to other remedies, the Tenant may terminate this contract immediately upon information that the Vendor may have violated this provision.

C. PIPA. Illinois Personal Information Protection Act, 815 Ill. Comp. Stat. 530 (PIPA). If applicable, the Landlord will cooperate in good faith with the Tenant to maintain security and integrity of personal information in compliance with PIPA.

28. Records and Audit.

A. Records Retention and Audits. The Landlord shall maintain books and records that relate to performance of this contract and that support amounts charged. The retention requirement shall be three years from the date of final payment or for such longer period of time as is necessary to complete ongoing or announced audits or to comply with any applicable federal requirements.

B. Right of Inspection. The Tenant may reasonably inspect the Landlord's premises, facilities, equipment, and investigate the business reputation and other qualifications of the Landlord throughout the term of this contract.

29. Miscellaneous.

A. Ambiguities. Any rule of construction that would resolve ambiguities against the drafting party shall not apply in interpreting this contract.

B. Amendments. No modification of this contract shall be effective unless made by a written amendment by the College or the Landlord, signed by each party's authorized signatory.

C. Assignment. Neither party may assign its obligations under this contract.

D. Authorized Signatories. The individuals signing this contract on a party's behalf represent that they have the requisite authority and intent to bind that party to this contract.

E. Choice of Law. This contract shall be interpreted by application of Illinois law without regard to its conflicts provisions.

F. Compliance with Laws. The Landlord shall perform all obligations under this contract in compliance with all applicable laws governing the performance. Breach of this provision constitutes a material breach of this contract.

G. Counterparts/Facsimile Signatures. This contract may be signed in counterparts. Facsimile signatures constitute original signatures for all purposes.

H. Excluded Parties. The Landlord certifies that neither the Landlord nor any of the Landlord's directors, officers, employees, or agents who may provide services pursuant to this

contract (individually an "Agent") is presently debarred, suspended, proposed for debarment, declared ineligible or otherwise excluded from transactions with the U.S. Government or by any federal government agency. Landlord shall provide the College immediate written notice if the Landlord learns that this certification was erroneous when made or if Landlord or any Agent hereafter becomes debarred, suspended, proposed for debarment, declared ineligible or otherwise excluded from transactions with the U.S. Government or by any Federal agency. The Landlord further certifies that neither the Landlord nor any Agent is presently subject to an investigation or proceeding to exclude either as a provider under Medicare or Medicaid or under any other federal or state health care program or under any third party insurance program, nor is currently excluded or debarred from submitting claims to Medicare or Medicaid or to any other federal or state health care program or to any third party insurer. The College may terminate this contract immediately without any penalty to the College if either of these certifications was erroneous when made or becomes no longer valid during the term of this contract.

I. Force Majeure. A party is excused from performing its obligations under this contract when conditions beyond its control and unforeseen by the parties make its performance commercially impractical, illegal, or impossible. Conditions of excuse include, but are not limited to: natural disasters, strikes, fires, war, terrorism and threats of terrorism, government actions, and acts or omissions of third parties. So long as the conditions continue, the party whose performance is affected shall keep the other party fully informed about the conditions and the prospects of their ending.

J. Headings. Headings in this contract are intended only to assist with readability and are not substantive.

K. Independent Contractor. The parties are independent contractors with respect to each other. Nothing in this contract is intended to create any association, partnership, joint venture, or agency relationship between them. The Landlord shall not hire College employees to perform this contract without obtaining the College's prior written approval.

L. Integration. This contract, together with any amendment, and incorporated references, constitutes the parties' entire agreement regarding the subject matter.

M. Severability. If any provision of this contract is held by a court of competent jurisdiction to be unenforceable, the provision shall be severed from this contract so long as severance does not affect the enforceability or essential purpose of the remainder of the contract.

N. Use of Name. The Landlord shall not use College's name or protected marks for any commercial purpose.

O. Waiver. The failure of either party to enforce any provision of this contract shall not waive the party's right to later enforce the provision or the contract.

30. Final Agreement.

This Agreement terminates and supersedes all prior understandings or agreements on the subject matter hereof. This Agreement may be modified only by a further writing that is duly executed by both parties.

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

LANDLORD

NORTHRIDGE PROPERTIES

By _____
Its _____

TENANT

SAUK VALLEY COMMUNITY COLLEGE

By _____
Its _____