

ORDINANCE NO. 2024-O-XXX

AUTHORIZING THE CITY MANAGER TO EXECUTE A LEASE AGREEMENT BETWEEN THE CITY OF LAREDO AND THE LAREDO LITTLE THEATER FOR A PROPERTY LOCATED AT 4802 THOMAS AVENUE, CONSTITUTING OF APPROXIMATELY 5,801 SQUARE FEET OF BUILDING SPACE. LEASE TERM SHALL BE FOR FIVE (5) YEARS COMMENCING ON THE DATE OF EXECUTION. TENANT IS HEREBY GRANTED TWO (2) OPTIONS TO EXTEND THIS LEASE FOR AN ADDITIONAL FIVE (5) YEARS PER OPTION UPON MUTUAL WRITTEN AGREEMENT BETWEEN BOTH PARTIES. THE MONTHLY RENT SHALL BE \$900.00 AND WILL BE ADJUSTED ANNUALLY ACCORDING TO CHANGES IN THE CONSUMER PRICE INDEX (CPI); PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Laredo Little Theater has been an established cultural institution in Laredo, Texas, promoting performing arts, community engagement, and educational opportunities in theater since its founding; and

WHEREAS, the City of Laredo (hereinafter referred to as "City") seeks to support and promote the arts within the community for the benefit of its residents; and

WHEREAS, the City recognizes that the operations and programming of the Laredo Little Theater provide value to the residents of Laredo through artistic expression, cultural enrichment, and community development; and

WHEREAS, the Laredo Little Theater has occupied and maintained facilities located at 4802 Thomas Avenue since 2009 and desires to enter into a new lease agreement with the City; and

WHEREAS, the City Council finds it in the best interest of the City and its residents to approve a lease agreement between the City and the Laredo Little Theater for the continued use of the property, subject to certain terms and conditions set forth herein;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAREDO THAT:

Section 1: Approval of Lease Agreement.

The City Council hereby authorizes the City Manager to execute a new lease agreement between the City of Laredo and Laredo Little Theater for the property located at 4802 Thomas Avenue in accordance with the terms and conditions outlined in this Ordinance.

Section 2: Lease Terms and Conditions.

1. Term of Lease.

The lease shall be for a term of five (5) years, commencing upon the effective date, with two (2) options to extend for an additional five (5) years upon mutual agreement of both parties.

2. Rental Payment.

(a) Commencing on the Effective Date and continuing for the Term, Tenant shall pay to Landlord Annual Fixed Rent in the amount equal to Ten Thousand Eight Hundred Dollars (\$10,800.00) per year, in equal monthly installments of Nine Hundred dollars (\$900.00) per calendar month.

3. Maintenance and Repairs.

(a) Tenant shall, throughout the term of this lease, take good care of the leased area and the fixtures and appurtenances therein and at its sole cost and expense make all nonstructural repairs thereto as and when needed to preserve them in good working order and condition, damage from the maintenance and repair at tenant's sole cost and expense of all windows, doors, light fixtures, plumbing fixtures, painting of interior and exterior walls when needed, floor covering and other non-structural repairs and all necessary modifications to the demised premises to comply with the Americans with Disabilities Act.

(b) Landlord shall throughout the term of this lease maintain the structural components of the leased premises to include the air conditioning system, major electrical systems, major plumbing lines, roof and foundation.

4. Utilities.

Tenant shall be responsible for the payment of all expenses and payments in connection with the use of the Property, including all utilities and other expenses.

5. Insurance and Liability.

(a) **Commercial Liability Insurance:** Throughout the Term of this Lease, Tenant, at its sole cost and expense, shall maintain commercial general liability insurance against liability occasioned by any accident, injury (including death) or damage suffered or occurring on or about the Premises or any appurtenance thereto. The liability policy shall be for the minimum of \$1,000,000.00 combined single limit coverage for property damage and bodily injury to any one person and general aggregate limits of \$3,000,000.00 per accident (which insurance can be satisfied by an umbrella policy maintained by Tenant), and shall list

Landlord as an additional insured.

(b) **Casualty Insurance:** Throughout the Term of this Lease, Tenant, at its sole cost and expense, shall keep special form property insurance and all other coverage necessary to insure against losses to all Improvements located on the Property caused by damage or destruction by flood, fire, windstorm, vandalism, malicious mischief and other risks typically insured in an amount equal to at least 90% of the replacement cost of the Improvements.

(c) **Workers Compensation:** Throughout the Term of this Lease, Tenant, at its sole cost and expense, shall maintain worker's compensation insurance in such amounts and in such forms as are required by Texas state statute and/or local ordinance.

(d) **Waiver of Subrogation:** Anything in this Lease to the contrary notwithstanding, to the extent permissible by law Landlord and Tenant hereby waive any and all rights of subrogation for themselves and any insurer against each other, their respective agents, officers and employees for any loss or damage that may occur to the Premises or the Airport and to all property, whether real, personal or mixed, located in or at the Premises or the Airport, by reason of any peril to be insured under this Lease regardless of cause or origin, including negligence of the parties hereto, their respective agents, officers and employees.

6. **Use of Premises:** Tenant may and shall use the Premises as a theatre (the "Permitted Use"), and for no other purpose unless approved in writing by Landlord.

7. **Compliance with the Laws:** During the Term of this Lease, Tenant shall comply with and cause the Property to be in compliance with all laws, rules, regulations, permits and approvals, whether or not presently contemplated (collectively "Legal Requirements") applicable to the Property or the uses conducted on the Premises.

Section 3: Default and Termination.

1. Tenant shall be in "Default" if:
 - a. Tenant shall not have paid Rent or any other amount payable by Tenant pursuant to this Lease when due (a "Monetary Default").
 - b. Tenant shall not have performed any of its obligations under the Security Plan within two (2) days after notice from Landlord.

- c. (iii) Tenant shall not have performed any of the other covenants, terms, conditions or provisions of this Lease within thirty (10) days after Tenant's receipt of written notice specifying such failure.
2. The City reserves the right to terminate this lease, by pursuing any remedy described in 16.1.2 of the lease agreement. upon the Tenant's failure to cure the default within

Section 4: Effective Date.

This Ordinance shall become effective upon passage hereof.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR ON THIS ____
DAY OF _____, 2024.

CITY OF LAREDO
a municipal corporation

By:

JOSEPH NEEB
CITY MANAGER

ATTEST:

MARIO I. MALDONADO, JR
CITY SECRETARY

APPROVED AS TO FORM:

BY: _____
DOANH "ZONE" T. NGUYEN
CITY ATTORNEY