CITY OF COFFEYVILLE
BOARD OF COMMISSIONERS AGENDA ITEM

MEETING DATE	07/14/2015	
RESOLUTION OR ORDINANCE NUMBER	R-15-81	
AGENDA TITLE	Lease Agreement with Coffeyville Resources Refining & Marketing, LLC for pipe storage.	
REQUESTING DEPARTMENT	Engineering	
PRESENTER	Thomas Osborn, Engineering Technician	
FISCAL INFORMATION	Cost as recommended:	
	Budget Line Item:	
	Balance Available	
	New Appropriation Required:	[ ] Yes [x] No
PURPOSE	Execute a lease agreement between Coffeyville Resources Refining & Marketing, LLC and the City of Coffeyville for leasing a portion of the abandoned apron at the Coffeyville Municipal Airport.	
BACKGROUND	Coffeyville Resources Refining & Marketing, LLC is building a natural gas pipeline to provide natural gas to their facilities. They are requesting to lease a six (6) acre tract consisting of a portion of the concrete apron located at the Coffeyville Municipal Airport, as depicted on the site plan shown as Exhibit A in the attached lease agreement, for storage of pipe material and job trailer. This agreement is a six (6) month agreement from August 1st, 2015 through January 31st, 2016.	
SPECIAL NOTES	Coffeyville Resources Refining & Marketing, LLC is paying $6,000 for this lease.	

ANALYSIS	
PUBLIC INFORMATION PROCESS	
BOARD OR COMMISSION RECOMMENDATION	
STAFF RECOMMENDATION	Staff recommends executing the attached lease agreement with Coffeyville Resources Refining & Marketing, LLC.
REFERENCE DOCUMENTS ATTACHED	City - Coffeyville Resources - Airport Lease - pipe storage.doc

RESOLUTION NO. R-15-81

A RESOLUTION TO AUTHORIZE THE EXECUTION OF AN LEASE AGREMENT BETWEEN THE CITY OF COFFEYVILLE AND COFFEYVILLE RESOURCES REFINING & MARKETING, LLC, FOR A CERTAIN PORTION OF PROPERTY LOCATED AT THE COFFEYVILLE MUNICIPAL AIRPORT AS LABELED "EXHIBIT A" AS BEING A PORTION OF SAID LEASE AGREEMENT.

BE IT RESOLVED by the Board of Commissioners of the City of Coffeyville, Kansas that the Mayor and City Clerk are hereby authorized and directed to execute n lease agreement between the City of Coffeyville and Coffeyville Resources Refining & Marketing, LLC, for a six-acre tract of land known as "Exhibit A" as part of said lease agreement, located as a portion of concrete apron situated at the Coffeyville Municipal Airport. The terms of this agreement shall be a 6-month lease beginning August 1, 2015, and ending January 31, 2015.

ADOPTED THIS 14th DAY OF JULY 2015

_____

Christopher V. Williams, Mayor

ATTEST:

_____

Cindy Price, City Clerk

APPROVED AS TO FORM AND LEGALITY:

_____

Paul Kritz, City Attorney

LEASE AGREEMENT

THIS LEASE, made as of July 14, 2015, by and between the City of Coffeyville, Kansas, a municipal corporation, (hereinafter called "Landlord") and Coffeyville Resources Refining and Marketing, LLC, a Delaware Limited Liability Company (hereinafter called "Tenant");

WITNESSETH:

1. Demise. The Landlord, for and in consideration of the rents, covenants, agreements and stipulations hereafter mentioned, reserved, and contained, to be paid, kept and performed by the Tenant, has leased and rented, and by these presents does lease and rent, unto the said Tenant, and said Tenant hereby agrees to lease and take upon the terms and conditions which hereinafter appear, the following described property (hereinafter called "Premises"):

A six (6) acre tract consisting of a portion of the concrete apron located at the Coffeyville Municipal Airport, as depicted on the site plan attached as Exhibit A.

2. Term. To have and to hold the same for a term of six (6) months, beginning as of August 1, 2015, and ending on the January 31, 2016, regardless of the date this Lease is executed or when Tenant takes actual possession of the Premises.

3. Rent. Rent shall be in the sum of $6,000.00, payable in advance.

4. Utilities. All utilities necessary for Tenant's use of the Premises shall be Tenant's responsibility. Tenant shall pay its utilities, including electricity, and all other city or non-city utilities used by Tenant in connection therewith.

5. Use. The Premises shall be used for the storage of Pipe material, equipment, and office trailer not exceeding six feet (16') in height, and no other purpose.

6. Maintenance. Tenant shall be responsible for keeping the Premises in a safe and clean condition and providing security for its operations. Tenant shall be responsible for snow removal to the extent needed to conduct Tenant's operations. Tenant shall return the Premises to Landlord at the expiration, or prior termination, of this Lease in clean and good condition.

7. Taxes. Landlord shall pay all real estate taxes covering the Premises. Tenant shall pay all taxes on Tenant's contents.

8. Insurance. Tenant shall carry liability insurance with limits of not less than $1,000,000.00 per occurrence and insurance on Tenant's material and equipment. Tenant shall provide Landlord a certificate of insurance evidencing the existence and maintenance of this policy and listing Landlord as an additional insured under the liability policy specified above. Tenant's failure to provide said certificate of insurance as required shall not relieve Tenant of its obligation to procure insurance as required herein.

9. Waiver of Subrogation. Landlord and Tenant hereby waive any and all rights of recovery against each other and the officers, employees, agents and representatives of the other

for loss of or damage to such waiving party or its property or the property of others under its control, where such loss or damage is insured against under any insurance policy in force at the time of such loss or damage. Tenant shall, upon obtaining the policies of insurance required hereunder, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

10. Default. If Tenant fails to keep, perform and observe any covenant hereunder, and such failure is not cured within thirty (30) days after written notice from Landlord, Landlord may terminate this Lease and, upon so doing, Landlord may lawfully enter into and upon demised Premises or any part thereof and repossess the same and expel the Tenant and persons claiming under and through it, and remove any tangible personal property or effort, forcibly if necessary, without being guilty of trespass and without prejudice to any remedies that may be otherwise legally available to Landlord for arrears of rents or for Tenant's breach of covenant under the terms and conditions of this Lease Agreement.

In the event of any default by Landlord and such default is not cured within thirty (30) days after written notice from Tenant, Tenant may declare this lease null and void and/or may exercise any and all remedies available at law or in equity.

11. Landlord's Right to Collect Rent. No termination of this lease prior to the normal ending thereof, by lapse of time or otherwise, shall affect Landlord's right to collect rent for the period prior to termination thereof.

12. Indemnity. Tenant agrees to indemnify and save harmless the Landlord against all claims for damages to persons or property by reason of the use or occupancy of the Premises, except for any damages caused by any defect in the building and except for negligence on the part of the Landlord. Landlord agrees to indemnify and save harmless the Tenant against all claims for damages to persons or property by reason of the negligence of Landlord or its agents.

13. Assignment and Subletting. Tenant shall not sublet the Premises or any part thereof or assign this Lease without the written consent of Landlord. In the event of an assignment or subletting, any reference in this Lease to Tenant will be interpreted to include such assignee or subtenant; provided, that no such subletting or assignment shall relieve Tenant of any of its financial obligations hereunder.

14. Notices. Any notice to be given to hereunder shall be in writing and sent by registered or certified mail, return receipt requested, addressed as follows or such other address as may be specified in writing by one party to another:

As To Landlord:	As To Tenant:
City of Coffeyville	Coffeyville Resources Refining & Marketing, LLC
P.O. Box 1629	400 N Linden Street
Coffeyville, KS 67337	Coffeyville, KS 67337
Attention: City Manager	Attention: Refinery General Manager

15. Environmental. Tenant agrees it shall not contaminate the Premises with any hazardous materials in violation of applicable laws or regulations. If Landlord, in its reasonable discretion, has reason to believe that the Premises have become contaminated with Hazardous Materials by Tenant in breach of the provisions of this Lease, Landlord, in addition to its other rights under this Lease, may enter upon the Premises and obtain samples from the Premises for the purposes of analyzing the same to determine whether and to what extent the Premises have become so contaminated. In the event it is determined that Tenant has contaminated the Premises with hazardous materials in violation of applicable laws or regulations, it shall be Tenant's responsibility to take all necessary steps to remove such hazardous material from the Premises and bring the Premises into compliance with the aforementioned applicable regulations.

Furthermore, Tenant shall indemnify and hold harmless Landlord from and against any and all claims, losses, liabilities, damages, costs and expenses, including without limitation, reasonable attorney's fees and costs, arising out of or connected with contamination by Tenant of the Premises with hazardous materials in violation of applicable laws or regulations. Provided, however, Tenant shall not have any liability under this Lease as long as Tenant is remediating any such contamination it caused in accordance with applicable laws and regulations.

Landlord shall indemnify and hold harmless Tenant from and against any and all claims, losses, liabilities, damages, costs and expenses, including without limitation, reasonable attorney's fees and costs, arising out of or in any way connected with contamination of the Premises with hazardous materials occurring on or prior to the commencement date of this Lease. The indemnity obligations of Tenant and Landlord under this section shall survive any termination of this Lease.

16. Miscellaneous. This Lease contains the entire agreement of the parties hereto and no representations, inducements, promises or agreements, oral or otherwise, between the parties, not embodied herein, shall be of any force or effect. This Lease shall be construed in accordance with the laws of the state where the Premises are located. Paragraph headings are for convenience only and do not define, alter or limit the provisions of this lease.

IN WITNESS WHEREOF, the parties herein have hereunto set their hands and seals the day and year first above written.

LESSOR:

CITY OF COFFEYVILLE, KANSAS

_____

Christopher V. Williams
Mayor

Attest:

_____

Cindy Price
City Clerk

LESSEE:

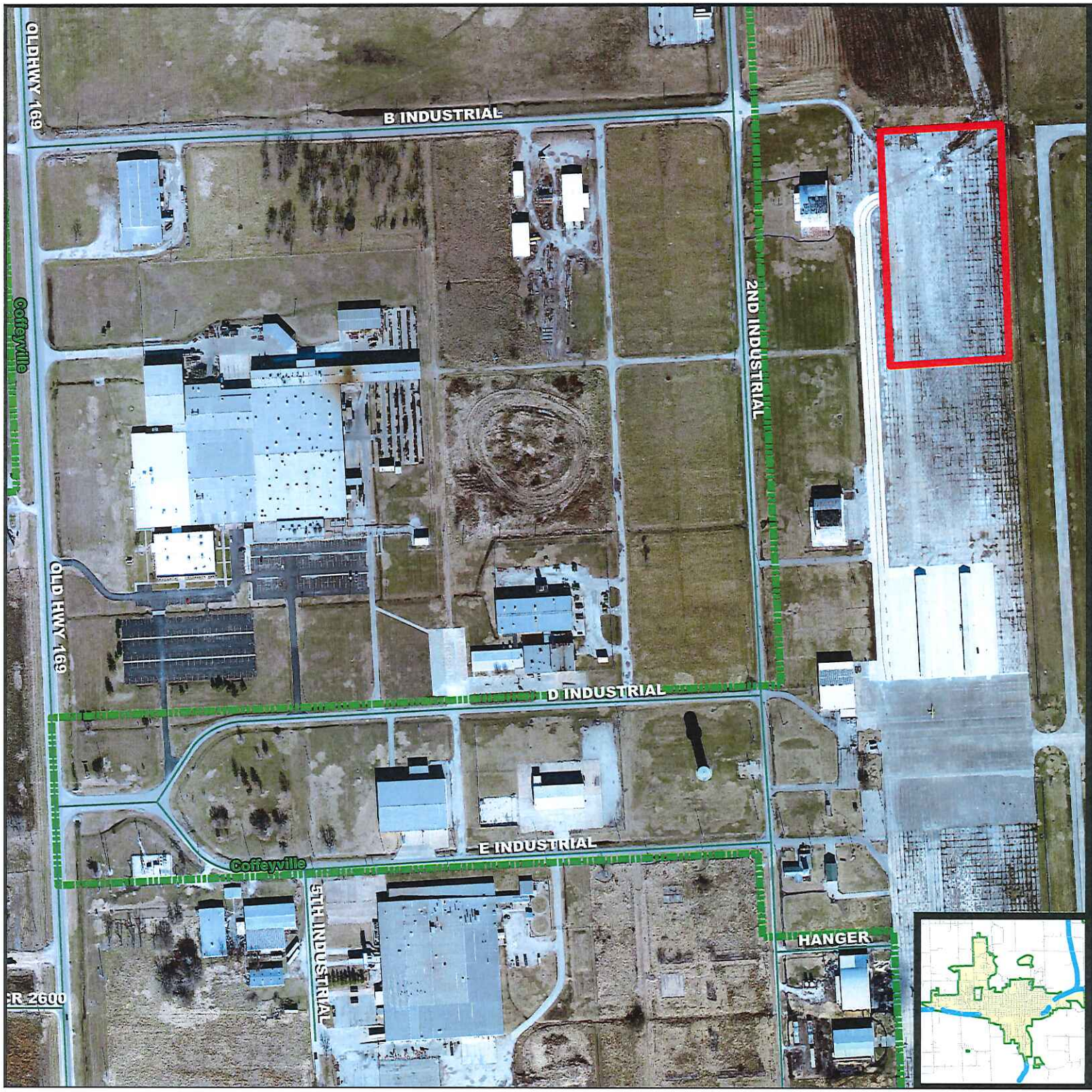
COFFEYVILLE RESOURCES REFINING AND MARKETING, LLC

_____

Robert W. Haugen
Executive Vice President
Refining Operations

EXHIBIT A

[Site Plan]



Coffeyville
KANSAS

Engineering Department
102 W 7th
COFFEYVILLE, KS 67337
VOICE: 620-252-6000
FAX: 620-252-6175
www.coffeyville.com

GIS System By: Midland GIS

Exhibit A
Site Plan

1 inch = 400 feet