

INTRODUCED: January 22, 2024

AN ORDINANCE No. 2024-030

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Lease Agreement between the City of Richmond, as tenant, and The Salvation Army, as landlord, for the purpose of leasing a portion of the property located at 1900 Chamberlayne Avenue for the operation of a resource center.

Patrons – Mayor Stoney and Vice President Lambert

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: FEB 12 2024 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

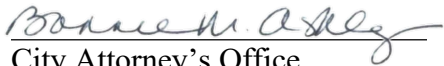
§ 1. That the Chief Administrative Officer, for and on behalf of the City of Richmond, be and is hereby authorized to execute a Lease Agreement between the City of Richmond, as tenant, and The Salvation Army, as landlord, for the purpose of leasing a portion of the property located at 1900 Chamberlayne Avenue for the operation of a resource center. The Lease Agreement shall be approved as to form by the City Attorney and shall be substantially in the form of the document attached to this ordinance.

AYES: 7 NOES: 0 ABSTAIN: _____

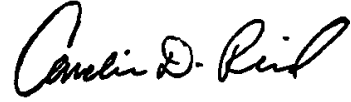
ADOPTED: FEB 12 2024 REJECTED: _____ STRICKEN: _____

§ 2. This ordinance shall be in force and effect upon adoption.

APPROVED AS TO FORM:


City Attorney's Office

**A TRUE COPY:
TESTE:**


City Clerk



City of Richmond

900 East Broad Street
2nd Floor of City Hall
Richmond, VA 23219
www.rva.gov

Master

File Number: Admin-2024-0044

File ID: Admin-2024-0044 Type: Request for Ordinance or Resolution Status: Regular Agenda

Version: 1 Reference: In Control: City Clerk Waiting Room

Department: Cost: File Created: 01/17/2024

Subject: Final Action:

Title:

Internal Notes:

Code Sections: Agenda Date: 01/22/2024

Indexes: Agenda Number:

Patron(s): Enactment Date:

Attachments: Admin-2024-0044 Grant Contract - Shelter - Salvation Army - TSA Executed 1.5.24 (AATF).pdf, Admin-2024-0044 WD - Chamberlayne Shelter - Grant Contract AATF.pdf, Admin-2024-0044 WD - Chamberlayne Shelter - Lease (BA review) AATF.pdf, Admin-2024-0044 WD - Chamberlayne Shelter - Performance Grant Agmt (BA review) AATF.pdf, Admin-2024-0044 Construction Grant with Purchase Option - TSA Executed 1.5.24 (2).pdf, Admin-2024-0044 Resource Center Lease - 1900 Chamberlayne- TSA Executed 1.5.24 (2).pdf

Enactment Number:

Contact: Introduction Date:

Drafter: dominic.barrett@rva.gov Effective Date:

Related Files:

Approval History

Version	Seq #	Action Date	Approver	Action	Due Date
1	1	1/17/2024	Traci DeShazor	Approve	1/18/2024
1	2	1/18/2024	Meghan Brown	Approve	1/19/2024
1	3	1/18/2024	Jeff Gray	Approve	1/19/2024
1	4	1/18/2024	Lincoln Saunders	Approve	1/22/2024
1	5	1/18/2024	Mayor Stoney	Approve	1/24/2024

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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Text of Legislative File Admin-2024-0044

O&R Transmittal

DATE: January 17, 2024

TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor

THROUGH: J.E. Lincoln Saunders, Chief Administrative Officer

THROUGH: Sheila White, Director of Finance

THROUGH: Meghan Brown, Interim Director of Budget and Strategic Planning

THROUGH: Traci DeShazor, Deputy Chief Administrative Officer for Human Services

FROM: Dominic Barrett, Strategic Projects and Grants Advisor - Office of Human Services

RE: To establish an Inclement Weather Shelter and Year-Round Emergency Shelter at 1900 Chamberlayne Ave.

ORD. OR RES. No.

PURPOSE: This request speaks to the multiple ordinances necessary to establish an Inclement Weather Shelter and Year-Round Emergency Shelter at 1900 Chamberlayne Ave:

- 1) To authorize the Chief Administrative Officer to execute a grant contract between the City of Richmond and The Salvation Army for the purpose of funding an Emergency Shelter and Inclement Weather Shelter at 1900 Chamberlayne Ave.
- 2) To authorize the Chief Administrative Officer to execute, for and on behalf of the City, a Deed of Lease between the City and The Salvation Army., for the purpose of the City leasing, for use as a Resource Center, space located in the eastern most portion of the building at 1900 Chamberlayne Ave along Chamberlayne Avenue and consisting of eight (8) contiguous rooms accessible by separate exterior door and five (5) rooms for flexible use
- 3) To authorize the Chief Administrative Officer to execute a Performance Grant Agreement between the City of Richmond and The Salvation Army for the purpose of funding construction of the “Center of Hope” as a permanent solution to the unhoused population crisis facing the City.

BACKGROUND: In April of 2023 Mayor Levar Stoney and City Council declared a housing crisis

in the City of Richmond. Emergency shelters for persons without housing serve as a safety net of last resort for this vulnerable population. In its 2020-2030 strategic plan to end homelessness, the City identified a 150 bed shortage in emergency shelter beds. This O&R request supports one component of the strategy to meet the urgent need for more emergency shelter capacity. The Salvation Army, a member of the Greater Richmond Continuum of Care (GRCoC), has agreed to help in expanding capacity to serve more single adults experiencing homelessness.

Further, Salvation Army agrees to provide services and a permanent location for inclement weather shelter (IWS) at a building owned by them at 1900 Chamberlayne Ave. For years, the City has faced a challenge every winter in finding providers and locations for IWS. Locations and providers have changed frequently, an unpredictable resource for unsheltered persons at physical risk in extreme weather.

On December 1, 2023, the Salvation Army began operations of a 150-bed IWS at 1900 Chamberlayne Avenue with funding and a City contract approved by City Council. The contract and shelter operations extend through April 15, 2024.

This O&R request covers three documents to meet the urgent need for more emergency shelter capacity for single adults. As a result, 50 of the 150 IWS beds will continue to operate year-round, increasing the region's current 117-bed capacity to serve single adults year-round to 167 beds. Next winter and beyond, IWS capacity would be 100 beds at 1900 Chamberlayne Ave. This O&R seeks authorization to achieve the following:

- 1) An operating grant between the City and Salvation Army, an experienced emergency shelter provider since 1984. The amount of the grant is \$404,703.91 for FY 24 and \$2,263,733.83 for FY 25. (FY 24: \$145,208 for one-time equipment, supplies and retrofits, \$231,854.31 for year-round emergency shelter the last months of FY 24, and \$27,641.60 for up to 5 days and 100 beds for extreme weather. FY 25: \$705,976.05 for 100 IWS beds for 150 days, \$1,391,908.18 for year-round emergency shelter, and \$165,849.60 for up to 30 days and 100 beds for extreme weather other than the IWS period.)

The initial operating agreement runs through June 30, 2025, with a one-year extension. The FY24 operating contract costs will come from FY24 General Fund dollars in the Office of the Deputy Chief Administrative Officer for Human Services that were appropriated in the FY24 General Fund budget for shelter expenses. Funding for FY 25 and future years is subject to Council appropriation.

Salvation Army agrees to run a 100-bed IWS for single adults for 150 days from November 16 through April 15 for each year covered by the contract. The space will remain available throughout the year, to be used for severe weather emergencies in non-winter months. Guests will be admitted on a first-come, first-serve basis.

Salvation Army will also begin operation of a year-round emergency shelter, beginning May 1, 2024. That shelter, with a full array of rehousing services, will run continuously for the grant

period. Guests with the most urgent and serious needs will be admitted to that shelter according to GRCoC prioritized and coordinated policies.

- 2) A lease between the City and Salvation Army for space in 1900 Chamberlayne Ave to locate a City-operated, resource center. There is no separate lease charge.
- 3) A performance grant agreement between the City and Salvation Army for construction of their Center of Hope, a long-term shelter operation planned for 1900 Chamberlayne Ave. The Center of Hope will be the permanent site for their regional offices and 50 year-round shelter beds relocated from their building on 2 W. Grace St. It will also permanently house the 50 additional year-round shelter beds and 100 IWS beds they agreed to provide under the operating agreement noted above. Also, Salvation Army must provide space in the Center of Hope for the City-operated resource center.

When the Center of Hope is completed, Salvation Army will pay the full costs of the year-round 100-bed shelter operations. The City would pay only the incremental added costs of the 100-bed IWS operations, which would require a new operating agreement.

Under the performance grant agreement, the City will provide \$7 million toward construction of the Center of Hope. City funds will not be disbursed unless and until Salvation Army has secured \$8,275,950 from other sources for their total capital campaign, currently estimated at \$15.3 million. Salvation Army must raise its portion of those funds by January 1, 2027. If they do not succeed by that date, the City has the option to purchase 1900 Chamberlayne Ave with all improvements for the appraised market value at the time of sale. (Current assessed value for City tax purposes is \$3,195,000.)

COMMUNITY ENGAGEMENT: Administration presentations at public meetings with public comment including: City Council's Organizational Development Committee on 9/5/23, Public Safety Committee on 9/26/23, and Education and Human Services Committee on 9/14/23 and 10/12/23; site visits and meetings with members of City Council in September and October; Administration presentation to October meeting of Chamberlayne Industrial Center Association and Edgehill Chamberlayne Court Civic Association. The attached Ordinances are also heavily informed by the Strategic Plan to End Homelessness 2020-2030 which was released in May of 2020 and involved extensive community engagement including Advisory Board leadership, public surveys, and public meetings.

STRATEGIC INITIATIVES AND OTHER GOVERNMENTAL: RES. 2023-R019, which was adopted 4/10/23, declared a housing crisis; Strategic Plan to End Homeless 2020-2030: Finalized May 8, 2020.

FISCAL IMPACT: \$404,703.91 in FY 24 costs. \$2,263,733.83 in FY 25 costs and all other future costs are subject to Council appropriation.

DESIRED EFFECTIVE DATE: Upon Adoption

REQUESTED INTRODUCTION DATE: January 22nd, 2024

CITY COUNCIL PUBLIC HEARING DATE: February 12th, 2024

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Education and Human Services

AFFECTED AGENCIES: Budget and Strategic Planning, Finance, Human Services, Housing and Community Development

RELATIONSHIP TO EXISTING ORD. OR RES.: Ordinance 2023-325

ATTACHMENTS: Lease, Grant Contract, Performance Grant Agreement

STAFF: Stephen Harms, Senior Policy Advisor - Office of Chief Administrative Officer, 646-0043
Dominic Barrett, Strategic Projects and Grants Advisor - Office of Human Services, 646-5861

LEASE AGREEMENT

THIS LEASE AGREEMENT (this “**Agreement**”) is made this ____ day of _____, 2023 by and between **The Salvation Army**, a Georgia corporation (the “**Landlord**”), and **City of Richmond, Virginia**, a municipal corporation and political subdivision of the Commonwealth of Virginia (the “**Tenant**”). Landlord and Tenant are at times collectively referred to hereinafter as the “**Parties**” or individually as a “**Party**”.

RECITALS

- A. Landlord owns that certain real property with building improvements located at 1900 Chamberlayne Avenue, Richmond, Virginia, and shown on the tax map for the city of Richmond, Virginia as Tax Parcel No. N0000478031 (the building improvements, “**Building**”) (the Building and such real property together with all improvements thereon and appurtenances thereto shall be collectively referred to herein as the “**Property**”).
- B. Landlord and Tenant are parties to that certain Grant Contract dated as of November 14, 2023, authorized by Ordinance No. 2023-325 adopted on November 13, 2023 by the City Council of the city of Richmond, Virginia (together with any requirements of such grant and ordinance, and any and all modifications of, extensions of, amendments to, and replacements of the same, now or hereafter existing, the “**Interim Operating Grant**”). Pursuant to the Interim Operating Grant, Tenant agrees to pay funds to Landlord for the purpose of operating an inclement weather shelter at the Property, which serves unsheltered individuals in the city of Richmond, Virginia, through and including April 15, 2024, as more particularly set forth therein. Landlord and Tenant intend to enter into that certain Grant Contract authorized by Ordinance No. _____ adopted on _____, 2024 by the City Council of the city of Richmond, Virginia (together with any requirements of such grant and ordinance, and any and all modifications of, extensions of, amendments to, and replacements of the same, now or hereafter existing, the “**Operating Grant**”). Pursuant to the Operating Grant, Tenant will pay funds to Landlord for the purpose of operating at shelter at the Property on both a temporary basis during inclement weather and on a year-round basis, with surge capacity for inclement weather commencing April 16, 2024, as more particularly set forth therein. The shelter to be operated pursuant to the Interim Operating Grant, the Operating Grant, either or both, shall be referred to herein as the “**Shelter**”). Each the Interim Operating Grant and the Operating Grant, whichever is then in effect, shall be referred to herein as the “**Grant**”.
- C. In connection with the Shelter, Landlord and Tenant desire for Tenant to establish a “**Resource Center**” at the Property to provide resources and services (the “**RC**”). Therefore, Tenant desires to lease from Landlord, and Landlord desires to lease to Tenant, in accordance with the terms of this Agreement, the Leased Premises (as defined below) for the purpose of operating the RC.
- D. In connection with the Shelter and the RC, Landlord and Tenant intend to enter into that certain Construction Grant and Purchase Option in furtherance of that certain Ordinance No. _____ adopted on _____, 2024 by the City Council of the city of

Richmond, Virginia (together with any requirements of such grant and ordinances, and any and all modifications of, extensions of, amendments to, and replacements of the same, now or hereafter existing, the "**Construction Grant**"). Pursuant to the Construction Grant, Tenant will agree to raise funds for the construction of the "Project" (as such term is defined in the Construction Grant).

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, Landlord and Tenant agree as follows:

- 1.0 Recitals.** The foregoing Recitals are true and correct and are incorporated herein by reference. The Grant [and the Construction Grant] include(s) performance requirements and other obligations which are limited to the purposes stated therein and are separate from the terms and conditions of this Agreement, except as otherwise expressly provided herein.
- 2.0 Definitions.**
- 2.1 CAO.** "CAO" means the then-current Chief Administrative Officer of the city of Richmond, Virginia, or their designee.
- 2.2 Effective Date.** "Effective Date" means the last date by which both Parties have signed this Agreement.
- 2.3 Hazardous Substances and Wastes.** "Hazardous Substances and Wastes" means those hazardous substances and hazardous wastes as defined in the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. §§ 9601 et seq., and the Resource Conservation and Recovery Act, 42 U.S.C. §§9601 et seq., respectively, and in any regulations promulgated thereto.
- 2.4 Improvements.** "Improvements" means any renovation, alterations, additions, or structural or non-structural improvements made to the Leased Premises by Tenant in accordance with this Agreement, and shall include any and all fixtures, as well as equipment and personal property which are affixed to the Leased Premises in each case.
- 2.5 Laws.** "Laws" means i) all applicable laws, rules, regulations, ordinances, directives, covenants, easements, and zoning and land use regulations; and ii) all restrictions of record, permits, and building codes, now in effect or which may hereafter come into effect.
- 2.6 Leased Premises.** "Leased Premises" means the portion of the Building to be leased by Tenant in accordance with this Agreement, consisting of approximately 1,113 s.f. of space located in the eastern most portion of the Building along Chamberlayne Avenue and consisting of eight (8) contiguous rooms accessible by separate exterior door fronting along Chamberlayne Avenue, as shown on "**Exhibit A**" attached hereto and incorporated herein.

- 2.7 **Permitted Use.** “Permitted Use” means use of the Leased Premises for the creation and operation of the RC in connection with the Shelter at the Property and general office, and ancillary uses related to the operation the RC, all in accordance with the other terms and conditions of this Agreement; provided, however, that the RC may be made accessible to the residents of the Shelter and the public only during the hours of 8:00 a.m. until 5:00 p.m. (however, nothing contained herein shall obligate Tenant to maintain continuous operation of the RC during such hours, or otherwise, during the Term).

3 **Lease; Term; Rent.**

- 3.0 **Lease.** Commencing on the Effective Date, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Leased Premises, of which Tenant shall have exclusive use and possession during the Term, subject to the conditions of this Agreement. In addition to the Leased Premises, Tenant shall have the right to up to five (5) additional rooms located adjacent to the Leased Premises and depicted on “**Exhibit B**” attached hereto and by this reference incorporated herein (the “Flex Space”).

- 3.1 **Term.** The “**Term**” will commence on the Effective Date and expire upon the later of: (i) 12:00 a.m. on April 16, 2024, if the Operating Grant is not executed, or (ii) 12:00 a.m. on the day after the expiration of the “Term” as defined in the Operating Grant, if the Operating Grant is executed. **Notwithstanding anything to the contrary contained in this Agreement, this Agreement shall terminate effective immediately upon a termination of the Grant.**

- 3.2 **Rent.** There shall be no rent owed by Tenant to Landlord under this Agreement. The parties acknowledge and agree that consideration for Tenant’s lease of the Leased Premises shall be Tenant’s payments under the Grant, such as the “Facilities Operations” item, as well as the other covenants and agreements of Tenant contained in this Agreement.

4 **Use.**

- 4.0 **Permitted Use.** Tenant shall only use the Leased Premises for the Permitted Use, unless Landlord provides prior written approval for another use, in Landlord’s sole and absolute discretion.

4.1 **Access to Leased Premises; Parking; Common Areas; Tenant Damage.**

- (i) Access. Tenant’s lease of the Leased Premises shall be together with the non-exclusive right of access to the Leased Premises on behalf Tenant and its agents, contractors, subcontractors, employees, invitees, clients, guests, and licensees through those portions of the Property not included within the Leased Premises, such as drive aisles and sidewalks, and lobbies and interior corridors, excluding any and all administrative offices of Landlord reasonably necessary for the administration of the Shelter. In addition, Tenant shall have exterior access to the Leased Premises from the Property at all times during the Term. Notwithstanding the foregoing, neither Tenant nor any Community Partners (as defined below), nor any party claiming by, through or under Tenant or any Community Partner, shall enter into the

Shelter except as reasonably necessary to provide services to Shelter residents at the oral or written request of the Recipient or its agents, employees, partners, contractors or representatives. The parties acknowledge and agree that there is a keyed door separating the Shelter from the Leased Premises.

- (ii) Identification. Tenant covenants to use reasonable efforts to cause all employees of Tenant to visibly display identification in the form of a Tenant-issued tag or badge while accessing areas of the Building other than the Leased Premises. For the avoidance of doubt, the foregoing covenant shall not apply to Community Partners (as defined below) of Tenant or their respective employees.
- (iii) Parking. Throughout the Term, free of charge, (i) Tenant shall have the non-exclusive right to park employee vehicles in parking areas of the Property, and (ii) visitors, guests, and invitees of the RC shall be entitled to use parking for the Property free of charge during the Term. In addition, and also free of charge, throughout the Term, (a) Landlord shall designate eight (8) reserved parking spaces outside of the exterior door to the Leased Premises for Tenant's exclusive use and (ii) Landlord shall make available eleven (11) additional, unreserved parking spaces for Tenant and Tenant's visitors, guests and invitees of the RC.
- (iv) Common Areas. Throughout the Term, Tenant shall have the non-exclusive right to use the bathrooms in the Building designated for use by Landlord's employees, along with any other areas Landlord may designate as "common areas" from time to time.
- (v) Damage. Tenant shall be financially responsible for any portion of the Property, including, without limitation, the Leased Premises, damaged or disturbed by Tenant or its agents, contractors, subcontractors, employees, invitees, guests or licensees, and Tenant shall remit payment to Landlord for such damage or disturbance within thirty (30) days of written invoice therefor accompanied by reasonable supporting documentation. Alternatively, at Tenant's sole option and at Tenant's sole cost and expense, Tenant may restore such damage to its original condition, as reasonably determined by Landlord. Tenant shall ensure that any written subleases, licenses or other occupancy agreements with Community Partners impose the insurance requirements set forth in Section 13.1 below on any such Community Partners.

5.0 Utilities and Services; Maintenance; Taxes & Fees. Landlord, at Landlord's sole cost and expense, agrees to pay for the following utilities which are furnished to the Leased Premises: water, gas, electricity, sanitary sewer, and any stormwater fees. Tenant, at its sole cost and expense, shall have the right to obtain telephone, data, cable, internet and WIFI services for the Leased Premises. Landlord, at Landlord's sole cost and expense, shall be responsible to maintain, repair and replace the Property, including, without limitation, the Leased Premises, in good condition and repair at all times during the Term of this Agreement. Tenant shall be responsible for any and all business license fees and other taxes relating to Tenant's use of the Leased Premises. Landlord, at Landlord's sole cost and expense, shall pay, prior to or when due, all ad valorem real estate taxes, assessments, levies and other

impositions and fees imposed on Landlord in its capacity as the owner of the Property.

- 6.0 Tenant Improvements.** Subject to Landlord's prior written approval of detailed plans and specifications prepared by City and submitted to Landlord (to the extent applicable to the Improvements), which approval may be conditioned or withheld in Landlord's sole and absolute discretion, Tenant may make non-structural, interior Improvements to the Leased Premises, which increase the value of the Leased Premises. Any such Improvements performed by Tenant shall be constructed using new, first-class materials and shall be performed in a workman-like manner according to the plans and specifications (to the extent applicable to the Improvements) approved by Landlord, using commercially reasonable efforts not to disturb Landlord's use and enjoyment of the Property. Performance and maintenance of any and all such Improvements shall be at Tenant's sole cost. At the expiration or earlier termination of this Lease, any such Improvements shall remain and become the property of Landlord. Tenant shall ensure that any party it invites onto the Property to perform any Improvements meets or exceeds the insurance coverage requirements described in Section 14 of this Agreement, and Tenant shall provide Landlord proof of such coverage upon written request. Tenant shall have no authority, express or implied, to create any lien or encumbrances against the Property, the Building, or the Leased Premises, including, without limitation, any mechanic's or materialmen's lien. Tenant shall pay as and when due any and all contractors and suppliers relating to any Improvements.
- 7.0 Force Majeure.** Except for payment of Rent and any other sums due under this Lease, whenever the performance of a Party is delayed by reason of an act of God, including, but not limited to, wind, lightning, rain, ice, earthquake, floods, or rising water, or by aircraft or vehicle damage, or by other reason out of the control of such Party, such delay in performance shall not constitute a default under this Agreement.
- 8.0 No Holdover.** Tenant shall not hold over upon termination or expiration of this Agreement for a period of more than thirty (30) days. If Tenant fails to vacate the Leased Premises within such thirty (30) day period, such failure shall not confer to Tenant any rights to occupy the Leased Premises or further tenancy, regardless of the acts or omissions of Landlord or any of Landlord's employees or agents, including but not limited to Tenant's possession of the Leased Premises and any payment to Landlord and Landlord's acceptance of any such payment and failure to evict Tenant from the Leased Premises. If Tenant holds over more than thirty (30) days in violation of this paragraph, Landlord shall have all rights at law and in equity. The provisions of this Section shall survive termination or expiration of this Agreement.
- 9.0 Removal at End of Term.** Tenant shall, within thirty (30) days after termination or expiration of this Agreement, peacefully surrender possession of the Leased Premises to Landlord and have removed all of its personal property, and have restored the Leased Premises to its condition as when delivered to Tenant on the Effective Date, reasonable wear and tear and casualty excepted and subject to the terms and conditions of this Lease. If Tenant does not so remove its personal property from the Leased Premises, in Landlord's sole and absolute discretion, Landlord may either: (i) do so at Tenant's cost and expense and

without incurring liability to Tenant for damages that may directly or indirectly result therefrom; or (ii) allow such property to remain on the Leased Premises, in which case title to such Personal Property shall vest in Landlord. The provisions of this Section 9.0 shall survive termination of this Agreement.

10.0 Right of Entry. Upon reasonable prior written notice (except in case of emergency), at any time during normal business hours during the Term, Landlord shall have the right to enter the Leased Premises to inspect the Leased Premises to ensure compliance with the terms of this Agreement, to make repairs or alterations to the Leased Premises, and for any other lawful reason; provided, however, that Tenant shall have the right to have a representative present during any such access and that Landlord shall use reasonable efforts not to interfere with or disturb Tenant's use and enjoyment of the Leased Premises. Tenant shall provide Landlord with a current set of keys or entry codes for the Leased Premises.

11.0 "AS-IS". Except as otherwise as provided in this Lease, Tenant accepts the Leased Premises in "as is, where is, with all faults" condition as of the Effective Date. Landlord makes no representations as to the condition of the Leased Premises or the Property. Landlord specifically disclaims any obligation to provide any fixtures or equipment which are not already located in the Leased Premises as of the Effective Date, or any furniture, in order to prepare the Leased Premises for Tenant's initial occupancy or for Tenant's Permitted Use. This Section 11.0 shall survive the expiration or earlier termination of this Agreement.

12.0 Environmental. Tenant shall not, either with or without negligence, cause or permit the use, storage, generation, escape, disposal or release of any Hazardous Substances and Wastes within, over or under the Leased Premises or the Property in any manner not sanctioned by the Laws. Landlord hereby represents and warrants that, as of the Effective Date, to the best of Landlord's acknowledge knowledge, the Property is in compliance with all Laws, including as to Hazardous Substances and Wastes. In the event that Hazardous Substances and Wastes are discovered at the Property during the Term, or released onto the Property through no fault of Tenant, Tenant shall have the right to terminate this Lease upon written notice to Landlord.

13.0 Insurance. Throughout the Term and at such other times set forth in this Agreement, Tenant shall, at its own expense, maintain liability insurance policies in a form reasonably acceptable to Landlord and in all cases sufficient to fund Tenant's financial obligations set forth in this Agreement. These policies shall include, but need not be limited to the following:

- (i) Commercial General Liability insurance policy with limits of not less than one million dollars (\$1,000,000) combined single limit for each occurrence for bodily injury and property damage;
- (ii) Business Automobile Liability insurance, to include Auto Physical Damage coverage, in the amount of one million dollars (\$1,000,000) combined single limit covering all owned, non-owned borrowed, leased or rented motor

vehicles operated by Tenant or its third-party agents. In addition, all motorized equipment, both licensed and not licensed for road use, operated or used by Tenant or its third-party agents within the Property will be insured under either a standard Automobile Liability policy or a Comprehensive General Liability policy;

- (iii) To the extent required by the Code of Virginia and other applicable Virginia laws and regulations, Workers' Compensation insurance in an amount no less than one hundred-thousand dollars (\$100,000), or in amounts not less than the minimum required by the Virginia Code and other applicable law, rules, and regulations;
- (iv) Employer's Liability insurance with limits of not less than one million dollars (\$1,000,000) each accident/disease /policy limit;
- (v) Umbrella Liability insurance maintained above the primary Commercial General Liability, Business Automobile Liability and Employer's Liability policies required herein. The limit of such Umbrella Liability insurance shall not be less than two million dollars (\$2,000,000) each occurrence and aggregate.

All such policies shall be issued by companies duly authorized or permitted to conduct business in the Commonwealth of Virginia and having a Best's Key Rating of at least A: VI. Prior to the earlier of Tenant's access and the Effective Date, prior to the expiration date of any such policy throughout the Term, and anytime upon written request of Landlord, Tenant shall provide a certificate of liability insurance demonstrating that Tenant is maintaining the insurance requirements of this paragraph. All policies maintained by Tenant hereunder shall provide, by endorsement or otherwise, that written notice shall be given to Landlord before such policy may be cancelled, non-renewed or changed to reduce the insurance coverage provided thereby. Notwithstanding anything to the contrary contained in this Agreement, Landlord agrees that Tenant may self-insure to satisfy any of the insurance requirements of this Agreement through any plan or program of self-insurance in which Tenant participates so long as Tenant provides Landlord with a certificate of insurance confirming it can provide the coverages required by this Section. Any Community Partners with written subleases, licenses or other occupancy agreements to use any portion of the Leased Premises shall name Landlord as an additional insured.

Landlord, at its sole cost and expense, agrees to obtain and maintain in effect throughout the Term the following insurance policies as to the Property:

(i) a broad form commercial general liability insurance policy on an occurrence basis with coverages and limits of liability not less than a \$2,000,000 combined single limit with a \$5,000,000 general aggregate limit (which general aggregate limit may be satisfied by an umbrella liability policy) for bodily injury or property damage as to the Property. Landlord shall also ensure that any party entering the Leased Premises in accordance with Landlord's right of entry under this Agreement possesses insurance coverage that meets or exceeds the insurance coverage requirements described in this paragraph, and Landlord shall provide proof of such coverage upon Tenant's written request.

(ii) A policy insuring against loss or damage to the Property covering at least the full insurable replacement cost without a coinsurance feature. Landlord shall insure against all risks of direct physical loss or damage, including coverage for any additional costs resulting from debris removal and reasonable amounts of coverage for the enforcement of any Applicable Laws regulating the reconstruction or replacement of any undamaged sections of the improvements required to be demolished or removed by reason of the enforcement of any Applicable Laws as a result of a covered loss.

14.0 Casualty & Condemnation. If the whole or any substantial part of the Leased Premises or the Property, or access thereto or parking therefor, is condemned or sold under threat of condemnation, or damaged by fire or other casualty, this Agreement shall terminate at Landlord's or Tenant's written election, and Tenant shall have no claim against Landlord or the condemning authority to any portion of the award in condemnation for the value of any unexplored term of this Agreement or otherwise. If a portion of the Leased Premises are taken but neither party elects to terminate this Lease, Rent shall be reduced in proportion to the remaining square footage. If the Leased Premises are so damaged and neither party elects to terminate this Lease, Landlord shall promptly restore the Leased Premises, excluding any Improvements (and Rent shall abate during such period of restoration), unless Tenant or any Tenant party shall have caused such casualty, in which event Landlord shall promptly restore the Leased Premises at Tenant's cost and expense, or, at Tenant's sole option, Tenant to so restore the Leased Premises at Tenant's sole cost and expense.

15.0 Compliance with Laws; Permits. Tenant shall, at Tenant's sole cost and expense, (i) comply with all Laws relating to the Leased Premises and Tenant's use thereof, together with any reasonable rules and regulations concerning the use and operation of the Premises as may be promulgated by Landlord, in its discretion (a written copy of which shall be provided to Tenant, if applicable) (provided, however, that no such rules or regulations shall conflict with the terms and conditions of this Lease or impose any additional liability on Tenant), and (ii) obtain and maintain all permits, approvals and licenses required to conduct the Permitted Use at the Leased Premises.

16.0 Liens. Tenant shall not encumber the Leased Premises with any materialmen's or mechanic's lien, nor shall Tenant suffer or permit any such lien to exist. Should any such lien hereafter be filed as a result of Tenant's actions or failure to act, Tenant shall at its sole cost, within thirty (30) days after the lien is filed, discharge the lien or post a bond in the amount of the lien. This paragraph will survive the expiration or earlier termination of this

Agreement.

17.0 Breach. The occurrence of any of the following events shall constitute a default under this Agreement (each, a “Default”):

- (i) Tenant shall fail to pay when or before due any sum of money becoming owing to Landlord under this Agreement, and such failure shall continue for a period of ten business (10) days after written notice thereof to Tenant; or
- (ii) Either Party shall fail to comply with any term, provision or covenant of this Agreement or the Grant (together, this Agreement and the Grant Contract are the “Transaction Documents”), or breach of any representation under the Transaction Documents, other than Tenant’s failure to pay when or before due any sum of money which has not been appropriated by the Council (as defined below) pursuant to Section 25 below or similar verbiage in the Grant, and shall not cure such failure or breach within thirty (30) days (forthwith, if the failure or breach involves a dangerous situation) after written notice thereof to the purported defaulting Party, or if such failure or breach is not susceptible to cure within such thirty (30) day period, then the purported defaulting Party shall have such longer period as is reasonably necessary to cure not to exceed ninety (90) days so long as such Party has commenced to cure within the initial ninety (90) day period and thereafter diligently pursues such cure to completion.

18.0 Landlord Option to Correct. In the event of a Default, Landlord may, at its option but without obligation to do so, perform Tenant's duty or obligation on Tenant's behalf, and the costs and expenses of any such performance by Landlord shall be due and payable by Tenant within thirty (30) days after written invoice therefor. This paragraph will survive termination of this Agreement.

18.1 Landlord Remedies. Upon the occurrence of any Default by Tenant, Landlord may sue for injunctive relief or to recover damages for any loss resulting from the Default, and Landlord, without limiting the foregoing, may terminate this Lease upon written notice to Tenant.

18.2 Landlord Default & Tenant Remedies. It shall be a “Default” of Landlord under this Agreement if any representation is breached, or any covenant or obligation required to be performed or observed by Landlord under this Agreement is breached or is not so performed or observed for a period of thirty (30) days after written notice thereof from Tenant; provided, however, that if the breach or failure is of such a nature that the same cannot reasonably be performed within said thirty (30) day period, such Default shall be deemed to have been cured if Landlord commences cure within said initial thirty (30) day period and thereafter diligently pursues such cure to completion within a reasonable period of time not to exceed ninety (90) days. Upon the occurrence of any Default by Landlord, Tenant may sue for injunctive relief or to recover damages for any loss resulting from the Default, and Tenant, without limiting the foregoing, may terminate this Lease upon written notice to Landlord.

18.4 Limitation of Liability. Neither party shall be liable to the other, or any of their respective agents, representatives, or employees, for any of the following: lost revenue; lost profits; loss of technology, rights or services; incidental, punitive, indirect, special or consequential damages; loss of data, and; interruption or loss of use of service, even if advised of the possibility of such damages, whether under theory of contract, tort (including negligence), strict liability or otherwise. This Section shall survive the expiration or earlier termination of this Agreement.

19.0 Entire Agreement; Amendments; No Waiver; Severability.

19.1 Entire Agreement. This Agreement contains the entire understanding between the Parties and supersedes any prior understandings and written or oral agreements between them respecting this subject matter. There are no representations, agreements, arrangements, or understandings, oral or written, between the Parties relating to the subject matter of this Agreement that are not fully expressed in this Agreement.

19.2 Amendments. This Agreement may be amended, modified and supplemented only by the written consent of both Parties preceded by all formalities required as prerequisites to the signature by each Party to this Agreement.

19.3 No Waiver. The failure of either of the Parties to insist upon the strict performance of any provision of this Agreement shall not be deemed to be a waiver of the right to insist upon strict performance of such provision or of any other provision of this Agreement at any time. Waiver of any breach of this agreement shall not constitute waiver of a subsequent breach.

19.4 Severability. In the event any provision of this Agreement is found to be invalid or unenforceable, such finding shall not affect the validity and enforceability of the remaining provisions of this Agreement.

20.0 Governing Law; Forum Choice.

20.1 Governing Law. All issues and questions concerning the construction, enforcement, interpretation and validity of this Agreement, or the rights and obligations of the Parties in connection with this Agreement, shall be governed by, and construed and interpreted in accordance with, the laws of the Commonwealth of Virginia, without giving effect to any choice of law or conflict of laws rules or provisions, whether of the Commonwealth of Virginia or any other jurisdiction, that would cause the application of the laws of any jurisdiction other than those of the Commonwealth of Virginia.

20.2 Forum Choice. Any and all disputes, claims and causes of action arising out of or in connection with this Agreement, or any performances made hereunder, shall be brought, and any judicial proceeding shall take place, only in the Circuit Court of the city of Richmond, Virginia.

20.3 Assignment; Sublease; Binding Effect. Tenant may neither sell, assign, sublease, license,

nor otherwise transfer this Agreement or any interest herein (each, a “**Transfer**”) without the prior written consent of Landlord, which may be withheld in its sole and unlimited discretion; provided, however, that Landlord hereby consents to the following: Tenant shall have the right to sublease or license, or allow access to, less than all of the Leased Premises, to/by community partners, service and resource providers, or other parties (any and all of the foregoing) (each, a “**Community Partner**”) without the need for additional approval from Landlord. Any such Community Partners entering into the Leased Premises shall be bound by the terms and conditions of this Agreement, shall be under the direction and control of Tenant (and Tenant shall be responsible for any and all damage to the Leased Premises caused by, through or under any such Community Partner), shall be required to carry the insurance required of “Tenant” hereunder, and shall indemnify and waive claims against Landlord and Tenant in connection with such party’s use of the Leased Premises. The provisions of this Agreement shall inure to the benefit of and be binding upon Landlord and Tenant and their respective successors and assigns (but this Agreement shall only inure to the benefit of such successors and assignees of Tenant has Landlord has expressly approved as required by the terms of this Agreement).

- 21.0 Notices.** Each party shall give any notice required or permitted to be given under this Agreement in writing and such notice shall be delivered by certified mail, postage prepaid, return receipt requested; or by a commercial overnight carrier that provides next day delivery and provides a receipt. Such notice shall be addressed as follows (or any other address that the Party to be notified may have designated to the sender by like notice):

LANDLORD:

The Salvation Army Central Virginia Area Command
2 West Grace Street
Richmond, VA 23241
Attn. Major Samuel Kim, Area Commander
804.591.3807
Samuel.Kim@uss.salvationarmy.org

With a copy to:

The Salvation Army
Legal Department
1424 Northeast Expressway NE
Brookhaven, GA 30329
Ussthq.legal@uss.salvationarmy.org

TENANT:

City of Richmond
900 E. Broad Street, 5th Floor

Richmond, Virginia 23219
Attn: Traci J. DeShazor

With a copy to:

Office of the City Attorney, City of Richmond
900 E. Broad Street, Room 400
Richmond, Virginia 23219
Attn: Bonnie Ashley

Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

- 22.0 Captions.** The captions contained in this Agreement are inserted for convenience only and are not intended to be part of this Agreement. They shall not affect or be utilized in the construction or interpretation of this Agreement.
- 23.0 Survival.** Any provisions of this Agreement which require performance subsequent to the termination or expiration of this Agreement shall survive such termination.
- 24.0 Partial Invalidity; Authority.** If any provision herein is invalid, it shall be considered deleted from this Agreement and shall not invalidate the remaining provisions of this Agreement. Each of the Parties hereto warrants to the other that the person or persons executing this Agreement on behalf of such Party has the full right, power and authority to enter into and execute this Agreement on such Party's behalf and that no consent from any other person or entity is necessary as a condition precedent to the legal effect of this Agreement.
- 25.0 Availability of Funds.** Any payments and other performance by Tenant under this Agreement are subject to annual appropriations by the City Council of the City ("**Council**") and to the availability of funds; consequently, this Agreement shall bind Tenant only to the extent that Tenant possesses sufficient funds to perform its obligations hereunder and under no circumstances shall Tenant's total liability under this Agreement exceed the total amount of funds appropriated by Council for any payments or performance of Tenant hereunder.
- 26.0 Authority to Act.** Unless otherwise provided herein, the CAO is authorized to act on behalf of the Tenant under this Agreement including, but not limited to, providing any notice or authorizations contemplated by this Agreement on behalf of Tenant.
- 27.0 Miscellaneous.**
- 27.1 Sovereign Immunity.** Nothing in this Agreement may be construed as a waiver of the sovereign immunity granted Tenant by the Commonwealth of Virginia, statutes, and applicable case law, nor may anything in this Lease be construed as an agreement by Tenant

to indemnify.

- 27.2 Limitation of Liability.** No director, officer, employee, contractor, deputy, agent or representative of either Party shall be personally liable to another party to this Agreement or any successor in interest under this Agreement or on any obligation incurred under the terms of this Agreement. This Section shall survive the expiration or earlier termination of this Agreement.
- 27.3 Brokers.** Each of the Parties hereby represents and warrants to the other, as of the Effective Date and the Effective Date, that such party has not dealt with any broker or finder in connection with this Agreement. This Section shall survive the expiration or earlier termination of this Agreement.
- 27.4 Subordination.** This Agreement shall be subject and subordinate to any and all ground leases and deeds of trust which may now or hereafter be recorded against the Property, and to all renewals of, modifications to, refinancing of and amendments to the same. Tenant agrees to attorn any successor to Landlord's interest upon all of the terms and conditions of this Agreement. Within fifteen (15) days after written request therefore, Tenant agrees to execute and deliver an acknowledged subordination agreement on a form reasonably acceptable to Tenant.
- 27.5 Estoppel.** At any time and from time to time, within fifteen (15) days after written request therefore, each Party agrees to execute, acknowledge and deliver to the other or to any prospective purchaser of, or lender secured by, the Building, an estoppel certificate (i) certifying that this Agreement is unmodified and in full effect (or if there have been modifications, stating such modifications); (ii) states the dates through which Rent and any other sums due under this Agreement have been paid; (iii) stating whether the requesting Party is in default beyond applicable notice and cure periods; and (iv) certifying as to any other matters as the requesting Party may reasonably request.
- 27.6 Signage.** Tenant may cause the installation of exterior signage for the RC on, above or adjacent to the exterior door to the Leased Premises, as well as directional and wayfinding signage to the Leased Premises on the Property, subject to Landlord's prior written approval, in Landlord's reasonable discretion, following preparation by Tenant of reasonably illustrative plans and specifications; provided, however, that such signage shall be installed by City at its sole cost and expense, shall comply with all Laws (such as zoning laws), and shall compliment Landlord's existing signage and comply with any other reasonable requirements of Landlord. In addition, Tenant, at its sole cost and expense, shall have the right to install interior signage which is not visible from the exterior of the Property.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURES ON FOLLOWING PAGE(S).)

IN WITNESS WHEREOF, Landlord and Tenant have caused this Agreement to be executed by their duly authorized representative effective as of the Effective Date.

LANDLORD:

THE SALVATION ARMY, a Georgia corporation

By: 
Printed Name: Deborah Sedlar
Title: VICE PRESIDENT
Date: 01/05/2024

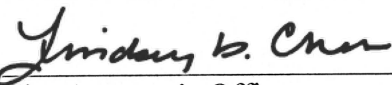
TENANT:

City of Richmond, Virginia a municipal corporation of the Commonwealth of Virginia

By: _____
J.E. Lincoln Saunders
Chief Administrative Officer

Date: _____

APPROVED AS TO FORM


City Attorney's Office

APPROVED AS TO TERMS

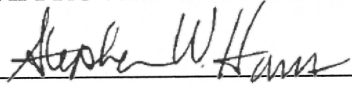
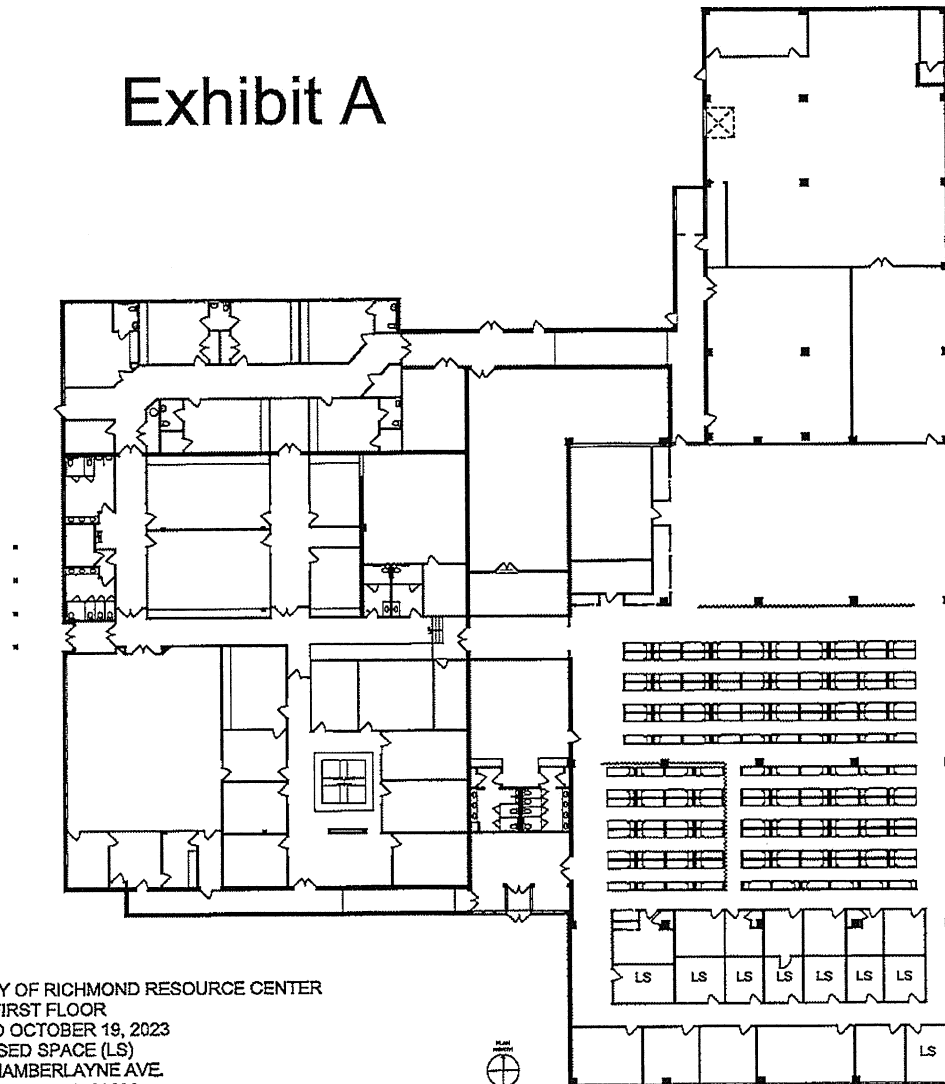


Exhibit A



SPACE DELINEATION - CITY OF RICHMOND RESOURCE CENTER
FIRST FLOOR
REVISED OCTOBER 19, 2023
LEASED SPACE (LS)
1900 CHAMBERLAYNE AVE.
RICHMOND, VA 23222

LEGEND



NON-LEASEABLE / OCCUPIED SPACE

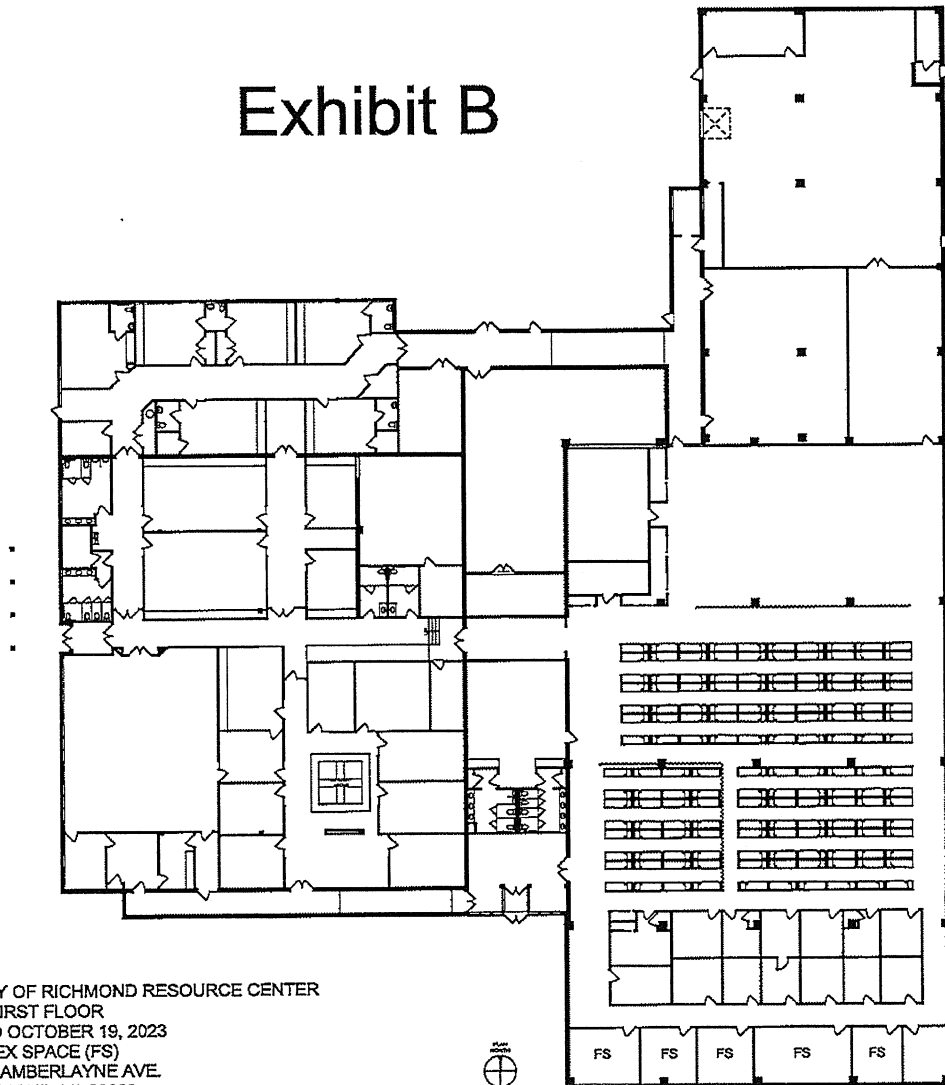


LEASEABLE / AVAILABLE



LEASED SPACE - 1,113 SQUARE FEET

Exhibit B



SPACE DELINEATION - CITY OF RICHMOND RESOURCE CENTER
FIRST FLOOR
REVISED OCTOBER 19, 2023
FLEX SPACE (FS)
1900 CHAMBERLAYNE AVE.
RICHMOND, VA 23222

LEGEND	
	NON-LEASABLE / OCCUPIED SPACE
	LEASABLE / AVAILABLE
	FLEX SPACE - 1,287 SQUARE FEET