

INTRODUCED: March 11, 2019

AN ORDINANCE No. 2019-077

To authorize the Chief Administrative Officer, on behalf of the City of Richmond, to execute a Fourth Amendment to Lease between the City of Richmond, as lessee, and Saul Subsidiary I Limited Partnership, as lessor, for the purpose of enabling the City to continue using 52,411± square feet of the property located at 4100 Hull Street Road for the Department of Social Services and other City functions.

Patron – Mayor Stoney

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: MAR 25 2019 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That the Chief Administrative Officer, on behalf of the City of Richmond, is hereby authorized to execute a Fourth Amendment to Lease between the City of Richmond, as lessee, and Saul Subsidiary I Limited Partnership, as lessor, for the purpose of enabling the City to continue using approximately 52,411 square feet of the property located at 4100 Hull Street Road for the Department of Social Services and other City functions. Such Fourth Amendment to Lease 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: 9 NOES: 0 ABSTAIN: _____

ADOPTED: MAR 25 2019 REJECTED: _____ STRICKEN: _____

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



CITY OF RICHMOND

INTRACITY CORRESPONDENCE

RECEIVED

FEB 28 2019

O & R REQUEST

4-8593

FEB 14 2019

Office of the Chief Administrative Officer

O&R RE-QUEST

DATE: February 12, 2019

EDITION: 1

TO: The Honorable Members of City Council

OFFICE OF CITY ATTORNEY

THROUGH: The Honorable Levar M. Stoney, Mayor

JS 2/26/19

THROUGH: Selena Cuffee-Glenn, Chief Administrative Officer

THROUGH: Lenora Reid, Deputy Chief Administrative Officer for Finance & Administration

THROUGH: Jay A. Brown, Director of Budget and Strategic Planning

THROUGH: Douglas C. Dunlap, Interim Deputy Chief Administrative Officer, Economic Development and Planning

FROM: Jane C. Ferrara, Interim Director of Economic Development

RE: To Authorize the Chief Administrative Office to enter into a Lease Amendment with Saul Subsidiary I Limited Partnership for the Department of Social Services and other functions located at 4100 Hull Street, Richmond, Virginia.

ORD. OR RES. No. _____

PURPOSE: To Authorize the Chief Administrative Officer to enter into a Lease Amendment with Saul Subsidiary I Limited Partnership for the Department of Social Services and other functions located at 4100 Hull Street in approximately 52,411 square feet of space. The purpose of the Lease Amendment is to extend the lease term by 3 years with a termination right after 1 year and to amend the rent to be charged during the extended lease term.

REASON: On January 13, 1997, the City entered into a lease for approximately 26,411 square feet at 4100 Hull Street. The 2nd Amendment dated February 23, 2005 increased the lease premises by 26,000 square feet to a total of approximately 52,411 square feet and the 3rd Amendment dated 4/1 2016 extended the lease term another 3 years and removed operating expense from the City's responsibility. Per the Commencement and Estoppel Agreement dated March 15, 2007 the existing lease will expire on March 31, 2019. The City now wishes to extend the lease for up to 3 years with a termination right after 1 year for \$550,315.50 per year in base rent for three years. The landlord has also agreed to provide approximately \$173,140 of landlord improvements as identified in the attached 4th Amendment. All other lease terms will remain the same as the original

1997 lease as amended by the subsequent lease amendments. The Department of Economic Development estimates that the annual rent will be increased by \$52,411 compared to the rent paid over the past year of the existing lease.

RECOMMENDATION: Approval is recommended by the City Administration

BACKGROUND: On January 13, 1997, the City entered into a lease for approximately 26,411 square feet at 4100 Hull Street. The 2nd Amendment dated February 23, 2005 increased the lease premises by 26,000 square feet to a total of approximately 52,411 square feet and the 3rd Amendment dated 4/1 2016 extended the lease term another 3 years and removed operating expense from the tenant's responsibility.. Per the Commencement and Estoppel Agreement dated March 15, 2007 the existing lease will expire on March 31, 2019.

FISCAL IMPACT / COST: The City will pay annual rent of \$550,315.50 per year for three years. In addition the City will pay approximately \$123,500 annually for janitorial service, security personnel and alarm system fees.

FISCAL IMPLICATIONS: The Department of Economic Development estimates that the annual rent will be increased by \$52,411 compared to the rent paid over the past year of the existing lease.

BUDGET AMENDMENT NECESSARY: No

REVENUE TO CITY: None.

DESIRED EFFECTIVE DATE: Upon Adoption of this ordinance.

REQUESTED INTRODUCTION DATE: March 11, 2019

CITY COUNCIL PUBLIC HEARING DATE: March 25, 2019

REQUESTED AGENDA: Consent Agenda

RECOMMENDED COUNCIL COMMITTEE: Land Use, Housing & Transportation Standing Committee Meeting on March 19, 2019.

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: None

AFFECTED AGENCIES: City Attorney's Office, Department of Social Services, and Economic Development.

RELATIONSHIP TO EXISTING ORD. OR RES.: None

O&R Request

Page 3 of 3

REQUIRED CHANGES TO WORK PROGRAM(S): None

ATTACHMENTS: Fourth Amendment to Lease.

STAFF:

Douglas C. Dunlap, Interim Deputy Chief Administrative Officer, Economic
Development and Planning

Shunda T. Giles, Social Services

Jane C. Ferrara, Economic Development

Paul A. McClellan, Economic Development

FOURTH AMENDMENT TO LEASE

THIS FOURTH AMENDMENT TO LEASE (the "Amendment") is effective as of April 1, 2019 (the "Effective Date") by and between SAUL SUBSIDIARY I LIMITED PARTNERSHIP (hereinafter referred to as "Landlord") and CITY OF RICHMOND (hereinafter referred to as "Tenant").

WHEREAS, Landlord and Tenant have entered into that certain Lease dated January 13, 1997, a First Amendment to Lease dated January 13, 1997, a Letter Agreement dated January 13, 1997, a Letter Agreement dated November 4, 1997, a Second Amendment to Lease dated February 23, 2005 ("Second Amendment"), a Letter Agreement dated August 25, 2005, a Letter Agreement dated November 1, 2005, and a Third Amendment to Lease dated April 1, 2016 (collectively, the "Lease") for approximately 52,411 square feet of space in the Southside Plaza Shopping Center located at 4100 Hull Street, Richmond, Virginia 23224; and

WHEREAS, the parties hereto desire to enter into this Amendment for the purposes hereinafter set out.

NOW, THEREFORE, in consideration of the Premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **TERM.** Article 2 of the Lease captioned "Term" is hereby amended to extend the term of the Lease for thirty-six (36) months commencing on April 1, 2019 and ending on March 31, 2022 ("Extension Term").
2. **MINIMUM RENT.** As of the Effective Date, paragraph (b) of Article 3 of the Lease captioned "Rent; Deposit" shall be amended to add the following language:

Tenant shall pay Minimum Rent as follows:

Dates	Annually	Monthly
4/1/19 – 3/31/22	\$550,315.50	\$45,859.63

3. **TENANT RIGHT TO TERMINATE.** As of the Effective Date, Paragraph 5 of the Third Amendment shall be deleted in its entirety, and Paragraph 62 of the Lease shall be deleted in its entirety and replaced with the following:

"Provided that Tenant is not in default of any of the terms, conditions, obligations or provisions of this Lease on the date the option provided for herein is exercised, Tenant shall have the right to terminate the Lease on a date specified by Tenant which shall be on or after March 31, 2020, by giving Landlord one hundred twenty (120) days advance written notice ("Tenant Notice") of its intention to terminate the Lease ("Termination Date"). If Tenant elects the termination right under this Paragraph 5, then the Lease shall terminate and Tenant shall surrender the Premises to Landlord on the day set forth in the Tenant Notice, and the Termination Date will be deemed the expiration date of the term of the Lease and all Minimum Rent and other charges accrued and payable under the Lease will be prorated to the Termination Date."

4. **TENANT'S SIGNATURE AUTHORITY.** The Chief Administrative Officer for the City of Richmond or a designee thereof shall have the authority to provide any notices or authorizations contemplated in the Lease, including this amendment.

5. **LANDLORD'S WORK.** Within 60 days from the Effective Date, Landlord shall have improved the Premises at Landlord's sole cost and expense by completing the interior and exterior improvements described in Exhibit A – Required Landlord Improvements.

6. **LANDLORD'S RESIDENT AGENT.** Pursuant to the provisions of § 55-218.1 of the 1950 Code of Virginia, as amended, Landlord certifies that its resident agent is Corporation Service Company, Bank of America Center, 16th Floor, 1111 East Main Street, Richmond, Virginia 23219.

7. **SUBJECT TO APPROPRIATIONS.** Notwithstanding anything in the Lease to the contrary, Tenant's obligation to pay Minimum Rent and any other amounts pursuant to the Lease and in connection with any performances under this Amendment are subject to and dependent upon funds appropriated for such purpose by the City Council of the City of Richmond, Virginia.

8. **MISCELLANEOUS.** Except as specifically modified hereby, the Lease shall remain in full force and effect in accordance with the terms contained therein and is hereby ratified, approved and confirmed in all respects. No shareholder, trustee, officer, director, employee, partner or agent of Landlord or Tenant assumes or shall be held to any personal liability under the Lease, except as provided by law. The provisions of this Amendment shall be binding upon the parties hereto, their successors, and to the extent permitted under the Lease, their assigns. If drafts of this Amendment or other communications between the parties were sent by email or other electronic methods, then the following additional provisions shall also apply: (i) any typewritten signature included with any e-mail or any document attached to any email is not an electronic signature within the meaning of Electronic Signatures in Global and National Commerce Act or any other law of similar import, including without limitation, the Uniform Electronic Transactions Act ("UETA"), as the same may be enacted in any State, (ii) any transmission of this Amendment is not intended as an "electronic signature" to a "record" of such transaction (as those terms are defined under UETA); instead, it is Landlord's intention that a record of such transaction shall be created only upon manually-affixed original signatures on an original document, and (iii) the final, definitive version of this Amendment shall be created by Landlord (the "Final Draft"), and Tenant authorizes Landlord to affix to the Final Draft the original, manually executed signature pages attached by Tenant to the executed document submitted by Tenant to Landlord.

9. **INTERPRETATION.** The submission of this Amendment for examination does not constitute an agreement, an option or an offer, and this Amendment becomes effective only upon execution and delivery thereof by Landlord. Neither party shall have any legal obligation to the other in the event that the Amendment contemplated herein is not consummated for any reason. Provided, however, that notwithstanding any delay in obtaining signatures for execution of this Amendment, by executing this Amendment, the Landlord and Tenant agree that for the period of the Effective Date through the date on which the Amendment is fully executed, the Landlord and Tenant proceeded in all respects as though the Lease was in force and effect and hereby ratify all actions during said period. Discussions between the parties respecting the proposed

Amendment described herein, shall not serve as a basis for a claim against either party or any officer, director or agent of either party. Captions and headings are for convenience and reference only and shall not in any way define, limit or describe the scope or content of any provision of this Amendment. Except as otherwise provided herein, capitalized terms shall have the same meaning as set forth in the Lease. Whenever in this Amendment (i) any printed portion, or any part thereof, has been stricken out, or (ii) any portion of the Lease (as the same may have been previously amended) or any part thereof, has been modified or stricken out, then, in either of such events, whether or not any replacement provision has been added, this Amendment and the Lease shall hereafter be read and construed as if the material so stricken out were not included, and no implication shall be drawn from the text of the material so stricken out which would be inconsistent in any way with the construction or interpretation which would be appropriate if such material had never been contained herein or in the Lease. The Exhibits referred to in this Amendment and attached hereto are a substantive part of this Amendment and are incorporated herein by reference. In the event of a conflict between the terms, conditions and provisions of this Amendment and the Lease, the terms of this Amendment shall prevail.

10. DEED OF LEASE. For purposes of Section 55-2, Code of Virginia (1950), as amended, the Lease is and shall be deemed to be a deed of lease.

The remainder of this page is intentionally blank.
Signature page follows.

WITNESS the following signatures and seals.

ATTEST:

TENANT: CITY OF RICHMOND

(seal)


By: _____

Printed Name: _____

Name: _____

Title: Secretary

Title: Chief Administrative Officer

Approved as to Form:  _____
City Attorney

Approved as to Terms: _____
Department of Economic Development

ATTEST:

LANDLORD: SAUL SUBSIDIARY I LIMITED
PARTNERSHIP

By: Saul Centers, Inc., General Partner

(seal) Assistant Secretary

By: _____
Name: J. Page Lansdale
Title: President

BUDGET

Southside Plaza
 City of Richmond
 4100 Hull Street



DATE: 19.02.04
 updated

~~Budget per attached e-mail January 11, 2019~~
 with plans for date of request and scope,
 as modified per J.M. verbal reallocations

TOTAL SQUARE FOOTAGE: 52,411
 \$/sq. ft. \$3.30

Tenant Work

Sheet #	DESCRIPTION	UNIT	UNIT COST	QTY.	ITEM SUBTOTAL
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01 A-1.1 First Floor

approx. 1,650 SY of flooring per Cavalier, see attached.
 14,850 sq. ft.

Repair security office counter ledge below glass window	SF	\$1,500	1		\$1,500
Repair chipped tile of vestibule floor	LS	\$750	1		\$750
Replace existing vinyl tile with darker color	SF	see below			

NOTE:

** In addition re-carpet certain individual offices if needed based on a walk-through inspection with the carpet installer and tenant representatives to determine which offices need for new carpet.*

A-2 Repair metal roof decking where ceiling is buckling-A-2	LS	\$0	0		\$0
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Per property management, not a structural problem. No work proposed. Assumed to be rusted floor pan deck that is not structural after concrete deck is placed.

Remove and fill in existing raised planters C-F/1	LS	\$7,500	1		\$7,500
New paint and vinyl base in all restrooms		\$6,000	1		\$6,000
assume flooring in Cavalier budget					
Replace sink countertops and toilet partitions in all restrooms		\$35,000	1		\$35,000
Patch and paint corridor walls A/1 -A-3& 4, to D/3 and D/4		\$10,000	1		\$10,000
Need New Carpet		see below	1		
Need New Carpet		see below	1		
Threshold repair need jamb ? Office door		\$3,500	1		\$3,500

Repair kick plate through this lobby?		see below	1		\$0
			1		\$0
			1		\$0

A-1.2 Second Floor

Need new carpet		see below	1		
Replace stained ceiling tiles E3 and E/4-5		\$650	1		\$650
Delete Window C-7		\$0	0		\$0
2 existing residential toilets that need to be replaced with commercial toilets		\$2,500	1		\$2,500
Flooring: Cavalier Flooring Systems, Inc., see attached	LS	\$90,000	1		\$90,000
move furniture/personal (COR boxes up personal items & contents and moves)	LS	\$0	1		\$0

Subtotal					\$157,400
Contingency			10%		\$15,740
Subtotal			Tenant work:		\$173,140

Per property management, roof is 2006 with 20 yr. warranty.

Tenant Work



BUDGET

Southside Plaza
 City of Richmond
 4100 Hull Street



DATE: 19.02.04
 updated

	<u>Landlord Work</u>		TOTAL SQUARE FOOTAGE:	52,411
01	A-1.1 First Floor			\$1.19
	Weather seal door col. 4	SF	\$1,200 1	\$1,200
	Repair roof drain C/7	LS	\$2,000 1	\$2,000
	Repair roof drain col B-6	LS	\$100 1	\$100
	A-1.2 Second Floor		1	\$0
	Replace exiting roof hatch		\$7,500 1	\$7,500
	Repair leaking roof drain in ceiling A/1-4		\$6,000 1	\$6,000
	Seal and weatherstrip door that leaked during the last rain A/1-4		\$2,500 1	\$2,500
	Tying in canopy roof drains into trench drains out front to prevent ponding, estimate:			\$35,000
	Subtotal			\$54,300
	Contingency		15%	\$8,145
	Subtotal		Landlord Work:	\$62,445
	Per property management, roof is 2006 with 20 yr. warranty.			Landlord Work

Total costs (Landlord + Tenant Improvement) **\$235,585**
SEE ATTACHMENTS

S:\SOUTHSIDE PLAZA\TENANTS\COMMUNITY SERVICES CENTER\BID SET

BUDGET

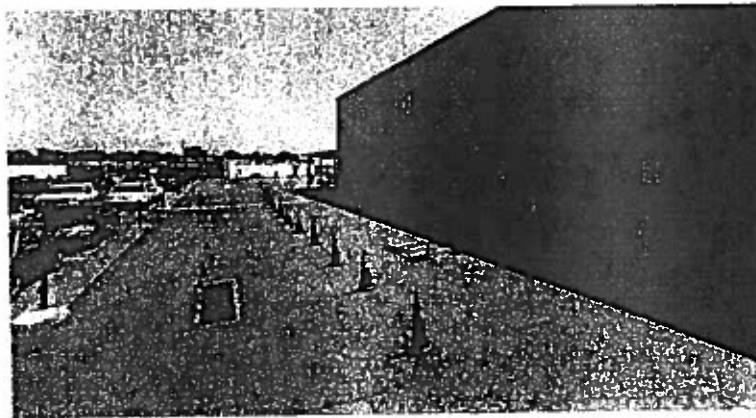
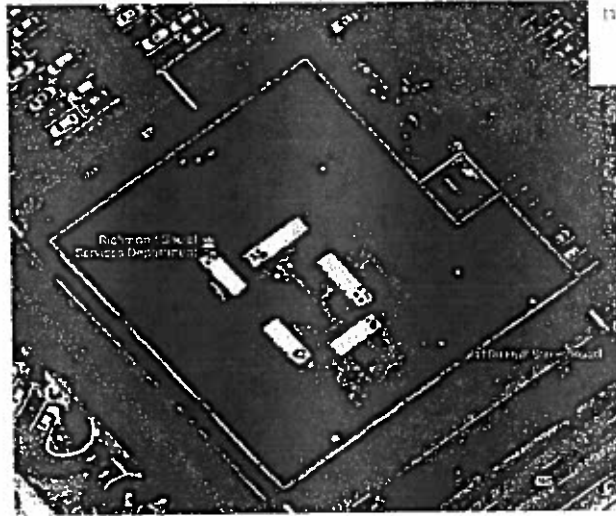
Southside Plaza

City of Richmond
4100 Hull Street



DATE: 19.02.04

updated

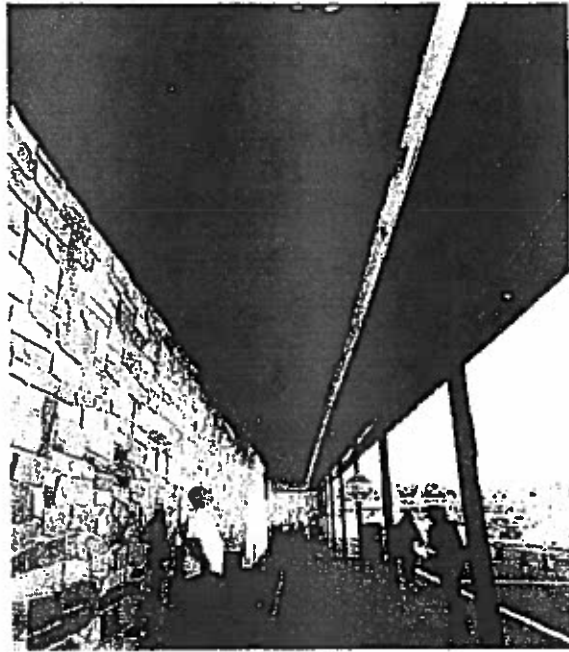
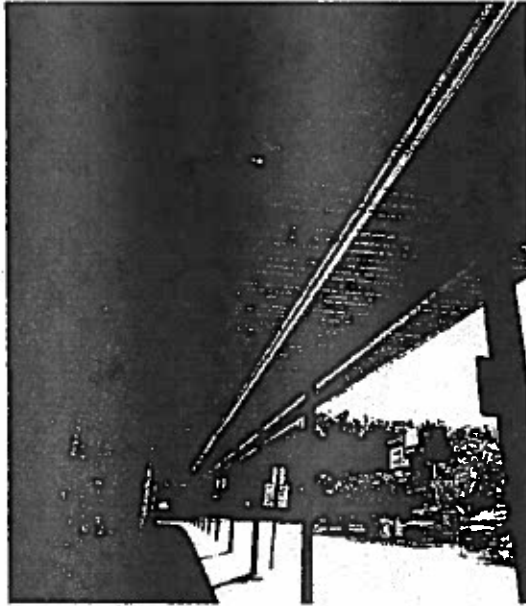


BUDGET

Southside Plaza
City of Richmond
4100 Hull Street



DATE: 19.02.04
updated



Estimate

Cavalier Flooring
 2020 Tomlyn Street
 Richmond VA 23230
 804-254-7700 804-254-9480

Quote #
 16174
 Customer PO

 Contract #

 Date
 1/11/2019
 Sales Person 1
 Nick Basso
 Designer

Acct # 529
 For: 240 793-4019 Fax

Job Site: 240 793-4019

Saul Center, INC
 7501 Wisconsin Ave
 Bethesda, MD 20814

Saul Center, INC
 7501 Wisconsin Ave
 Bethesda, MD 20814

General Information / Description	Total
Carpet	\$60,000.00
Moving and lifting	\$24,000.00
Base	\$3,000.00
Ceramic Allowance	\$3,050.00

<i>Total</i>	
Sales Tax	_____
Grand Total	\$90,050.00
Deposit	_____
Date	Ck #
_____	_____

1. Proposal excludes cleaning, waxing or protection of installed finishes.
2. Proposal excludes sealing of floors, moisture mitigation, cleaning or removal of oil, grease, solvents, paints, plaster or other foreign substances.
3. Proposal excludes material and labor for major floor preparation including sanding, scraping, leveling and or patching. Minor floor preparation is included.
4. Cavalier Flooring Systems, Inc. will not accept charge backs of damage or cleaning without the option to inspect claim(s) to repair or without the option to make arrangements for acceptable repairs at their expense.
5. Warranty does not include any moisture related subfloor issues.

Buyer _____ Date _____ Seller _____ Date _____