

INTRODUCED: March 14, 2022

AN ORDINANCE No. 2022-089

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Fifth 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 28 2022 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, is hereby authorized to execute a Fifth 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 Fifth 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.

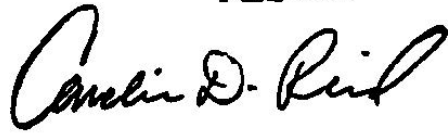
AYES:            7            NOES:            0            ABSTAIN: \_\_\_\_\_

ADOPTED:    MAR 28 2022    REJECTED: \_\_\_\_\_    STRICKEN: \_\_\_\_\_

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

**A TRUE COPY:**

**TESTE:**

A handwritten signature in black ink, appearing to read "Camille D. Reil". The signature is written in a cursive style with a large initial 'C'.

**City Clerk**




# CITY OF RICHMOND

## INTRACITY CORRESPONDENCE

**O&R REQUEST**

**DATE:** February 11, 2022 **EDITION:** 1

**TO:** The Honorable Members of City Council

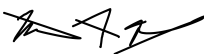
**THROUGH:** The Honorable Levar M. Stoney, Mayor 

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

**THROUGH:** Jason P. May, Director of Budget and Strategic Planning 

**THROUGH:** Shunda Giles, Director of the Department of Social Services 

**THROUGH:** Sharon L. Ebert, DCAO – Planning & Economic Development Portfolio 

**FROM:** Matthew A. Welch, Senior Policy Advisor 

**RE:** Amendment to City's Lease of Office Space at Southside Plaza

**ORD. OR RES. No.** \_\_\_\_\_

**PURPOSE:** To authorize the Chief Administrative Officer to enter into the attached Fifth Amendment to Lease between the City (as Tenant) and Saul Subsidiary I Limited Partnership (as Landlord) for the purpose of enabling the continued use of approximately 52,411 s.f. of space at 4100 Hull Street for up to three years (per the Amendment, the City has the right to terminate after one year in its discretion).

**REASON:** An ordinance is necessary to authorize the contemplated Amendment.

**RECOMMENDATION:** The City Administration recommends approval.

**BACKGROUND:**

On January 13, 1997, the City entered into a lease for approximately 26,411 square feet at 4100 Hull Street. The 2<sup>nd</sup> Amendment dated February 23, 2005 increased the lease premises by 26,000 square feet to a total of approximately 52,411 square feet, the 3<sup>rd</sup> Amendment dated 4/1 2016 extended the lease term another 3 years and removed most operating expenses from the City's responsibility, and the 4<sup>th</sup> Amendment extended the term an additional 3 years. The lease is set to expire on March 31, 2022 and, as such, the City now desires to extend the lease for up to three additional years while retaining a right to terminate after one year, which will enable the continued use of the space by

DSS and other city functions while retaining flexibility for the City to terminate in the event alternative space is secured for DSS to consolidate its functions. The City's rent for the extended term will be \$563,418.24 (\$10.75 per sq. ft) to be paid in monthly installments of \$46,951.52 – (representing only a minor increase from the City's current monthly base rent of \$45,859.63). The rent is set at that amount for the duration of the three year term (or until the City exercises its right to terminate). It is anticipated that the majority of the City's expenses under the lease during the extended term will be reimbursed by the Virginia Department of Social Services (VDSS).

**FISCAL IMPACT / COST:** The City will pay annual rent of \$563,418.24 for up three years (with the majority of such payment amount expected to be reimbursed to the City by VDSS) and will continue to be responsible for costs associated with janitorial service, security personnel, and alarm system fees (as is the case under the lease currently).

**FISCAL IMPLICATIONS:** As compared to rent paid under the lease currently, the City's rental payments will increase by \$1,091.91 per month.

**BUDGET AMENDMENT NECESSARY:** No

**REVENUE TO CITY:** None

**DESIRED EFFECTIVE DATE:** Upon adoption

**REQUESTED INTRODUCTION DATE:** March 14, 2022

**CITY COUNCIL PUBLIC HEARING DATE:** March 28, 2022

**REQUESTED AGENDA:** Consent

**RECOMMENDED COUNCIL COMMITTEE:** LUHTC

**CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES:** None

**AFFECTED AGENCIES:** Economic Development, Social Services, Finance, Budget and Strategic Planning, City Attorney's Office

**RELATIONSHIP TO EXISTING ORD. OR RES.:** N/A

**REQUIRED CHANGES TO WORK PROGRAM(S):** None

**ATTACHMENTS:** Fifth Amendment to Deed of Lease

**STAFF:** Matthew A. Welch, DED

**FIFTH AMENDMENT TO LEASE**

**THIS FIFTH AMENDMENT TO LEASE** (the "Amendment") is effective as of April 1, 2022 (the "Effective Date") by and between SAUL SUBSIDIARY I LIMITED PARTNERSHIP (hereinafter referred to as "Landlord") and CITY OF RICHMOND, VIRGINIA (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, a Letter Agreement dated August 25, 2005, a Letter Agreement dated November 1, 2005, a Third Amendment to Lease dated April 1, 2016, and a Fourth Amendment to Lease dated April 1, 2019 ("Fourth Amendment") (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, 2022 and ending on March 31, 2025 ("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
4/1/2022 – 3/31/2025	\$563,418.24	\$46,951.52

3. **TENANT RIGHT TO TERMINATE**. As of the Effective Date, Paragraph 5 of the Fourth Amendment shall be deleted in its entirety, and Article 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, 2023, by giving Landlord one hundred fifty (150) days advance written notice ("Tenant Notice") of its intention to terminate the Lease ("Termination Date"). If Tenant elects the termination right under this Article 62, 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. **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.

6. **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.

7. **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.

8. **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.

**IN WITNESS WHEREOF**, the parties hereto have executed this Amendment under seal on the day and year first above written.

ATTEST:

TENANT: CITY OF RICHMOND

\_\_\_\_\_  
(seal)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: Chief Administrative Officer

Approved as to Form: *Bonnie M. Ashley*  
City Attorney

Approved as to Terms: \_\_\_\_\_  
Department of Economic Development

ATTEST:

LANDLORD: SAUL SUBSIDIARY I LIMITED PARTNERSHIP

\_\_\_\_\_  
(seal) Assistant Secretary

By: Saul Centers, Inc., General Partner

By: \_\_\_\_\_ (seal)

Name: D. Todd Pearson

Title: President and Chief Operating Officer