

INTRODUCED: September 25, 2023

AN ORDINANCE No. 2023-288

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a First Amendment to Lease between the City of Richmond, as lessor, and Capital Area Health Network, doing business as Vernon J. Harris East End Community Health Center, as lessee, for the purpose of providing health center office space for the Vernon J. Harris East End Community Health Center at 719 North 25th Street.

Patron – Mayor Stoney

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: NOV 13 2023 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 First Amendment to Lease between the City of Richmond, as lessor, and Capital Area Health Network, doing business as Vernon J. Harris East End Community Health Center, as lessee, for the purpose of providing health center office space for the Vernon J. Harris East End Community Health Center at 719 North 25th Street. The First

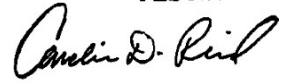
AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: NOV 13 2023 REJECTED: _____ STRICKEN: _____

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.

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

A TRUE COPY:
TESTE:

A handwritten signature in cursive script, appearing to read "Camille D. Reed".

City Clerk



City of Richmond

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

Master

File Number: Admin-2023-1389

File ID: Admin-2023-1389

Type: Request for Ordinance or Resolution

Status: Regular Agenda

Version: 1

Reference:

In Control: City Clerk Waiting Room

Department: Economic Development

Cost:

File Created: 08/29/2023

Subject: Lease Renewal Agreement with Capital Area Health Network (CAHN)

Final Action:

Title:

Internal Notes:

Code Sections:

Agenda Date: 09/25/2023

Indexes:

Agenda Number:

Patron(s):

Enactment Date:

Attachments: Vernon Harris_First Amendment to Lease_CoR draft_v.1

Enactment Number:

Contact:

Introduction Date: 09/25/2023

Drafter: christopher.nizamis@rva.gov

Effective Date:

Related Files:

Approval History

Version	Seq #	Action Date	Approver	Action	Due Date
1	1	8/29/2023	Alecia Blackwell - FYI	Notified - FYI	
1	2	8/29/2023	Matt Welch - FYI	Notified - FYI	
1	3	8/31/2023	Sharon Ebert	Approve	8/31/2023
1	4	9/8/2023	Lincoln Saunders	Approve	9/4/2023
1	5	9/15/2023	Mayor Stoney	Approve	9/12/2023

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

Text of Legislative File Admin-2023-1389

O&R REQUEST

DATE: August 25, 2023

EDITION: 1

TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor

THROUGH: Lincoln Saunders, Chief Administrative Officer

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

FROM: Matt Welch, Senior Policy Advisor - Planning & Economic Development Portfolio
Chris Nizamis, Real Estate Manager - Real Estate Strategies/DED

RE: Lease Renewal Agreement with Capital Area Health Network (CAHN) d/b/a Vernon
J. Harris East End Community Health Center (Tenant) at 700 N. 26th Street

ORD. OR RES. No.

PURPOSE: To authorize the Chief Administrative Officer to enter into a lease renewal agreement with the Capital Area Health Network (CAHN) d/b/a Vernon J. Harris East End Community Health Center (Tenant) for a City owned building located at 700 N. 26th Street. The current lease expiration is October 11, 2023. Tax parcel number: E0000381001.

REASON: The Capital Area Health Network (CAHN) d/b/a Vernon J. Harris East End Community Health Center (Tenant) desires to continuing leasing space at 700 N. 26th Street as a community-based health & dental center.

RECOMMENDATION: The City Administration recommends approval.

BACKGROUND: Capital Area Health Network (CAHN) d/b/a Vernon J. Harris East End Community Health Center is a community-based health corporation that is committed to enhancing the quality of life for East End residents. CAHN seeks to provide comprehensive, affordable and accessible preventative and primary care services to medically underserved population in the East End. Under the existing terms and conditions of their current lease, CAHN will pay a nominal sum of one dollar (\$1.00) per year for the space occupied and would be responsible for all utilities, building maintenance, repairs and improvements to the eased premise. The lease renewal extension will be for a period of five (5 years).

FISCAL IMPACT / COST: None

FISCAL IMPLICATIONS: None

BUDGET AMENDMENT NECESSARY: No

REVENUE TO CITY: A minimum of \$1.00 per year.

DESIRED EFFECTIVE DATE: Upon adoption

REQUESTED INTRODUCTION DATE: September 25, 2023

CITY COUNCIL PUBLIC HEARING DATE: October 10, 2023

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: No Committee referral due to Council Rules of Procedure.

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: None

AFFECTED AGENCIES: Mayor's Office, Chief Administrative Office, Finance, Risk Management and the City Attorney's Office

RELATIONSHIP TO EXISTING ORD. OR RES.: Ordinance No. 2008-151-149

REQUIRED CHANGES TO WORK PROGRAM(S): None

ATTACHMENTS: First Amendment to Lease

STAFF:

Matt Welch, Senior Policy Advisor - Planning & Economic Development Portfolio

Chris Nizamis, Real Estate Manager - Real Estate Strategies/DED

Neil Gibson, City Attorney - City Attorney's Office

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE (this “First Amendment”) is made and entered into effective the 12th day of October, 2023 by and between THE CITY OF RICHMOND, a municipal corporation of the Commonwealth of Virginia (“Landlord”), and CAPITAL AREA HEALTH NETWORK, d/b/a VERNON J. HARRIS EAST END COMMUNITY HEALTH CENTER, a Virginia nonprofit corporation (“Tenant”). Landlord and Tenant are at times referred to hereinafter as the “Parties” or individually as a “Party.”

RECITALS

- A. Landlord owns that certain real property located at 700 N. 26th Street, Richmond, Virginia 23224, shown on the Tax Map for the City of Richmond, Virginia as Tax Parcel No. E0000381001 (the “Property”) together with all improvements thereon and appurtenances thereto.
- B. The Parties entered into that certain Lease dated October 12, 2018, pursuant to which Landlord agreed to lease from Tenant and Tenant agreed to lease from Landlord the Leased Premises for a period of five years.
- C. The Parties now desire to amend the Lease to extend the Term for five additional years.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises set forth in the Lease and in this First Amendment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree that the Lease is amended as follows:

- 1. **Definitions.** All capitalized terms used in this First Amendment shall have the meanings assigned to them in the Lease unless otherwise specified in this First Amendment.
- 2. **Effective Date.** The “Effective Date” is hereby amended to October 12, 2023.
- 3. **Term Extension.** The words “in the year 2023” in the second line of Section 4.0 of the Lease are hereby deleted and replaced by the words “in the year 2028” to effect a lease of the Leased Premises by Landlord to Tenant from the Effective Date through October 11, 2028.
- 4. **Insurance.** Section 19 of the Lease is hereby deleted and replaced in its entirety with the following:

19.0 Insurance. For the duration of this Lease, Tenant shall, at its own expense, maintain liability insurance policies in a form reasonably acceptable to Landlord. These policies shall include, but need not be limited to the following:

- (a) Commercial General Liability insurance written on an occurrence basis with limits of two million dollars (\$2,000,000) per occurrence for bodily injury and property damage and two million dollars (\$2,000,000) general aggregate;
- (b) Commercial Automobile Liability Insurance in an amount of two million dollars (\$2,000,000) combined single limit each accident for bodily injury and property damage;
- (c) Workers' Compensation insurance meeting all statutory requirements of the Commonwealth of Virginia;
- (d) Employer's Liability insurance with limits of one million dollars (\$1,000,000) each accident/disease/policy limit;
- (e) Umbrella Liability insurance shall be maintained above the primary Commercial General Liability, Commercial Automobile Liability, and Employers' 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 (i) 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-: VII, (ii) with the exception of Workers Compensation and Employer's Liability policies, be endorsed to include Landlord as additional insured for purposes of this Lease, (iii) be primary to any insurance coverage Landlord may possess, and (iv) be written to include a waiver of subrogation against Landlord.

Tenant shall additionally meet the following requirements:

- (a) Tenant shall submit certificates of insurance to Seller for all insurance policies required by this Section 19, including additional insured and waiver of subrogation endorsements, (i) upon renewal of each insurance policy required by this Section, and (ii) upon request by Landlord.
- (b) Tenant shall provide Landlord with prior written notice of the cancellation, termination, non-renewal, or reduction in coverage of any insurance policy required by this Agreement if, as a result of such change in coverage, the insurance requirements set forth in this Section 19 are not met.

The limits of insurance required by this Section 19 shall in no event limit the liability obligations of Tenant under this Agreement.

The foregoing limits of insurance shall not prohibit Tenant from obtaining a liability insurance policy or policies in excess of such limits.

5. Limitation of Liability. Section 20 of the Lease is hereby deleted and replaced in its entirety with the following:

20.0 Limitation of Liability.

20.1 Consequential Loss Waiver. As a material part of the consideration for this Agreement, and notwithstanding any provision herein to the contrary, neither Landlord nor Tenant shall be liable for, and each Party hereby waives any claims against the other for, any consequential damages incurred by either Party and arising out of or relating to this Lease.

20.2 Exceptions to Waiver. The foregoing limitation will not, however, in any manner

- (i) limit Tenant's liability for any type of damage arising out of Tenant's obligation to indemnify, protect, defend, and hold Landlord harmless under this Agreement;
- (ii) limit Tenant's liability for any type of damage to the extent covered by the proceeds of insurance required hereunder; or
- (iii) limit the amounts expressly provided to be payable by either Party pursuant to this Lease.

20.3 Limitation of Landlord Liability. Except to the extent of the willful misconduct of Landlord and subject to Tenant's indemnification obligations, Landlord shall not be liable or responsible in any way for any damage whatsoever to any property belonging to Tenant or any of Tenant's officers, employees, agents, contractors, subcontractors, invitees, or licensees.

6. Ratification. Except as expressly modified by this First Amendment, the terms and conditions of the Lease shall remain unchanged and in full force and effect. The Lease, as modified by this First Amendment, is hereby ratified and affirmed in all respects. If anything contained in this First Amendment conflicts with any terms of the Lease, then the terms of this First Amendment shall prevail.

7. Counterparts. This First Amendment may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument, and electronic and facsimile signatures shall be deemed to be original signatures and of the same force and effect.

8. Authority. Landlord and Tenant each agree that each has full right and authority to execute this First Amendment, that the individual executing this First Amendment on behalf of each Party has the authority to bind it, and that no further approvals or consents are required for either to execute this First Amendment.

[See Next Page for Signatures]

WITNESS THE FOLLOWING SIGNATURES TO THIS FIRST AMENDMENT TO LEASE:

LANDLORD CITY OF RICHMOND, as authorized by Ord. No. 2023-____, adopted by the City Council for the City of Richmond, Virginia on the ____ day of _____ 2023. By: _____ Chief Administrative Officer	TENANT CAPITAL AREA HEALTH NETWORK, d/b/a VERNON J. HARRIS EAST END COMMUNITY HEALTH CENTER By: _____ Executive Director
APPROVED AS TO FORM: BY:  _____ Senior Assistant City Attorney	