C: Dir., Community Services Board

City of NORFOLK

To the Honorable Council
City of Norfolk, Virginia

May 13, 2014

From: Sarah Paige Fuller, Director, Community Services Board

Subject: Lease Addendum – 7460 Tidewater Drive Associates, LLC.

Reviewed: Wynter C. Benda, Assistant City Manager

Ward/Superward: 3/7

Approved:

Marcus D. Jones, City Manager

Item Number: **R-8**

I. **Recommendation:** Adopt Ordinance

II. **Applicant:** City of Norfolk

III. **Description**

This ordinance authorizes the City Manager and other proper officers to execute an addendum to the lease between the City of Norfolk (the "City") and 7460 Tidewater Drive Associates, LLC. The addendum will allow the owner to make renovations to the buildings located at 7460 and 7464 Tidewater Drive which house certain of the City's Norfolk Community Services Board (the "NCSB") programs.

IV. **Analysis**

Renovations to these buildings are required to accomplish the following:

- Relocation of NCSB Emergency Services;
- Accommodation of Crisis Intervention Team program; and
- Renovation of the Crisis Stabilization Unit.

V. **Financial Impact**

NCSB has budgeted for these costs in the FY2015 budget. A portion of the renovations is funded with carry forward funds and a portion with state funds through a one-time allocation through the performance contract.

VI. **Environmental**

N/A

810 Union Street #1101 ▪ Norfolk, Virginia 23510
Phone: 757-664-4242 ▪ Fax: 757-664-4239

VII. Community Outreach/Notification

Norfolk National Alliance for the Mentally Ill and Norfolk Police Department have both been consulted on this location. Public notification for this agenda item was conducted through the City of Norfolk's agenda notification process.

VIII. Board/Commission Action

NCSB's Board has been apprised of this relocation.

IX. Coordination/Outreach

This letter has been coordinated with the City Attorney's Office.

Supporting Material from the Department of Norfolk Community Services Board:

- Ordinance
- Exhibit A "Addendum to Lease"

4/24/14 - km

Form and Correctness Approved:

By Nathaniel Beaman
Office of the City Attorney

Contents Approved:

By S P Miller
DEPT. Norfolk Community Services Board

Pursuant to Section 72 of the City Charter, I hereby certify that the money required for this item is in the city treasury to the credit of the fund from which it is drawn and not appropriated for any other purpose.

$ 150,000.00 2075-31-182-5550 2075-31-180-5550
Account

Director of Finance 4/25/14
Date

NORFOLK, VIRGINIA

BCM

ORDINANCE No.

AN ORDINANCE APPROVING AN ADDENDUM TO LEASE BETWEEN 7460 TIDEWATER DRIVE ASSOCIATES, LLC AND THE CITY OF NORFOLK, AND AUTHORIZING THE EXECUTION OF THE ADDENDUM TO LEASE ON BEHALF OF THE CITY.

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BE IT ORDAINED by the Council of the City of Norfolk:

Section 1:- That the Addendum to Lease between 7460 Tidewater Drive Associates, LLC and the City of Norfolk, a copy of which is attached hereto as Exhibit A, relative to certain renovations and improvements to the building located at 7460 and 7464 Tidewater Drive in Norfolk, which building is currently being leased by the City of Norfolk for the benefit of the Norfolk Community Services Board, is hereby approved.

Section 2:- That the City Manager and other proper officers of the City are authorized to execute the Addendum to Lease for and on behalf of the City, and to do all things necessary and proper to carry out its terms.

Section 3:- That the sum of up to $150,000.00 is authorized to be expended from funds heretofore appropriated to cover the additional lease payments as provided in the Addendum to Lease.

Section 4:- That the City Manager is further authorized to correct, amend or revise the Addendum to Lease as may be necessary to carry out the purposes of this ordinance.

Section 5:- That this ordinance shall be in effect from and after its adoption.

EXHIBIT A

ADDENDUM TO LEASE

This ADDENDUM TO LEASE ("Addendum"), dated this ____ day of April, 2014, is an addendum to a certain Standard Lease dated the 3rd day of December 2007 ("Lease") of certain office spaces located at 7460 Tidewater Drive and 7464 Tidewater Drive ("Premises"), by and between 7460 TIDEWATER DRIVE ASSOCIATES, LLC ("Landlord") and the NORFOLK COMMUNITY SERVICES BOARD ("Tenant"), which lease was assigned to the CITY OF NORFOLK, a municipal corporation of the Commonwealth of Virginia ("City"), by that certain Assignment and Assumption of Lease and Consent, dated the 1st day of June 2012.

WITNESSETH:

WHEREAS, the City currently leases from Landlord certain office spaces ("Premises") in the buildings described as 7460 and 7464 Tidewater Drive, Norfolk, Virginia, the original lease dated December 3, 2007 between Landlord and the Norfolk Community Services Board having been assigned to the City by an Assignment and Assumption of Lease and Consent, dated June 1, 2012; and

WHEREAS, the Premises are used by the Norfolk Community Services Board to house mental health and substance abuse treatment programs, including outpatient counseling, a 24-hour crisis stabilization unit, and a medically assisted opioid treatment program; and

WHEREAS, these mental health and substance abuse treatment programs have very specific space and design needs, some of which are mandated by state regulations; and

WHEREAS, it is necessary that certain renovations and improvements be made to the Premises in order to properly meet the required space and design needs; and

WHEREAS, Landlord has agreed to make such renovations and improvements in exchange for which the City is agreeable to an appropriate increase in the lease payments to be paid to the Landlord.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements contained in this Addendum, Landlord and City hereby agree as follows:

1. Landlord shall make renovations and improvements to the building located at 7460 and 7464 Tidewater Drive including but not limited to the following:
    a. Phase I
        i. Renovations to spaces at 7460 Tidewater Drive to accommodate Emergency Services and Welcome Center, removal of certain walls, removal of file system, relocation of certain doors, and enhancement of flooring.

b. Phase II

i. Refurbishment and/or replacement of certain walls, replacement of certain doors, replacement of ceilings, replacement of glass, installation of bathroom fixtures, installation of alarmed doors, and the renovation, installation or replacement of fixtures, appliances, and any damaged flooring as may be required. In addition, storage shall be built in as needed to replace removable furniture.

2. The Phase I renovations and improvements shall be completed and ready for City use no later than August 15, 2014.

3. The Phase II renovations and improvements shall be completed and ready for City use no later than December 15, 2014.

4. All proposed renovations and improvements shall be reviewed and approved by the City and any appropriate state agency or agencies prior to the commencement of construction to ensure full compliance with City and state requirements.

5. Upon completion of the Phase I renovations and improvements to the City's satisfaction, Landlord shall provide City with written confirmation of the actual cost of such renovations and improvements. Beginning with the first monthly lease payment after completion of Phase I, the monthly lease payments shall be increased by a sum that represents the total cost of Phase I equally divided over the months between the date of completion of Phase I and the end of the fiscal year (June 30, 2015).

6. Upon completion of the Phase II renovations and improvements to the City's satisfaction, Landlord shall provide City with written confirmation of the actual cost of such improvements. Beginning with the first monthly lease payment after completion of Phase II, the monthly lease payments shall be further increased by a sum that represents the total cost of Phase II equally divided over the months between the date of completion of Phase II and the end of the fiscal year (June 30, 2015).

7. In no event shall the total increase in lease payments resulting from the Phase I and Phase II renovations and improvements exceed the sum of $150,000.00.

8. With the first monthly payment after June 30, 2015, the original monthly payment amounts and schedule as set forth in the Lease shall resume.

9. The invalidity of any part of this Lease Addendum shall not impair or affect in any manner the validity or enforceability of other provisions of this Lease Addendum. In the event of a conflict between the terms of this Lease Addendum and the Lease, the terms of this Lease Addendum shall control.

10. The parties hereto expressly agree and affirm that they have each read, understand and agree to be bound by the terms of this Lease Addendum, which is hereby incorporated by reference in the Lease.

WITNESS the following duly authorized signatures and seals:

LANDLORD:

7460 TIDEWATER DRIVE ASSOCIATES, LLC

By:_____

Title:_____

TENANT:

CITY OF NORFOLK

By:_____
City Manager

Attest:

_____
City Clerk

Contents Approved:

_____
Executive Director
Norfolk Community Services Board

Approved as to Form and Correctness:

_____
Deputy City Attorney

CERTIFICATION OF FUNDING

I hereby certify that the money required for this Addendum to Lease is in the City Treasury to the credit of the fund from which it is to be drawn and not appropriated for any other purpose.

Accounts: 2075-31-182-5550-503 $80,774 FY15 funding
2075-31-180-5550-502 $69,226

Amount: $150,000

Contract No.: CT 31-13526B

Vendor Code: 7460TI0100

Business License No.: _____

Alice M. Kelly 4/25/14

Director of Finance Date