

**AN ORDINANCE TO AUTHORIZE AND APPROVE A MULTI-YEAR LEASE RENEWAL BETWEEN THE CITY OF WILMINGTON AND DRYWALL ASSOCIATES, LTD.**

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**#4400**

**Sponsor:**

**Council  
Member**

**Walsh**

**WHEREAS**, pursuant to Section 2-308 and Section 8-200 of the City Charter, City Council may, by ordinance, authorize the leasing of real estate for a period of more than one year; and

**WHEREAS**, with the authorization and approval of City Council, the City entered into a lease (the “Lease”) with Drywall Associates, Ltd. (“Drywall”) for interior space for the Police Department’s Drug and Organized Crime Vice Unit in June 2013 for a period of two (2) years from June 30, 2013 until June 30, 2015, with one (1) renewal option of a period of two (2) additional years; and

**WHEREAS**, in June 2015, the City exercised its renewal option under the Lease and extended the Lease for a period of two (2) years from July 1, 2015 to June 30, 2017; and

**WHEREAS**, the City would like to further extend the Lease (the “Second Amendment”) for a period of three (3) years effective from July 1, 2017 through June 30, 2020 at the rental rates listed on the “Rent Schedule” attached to the Second Amendment, a redacted copy of which is attached hereto and incorporated by reference herein as Exhibit “A”; and

**WHEREAS**, the Second Amendment contains the possibility of three (3) additional extensions of one (1) year after June 30, 2020 at the rental rates listed on the “Rent Schedule” attached to the Second Amendment, at the City’s option, subject to budget appropriations; and

**WHEREAS**, said extension periods are included in the Second Amendment in order to provide for continuity; and

**WHEREAS**, the copy of the Second Amendment that is attached hereto as Exhibit A has been redacted solely to keep the location of the Lease confidential for safety purposes; and

**WHEREAS**, it is the recommendation of the Police Department that the City enter into the Second Amendment with Drywall for a period of three (3) years effective from July 1, 2017 through June 30, 2020 and reserve the right to extend the Lease for three (3) additional periods of one (1) year thereafter, at the option of the City.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF WILMINGTON HEREBY ORDAINS:**

**SECTION 1.** The Second Amendment, a redacted copy of which is attached hereto as Exhibit “A,” for the period of three (3) years effective from July 1, 2017 through June 30, 2020 at the rental rates listed on the “Rent Schedule” attached to the Second Amendment, with the possibility, at the option of the City, of three (3) additional extensions of one (1) year thereafter at the rental rates listed on the “Rent Schedule” attached to the Second Amendment, is hereby approved, and the City is hereby authorized and directed to execute as many copies of the Second Amendment, as well as all additional undertakings related thereto, as may be necessary.

**SECTION 2.** This Ordinance shall become effective upon its passage by City Council and approval by the Mayor.

First Reading..... September 7, 2017  
Second Reading..... September 7, 2017  
Third Reading.....

Passed by City Council,

\_\_\_\_\_  
President of City Council

ATTEST: \_\_\_\_\_  
City Clerk

Approved as to form this \_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Senior Assistant City Solicitor

Approved this \_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Mayor

**SYNOPSIS:** This Ordinance authorizes the execution of a second amendment (the “Second Amendment”) to a lease (the “Lease”) between the City of Wilmington and Drywall Associates, Ltd. for interior space for the Police Department’s Drug and Organized Crime Vice Unit for the period of three (3) years from July 1, 2017 through June 30, 2020, at the rental rates listed on the “Rent Schedule” attached to the Second Amendment, with the possibility of three (3) additional extensions of one (1) year thereafter at the rental rates listed on the “Rent Schedule” attached to the Second Amendment, at the option of the City.

**FISCAL IMPACT STATEMENT:** This Ordinance authorizes the execution of the Second Amendment to the Lease for the period of three (3) years from July 1, 2017 through June 30, 2020 at the annual rent of \$17,839.32, \$18,374.50, and \$18,925.74 for the first, second, and third years, respectively. At the option of the City, there is the possibility of three (3) additional extensions of one (1) year thereafter at the annual rent of \$19,493.16, \$20,077.95, and \$20,680.29 for the first, second, and third extensions, respectively.

**SECOND AMENDMENT TO  
LEASE DATED JUNE 30, 2013  
BY AND BETWEEN DRYWALL ASSOCIATES, LTD, AS LANDLORD, AND  
CITY OF WILMINGTON POLICE DEPARTMENT, AS TENANT**

**THIS SECOND AMENDMENT TO LEASE** (the "Second Amendment"), is made this \_\_\_\_ day of \_\_\_\_\_ 2017 to be effective *nunc pro tunc* to July 1, 2017, by and between Drywall Associates, LTD, a Delaware LTD (hereinafter referred to as "Landlord"), and The City of Wilmington Police Department (hereinafter referred to as "Tenant").

**WHEREAS**, Landlord entered into a lease agreement with Tenant dated June 30, 2013 (the "Lease") for interior space located at \_\_\_\_\_ ; and

**WHEREAS**, Landlord entered into a first amendment to the Lease with Tenant dated July 1, 2015 to extend the Lease to June 30, 2017; and

**WHEREAS**, Landlord and Tenant would like to further extend the Lease; and

**WHEREAS**, Landlord and Tenant agree to amend the Lease as set forth below and to be bound by all other terms and conditions of the Lease.

**NOW, THEREFORE**, in consideration of the mutual covenants and promises set forth herein and intending to be legally bound hereby, the parties agree to amend the Lease as follows:

1. The term of this Second Amendment shall extend the Lease for an additional three (3) years beginning on July 1, 2017 and ending on June 30, 2020 at the rental rates listed in the "Second Amendment Term" on the attached "Rent Schedule."

2. Tenant shall have an option to renew the Lease at the expiration date of June 30, 2020 for up to three (3) additional one (1) year terms at the rentals rates listed in the "Renewal Option" on the attached "Rent Schedule."

**IN WITNESS WHEREOF**, the parties have set their hands and seals hereto this \_\_\_\_ day of \_\_\_\_\_, 2017.

**LANDLORD:**

Drywall Associates, Ltd  
A Delaware Ltd

Witness: \_\_\_\_\_

By: \_\_\_\_\_  
Gerald Woerner, Member / Date

**TENANT:**

City of Wilmington Police Department

Witness: \_\_\_\_\_

By: \_\_\_\_\_  
Captain Stephen Misetich / Date

W0094610

City of Wilmington Law Dept.  
Approved as to form

Elizabeth D. Power  
Signature  
Date: 8/15/17

**EXHIBIT A**

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## Rent Schedule - Base Rent Rider

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### Second Amendment Term:

		<b>Annual Rent</b>	<b>Monthly Rent</b>
Year 1	07/01/17 to 06/30/18	\$17,839.32	\$1,486.61
Year 2	07/01/18 to 06/30/19	\$18,374.50	\$1,531.21
Year 3	07/01/19 to 06/30/20	\$18,925.74	\$1,577.15

### Renewal Option:

		<b>Annual Rent</b>	<b>Monthly Rent</b>
Year 1	07/01/20 to 06/30/21	\$19,493.16	\$1,624.43
Year 2	07/01/21 to 06/30/22	\$20,077.95	\$1,673.16
Year 3	07/01/22 to 06/30/23	\$20,680.29	\$1,723.36