

AN ORDINANCE TO AUTHORIZE AND APPROVE A ONE (1) YEAR LEASE RENEWAL BETWEEN THE CITY OF WILMINGTON AND PORT PROPERTIES, LLC, WITH THE OPTION TO EXTEND FOR AN ADDITIONAL ONE (1) YEAR

#4401

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, the City entered into a lease (the “Lease”) with Port Properties, LLC (“Port Properties”) for space to store seized vehicles for the Police Department’s Drug and Organized Crime Vice Unit from May 31, 2015 to June 1, 2016; and

WHEREAS, in June 2016, the City extended the Lease (the “First Amendment”) for one (1) additional month with an expiration date of June 30, 2016; and

WHEREAS, in July 2016, the City extended the Lease (the “Second Amendment”) for a period of one (1) year from July 1, 2016 to June 30, 2017; and

WHEREAS, the City would like to further extend the Lease (the “Third Amendment”) for a period of one (1) year effective July 1, 2017 through June 30, 2018 at the rental rates listed on the “Rent Schedule” attached to the Third Amendment, a redacted copy of which is attached hereto and incorporated by reference herein as Exhibit “A”; and

WHEREAS, the Third Amendment contains the possibility of an additional extension of one (1) year after June 30, 2018 at the rental rates listed on the “Rent Schedule” attached to the Third Amendment, at the City’s option, subject to budget appropriation; and

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

WHEREAS, the copy of the Third 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 Third Amendment with Port Properties for a period of one (1) year effective from July 1, 2017 through June 30, 2018 and reserve the right to extend the Lease for an additional period of one (1) year thereafter, from July 1, 2018 to June 30, 2019, at the option of the City.

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

SECTION 1. The Third Amendment, a redacted copy of which is attached hereto as Exhibit “A,” for the period of one (1) year effective from July 1, 2017 through June 30, 2018 at the rental rates listed on the “Rent Schedule” attached to the Third Amendment, with the possibility of a one (1) year additional extension from July 1, 2018 through June 30, 2019 at the rental rates listed on the “Rent Schedule” attached to the Third Amendment, at the option of the City, is hereby approved, and the City is hereby authorized and directed to execute as many copies of the Third 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.

Assistant City Solicitor

Approved this ____ day of _____, 2017.

Mayor

SYNOPSIS: This Ordinance authorizes the execution of a third amendment (the “Third Amendment”) to a lease (the “Lease”) between the City of Wilmington and Port Properties, LLC for space to store seized vehicles for the Police Department’s Drug and Organized Crime Vice Unit for the period of one (1) year from July 1, 2017 through June 30, 2018, at the rental rates listed on the “Rent Schedule” attached to the Third Amendment, with the possibility of an additional extension of one (1) year thereafter from July 1, 2018 to June 30, 2019, at the rental rates listed on the “Rent Schedule” attached to the Third Amendment, at the option of the City.

FISCAL IMPACT STATEMENT: This Ordinance authorizes the execution of the Third Amendment to the Lease for the period of one (1) year from July 1, 2017 through June 30, 2018 at the annual rent of \$14,832.00. At the option of the City, there is the possibility of an additional extension of one (1) year thereafter from July 1, 2018 to June 30, 2019 at the annual rent of \$14,832.00.

**THIRD AMENDMENT TO
LEASE DATED JUNE 1, 2015
BY AND BETWEEN PORT PROPERTIES, LLC AS LANDLORD, AND
CITY OF WILMINGTON POLICE DEPARTMENT, AS TENANT**

THIS THIRD AMENDMENT TO LEASE ("Amendment"), is made this 1st day of June, 2017, by and between Port Properties, LLC a Delaware LLC (hereinafter referred to as "Landlord"), and City of Wilmington Police Department (hereinafter referred to as "Tenant").

WHEREAS, Landlord entered into a lease agreement with Tenant dated June 1, 2015 ("Lease") for exterior space located at _____ ;

WHEREAS, The "First Amendment" dated June 1, 2016 extended the original lease for an additional one (1) month with an expiration date of June 30, 2016.

WHEREAS, The "Second Amendment" dated July 1, 2016 extended the original lease for an additional one (1) year with an expiration date of June 30, 2017.

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

1. Term: The term of this "Third Amendment" shall extend the lease for an additional year commencing July 1, 2017 and expiring June 30, 2018 at the Renewal Rate as defined in the Second Amendment.

2. Renewal Option to Third Amendment: Tenant shall have an option to renew Lease at the expiration date, June 30, 2018 by giving six (6) months written notice to Landlord of Tenant's plans to exercise Tenant's renewal option. Rent shall not increase for this term.

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

WITNESS:

LANDLORD:

Port Properties LLC

By: _____

Print Name

WITNESS:

TENANT:

City of Wilmington Police Dept

By: _____

Print Name

Base Rent Rider

Renewal Term

07/01/17 thru 06/30/18

Monthly Rent

\$1,236.00

Annual Rent

\$14,832.00

Renewal Option Rent Rider

Renewal Option

07/01/18 thru 06/30/19

Monthly Rent

\$1,236.00

Annual Rent

\$14,832.00

LEASE SUMMARY PAGE

- A. Landlord: Port Properties, LLC
- B. Tenant: City of Wilmington Police Department
- C. Property Address:
- D. Term: One (1) Years
Lease Commencement Date: July 1, 2017
Expiration Date: June 30, 2018
- E. Renewal Option: July 1, 2018 thru 06/30/2019
- F. Base Rent: One Thousand and Two Hundred Thirty-Six Dollars (\$1,236) per month
- G. Security Deposit: Waived
- H. Late Charge: Greater of One Hundred Dollars (\$100.00) or five percent (5%) of the delinquent amount
- I. Permitted Use: DOCT Storage of 20 to 30 Vehicle
- J. Rider and Addenda: Lease Signature Page; Exhibit A "Property Description and Exhibit B "Rent Schedule"

W0077738.

Initials:

Landlord: _ _

Tenant: _ _ _ _

LEASE SIGNATURE PAGE

LANDLORD: Port Properties, LLC (and/or assigns)

1020 Christina Ave

Wilmington, DE 19801

City of Wilmington Police Department

Office Phone: 302.379.2770

800 French Street

TENANT:

Wilmington, DE 19801

Email Address: stephen.misetic@cj.state.de.us

Emergency Contact: Cpt Stephen Misetic

Office Phone: 302.576.3913

Relationship: Tenant

COPY:

City of Wilmington Law

Office Phone: 302.576.2175

Department Attention: City Solicitor

800 N. French Street, 9th Floor

Wilmington, DE 19801

Premises Address: _____

IN WITNESS WHEREOF, Landlord and Tenant have signed and sealed this Lease effective the day and year written below.

Port Properties LLC

Managing Member

Date

Witness

By: _____ (SEAL)

City of Wilmington
Chief of Police

Date

Witness

By: _____ (SEAL)

Captain Stephen Misetic
Tenant

Date

Initials:

Landlord: _____

Tenant: _____

Exhibit A

Property Description

One half acre fenced yard for storage of 20 to 30 vehicles located at

The fence will be 6' tall with a barbed-wire top and shall be installed by Landlord if not already done. A 12' to 14' gate will be installed by Landlord to provide secure ingress and egress for Tenant. The yard will be enclosed on 3 sides by the above mentioned fencing and the fourth side of the yard backs up to a body of water providing a completely enclosed yard.

Initials:

Landlord: _____

Tenant: _____

Exhibit B

Rent Schedule

TERM	MONTHLY RATE	ANNUAL RATE	
05/31/15 to 06/01/16	\$1,200.00	\$14,400.00	Original Lease
06/01/16 to 06/30/16	\$1,200.00		1st Amendment
07/01/16 to 06/30/17	\$1,200.00	\$14,000.00	2 nd Amendment
07/01/17 to 06/30/18	\$1,236.00	\$14,832.00	3 rd Amendment

Renewal Option Rent Rider

TERM	MONTHLY RENT	Annual Rent
07/01/18 thru 06/30/19	\$1,236.00	\$14,832.00

Initials:

Landlord: ___

Tenant: ___