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2019-1 (1ST READING): AN ORDINANCE TO APPROVE A LEASE OF 804 1/2 NORTH 1 2 OAK ST TO RICHARD W. DICKINSON. 3 Applicant/Purpose: staff/ to allow Rik Dickinson to lease space at this location. 4 5 **Brief:** 6 Mr. Dickinson is the former owner of the Encore Video property recently purchased by 7 the DRC for the Theater project. 8 The proposed lessee would like to stay in the proximity of his former business location 9 on a temporary basis. • Staff has identified that the City-owned building located at 804 ½ North Oak Street 10 would be available & suitable for occupancy. 11 12 13 **Issues**: 14 The term of the lease begins on 1/1/2019 & rent is charged at a rate of \$16.44/day. 15 The lessee may terminate the lease upon 10 days' notice. 16 The tenant is responsible for utility costs and taxes, & routine maintenance. 17 Public Notification: Normal meeting notification. 18 19 20 **Alternatives:**

Change the terms of the proposed lease agreement.

Do not enter into this lease w/ Mr. Dickinson.

Manager's Recommendation: I recommend 1st reading.

<u>Financial Impact</u>: No significant impact.

Attachment(s): Proposed ordinance.

STATE OF SOUTH CAROLINA COUNTY OF HORRY

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease Agreement") is made and entered into on this first ____ day of ______ 2019 by and between THE CITY OF MYRTLE BEACH, a body politic and political subdivision organized and existing under the Laws and Constitution of the State of South Carolina (the "City" or Lessee) and Richard W. Dickinson. (Lessor), an individual.

WITNESSETH:

WHEREAS, the Lessor desires to lease certain premises and the City is willing to lease such premises for a limited time.

NOW, THEREFORE, for and in consideration of the promises and mutual covenants contained herein, the Lessor and Lessee agree as follows:

SECTION 1. <u>Description of Leased Premises; As-Is.</u> That certain structure, located at 804 & 1/2 NORTH OAK STREET Myrtle Beach, South Carolina. The lessee acknowledges that it has inspected the Leased Premises and further acknowledges that the Leased Premises are leased as suitable for its intended use.

SECTION 3. Term; Assignment or Subletting of Leasehold. The term of this Lease Agreement shall be for a definite term of commencing on the first (1) day of January 2019, at a rate of sixteen dollars and forty-four cents per day (\$16.44). The Lessor or Lessee shall have the right to terminate the lease by providing ten (10) days prior written notice. Rent is due and payable on the first day of each month for the preceding days at City Hall, 937 Broadway St. Myrtle Beach, South Carolina. Lessee shall NOT have the right to sublet, but shall remain fully responsible for this agreement, unless the parties modify this agreement with equal dignity to reflect any change in responsibility.

SECTION 4. <u>Use of Premises; No Alterations.</u> Lessee shall use the Leased Premises as in a manner that preserves its current fit and finish, and shall make no use of the Leased Premises which constitutes a hazard to health or damage to structure or property. No part of the Leased Premises shall be used in any manner or occupied for any purpose that violates any applicable local, City, State, or Federal rules, regulations, statutes, or requirements now or hereafter in effect. Any and all improvements, alterations, installations, additions or decorations made by the Lessee to the Leased Premises shall be subject to the Lessor's written consent, which shall not be unreasonably withheld, and shall be accomplished in accordance with all applicable building codes, laws, and regulations, and in a good, substantial, and workmanlike manner.

SECTION 5. <u>Maintenance</u>; <u>Insurance</u>. The Lessee shall perform routine maintenance, care and upkeep of the interior of the Leased Premises as the need

arises. All maintenance shall be performed in a workmanlike manner, respecting the ownership rights of Lessor. Except for damage caused by the Lessee or as otherwise provided herein, Lessor shall, throughout the term of this Lease, promptly keep and maintain the exterior of the shared building and surrounding appurtenance area in a sanitary and neat order, condition, and repair as it is now at the time of the execution of this Lease Agreement. Each party to this agreement shall obtain its own personal property insurance, liability insurance for liability to persons coming onto the Leased Premises, and insurance for other consequential damages that either party might suffer arising from the occupancy of the Leased Premises.

SECTION 6. <u>Utilities; Taxes.</u> The Lessor shall be responsible for the structure's physical ability to receive utility service. The Lessee shall be responsible for the payment of any and all of any utility billing for services provided. The Lessee shall be responsible for its pro-rata portion of real estate taxes, based upon total square footage calculations for the whole structure, upon presentation of the tax bill within (thirty) 30 days of presentation.

SECTION 7. Default; Remedies; Notice. Occurrence of the following event or events, if not cured within the applicable cure period, shall be sufficient grounds for either party to deem the other in default of its obligations under this Agreement. Failure in the performance or breach of any covenant, obligation, or duty imposed by this Lease Agreement for thirty (30) days after written notice specifying the Default, including the payment of any charges due and the ongoing maintenance of the Leased Premises, and the continuance of such failure in the performance or breach for a period of thirty (30) days after written notice of such failure in the performance or breach. Upon an event of default, and after the passage of time set forth for notice and cure, if such is required, either party may terminate this Lease Agreement. Upon such termination, the lessee shall guit the Leased Premises and surrender possession to Lessor. Any request, demand, authorization, direction, notice, consent or waiver provided, required or permitted to be made upon, given by, or furnished to the either party with respect to this Lease Agreement shall be sufficient for every purpose hereunder if in writing and mailed by United States Mail, certified or registered mail, postage prepaid and addressed as follows:

A. TO CITY:
City of Myrtle Beach

Attn: City Manger 937 Broadway

Myrtle Beach, SC 29577

Tel: (843) 918-1002 Fax: (843) 918-1026

SECTION 9. Richard W. Dickinson

804 & 1/2 Main ST. Myrtle Beach, SC 29577

Attn: Tel: Fax:

SECTION 8. Force Majeure. Neither party shall be deemed to be in violation of this Lease Agreement if either is prevented from performing any of its obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, shortages of materials, acts of God, acts of the Public Enemy, acts of superior governmental

authority, weather conditions, fire, floods, riots, rebellions, acts of sabotage or other circumstances over which the parties have no control and for which neither party can be held responsible. That pro-rata portion of the rent paid in advance of that month shall be refunded within 30 days, and the rent shall be suspended immediately upon the event, and shall not commence again until the structure is restored to the use If the structure cannot be restored within ninety (90) days, this Lease is terminated and the parties are released from all obligations herein.

SECTION 9. Governing Laws; Waiver. This Lease Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina. Any cause of action between the parties arising out of or involving this Lease Agreement shall be brought in the Court of Common Pleas, Fifteenth Judicial Circuit, Horry City, South Carolina. Continued performance by either party pursuant to the terms of this Lease Agreement after a default in any of the terms, covenants, provisions, or conditions by the other party, shall not be deemed a waiver of any right to terminate this Lease Agreement or pursue any other remedy available at law or in equity for the default, and no waiver of any default shall be construed as, or act as, a waiver of any subsequent default of the same, similar, or different term, covenant, provisions, or condition.

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year ascribed herein.

FOR RICHARD W. DICKINSON
Ву:
lts:
Date: