

REQUEST FOR CITY COUNCIL CONSIDERATION

Meeting Date: March 3, 2025

Agenda Item: 7B	Prepared by: Chris Noury, City Attorney
Agenda Section: New Business: Ordinance. First Reading	Date: February 25, 2025
Subject: An Ordinance to approve the Fifth Amendment to the Commercial Lease Agreement between the City and Midcon Cable	Division: Legal

Background:

The City currently leases a portion of the City’s warehouse located on the corner of Sixth Avenue South and Bay Street to Midcon Cable. The current lease is due to expire on March 31, 2025, and Midcon has timely requested that the lease be extended for an additional three (3) year term.

The Amendment to the Commercial Lease Agreement is attached for the Council’s review. The document provides that the City will lease the premises to Midcon for a three-year term beginning on April 1, 2025, and terminating on March 31, 2028.

The base rent for the first year of the 3-year term will begin at \$204,912.48 and the monthly rate for the first year will be \$17,076.04. The base rent will increase each year thereafter by three percent (3%).

The base rent for April 1, 2026, through March 31, 2027, will be \$211,059.85 with a monthly rate of \$17,588.32.

The base rent for April 1, 2027, through March 31, 2028, will be \$217,391.65 with a monthly rate of \$18,115.97.

Recommended Action:

Approve or deny the proposed ordinance on first reading

Reviewed by Department Head	Reviewed by Interim City Manager	Reviewed by City Attorney
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Council Action:

Motion By _____ 2nd By _____ To _____

AN ORDINANCE

AN ORDINANCE TO EXTEND THE LEASE BETWEEN THE CITY AND MIDCON CABLE COMPANY, INC. (MIDCON) REGARDING A PORTION OF THE CITY'S WAREHOUSE LOCATED ON THE CORNER OF 6TH AVENUE SOUTH AND BAY STREET FOR AN ADDITIONAL THREE-YEAR TERM BEGINNING ON APRIL 1, 2025, THROUGH MARCH 31, 2028, WITH A LEASE RATE OF \$204,912.48 FOR THE FIRST YEAR OF THE THREE-YEAR TERM. MONTHLY INSTALLMENTS FOR THE FIRST YEAR WILL BE \$17,076.04. AFTER THE FIRST YEAR OF THE RENEWAL TERM, THE BASE RENT SHALL INCREASE EACH YEAR BY THREE PERCENT (3%).

WHEREAS, the current lease extension between the City and Midcon Cable will expire on March 31, 2025; and

WHEREAS, Midcon Cable has requested an additional lease extension for a three-year term beginning on April 1, 2025, through March 31, 2028; and

WHEREAS, a document entitled the Fifth Amendment to the Commercial Lease Agreement has been prepared for the purpose of extending the Lease Agreement for an additional three-year term beginning on April 1, 2025, and terminating on March 31, 2028, for \$204,912.48 payable in monthly installments of \$17,076.04 (the base rent will increase each year thereafter by three percent).

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL FOR THE CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA:

Section 1: The document entitled the Fifth Amendment to the Commercial Lease Agreement is hereby approved.

Section 2: The Interim City Manager is authorized to sign the document on behalf of the City.

Section 3: The Ordinance shall be effective upon the date of passage.

DONE, RATIFIED AND PASSED, THIS _____ DAY OF _____, 2025.

ATTEST: _____
Mayor Marilyn Hatley

City Clerk

APPROVED AS TO FORM:

City Attorney

FIRST READING: 3.17.2025
SECOND READING: _____

REVIEWED: _____
Interim City Manager

ORDINANCE: _____

STATE OF SOUTH CAROLINA)
)
)
COUNTY OF HORRY)

FIFTH AMENDMENT TO
COMMERCIAL LEASE
AGREEMENT

THIS FIFTH AMENDMENT TO COMMERCIAL LEASE AGREEMENT (hereinafter “AMENDMENT”), made effective as of the 1st day of April, 2025, by and between **City of North Myrtle Beach, a South Carolina Body Politic** (hereinafter referred to as the “LANDLORD”) and **Midcon Cables Co., Inc., a Missouri Corporation** (hereinafter referred to as “TENANT”).

WHEREAS, by Lease Agreement dated April 1, 2014, by and between LANDLORD and TENANT (“Lease”) LANDLORD leased to TENANT those certain Leased Premises, as defined in the Lease; and

WHEREAS, said Lease was amended by that certain First Amendment to Commercial Lease Agreement dated April 1, 2016, (“First Amendment”); and

WHEREAS, said Lease was amended again by that certain Second Amendment to Commercial Lease Agreement dated April 19, 2018, (“Second Amendment”); and

WHEREAS, said Lease was amended again by that certain Third Amendment to the Commercial Lease Agreement dated April 1, 2021, (“Third Amendment”); and

WHEREAS, said Lease was amended again by the certain Fourth Amendment to the Commercial Lease Agreement dated, April 1, 2022, (“Fourth Amendment”); and

WHEREAS, pursuant to the lease and the Fourth Amendment, the lease term will be terminated March 31, 2025; and

WHEREAS, TENANT timely requested an extension of the lease (the Fifth Amendment to the Lease Agreement) for a period of three (3) additional years; and

WHEREAS, pursuant to the lease and the Fifth Amendment to the Commercial Lease Agreement the lease term will be extended from April 1, 2025 through March 31, 2028; and

WHEREAS, LANDLORD hereby agrees to TENANT’S request for extension based on certain terms and conditions; and

WHEREAS, in accordance with the terms of the Lease, any agreement to extend the term shall be evidenced in writing setting forth the terms of said extension; and

NOW, THEREFORE, know all men by these presents, for and in consideration of mutual promises and covenants contained herein for One Dollar (\$1.00,) and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties do agree as follows:

1. The Lease Term shall be amended to extend same for a period of three (3) years commencing April 1, 2025, and terminating on March 31, 2028.
2. The initial Annual Base Rent for the first year of the lease renewal term (from April 1, 2025 to March 31 of 2026) shall be Two Hundred Four Thousand Nine Hundred Twelve and 48/100 Dollars (\$204,912.48) payable in monthly installments of Seventeen Thousand Seventy-Six and 04/100 Dollars (\$17,076.04). Effective April 1 of 2026 through March 31 of 2027, the Base Rent shall be increased by three percent (3%) to Two Hundred Eleven Thousand Fifty-Nine and 85/100 Dollars (\$211,059.85) payable in monthly installments of Seventeen Thousand Five Hundred Eighty-Eight and 32/100 Dollars (\$17,588.32). Effective April 1 of 2027 through March 31 of 2028, the Base Rent shall be increased by Three Percent (3%) to Two Hundred Seventeen Thousand Three Hundred Ninety-One and 65/100 Dollars (\$217,391.65) payable in monthly installments of Eighteen Thousand One Hundred Fifteen and 97/100 Dollars (\$18,115.97).
3. Any additional rent that is due to LANDLORD by TENANT from April 1, 2025 due to the increase in the Annual Base Rent and any Additional Rent that may be due to LANDLORD by TENANT shall be paid simultaneously with and as consideration for the execution of this AMENDMENT.
4. Except to the extent modified herein, the Lease shall remain in full force and effect. All terms capitalized herein, but not defined shall have those same meanings as set forth in the Lease.
5. This document may be executed in multiple counterparts, the signature pages of which may be compiled to constitute an original document.

IN WITNESS WHEREOF, the LANDLORD and TENANT have executed this AMENDMENT effective as of the date and year above written.

WITNESSES:

LANDLORD:

City of North Myrtle Beach, a South Carolina
Body Politic

By: _____

Ryan Fabbri

Its: Interim City Manager

Date: _____, 2025

WITNESSES:

TENANT:

Midcon Cables Co., Inc., a Missouri
Corporation

By: _____
Charles D. Wheeler

Its: President/CEO

Date: _____, 2025