

City Council Policy/Business/Consent Agenda Q&A's
October 10, 2022

<u>Submitted By:</u>	<u>Agenda Item # and Questions</u>	<u>Answers/Considerations</u>
Business Items		
CM Johnson & CM Mayfield	<p>15. World Link Wireless, Inc. Lease at the Charlotte Transportation Center</p> <p>When are we scheduled to start construction process and/or move to temporary site?</p> <p>Why are we proposing a 5-year lease when we know CTC is scheduled for demolition?</p>	<p>Due to the fact that this project is currently in the preliminary design stage, it is too early to project when construction will begin.</p> <p>This lease allows for the use of the space and the generation of revenue while it is still available. Tenant understands that future transit-related development may result in the early termination of the lease.</p> <p>All new leases at the CTC contain an early termination clause, which allows CATS to terminate the lease upon 90 days written notice. The Tenants have all been informed and the lease provides them with notice that CATS will engage in a capital, public transportation project at the CTC that will likely result in the early termination of the lease. Tenants have been given a five-year term to provide CATS with flexibility in generating revenue before construction begins at the CTC.</p>
CM Mayfield	<p>15. World Link Wireless, Inc. Lease at the Charlotte Transportation Center</p> <p>What is the current market rate for City owned spaces in Uptown?</p> <p>This \$2,640 monthly rent breaks down for 316 sq ft to \$8.35 per sq ft. Why is this rent rate considerably reduced?</p>	<p>Our real estate consultant at NAI Southern works with CATS and City Real Estate to set the commercial rental rates. Our NAI Southern representative has confirmed that the price for this unit is at the market rate and is comparable historically and with current CTC tenants. The rate per square foot is \$100.25 for the 316 SF kiosk, totaling \$2,640 per month/ \$31,680 annually.</p> <p>To clarify on how price per square foot works in commercial real estate, an example is provided below. Take the total monthly income, multiply by 12: \$2,640 (monthly) x 12 = \$31,680 (annually) Divide the annual amount by the square footage: \$31,680 / 316 sf = \$100.25 per square foot. Price per square foot quoted in commercial real estate is always annualized, in other words.</p>