

Legislation Text

File #: 15-20240, Version: 1

Lease of City-Owned Property at JW Clay Parking Deck

Action:

- A. Adopt a resolution to approve a lease agreement with ArKay Beauty Supply LLC, with a 61-month term for retail space in the JW Clay Parking Deck,**
- B. Authorize the City Manager to renew the lease for up to one, 60-month term, and**
- C. Authorize the City Manager to negotiate and execute all documents necessary to complete the transaction.**

Staff Resource(s):

Brent Cagle, CATS
Kelly Goforth, CATS
Lori Lencheski, CATS

Explanation

- The JW Clay Parking Deck is on the LYNX Blue Line Extension in Council District 4 and incorporates approximately 15,470 square feet of leasable space for office and retail, per the Transit Oriented Development ordinance.
- The leasable spaces provide opportunities for retail and business firms to offer goods and services to customers using the Blue Line Extension, along with walk-up customers from surrounding areas.
- ArKay Beauty Supply proposes using the space to sell beauty supplies.
- The lease terms are:
 - Premises: Approximately 2,352 square feet of retail space in the JW Clay Parking Deck (Suite 222);
 - Term: 61-months, with one option to extend the lease term for an additional sixty (60) months;
 - Base Rent: \$4,900 per month (\$58,800 per year) for year one, escalating at a rate of 3 percent annually for each year thereafter. This rate is consistent with market rates; and
 - The tenant would pay a share of common area maintenance costs.
- Tenants are responsible for improvement costs related to upfit of the parking deck office and retail space.
- The city agrees to reimburse tenant for tenant improvement costs only if the city terminates the lease during the initial term for transit-related activity. The total amount of reimbursable expenses shall not exceed \$40 per square foot or \$94,080.

Charlotte Business INclusion

This is a Real Estate Leasing and Acquisition Contract and is exempt (Part A: Appendix 1.27 of the Charlotte Business INclusion Policy).

Fiscal Note

Funding: Revenue from the lease will be deposited in the CATS Operating Budget.

Attachment(s)

Resolution