

Legislation Text

File #: 15-20471, Version: 1

Lease of City-Owned Property at University City Blvd Parking Deck

Action:

- A. Adopt a resolution to approve a lease agreement with Prime Time Aesthetics LLC, d.b.a Ship Wreck Athletics and Performance Center, with an 87-month term for retail space in the University City Blvd Parking Deck,**
- B. Adopt a resolution to approve a lease agreement with The FitFat Coach, LLC, d.b.a TFC Barbell Club, with an 87-month term for retail space in the University City Blvd Parking Deck,**
- C. Authorize the City Manager to renew each lease for up to one, 60-month term, and**
- D. Authorize the City Manager to negotiate and execute all documents necessary to complete the transactions.**

Staff Resource(s):

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

Explanation

- The University City Blvd. (UCB) Parking Deck on the LYNX Blue Line Extension (BLE) in Council District 4 incorporates approximately 11,495 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 BLE, along with walk-up customers from surrounding areas.

Action A:

- Ship Wreck Athletics and Performance Center proposes using the space as a gym.
- The lease include:
 - Premises: Approximately 2,687 square feet of retail space in the UCB Parking Deck (Suite 208);
 - Base Rent: \$4,590.29 per month (\$55,083.48 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 \$107,480.

Action B:

- TFC Barbell Club proposes using the space as a gym.
- The lease terms include:
 - Premises: Approximately 4,640 square feet of retail space in the UCB Parking Deck (Suite 212 and 213); and

- Base Rent: \$7,926.67 per month (\$95,120.04 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 \$185,600.

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 leases will be deposited in the CATS Operating Budget.

Attachment(s)

Ship Wreck Athletics and Performance Center Resolution
TFC Barbell Club Resolution