

**RESOLUTION APPROVING AN AGREEMENT WITH THE WINSTON-SALEM
STATE UNIVERSITY FOUNDATION FOR THE LEASE OF SPACE
IN UNION STATION**

WHEREAS, at the Finance Committee's September 2019 meeting, City staff presented the framework for leasing approximately 8,000 square feet on the second level of Union Station to Winston-Salem State University, more specifically the Winston-Salem State University Foundation; and

WHEREAS, the University would lease the space for the following activities: passport acceptance agency, print shop/limited postal service, one-stop operation for enrollment management, campus tours, and admissions; and

WHEREAS, the City and Winston-Salem State University officials have discussed entering into an agreement to lease approximately 8,000 square feet on the second level for a term of 30 years at a base rental rate of \$10 per square foot, for an annual rent of \$80,000; and

WHEREAS, under the proposed lease, the City would pay for the upfit of the University's space using a portion of the remaining balance in the Union Station project budget; and

WHEREAS, in order to recover the cost of the upfit over a reasonable time, the City initially would set a higher rental rate and then adjust the rate to cover operating costs (including maintenance) for the leased space and to set aside funds for a maintenance reserve; and

WHEREAS, based on an estimated cost of \$250,000 to upfit the space and a payback period of ten years, the initial rental rate would be set at \$13.13 per square foot, for a total annual rent of \$105,040.

NOW, THEREFORE BE IT RESOLVED, that the Mayor and City Council of the City of Winston-Salem, upon the recommendation of the Finance Committee, hereby authorize the long-term lease of approximately 8,000 square feet of space on the second level of Union Station

under the provisions of and in accordance with N.C.G.S. 160A-269 and N.C.G.S. 160A-272, in which the City Secretary shall cause a notice of proposed lease, containing a general description of the property, amount and terms of the lease offer, and a notice that within ten days any person may raise the bid by not less than ten percent of the first \$1,000 and five percent of the remainder, be published, without further authorization of the City Council; shall re-advertise the offer at the increased bid; and shall repeat this procedure until no further qualifying bids are received, at which time the Mayor and City Council may accept the offer and lease the property to the highest bidder or reject any and all offers.

BE IT FURTHER RESOLVED, that the Mayor and City Council have found that it is in the public interest to add the conditions set forth in the attached Exhibit A and that the lease of the property is contingent upon the conditions and restrictions contained in said Exhibit A.

BE IT FURTHER RESOLVED, in the event that no raised bid is received, the lease set forth above is hereby accepted and the appropriate City officials are hereby authorized to execute instruments required to complete the lease agreement with the Winston-Salem State University Foundation, or its assigns, as stated herein.