

**RESOLUTION AUTHORIZING EXECUTION OF A LEASE FOR SURPLUS SPACE IN
THE UNION STATION BUILDING AT 300 SOUTH MARTIN LUTHER KING, JR.
DRIVE UNDER THE PROVISIONS OF N.C.G.S. 160A – 272**

WHEREAS, on December 21, 2015, the City Council authorized the Simon G. Atkins Community Development Corporation (Atkins CDC) to serve as the leaseholder of 12,000 sq. ft. of the Union Station building and the subleasing of that space to other retail entities; and

WHEREAS, Atkins CDC and the City have been approached by Elizabeth's Pizza proposing to open a restaurant in an approximate 3000 sq. ft. space identified as Suite 210; and

WHEREAS, the initial term would be for five years with two five-year options; and

WHEREAS, the tenant would pay approximately \$40,000 in equipment upfit costs and the City would provide approximately \$283,000 in equipment upfit costs and finish-out of the space; and

WHEREAS, the City's investment in equipment upfit costs would be repaid in approximately the first nine years of the lease term; and

WHEREAS, the lease rate would be \$4.00 per sq. ft., or \$12,000 per year, in years 1 and 2; \$8.00 per sq. ft., or \$24,000 per year, in year 3; and \$12.00 per sq. ft., or \$36,000 per year, in years 4 and 5; and

WHEREAS, if exercised, the first five-year option would be at a rate of \$13.50 per sq. ft., or \$40,500 per year, and the second five-year option would be at a rate of \$16.75 per sq. ft., or \$50,250 per year; and

WHEREAS, since the lease term is for more than 10 years, the procedures for the sale of real property with upset bids, all in accordance with N.C.G.S. 160A-269, must be employed; and

WHEREAS, the lease would provide an anchor tenant for the Union Station retail space and add a new restaurant to the area.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and the City Council of the City of Winston-Salem, hereby authorize the execution by the appropriate City officials of a lease, approved by the City Attorney, for a 3000 sq. ft. portion of the Union Station building identified as Suite 210 to Simon G. Atkins Community Development Corporation and a sublease of the same to Elizabeth's Pizza or their assigns, or as an alternative for the City to lease to Elizabeth's Pizza or their assigns, as described herein and shown on Exhibit A, for a term of five years with two additional five-year options based on the rate, term, and conditions described herein.

BE IT FURTHER RESOLVED that in accordance with N.C.G.S. 160A-269, 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 this procedure shall be repeated until no further qualifying bids are received, at which time the City Council may accept the offer and lease the property to the highest bidder or reject any and all offers.

BE IT FURTHER RESOLVED in the event that no raised bid is received, the lease offer set forth above is hereby accepted, and that the appropriate City officials are hereby authorized to execute instruments required to lease the property to Elizabeth's Pizza as stated herein.