

## City Council – Action Request Form

**Date:** December 9, 2019

**To:** Mayor, Mayor Pro Tempore, and Members of the City Council

**From:** Ben Rowe, Assistant City Manager

**Council Action Requested:**

Resolution Authorizing a Lease with the State of North Carolina for space in City-Owned Property at 226 South Liberty Street (South Ward)

**Strategic Focus Area:** Economic Vitality and Diversity

**Strategic Objective:** No

**Strategic Plan Action Item:** No

**Key Work Item:** No



**Summary of Information:**

On September 16, 2019, the City Council of the City of Winston-Salem authorized the purchase of property containing a total of 18,927 square feet at 226 South Liberty Street. This resolution also authorized the City's assumption of the existing lease between the former owner and the State of North Carolina (State of NC) for space on the second floor, with a future lease between the City and the State of NC to replace this lease assumption. The tenant has occupied the space for a number of years and would like to continue the lease relationship.

City staff propose that the City enter into a gross lease of approximately 5,756 square feet on the second floor with the State of NC for \$25,000 per year. Due to the design and layout of the second floor, it is not practical to lease the space to multiple tenants. The lease term would be for one year with two, one-year renewals. At the end of the term, staff will evaluate the lease to explore a long-term lease with the State of NC.

The attached resolution authorizes a lease of 5,756 square feet of surplus City property at 226 South Liberty Street to the State of NC as described herein and as agreed to by the City Attorney. Under the proposed lease agreement with MUSE Winston-Salem, the City would retain \$10,000 of the annual rent payment and remit the remaining \$15,000 to the museum to be applied toward the operation and maintenance of the property.

**Committee Action:**

<b>Committee</b>	<u>Finance 12/9/19</u>	<b>Action</b>	<u>Approval</u>
<b>For</b>	<u>Unanimous</u>	<b>Against</b>	<u></u>

**Remarks:**