City Council Agenda Item Request
Submit to Clerk's Office
No later than 30 days before proposed Council meeting

1. **Date submitted to Clerk's Office:** 7/7/2025

2. **Primary contact person and Department requesting agenda item:** Rachel Taylor, Economic Development

3. **Requested Council meeting date:** 9/9/2025

4. **Subject:** Lease renewal between the City of Asheville and USA Army for the city-owned property at 224 Louisiana Avenue.

5. **Action Requested:** Resolution authorizing the City Manager to sign a lease renewal agreement between the United States of America and the City of Asheville for 224 Louisiana Avenue.

6. **Note if time sensitive, and why:** This lease renewal has been on pause for several years while USA Army completed an environmental assessment. They have been leasing the property without an executed lease agreement since 2020.

7. **Potential fiscal impact(s) - if known by staff at time of request:**
   - USA Army will continue to pay $10,317.00 per month until execution of the new lease.
   - USA Army will pay $267,180 for the backlog of year-over-year rent increases since 2020
   - For the remainder of the lease term, the tenant will pay $13,666.67 per month.

8. **Identify all vendor outreach for Minority & Women-Owned Business Enterprises (MWBE).**
   - N/A

9. **Identify all Boards, Commissions and Council Committees with tentative dates - add in the vote and recommendation from each Board:** None

10. **Identify key issues:**
    - The City of Asheville owns approximately 8.857 acres of real property at 224 Louisiana Avenue. The U.S. Army has occupied the site since 1950 and currently, the 81st Regional Support Command (RSC) of the US Army Reserves operates out of the facility.
    - The United States Congress has made an appropriation that will allow the Army to purchase land and construct a new complex to be used for the U.S. Army Reserves operating in the Asheville area.
    - The entire process of relocating this facility will take as long as five years to accomplish.
    - The current lease expired on December 31, 2020, and the U.S. Army's realty agent has requested that their current lease be extended so that the Army Reserves can remain at this site during the transition.
    - The City of Asheville has commissioned a fair market lease appraisal to determine the lease rate in today's market, and the Army's review appraiser has approved it. The appraised value for a ground lease at this property is $164,000 per year.
    - The current lease rate of $124,000 per year will increase to $164,000 per year during the requested five-year term.
    - At the end of the five-year term, the site will be available for an additional two-year renewal with the U.S. Army or available for the City to consider for reuse, sale, or redevelopment.

- The lease term is 5 years, with an optional extension for two (2) additional years.

Property Map:

