THE CITY OF ASHEVILLE

STAFF REPORT

Council Meeting Date: October 26, 2021

Subject: Lease with the Grind LLC at 8 River Arts Place

Staff Resources: Nikki Reid, Economic & Community Development Interim Director
Ellen McKinnon, Real Estate Coordinator

Action Requested: Approve a resolution authorizing the City Manager to sign a lease agreement with The Grind, LLC for City-owned property located at 8 River Arts Place.

Background:

- PSNC Energy donated the structure and land at 8 River Arts Place to the City in 2012.
- The City renovated the structure and opened it to the public in 2017.
- It was available for short term rental for events and the attached public restrooms were available from dawn to dusk.
- The Master Plan for the Riverfront was completed in 2015 and long term plans were always to secure an appropriate single tenant for the property.
- The main room has 1,064 square feet of indoor space and roughly 1,300 of outdoor deck space for use by the tenant.
- The City's Real Estate Office issued a Request for Proposals in May of 2021.
- This process was designed to incorporate an equity lens at every stage.
- Community Outreach was an important component of the process and took place during the Spring of 2021.
- Each applicant was asked to address how their proposal would enhance the revitalization of the River Arts District and support City Council's Strategic Goals. Applicants included:
    - Asheville Buncombe Community Land Trust
    - BeLoved Asheville
    - Effulgence Skin & Wellness, LLC.
    - Flying Bike, Hood Huggers International, and Asheville Hiking Tours (Proposing "RAD Excursion Hub")
    - GRIND, LLC. (Proposing "Black Wall Street AVL")
- The Grind's proposal entitled "Black Wall Street AVL" was chosen by the Staff Selection Committee because it will celebrate Black history, encourage retail activity by Black artists and businesses and provide cultural event space.
- Grind LLC has proposed to pay $1,500 per month or $18,000 per year in rent and are requesting an initial 4 year term with an option to renew for another 4 year term.
- This rental rate is on par with area fair market rentals in the area and considers the ongoing public use of the adjacent public restrooms.

Council Goal(s):

- An Equitable and Diverse Community
- Thriving Local Economy

Committee(s):

- The Planning and Economic Development Committee recommended approval at their meeting on October 11, 2021.

Pro(s):

- The tenants' program will act as an economic development engine for the River Arts District
- Black owned businesses will have an opportunity to partner with Black Wall Street AVL and sell their products at this location.
- The building will provide event space for cultural and educational events.
- City will be receiving fair market rent for the space.

Con(s):

- None

Fiscal Impact:

- Rental revenues will be used to offset the costs of utilities and maintenance.

Suggested Motion:

- Approve a resolution authorizing the City Manager to sign a lease agreement with The Grind, LLC at 8 River Arts Place

Attachments:

- Resolution
- Location Map
- City's webpage about the opportunity
- Black Wall Street Proposal
- PED Presentation

RESOLUTION NO. 21-_____

RESOLUTION AUTHORIZING A LEASE AGREEMENT BETWEEN THE CITY OF ASHEVILLE AND GRIND LLC ON CITY-OWNED PROPERTY AT 8 RIVER ARTS PLACE

WHEREAS, N. C. Gen. Stat. 160A-272 authorizes the lease of City owned property for such terms and conditions as the council sees fit, for periods of up to 10 years upon 30 days public notice; and

WHEREAS, public notice describing the property to be leased, stating the proposed lease payments, and announcing the City Council's intent to consider the lease at this regularly held meeting was issued on September 24, 2021: and

WHEREAS, the City of Asheville is the owner of real property located on 8 River Arts Place; and

WHEREAS, the City of Asheville would like to extend a new lease to Grind, LLC to lease the structure and deck area for a four year term with one (1) four (4) year renewal; and

WHEREAS, the rental for the leased premises will be $1,500.00 per month with an escalation rate of 2% to be applied at the beginning of each new lease year;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

The City Manager is hereby authorized to execute a Lease Agreement between the City of Asheville and Grind LLC for property located at 8 River Arts Place, Asheville NC. In addition, the City Manager is hereby authorized to execute any and all documents necessary to give effect to this resolution, subject to approval by the City Attorney, and compliance with applicable North Carolina law.

Read, approved and adopted this 26th day of October, 2021.

_____ _____

City Clerk Mayor

Approved as to form:

_____

City Attorney