THE CITY OF ASHEVILLE

STAFF REPORT

Council Meeting Date: September 14, 2021

Subject: Request for Lease Approval for City to Lease Parking from AT&T

Staff Resources: Garrett Male, Parking Services Manager
Ellen McKinnon, Real Estate Coordinator

Action Requested: Adoption of a resolution authorizing the City Manager to sign a lease with AT&T for public parking at 24 O'Henry Avenue.

- AT&T has an available lot at 24 O'Henry Avenue and entered into an agreement with the City in 2011 to lease roughly 45 parking spaces or approximately 14,500 square feet of area within parcel 9649-20-5843-00000.
- This parking area is managed by the City's Parking Service Manager.
- The rental amount has been increased every year by 2%.
- The City is responsible for some utilities and maintaining its portion of the parking lot and other repairs as needed. For example, the City paid to repair the gate.
- When the lease was scheduled to expire in 2021, AT&T wanted to increase the rent by a significant amount.
- Because the City has recently experienced a reduction in the number of workers needing to use downtown parking lots, a request was made by the Real Estate Office to delay the increase for two years.
- AT&T agreed to extend the lease for one more year with current rates and at the end of this period, a new lease would be renegotiated with the City.
- The City is currently paying $3, 078.44 per month or $36,941.25 per year and will pay $3,290 or $39,480 after its scheduled 2% increase in the new lease term.
- Staff is requesting that the City Manager be authorized to sign this one year extension to the existing lease.

Council Goal(s):
- A Financially Resilient City

Committee(s):
- None

Pro(s):
- The City will still have access to these spaces at the existing rate.
- The time extension will allow the City to reassess its parking needs.

Con(s):
- None.

Fiscal Impact:
- Parking Services will continue to pay the rental fee and budget for it within the Operating Budget.

Suggested Motion:
- Motion to approve the resolution authorizing the City Manager to sign a lease document with AT&T.

Attachment(s):

- Resolution
- Location Map
- Parking Spaces

RESOLUTION NO. 21-_____

RESOLUTION AUTHORIZING A LEASE AGREEMENT BETWEEN BELLSOUTH TELECOMMUNICATIONS, INC, DBA AT&T NORTH CAROLINA AND THE CITY OF ASHEVILLE FOR PUBLIC PARKING AT 24 O'HENRY AVENUE IN DOWNTOWN ASHEVILLE

WHEREAS, N. C. Gen. Stat. 160A-19 and 160A-240.1 authorize the City to acquire leases of real property for use by any department of the City; and

WHEREAS, Bellsouth Telecommunications, Inc. dba AT&T North Carolina is the owner of real property located at 24 O'Henry Ave., identified as 9649-20-5843-00000 and

WHEREAS, the City of Asheville would like to extend the existing lease with AT&T to continue to lease a portion of said property for approximately 45 public parking spaces and the parties have mutually agreed to negotiate terms for a new lease next year; and

WHEREAS, the rental for the leased premises will be $3,290.00 per month with an escalation rate of 2% to be applied at the beginning of each new year; and

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

The City Manager is hereby authorized to execute the Lease Agreement Amendment between Bellsouth Telecommunications, Inc., dba AT&T North Carolina and the City of Asheville for a portion of the parking lot located at 24 'Henry Avenue at PIN # 9649-20-5843-00000. In addition, the City Manager is hereby authorized to execute any and all documents necessary to give effect to this resolution, subject to the approval of the City Attorney, and compliance with North Carolina law.

Read, approved and adopted this 14th day of September, 2021.

_____ _____

City Clerk Mayor

Approved as to form:

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City Attorney