THE CITY OF ASHEVILLE

STAFF REPORT

Council Meeting Date: December 14, 2021

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

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

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

Background:

- On October 26, 2021, the City Council approved a lease agreement between the City of Asheville and The Grind, LLC to enable them to operate Black Wall Street Asheville out of this location.
- The fair market value quoted to The Grind, LLC was $1,500 per month with an applied escalation rate of 2%.
- The term is four years with one renewal of four years.
- At the October 26 meeting, City Council directed staff to reduce the rent to $1 per year and prepare an amendment for Council's approval.

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.

Con(s):

- Under the original terms of the lease the City would have received approximately $18,000 per year but under the revised terms the City will not receive this revenue.

Fiscal Impact:

- As noted above, the City will not be receiving fair market rent for the duration of the four year lease.

Suggested Motion:

- Motion to approve a resolution authorizing the City Manager to sign a lease agreement amendment with The Grind, LLC at 8 River Arts Place to establish the rent at $1 per year.

Attachments:

- Resolution
- Location Map
- Black Wall Street Proposal

- City’s webpage about the opportunity
- PED Presentation

RESOLUTION NO. 21-_____

RESOLUTION AUTHORIZING A LEASE AMENDMENT BETWEEN THE CITY OF ASHEVILLE AND THE 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 amended lease payments was issued on November 12, 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 extended 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 was be $1,500.00 per month with an escalation rate of 2% to be applied at the beginning of each new lease year;

WHEREAS, the City Council directed that the monthly rent for the Grind, LLC for this particular purpose at 8 River Arts Place should be $1.00 per year for the duration of the term;

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 Amendment between the City of Asheville and The 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 14th day of December, 2021.

_____ _____

City Clerk Mayor

Approved as to form:

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City Attorney