THE CITY OF ASHEVILLE

STAFF REPORT

Council Meeting Date: August 24, 2021

Subject: Request for Lease Approval for Climbmax on Wall Street

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

Action Requested: Adoption of a resolution authorizing the City Manager to sign a lease agreement with Climbmax, Inc. for property located at 43 Wall Street.

Background:

- Climbmax Inc is a recreational climbing facility that has been operating for over twenty years at 43 Wall Street.
- Climbmax leases a portion of the lower level of the property known as the Wall Street Parking Garage (PIN #9649-20-9249).
- This is a unique space because the interior has been outfitted with several different practice walls with varying levels of difficulty for practice and recreation.
- There is also a large rock climbing facade on the exterior of the building for the experienced climber.
- It would require costly improvements to up-fit the space for a more conventional use such as an office.
- The interior contains approximately 2,440 square feet and the exterior consists of ground area, overhead air space and a portion of an exterior wall of the City's Parking Garage.
- This small business was hit hard during the pandemic because of closures and dramatic decreases in tourism.
- The lease ended in March of 2020 and the owner has continued in the space on a month to month basis.
- As the business attempts to recoup lost revenue, the owner will be required to sign a conventional lease agreement.
- This tenant will pay $1,490 per month or $17,890.92 per year. The rental rate will increase every year by 3%.
- He has requested a one year lease with two (2) three year renewals.
- He will continue to be required to have insurance that protects the City from any liability resulting from climbing wall users.

Council Goal(s):

- A Financially Resilient City

Committee(s):

- None

Pro(s):

- The Tenant will continue to be responsible for most internal maintenance such as the care of the HVAC system.
- City is receiving compensation for this space without the costly improvements necessary to convert to a more conventional use.

Con(s):

- None

Fiscal Impact:

- Since this property was constructed as part of the Wall Street Parking Facility, the proceeds from this lease will be recorded as revenue into the Parking Services Fund.

Suggested Motion:

- Motion to approve the resolution authorizing the City Manager to sign a lease document with Climbmax Inc.

Attachment(s):

- Resolution
- Location Map

RESOLUTION NO. 21-_____

RESOLUTION AUTHORIZING A LEASE AGREEMENT BETWEEN THE CITY OF ASHEVILLE AND CLIMBMAX INC. ON CITY-OWNED PROPERTY AT 43 WALL STREET

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; and

WHEREAS, the City of Asheville is the owner of real property located on Wall Street, identified as PIN #9649-20-9249-00000; and

WHEREAS, the City of Asheville would like to extend a new lease to Climbmax Inc. to lease a portion of the lower level of the parking garage for a one year term with two (2) three (3) year renewals: and

WHEREAS, the rental for the leased premises will be $1,490.91 per month with an escalation rate of 3% to be applied at the beginning of each new 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 Climbmax, Inc. for a portion of the land at 43 Wall Street, PIN Inc.#9649-20-9249-00000. 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 24th day of August 2021.

_____ _____

City Clerk Mayor

Approved as to form:

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City Attorney