THE CITY OF ASHEVILLE

STAFF REPORT

Council Meeting Date: January 14, 2020

Subject: New Lease Agreement with Pulliam State Bureau, LLC for the South Asheville Police Resource Center.

Staff Resource(s): Jim Baumstark, Deputy Chief, Asheville Police Department
Jackie Stepp, Captain, Asheville Police Department
Nikki Reid, Real Estate Program Director

Action Requested: Adoption of a resolution authorizing the City Manager to execute a lease agreement for property at 9 Walden Ridge, Suite 20 for the South Asheville Police Resource Center.

Background:

- The Asheville Police Department (APD) is currently leasing space at 1 Pond Street from Skyland Fire and Rescue Corporation. The building is being sold to a new owner and APD's lease expires in June of 2020.
- The current facility does not meet APD's needs and a new location has been identified to serve as a South Asheville Police Resource Center.
- The property located at 9 Walden Ridge is a former N.C. State Bureau of Investigation office and includes private offices for supervisors, community/roll call room, work areas for patrol officers and ample parking.
- The owner of the property at 9 Walden Ridge, Pulliam State Bureau, LLC, has offered to lease to the City for the following terms:
    - Lease Area - 5,941 Square Feet
    - Initial term of 5 years with two options to renew for 5 years each.
    - Lease rate of $13 per square foot, which is at or below market value for South Asheville, (approx. $6,436 per month), with City responsible for its share of insurance and taxes.
    - Escalation applied only at each renewal period at a rate of 10%.
    - Landlord to perform routine maintenance and repairs on outside walls, structural portions of interior walls and pipes, ducts etc. that serve the building.
    - The owner of the building has offered to make improvements such as the removal of unneeded equipment and the creation of additional work spaces to accommodate APD.
- A lease is preferred to a purchase of property in this case. Long-term capital and space planning is needed for a permanent location, with a potential to co-locate APD with other civic services to serve South Asheville.

Council Goal(s):

- A Well-Planned and Livable Community

Committee(s):

- None

Pro(s):

- With respect to the overall location, layout and functionality of the space, this property provides an improved work environment for Asheville Police Department employees compared to former location.
- The new space can accommodate more personnel to service the continued growth of the South District.

- This space provides the option to off-site some APD units currently working from overcrowded conditions in the downtown Municipal Building.
- The property is well-located for a South Asheville Resource Center, with good proximity to the service area.
- The new space has capacity for community meetings and interactions, which is currently not available in the existing space. The location is accessible via Asheville Transit and is within close proximity to other retail and commercial centers.
- The lease rate and terms are competitive.

Con(s):
- None

Fiscal Impact:
- Existing funding within APD's operational budget will cover the expenses for the remainder of the Fiscal Year 2020. Thereafter, funds will be budgeted in APD's base budget to pay for the lease expenses year over year.

Suggested Motion:
- Motion to approve the resolution authorizing the City Manager to execute a lease agreement for property at 9 Walden Ridge, Suite 20 for the South Asheville Police Resource Center.

Attachment(s)
- Resolution
- Map

RESOLUTION NO. _____

RESOLUTION AUTHORIZING A LEASE AGREEMENT BETWEEN PULLIAM STATE BUREAU LLC AND THE CITY OF ASHEVILLE FOR A SOUTH ASHEVILLE POLICE RESOURCE CENTER

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

WHEREAS, Pulliam State Bureau, LLC is the owner of real property located at 9 Walden Ridge, identified as PIN # 9655-14-2784, and has offered to lease 5,491 square feet of space to the City at a lease rate of $13 per square foot per year, for an initial term of five (5) years, with two options to renew for five (5) years each, with an escalation rate of 10% applied at each renewal term; and

WHEREAS, the Asheville Police Department has determined that this site is an appropriate location for the South Asheville Police Resource Center; and

WHEREAS, the City of Asheville is willing to accept the lease terms offered by Pulliam State Bureau, LLC;

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 Pullium State Bureau LLC and the City of Asheville on behalf of the Asheville Police Department for property located at 9 Walden Ridge Drive. 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 January 2020.

_____ _____

City Clerk Mayor

Approved as to form:

_____

City Attorney


9 Walden Ridge
Proposed Site for APD South Asheville Resource Center
ENDERSONVILLE
PALISADES
MILLS GAP
Ingles Markets
WALDEN RIDGE
Unit to be Leased w/ 5491 SF
DAVIS GREY