

CITY OF CHARLOTTESVILLE, VIRGINIA  
CITY COUNCIL AGENDA



Agenda Date:	March 20, 2023
Action Required:	Approve Resolution (1 reading - Public Hearing)
Presenter:	Brenda Kelley, Redevelopment Manager
Staff Contacts:	Samuel Sanders, Jr., Deputy City Manager Brenda Kelley, Redevelopment Manager
Title:	<b>Approving Lease Agreement with Albemarle Charlottesville Historical Society for lease of 200 Second Street NE (1 reading)</b>

### **Background**

The City of Charlottesville and Albemarle County Historical Society d/b/a Albemarle Charlottesville Historical Society (“Historical Society” or “Tenant”) first entered into a lease agreement in January 1993 for lease of the McIntire Library Building at 200 Second Street NE. Following renovations, the Historical Society moved into the building in 1994. This building was formerly home to the Jefferson Madison Regional Library. The library continues to sublease a small portion of the building from the Historical Society.

The most recent Lease Agreement with the Historical Society was effective for three years (from May 1, 2019 through April 30, 2022) with two, one-year extensions, in writing. The City issued an Addendum in May 2022, which extended the lease term only until April 30, 2023, with no renewals after the term expires.

### **Discussion**

The Historical Society, a nonprofit organization, has two full-time and two part-time employees and a full-time research librarian who is an employee of Jefferson Madison Regional Library. They also have approximately 30 active volunteers and report that that number is growing.

Information about the Albemarle Charlottesville Historical Society, including non-profit 501(c)(3) status and IRS Form 990 information can be found at:

<https://albemarlehstory.org/>

City staff provides the following information relative to this lease approval request:

Building space (square footage):	3,218
Assessed Value:	\$2,096,000.00
Current Lease Rate:	\$826.88/month (\$9,922.56/annual)
Current Lease Rate per square foot:	\$3.08 +/-
Potential Annual Lease Value:	\$15-20 / SF \$4,022 - \$5,363 / month

Comparable Fair Market Rent Value: \$56,310.00  
Comparable Market Rent (per square foot):  
(NAR Commercial Real Estate Metro Market Report, Q1/2022 for Charlottesville, VA)  
Office: \$24.7  
Retail: \$20.6

The general terms of the Lease Agreement are:

Lease period: 5 years (expires April 30, 2027)  
Lease rate: \$851.68/month, with no more than 3% annual increase  
(\$10,220.16/annual)  
Security Deposit: \$1703.36  
Tenant Responsibilities: grass mowing; grounds maintenance; maintenance of exterior light fixtures; janitorial services; cost of utilities, insurance; Tenant accepts Premises "as-is"  
City Responsibilities: maintenance of structural elements and systems

### **Alignment with City Council's Vision and Strategic Plan**

The provision supports City Council's visions of Economic Sustainability; and C'ville Arts & Culture. This program aligns directly with Strategic Plan Goal 3.5: Protect historic and cultural resources; Goal 4.2 Attract and cultivate a variety of businesses; and Goal 4.4 Promote tourism through effective marketing.

This program also supports the 2021 Comprehensive Plan's:

Guiding Principle: Community Culture & Unity: Charlottesville's rich and diverse culture and form will be celebrated, and the entire community will feel welcomed, valued, and respected. The City will protect, celebrate, and enhance the people and places that have added to the uniqueness and cultural diversity of the community.

Land Use, Urban Form, and Historic & Cultural Preservation; Goal 11. Historic Resource Protection: Provide effective protection of Charlottesville's historic resources, including through recognition and incentives.

### **Community Engagement**

This Lease Agreement has been reviewed by Albemarle Charlottesville Historical Society representative(s).

### **Budgetary Impact**

This request does not require any funding from the City budget. It is assumed that maintenance costs may be offset by rent payments.

### **Recommendation**

Staff recommends that City Council approve the attached Resolution following Public Hearing.

### **Alternatives**

City Council could choose to not approve this Resolution which will result in the current lease Addendum to expire. The terms of the lease Addendum specifically states that the terms may not be renewed through additional addendum after this current extension period expires.

## **Attachments**

1. Resolution Historical Society Lease Agreement 032023
2. Albemarle County Historical Society Lease revdraft022823