



DATE: *October 7, 2019*  
TO: Mayor and City Council  
FROM: Assistant City Manager  
SUBJECT: Lease – Broadstone at Sugar Hill – **REVISED**  
Art Gallery/History Museum

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RECOMMENDED ACTION

**Approve and authorize the Mayor to sign the lease for the Art Gallery and History Museum spaces in the Broadstone at Sugar Hill project, totaling approximately 1,540 square feet of floor area, at a cost of \$0 in base rent per year plus common area maintenance charges for a term of 10 years.**

During the planning and design of the Broadstone Mixed-Use project on the former site of the Buice Center, we were able to reserve two spaces on along West Broad to serve as new Art Gallery and History Museum rooms in the downtown. The relocations of the two uses will allow our community groups to promote the arts in the form of exhibits as well as tell the city's story in the form of intriguing historic pieces in our collection.

The lease has been negotiated over the last nine months and given birth to the attached document and associated terms for two spaces totaling some 1,540 square feet. The final area will be measured and confirmed as a part of the buildout process. The lease rate was set at a negligible \$1 per year but will require common area maintenance charges to be funded by the lessee in this case. The estimated annual expense for these charges is just under \$9,240 or \$6 per square foot.

A security deposit will also be required as well along with the anticipated buildout expense to fit out the space for its intended uses. The project to buildout the spaces will be included in the 2020 capital improvement program and cost of which will likely be in the range of \$100 to \$125 per square foot since the space is currently planned to be unfinished and not conditioned.

With the terms outlined and a review by legal counsel having been completed, staff recommends approval and authorization for the Mayor to execute the lease.

*Attachments*

*Lease and Exhibit A-2 Revised Sheets Only*