



Legislation Details (With Text)

File #:	18-4613	Version:	1	Name:	Decline Right of First Refusal – Charlotte-Mecklenburg Schools Lease Agreement - Midwood International & Cultural Center, LLC
Type:	Consent	Status:			Consent
File created:	3/28/2018	In control:			Asset/Facility Management
On agenda:	4/17/2018	Final action:			
Title:	Decline Right of First Refusal - Charlotte-Mecklenburg Schools Lease Agreement - Midwood International & Cultural Center, LLC				
Sponsors:					
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Date	Ver.	Action By	Action	Result
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Title:

Decline Right of First Refusal - Charlotte-Mecklenburg Schools Lease Agreement - Midwood International & Cultural Center, LLC

Summary

ACTION:

Decline the County's statutory right of first refusal for a five-year lease extension with subsequent automatic year to year renewals for up to five years after the initial lease extension term of the Charlotte-Mecklenburg Schools lease to Midwood International & Cultural Center, LLC

Staff Contact: Jacqueline McNeil, Asset and Facility Management

Presentation: No

BACKGROUND/JUSTIFICATION:

The Charlotte-Mecklenburg Board of Education proposes a five-year extension with an option for an additional five-year term of the current lease term to the Midwood International & Cultural Center, LLC for the property located at 1817 Central Avenue, known as the former Midwood School. The Property is identified as parcel number 09507803. The term extension of the current lease term was approved by the Board of Education on March 27, 2018.

There is an existing lease between the Charlotte Mecklenburg Board of Education ("Landlord") and Midwood International & Cultural Center ("Tenant") that is dated as of November 20, 2012 and expires June 15, 2018. Tenant requests that the Charlotte-Mecklenburg Board of Education extend the current term of the Lease by an additional five

years with an additional option of subsequent automatic year to year renewals for up to five years after the initial lease extension term. In addition, the parties have agreed to other modifications of the lease terms as identified below.

North Carolina General Statute (NCGS) 115C-518(a) requires local school boards of education to give local boards of county commissioners the first opportunity to acquire any school owned real estate that is proposed for disposal. To comply with this statute, CMS must offer the above lease space to the County prior to entering into a lease agreement with Midwood International & Cultural Center. The BOCC previously declined its statutory right of first refusal on April 19, 2011. Terms of the agreement are as follows:

Location - 1817 Central Avenue, Charlotte, NC 28205

Property - Building and land on which it is located are shown on Exhibit A of the Lease

Extended Lease Term - Continued occupancy until June 15, 2023 with automatic annual renewals until June 15, 2028 unless terminated by either party with one year notice or default. After the initial lease extension term (after June 16, 2023), landlord or tenant can terminate with one year's written notice.

Rent - Tenant shall pay \$35,000 per year in monthly installments with no escalations. Tenant will pay utilities and daily maintenance.

Capital Improvements - Landlord and tenant will each set aside \$20,000 per year for potential repairs deemed to be "Needed Capital Improvements" as defined in the lease amendment. Needed Capital Improvements beyond the funds in the accounts shall be shared between the parties. At the termination of the lease, each party will be able to retain by remaining balance in the fund.

Other - All other terms and conditions of the current lease remain in full force and effect.

PROCUREMENT BACKGROUND:

N/A

POLICY IMPACT:

N/A

FISCAL IMPACT:

N/A