



TOWN OF CHAPEL HILL

Town Hall
405 Martin Luther King Jr.
Boulevard
Chapel Hill, NC 27514

Legislation Details (With Text)

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File created: 4/30/2020 **In control:** Town Council

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Title: Authorize the Town Manager to Negotiate and Execute a Lease Agreement with Melody Eggen, Inc. for Continuation of Dance Studio at Town Facility, 1714 Legion Road.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Draft Lease Agreement Melody Eggen, Inc., 2. Memorandum with Staff Recommendations for Facilities at 1714 Legion Road, 3. Council Questions with Staff Response, 4. A RESOLUTION AUTHORIZING THE TOWN MANAGER TO NEGOTIATE AND EXECUTE A LEASE AGREEMENT WITH MELODY EGGEN, INC. FOR TOWN FACILITY AT AMERICAN LEGION PROPERTY (2020-05-20/R-2)

Date	Ver.	Action By	Action	Result
5/20/2020	1	Town Council	adopted	Pass

Authorize the Town Manager to Negotiate and Execute a Lease Agreement with Melody Eggen, Inc. for Continuation of Dance Studio at Town Facility, 1714 Legion Road.

Staff:

Phil Fleischmann, Director
Linda Smith, Assistant Director

Department:

Parks and Recreation

Overview: Adopting the resolution would authorize the Manager to negotiate and execute a lease of the approximately 2,240 sq. ft. auxiliary building on Town-owned property at 1714 Legion Road. The proposed lessee, Melody Eggen, Inc., has operated a dance studio at this facility for many years and wishes to continue to offer dance programming to the Chapel Hill community at this location.

In 2017, the Town purchased the property from the American Legion Post No. 6. Since that time, the Legion Post has leased the property back from the Town and the Legion Post has continued to sublease the dance studio building to Melody Eggen, Inc.

Pursuant to § 160A-272, Lease or rental of property, Council needs to authorize the Manager to execute a lease on the Town’s behalf. With the authorization of this resolution, the final terms and conditions of the lease would be subject to the approval of the Manager and Attorney.

☆ **Recommendation(s):**

That the Council adopt the attached resolution authorizing the Manager to negotiate and execute a lease of the approximately 2,240 sq. ft. building at 1714 Legion Road to Melody Eggen, Inc.

Decision Points:

- This action is consistent with staff recommendations outlined in a memorandum related to facilities on the property at 1714 Legion Road (attached).

- Given the short-term nature of this lease, it does not preclude the Town from pursuing other opportunities and uses for the American Legion property.

Key Issues:

- How quickly does the Council envision proceeding with use and/or park/project development on the property?

Fiscal Impact/Resources: Staff do not expect to incur any significant costs related to the execution and management of this lease agreement. Under the terms of the proposed lease, the lessee accepts the building in "as-is" condition and the lessee will be responsible for all upkeep and maintenance to the building and its systems. The lessee will be responsible for paying the Town a rental fee of \$600/month and will pay for all utilities with the exception of water/sewer.



Attachments:

- Resolution
- Draft Lease Agreement
- Memorandum with Staff Recommendations for Facilities at 1714 Legion Road

A RESOLUTION AUTHORIZING THE TOWN MANAGER TO NEGOTIATE AND EXECUTE A LEASE AGREEMENT WITH MELODY EGGEN, INC. FOR TOWN FACILITY AT AMERICAN LEGION PROPERTY (2020-05-20/R-2)

WHEREAS, in 2017, the Town of Chapel Hill purchased approx. 36 acres of land at 1714 Legion Road ("American Legion Property") from American Legion Post No. 6 ("Legion Post"); and

WHEREAS, so that it could continue to operate until its new facility is completed, the Legion Post has leased the American Legion Property back from the Town since selling it to the Town; and

WHEREAS, the Legion Post's lease of the property is set to expire on June 30, 2020; and

WHEREAS, on the American Legion Property sits a building consisting of approximately 2,240 sq. ft. in size ("Facility") which has been utilized as a dance studio through an agreement between a private studio operator and the Legion Post; and

WHEREAS, the private operator Melody Eggen, Inc. wishes to continue to operate said dance studio out of this Facility; and

WHEREAS, pursuant to **§ 160A-272, Lease or rental of property**, any property owned by a city may be leased or rented for such terms and upon such conditions as the council may determine; and

WHEREAS, Town staff have met with the proprietor, Melody Eggen and have determined that the programming offered in the Facility appears to reflect the vision and values of the Town and its Parks and Recreation Department and provide a benefit to the community; and

WHEREAS, staff of the Parks and Recreation Department recommend that the Town enter into a lease with Melody Eggen, Inc. so that it may continue to operate a dance studio and related programming in the building that it currently occupies.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council authorizes the Town Manager to negotiate and execute a lease agreement on behalf of the Town with Melody Eggen, Inc. or its successors in interest related to the aforementioned Facility at 1714 Legion Road.

This the 20th day of May, 2020.

The Agenda will reflect the text below and/or the motion text will be used during the meeting.

By adopting the resolution, the Council authorizes the Town Manager to negotiate and execute a lease agreement on behalf of the Town with Melody Eggen, Inc. related to the aforementioned Facility at 1714 Legion Road.