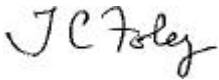


COUNTY OF ALBEMARLE

EXECUTIVE SUMMARY

AGENDA TITLE: Leasing of County Property in Crozet	AGENDA DATE: May 6, 2015
SUBJECT/PROPOSAL/REQUEST: Schedule public hearings to consider proposed lease agreements with STAENGL Engineering LLC and Crozet Artisan Depot LLC	ACTION: X INFORMATION:
STAFF CONTACT(S): Foley, Letteri, Davis, Herrick, Catlin, Shadman, Stimart, and Freitas	CONSENT AGENDA: ACTION: INFORMATION:
PRESENTER (S): Lee Catlin, George Shadman	ATTACHMENTS: Yes
LEGAL REVIEW: Yes	REVIEWED BY: 

BACKGROUND:

Spaces in two County owned buildings in Crozet are currently vacant, with no identified local government use in the immediate future.

The first building is the Crozet Library. The ground floor of the Library has two spaces for which the Jefferson Madison Regional Library (JMRL) has no immediate use. On July 3, 2013, the Board endorsed a proposal for a retail operation in the larger ground-floor space, and a tourism-oriented use in the remaining space. At its September 4, 2013 meeting, the Board approved the current lease with Crozet Running LLC for the larger space. Though the Charlottesville-Albemarle Convention and Visitors Bureau (CACVB) was initially expected to occupy the smaller ground-floor space, it was later determined that the smaller ground-floor space would be too large for its operation.

The second building with vacant space is the old Crozet Depot. For almost 30 years, the facility had been used as the Crozet Branch of the JMRL. Since the opening of the new Crozet Library in 2013, the 2,655 square-foot building has been vacant.

STRATEGIC PLAN:

Economic Prosperity: Foster an environment that stimulates diversified job creation, capital investment, and tax revenue that support community goals.

DISCUSSION:

In December 2014, General Services solicited proposals for leasing the old Crozet Depot and the remaining space at the new Crozet Library. The solicitation resulted in four proposals for the old Crozet Depot and one proposal for the Crozet Library space.

The most viable proposal for the old Crozet Depot was submitted by Crozet Artisan Depot LLC. This proposal also best met the evaluation criteria for the space developed in consultation with the Crozet Community Advisory Council. However, this proposal required only 1,100 square feet of the 2,655 square-foot Depot. After discussion, County staff, the Crozet Artisan Depot LLC, and the CACVB agreed that the County's leasing of a portion of the remaining square footage to the CACVB would be advantageous to all parties. This two-tenant approach would best support the historic character of the Old Depot while providing an energetic tourism destination. The proposal would lease 1,100 square feet to the Crozet Artisan Depot LLC and 456.3 square feet to the CACVB at fair market value. The remaining square footage located in the rear room of the Depot would remain available as meeting space under the County's **Community Use of County Facilities** policy.

The proposal for the Crozet Library space was submitted by Staengl Engineering LLC. The proposal would lease the 1,038 square feet at fair market value, consistent with the rate charged to Crozet Running LLC, the current tenant of the Library.

The attached proposed leases for Crozet Artisan Depot LLC (Attachment A), the CACVB (Attachment B), and Staengl Engineering LLC (Attachment C) all include the following provisions:

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- An initial five year term beginning July 1, 2015, which may be renewed for an additional period as may be mutually agreed:
 - A termination clause for either party to terminate the lease upon 90 days written notice
 - A rent escalator for subsequent years based on an inflation index
- A utility provision under which the County would provide water, sewer, electricity, and heating and cooling included as part of the Tenant's rent

The proposed Staengl Engineering LLC lease would also allow the tenant a half-month of rent-free access prior to occupancy to make certain improvements to ready the space for business. This provision is consistent with past County practice.

Virginia Code § 15.2-1800 requires that the Board hold a public hearing prior to the conveyance of any interest in County-owned real property. A public hearing is not required for the conveyance of County-owned real property to another government entity, such as the CACVB.

BUDGET IMPACT:

The leases are expected to generate a total of \$45,042.87 in revenue in their first year.

RECOMMENDATIONS:

Staff recommends that the Board: 1) schedule public hearings on June 3, 2015 for the proposed leases with Staengl Engineering LLC and Crozet Artisan Depot LLC; and 2) direct staff to bring a Resolution approving the lease with the CACVB back to the Board for adoption on June 3, 2015.

ATTACHMENTS:

A – [Crozet Artisan Depot LLC Proposed Lease](#)

B – [CACVB Proposed Lease](#)

C – [STAENGL Engineering LLC Proposed Lease](#)

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