



Date: February 6, 2017
To: Thomas J. Bonfield, City Manager
Through: W. Bowman Ferguson, Deputy City Manager
From: Steven W. Hicks, Director, General Services Department

Subject: Proposed Lease with Albright Community Association of Durham for City-owned Property Located at 1017 Juniper Street

Executive Summary

Albright Community Association of Durham (Albright), a non-profit corporation, requests a lease for its continued use of a vacant city-owned parcel located at 1017 Juniper Street (the Property). Albright has used and maintained the Property for more than three decades as a place where community members can meet, play, and socialize.

The proposed lease term is ten years, and the rental rate is \$5.00 per year. Albright will be solely responsible for maintaining the Property and any City-approved fixtures and improvements it places on the Property. The City will have the right to terminate the lease if the entire Property is needed for a public purpose, and the City may modify and extend the lease if only part of the Property is needed for a public purpose and the remainder is suitable for Albright’s continued use.

The City has authority to enter into a five-year lease with Albright pursuant to N.C.G.S. §160A-272.

Recommendation

The General Services Department recommends that City Council 1) adopt a resolution determining that the city-owned property located at 1017 Juniper Street (parcel # 111075) is not needed for any defined future public purpose during the term of the lease, and authorizing the City Manager to execute a ten-year lease with Albright Community Association of Durham for the property for \$5.00 per year; and 2) authorize depositing lease revenue in the amount of \$50.00 into the General Fund.

Background

In 1939, the City acquired the Property through a tax foreclosure sale. For years, the City’s Public Works Department stored pipes, debris, and dirt on the Property. In the 1980s, however, Albright began beautifying the Property on its own. In 1999, the City and Albright executed the first of two Garden Permits that allowed Albright to use the Property for a community vegetable and flower garden. The most recent permit expired in 2001, and since that time, Albright has continued to maintain the Property.

Because of Albright’s efforts, the Property has become the central location for community festivals, cookouts, Easter egg hunts, and National Night Out events. In 2010, the City and Albright entered into a five-year lease for the Property in anticipation of Albright receiving a grant for installation of a KaBOOM! playground. KaBOOM! did not award Albright the grant, however, and the lease expired May 2015.

The proposed ten-year lease will permit Albright and the community to continue using the Property as a gathering space. Community representatives have indicated that Albright may be seeking grant funding or other revenue sources to expand the Property's amenities, which will increase the activities available to community members.

Issues and Analysis

Albright will be solely responsible for maintaining the Property and any City-approved fixtures and improvements it places on the Property and must do so in accordance with any codes or standards that would normally apply to playgrounds and fields that are operated by schools.

Albright will indemnify the City against all claims arising out of Albright's failure to properly maintain the Property, fixtures, or improvements. If Albright fails to meet any of its material obligations under the lease, after proper notice and the prescribed cure period, the City may relocate or remove all improvements and fixtures from the Property and may terminate the lease.

Albright requested assistance from the City to satisfy the insurance requirement in Section 17 of the lease. Pursuant to the NECD Livability Grant Funds Program, the City's Neighborhood Improvement Services Department awarded a grant in the amount of \$1,532.00 to Albright for the purpose of paying two years of insurance premiums in satisfaction of the lease requirement; the insurance premium is \$766.00 per year. Albright will be responsible for obtaining the necessary insurance for the remaining years of the lease.

It is not currently known whether the City will have need of all or a portion of the Property during the ten-year term. The Property is located in the proposed thoroughfare known as the Alston Avenue Extension, which is part of the City's adopted Thoroughfare Plan. The project is currently unfunded. The Property is also located near potential routes of the Bryant Bridge North Trail, the construction of which may affect Albright's use of the property. The commencement date for the trail's construction has not yet been determined.

Should all or a portion of the Property be needed for these or other public purpose uses during the next ten years, the lease term would end or a needed portion of the Property would become excluded from the lease. The lease provides that the City may terminate the lease if the entire Property is needed for a public purpose, or the City may modify the lease if only part of the Property is needed for a public purpose and the remainder is suitable for Albright's continued use.

Alternative

City Council could choose not to approve the lease with Albright. This alternative is not recommended because Albright would lose the right to continue providing a valued long-standing gathering place to community members. Albright would also lose any opportunity to enhance the Property for the community's benefit.

Financial Impact

The City will receive compensation from Albright totaling \$50.00, which will be deposited in the General Fund (Account 0100-661100).

SDBE Summary

This item does not require review by the Equal Opportunity/Equity Assurance Department.

Attachments

Lease Agreement with Albright Community Association of Durham

Location map of 1017 Juniper Street

Aerial view of 1017 Juniper Street

Resolution authorizing the City Manager to execute a ten-year lease with Albright Community Association of Durham