



MEMORANDUM

To: Mayor and Members of City Council

From: Ralph Clark, Interim City Manager

Date: February 25, 2022

Re: Consideration – National Guard Armory – Lease with Pasquotank County

BACKGROUND:

The City entered into a joint contract with Boys & Girls Club & JKF Architecture for a feasibility study for the National Guard Armory to determine the feasibility of joint use of the facility.

The Boys & Girls Club since found a location that was available immediately and better suited to their needs. JKF Architecture billed the City of EC and Boys & Girls Club equally for the work completed to date and allowed for the termination of the contract.

The County has agreed to lease the facility to the City of Elizabeth City for no monthly rental fee for a period of one year, beginning March 1, 2022 for use by the Elizabeth Police Department and the Police Athletic League. The City will be responsible for utility costs, maintaining insurance, and any maintenance and upkeep associated with its use.

During the one-year lease period, the City will evaluate the benefits of accepting the property's ownership from the County.

ANALYSIS:

A copy of the proposed lease agreement with the County is attached.

STAFF RECOMMENDATION:

By motion, authorize entering into a lease agreement with the County for use of the National Guard Armory for a period of up to one year beginning March 1, 2022.



City Manager's Office
P. O. Box 347 • 306 E. Colonial Avenue • Elizabeth City, NC 27907
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NORTH CAROLINA

PASQUOTANK COUNTY

LEASE AGREEMENT

THIS LEASE AGREEMENT, made and entered into this the _____ day of _____, 2022, by and between **PASQUOTANK COUNTY**, a body politic and corporate existing under the laws of the State of North Carolina, (hereinafter referred to as the "COUNTY"), and **CITY OF ELIZABETH CITY**, a municipal corporation under the laws of the State of North Carolina (hereinafter referred to as the "CITY");

WHEREAS, pursuant to N.C.G.S. §160A-264, local governmental units "may, upon such terms and conditions as it deems wise, with or without consideration, exchange with, lease to, lease from, sell to, or purchase from any other governmental unit any interest in real or personal property"; and

WHEREAS, the COUNTY was deeded the property formerly known as "National Guard Armory" by the State of North Carolina in Deed Book 1425, Page 26 of the Pasquotank County Public Registry; and

WHEREAS, the CITY is in need of additional space for its law enforcement purposes; and

WHEREAS, the deed from the State of North Carolina to the COUNTY contains a reversionary clause that the property must be utilized by the COUNTY "or other political subdivision(s) of the State of North Carolina as an emergency management and/or law enforcement facility."; and

WHEREAS, the CITY and the COUNTY have agreed for the CITY to lease the property from the COUNTY while it attempts to gain ownership of the property in working with the State of North Carolina and COUNTY.

WITNESSETH:

Article 1. Leased Premises: The former National Guard Armory identified in Deed Book 1425, Page 26 of the Pasquotank County Public Registry.

Article 2. Term: The term of this Lease shall begin on the 1st day of March, 2022 and, shall continue monthly until February 28, 2023. Either party may terminate this lease by providing thirty (30) days written notice to the other party.

Article 3. Rent: There shall not be any rent during the term of this lease.

Article 4. Utility Payments: CITY shall be financially responsible for paying for all monthly electricity and/or water/sewer expenses it incurs. CITY shall also be responsible for any other additional fees that may result, such as a stormwater fee or special assessment.

Article 5. Compliance with Requirements and all Applicable Laws: CITY shall procure, maintain and comply with all permits, licenses, and other authorizations required for the use of the leased premises by CITY for its intended purposes. COUNTY shall join in the application for any permit or authorization with respect to any legal requirements, if such joinder is necessary. Additionally, CITY shall comply with all federal, state, and local laws or ordinances pertaining to the occupation or use of the leased premises by CITY or by any other person or entity during the lease term. CITY shall further comply with all provisions of the Unified Development Ordinance in effect within the city limits of the City of Elizabeth City.

CITY shall not store, or allow to be stored, upon the leased premises any hazardous, flammable, or toxic materials of any kind, and CITY's non-compliance with this requirement shall be grounds for immediate termination of this lease agreement.

Article 6. Maintenance, Alterations and Additions: CITY will keep the leased premises in good order and condition and shall be responsible for the general upkeep of the leased premises. CITY shall also be responsible for interior maintenance, including but not limited to the HVAC and plumbing, as well as any exterior repairs that are needed.

Except for routine maintenance, CITY shall not make any additions or improvements, nor structural changes to the interior or exterior of the leased premises without the prior written consent of the COUNTY (specifically the Pasquotank County Board of Commissioners).

Article 7. Insurance: CITY, at its expense, shall obtain and keep in full force and effect

during the Term the insurance coverage on the property. Where appropriate to the type of coverage, policies shall be endorsed to name COUNTY as an additional insured, and shall be primary coverage, and not contributing with or in excess of any insurance maintained by COUNTY.

Article 8. Assignment and Subletting: CITY may not assign nor sublet this Lease.

Article 9. Surrender of Leased Premises: Upon the expiration or earlier termination of this Lease Agreement, CITY shall return the leased premises to COUNTY in good order and condition, except for ordinary wear and tear, and except for the results of any casualty damage caused through no fault of CITY. CITY shall remove from the leased premises on or prior to such expiration or earlier termination all of CITY's property situate thereon and shall repair any damage caused by such removal.

Article 10. Miscellaneous Provisions:

1. **CITY's Covenant to Comply to Deed Restrictions.** CITY agrees that it has read and reviewed the restrictions contained in the deed from the State to the COUNTY and agrees to abide by said restrictions.

2. **Severability.** If any provision of this Lease or any application thereof shall be invalid or unenforceable, the remainder of this Lease and any other application of such provision shall not be affected thereby.

3. **Governing law.** This Lease Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina.

4. **Modification.** No modification in this Lease Agreement shall be binding on the parties unless the same shall be executed with the same formality as this Lease Agreement.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed by their duly authorized representatives, all by authority duly given, this the _____ day of _____, 2022.

PASQUOTANK COUNTY, a body politic and corporate existing under the laws of the State of North Carolina

By: _____ (SEAL)
Lloyd E. Griffin, III, Chairman
Pasquotank County Board of Commissioners

(CORPORATE SEAL)

ATTEST:

Lynn B. Scott
Clerk to the Board

CITY OF ELIZABETH CITY

BY: _____
Bettie J. Parker, Mayor

ATEST:

City Clerk

(SEAL)

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

City Finance Officer

This _____ day of _____, 2022 at _____ .m.

NATIONAL GUARD ARMORY BUILDING

Feasibility Study:

- Initial Quote/Contract with JKF Architecture for shared feasibility study: \$23,088
 - City of Elizabeth City: \$11,544.00
 - Boys & Girls Club: \$11,544.00
- January 25, 2022 – Advisory Committee meeting with architect on-site.
- January 28, 2022 – Boys & Girls Club gave verbal intention to pull out of the Feasibility study, as they had found an alternate location that better suited their needs and budget.
- Each entity had a separate contract with JKF Architecture. Boys & Girls Club withdrew from their contract with JKF Architecture. They are still responsible for their portion of the work and expenses incurred.
- Architectural work had already begun on the project and expenses were incurred. A preliminary design concept for shared use was completed. Each entity has been billed for work to date: \$2,886.00 each.
- JKF Architecture was asked to evaluate the cost for a feasibility study/programming phase service for an amended scope of work for shared use by ECPD and PAL. The cost for this amended scope of work is \$9,989.00. This, in addition to the \$2,886.00 already billed, would bring the total cost to the City (should it choose to proceed), to \$12,875.00. Much less than the full cost of the original shared feasibility study, but only \$1,331.00 more than the City's original obligation for half of the study.

EC Police Department Use Needs:

INTERNAL:

Storage: Bulk Equipment, Found Property, General Storage/Supply

Evidence: Off-site Evidence Process Room (Secured)

Procurement/Property Management (Secured)

Office space

Multipurpose Education/Training

Large group meetings

EXTERNAL:

Vehicle storage

Mobile command area when outside resources are called in for assistance

Police Athletic League Use Needs:

INTERNAL:

Office space: PAL Administrator; Mentor Program Officer; PAL Coordinator

Storage: Sports Equipment Supply Room; Other equipment

Classroom mentoring

Tutoring

Game nights

Basketball camps

Basketball tournaments

Cheerleading camps

Boxing camps

Football camps

Basketball games

Dances (fundraising)

EXTERNAL:

Football camps (weather permitting)

Issues/Needs:

- ECPD is in need of more storage and has been searching for a suitable location for well over a year.
- With the ECMS project beginning, PAL no longer has use of the ECMS gym and has nowhere to operate its programs.
- The Amory has been utilized numerous times in the past as a command center when resources from out of the area are necessary.

Continuing with Feasibility Study:

- Provides a comprehensive site evaluation for regulatory zoning constraints, physical characteristics, historic and environmental issues, subsurface investigations, flood plains and any other requirement information, a detailed budget, and a project schedule, as well as a conceptual floor plan for use.
- We may be able to request an amended scope of work that will help us to answer questions related to short term/pre-renovation use of the building. This would provide valued information for which to make short and long-term decisions about the building.
- We may be able to do this preliminary analysis in-house with Fire Department, Planning, and Building Inspections Department.

Questions:

- Does ECPD and PAL ultimately even need a space analysis for the two programs operating from the space or can they work out an agreeable shared plan?
- If the feasibility study is completed, will the City have the funding to proceed with the likely significant renovation costs; are there potential building reuse grant dollars available?
- Does the current proposed use justify the likely significant renovation cost? If not, would there be other City uses that would justify that cost? (Reminder: The primary use of the building, per the deed restrictions put on the property by the State of NC, is for primarily law enforcement and/or emergency management use.)
- Can the building be utilized for the ECPD & PAL intended purposes in its current state?
- What immediate improvements are needed to bring the building up to building/fire/safety code for immediate use by both programs (per their proposed uses)? What is the estimated cost of those improvements? Is there money to pay for them?
- Can major renovation be delayed long enough to include in a future capital project budget phase when the City is in better financial shape? If so, how long can they reasonably be delayed?
- What is the estimated daily operational costs for occupying the building in the short term – heating, air conditioning, lighting/other utilities, security, internet, insurance, staffing, regular maintenance, miscellaneous.
- Based on answers to the above, should the City accept the donation of the building and grounds from the County?

County Action:

- At it's Monday, February 7, 2022 meeting, the Pasquotank County Board of Commissioners voted to approve a month-to-month lease of the National Guard Amory at no cost to the City, with the City being responsible for utilities, maintenance, insurance, and other operating costs associated with the use of the building by the City. This would provide needed space for the Elizabeth City Police Department and the Police Athletic League (PAL), and provide time to make a long-term decision regarding the Amory. (A Draft of this lease has been provided to the City Manager directly from the County Manager.)

- The County ultimately wants to transfer 100% ownership of the building and grounds to the City of Elizabeth City. If the City decides not to accept the donation, the County, in all likelihood, would relinquish ownership back to the State of North Carolina. (Reminder: The primary use of the building, per the deed restrictions put on the property by the State of NC, is for primarily law enforcement and/or emergency management use.)

Thoughts:

- The building and grounds provide beneficial use and are assets that would have value to the City for ECPD and PAL use, both short and long term.
 - For the purposes of ECPD & PAL, the building short term benefits include but is not limited to: Having a location to store the police departments (4) humvees, (2) srt vans, (1) 5 ton 6x6 truck, (5) golf carts, (1) electric car, (2) electric motorcycles, (1) atv, (1) pull behind trailer, (1) flat trailer, (2) enclosed trailers, mobile field force equipment, barricades, vehicles parts/accessories to patrol vehicles, etc. Without this location at this current moment, the police department and PAL would not have a location to effectively and efficiently perform daily tasks/assignments. Short term [1-5 years] is to use the location as an "Off-Site Storage Location & to run the PAL programs in the building, AS-IS". Long term [5+ years] goal is to take the building assessment and re-evaluate the building and location to see if it is feasible to conduct renovations to further enhance the property, police department needs and PAL programs. This of course is contingent on available funds.
- The building and grounds have value by virtue of their location close to other city property assets utilized by Parks & Recreation. It allows for both control of growth from a potential non-complementary business or entity and it allows for future potential growth of the space to serve the community. It is centrally located.
- Use of the building and grounds by the ECPD would provide a visible law enforcement presence for the area. The location will provide a necessary police presence in the area due to being a high foot traffic area, allowing the department members to be more accessible and increasing the department community policing efforts.