

CITY OF HIGH POINT

AGENDA ITEM



Title: Lease of space for the temporary relocation of the Roy B. Culler, Jr. Senior Center

From: Greg Ferguson, Assistant City Manager

Meeting Date: November 2, 2020

Public Hearing: NA

**Advertising Date /
Advertised By:** NA

Attachments: Memorandum

PURPOSE:

The City of High Point has identified a larger and more modern space to relocate the Roy B. Culler, Jr. Senior Center (Center) for a temporary period while continuing the search and planning for a new permanent Senior Center, as approved in the 2019 General Obligation Bond Referendum. City Council must approve any lease of temporary space.

BACKGROUND:

The existing Center is lacking in space and function and is planned to be replaced with a permanent center funded by the proceeds from the 2019 General Obligation Bond Referendum. The search is ongoing for the right location.

High Point University has agreed to lease the High Point University Community Center, located at Oak Hollow Mall (921 Eastchester Dr.) to the City of High Point for a temporary location for the Senior Center. This lease would be for a period of up to five years, to allow the City time to locate, plan and construct a permanent facility.

The lease would be at no cost to the City, except for operational and utility costs, to be paid directly by the City.

BUDGET IMPACT:

Increase in operating costs as detailed in memorandum.

RECOMMENDATION / ACTION REQUESTED:

City Council is requested to approve the signing of a lease with High Point University consistent with the terms as reflected above.

Additional background information

Value of leased space at HPU Community Center

The space is roughly 35,000 s.f. at a lease rate of \$4 = \$140,000/yr.

The lease would be for five years = \$700,000

The Senior Center and surrounding parcels listed as:

- 600 N Hamilton Street, parcel #189745 consisting of ± 1.03 acres and ±11,400sf
- 207 E Ray Avenue, parcel #189756 consisting of ±.23 acres
- 209 E Ray Avenue, parcel #189755 consisting of ±.21 acres
- 211 E Ray Avenue, parcel #189754 consisting of ±.20 acres

Tax value for the above is approximately \$793,600

Summary: The lease has a value of \$700,000 with proposed sale price of \$500,000 for existing facility.

Operating costs for both facilities should be comparable with the exception of utilities, due to the larger total square footage. Utility costs will likely be about double on a yearly basis, however this is only a portion of the annual total operating, programming and maintenance costs that average about \$129,000 during a typical year.

Utility costs at HPU Community Center vs. Current Center

Monthly avg	4,407.03	for 31 months
Yearly avg.	\$52,884.39	

Three-year cost for utilities at current Senior Center

\$27,021	\$25,549	\$23,933
----------	----------	----------

