

# City of Raleigh

## INTEROFFICE MEMORANDUM

June 17, 2012

**MEMO TO:** J. Russell Allen  
City Manager

**FROM:** Diane Sauer, Parks and Recreation Director  
Stephen C. Bentley, Parks and Recreation CIP Manager

**SUBJECT:** Budget Note 43 – Dorothea Dix Park 2013 Annual Lease Payment

The annual lease payment from the City of Raleigh to the State of North Carolina for Dorothea Dix Park is required prior to July 1, 2013. The existing lease was executed on December 28<sup>th</sup>, 2012 which is in the middle of the current fiscal year. This lease payment was not budgeted in the current fiscal year due to the timing of the execution of the lease.

Based on a review of the existing executed lease agreement, Exhibit B - Description of Retained Premises, identifies that at the point in time of the lease's execution the retained premises for the State of North Carolina was 1,492,650 square feet, or 34.27 acres of the total 325 acres listed in the lease. The base rent begins at \$500,000 and is subject to a reduction based on the state's retained premises, calculated at \$1,538.46 per acre. Based on these calculations, the estimated reduction in base rent would be \$52,770.

The rental calculation does not include any deductions for other retained premises based on the State of North Carolina's unwillingness to negotiate with City of Raleigh staff. This was explained in Budget Note #30 at the June 10, 2013 Council worksession.

After a review of General Fund operating account balances, the following budget transfer is recommended:

**FROM:**

100-713020-6285-538	Electric Service	\$100,000
100-713020-6290-508	Electric Service	\$ 70,000
100-713020-6290-528	Electric Service	\$ 30,000
100-713010-6285-508	Natural Gas	\$ 30,000
100-1040-720090-102	M&O Reserve	\$220,000

**TO:**

100-711070-6280-501	Lease-Real Property	\$450,000
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***The lease payment requirements are outlined in further detail below from section 4 of the executed lease.***

**Section 4 of the Executed Lease.**

4. Rent.

4.1 Base Rent. The "Base Rent" paid by Lessee to Lessor for the Land for each Annual Rental Period, as said term is defined herein, during the Term shall begin at Five Hundred Thousand and 00/100 Dollars (\$500,000.00).

4.2 Annual Rental Period. Each "Annual Rental Period" shall consist of one (1) year beginning on the Commencement Date and on each subsequent anniversary of the Commencement Date throughout the Term, and terminating on the 30<sup>th</sup> day of December next following that anniversary date at 2400 hours. If Lessee exercises its option to renew this Lease for the Renewal Term and this Lease is not sooner terminated as provided herein, there shall be ninety-nine (99) Annual Rental Periods during the Term.

4.3 Annual Increased Rent. At the beginning of the second (2<sup>nd</sup>) Annual Rental Period and at the beginning of each Annual Rental Period thereafter throughout the Term, the Base Rent paid by Lessee to Lessor for the Land shall be increased by multiplying the then existing unadjusted Base Rent by the sum of 1.015; said product becoming the Base Rent for the Annual Rental Period then commencing.

4.4 Rent Adjustment in Consideration of the Retained Premises. The initial Base Rent paid by Lessee to Lessor for the Land during the first Annual Rental Period and the Base Rent paid by Lessee to Lessor for the Land for each subsequent Annual Rental Period shall be reduced by the percentage by which the Land comprising the Retained Premises (calculated to the nearest one hundredth acre) bears to three hundred twenty-five (325). The Base Rent as increased in Section 4.3 and adjusted in this Section 4.4 is hereinafter referred to as "Rent." Any adjustment in Rent will be effective for the Annual Rental Period next following the date on which any relinquishment of the Retained Premises occurs. The Parties shall meet at such time or times as are mutually agreeable prior to the 1<sup>st</sup> day of July, 2013, to verify the measurements used to calculate the Retained Premises as described in Exhibit B attached hereto.

4.5 Due Date. Rent for the first Annual Rental Period shall be due and payable on the 1<sup>st</sup> day of July, 2013. Rent for each Annual Rental Period thereafter shall be due and payable on the 1<sup>st</sup> day of July each year during the Term. For the purposes of the payment of Rent, July 1, 2013, and each anniversary thereof, is referred to herein as the "Due Date." Rent shall be payable to Lessor c/o DOA at 1321 Mail Service Center, Raleigh, North Carolina 27699-1321, or to such other agency or place as Lessor may, from time to time, designate in writing at least thirty (30) days in advance of the Due Date.

# SCHEDULE B-1

## Building and Parking Area Estimate for Dix Campus

11-Dec-12

Building	Building Footprint Area (SF)	Parking Area (SF)	Notes on Parking Area Calculation
Adams	11,720	66,140	Visitors lot in front and 2 lots in back
Ashby	7,410	24,920	Dock area, area North of Umstead & rear lots
Anderson	20,920	4,370	Area to the North of Palmer Drive
Brown	14,360	27,240	This is the big parking area on the other side of Biggs
Broughton	14,990	64,720	
Chapel	10,250	8,220	Sec SE of Chapel on Umstead & Sec NW on Richard
Chiller Plant	9,770	2,410	
Clark	16,100	20,430	Includes Parking for Brown Building
Dobbin	12,010	4,560	This is the lot to the SW along Biggs Drive
Edgerton	9,250	17,610	Includes lots to the SE & SW
Engineering	5,340	45,360	Includes lot on Whiteside and lots to the S & E
Harvey	8,760	20,220	Two areas in the back and all of Picot Drive
Hargrove	7,710	57,210	Main Pkg in front of McBryde inc. all grassy medians
Haywood	25,320	21,930	Inc. lots to SE, SW and two lots along Ruggles Dr.
Hoey	10,240	19,280	Includes lots to the East & SW
<b>Houses:</b>			
House E. of Chiller Plant	2,720	8,020	This is the lot to the East of this house
House W. of Anderson	3,400	9,800	This is the lot to the East of this house
3 Stone Houses	3,550	9,650	Two areas
5 on Tate facing Western	8,520	4,570	Parking is for the two houses furthest North
6 on Richardson Dr.	9,430	770	Parking is for the two houses furthest North
3 on Stencil	4,650	5,020	Parking areas are South and West of these houses
7 on inside Richardson Cir	6,750	1,230	
4 on outside Richardson Cir	5,490	2,220	Parking for old BSL-3
Greenhouse	1,630	3,430	
Kirby	23,860	91,700	
Laundry	7,110	10,740	
Lineberger	12,470	18,110	
McBryde	162,460	44,520	Bldg area inc courtyards. Pkg =Cafeteria Dr & lot E of McB & parking in S.courtyard
Paint Shops (2 bldgs)	4,420	38,000	
Royster	11,430	20,490	
Ruggles	8,920	4,200	Includes parking in front and dock area
Scott	6,650		Included in Ashby parking area.
Shops (2 buildings)	14,610	42,090	Areas E of garage, N of Eng & lot on Whiteside
Spruill	15,580		Included in McBryde parking area
Spruill Annex	6,610		Included in McBryde parking area
Steam Plant	6,560	17,100	
Taylor	6,250	29,000	This is the area behind Anderson & Taylor
Warehouse	21,160		Included in Wright parking area
Williams	12,580	39,800	
Wright	12,100	28,410	Area between Wright and the Warehouse
Pkg area N. of Hargrove		36,540	
Big Pkg area NE of Royster		59,560	Includes most of the grassy medians
<b>Total Estimated Area (SF):</b>	563,060	929,590	
<b>Total Estimated Area (acres):</b>	12.9	21.3	
General Notes: the information contained in this spreadsheet is not based on official survey documents, but rather is derived from a compilation of various unofficial maps and drawings, and no guarantee of accuracy of the information is implied or warranted.			

# Dix Property



- Dix Property Buildings
- Dix Property Parking
- Dix Property Roads
- Dix Property
- Greenway Trails
- Highways
- Major Roads
- Streets



6/13/2013