

Aiken City Council MinutesSPECIAL MEETING

May 1, 2000

Present: Mayor Cavanaugh, Councilmembers Anaclerio, Clyburn, Cuning, Price, Radford, and Sprawls.

Others Present: Roger LeDuc, Gary Smith, Bill Huggins, Anita Lilly, Sara Ridout, Thurmond Whatley, Angie Fitzgerald, Wade Brodie and Adam Burton of the Aiken Standard.

Mayor Cavanaugh called the special meeting to order at 5:05 P.M. Mayor Cavanaugh stated two items were advertised for the special meeting.

Mr. LeDuc stated the first item is a Memorandum of Understanding for a ground lease from the City of Aiken to Aiken Corporation and the second item is a Memorandum of Understanding with the City of Aiken and the Aiken Community Playhouse. Mr. LeDuc stated Council met in a work session prior to the Council meeting and discussed the proposed Memorandums of Understanding.

AIKEN COMMUNITY PLAYHOUSE

Memorandum of Understanding
Lease
Newberry Street

Mr. LeDuc stated a proposed Memorandum of Understanding had been prepared for Council's consideration with the Aiken Community Playhouse for the building proposed to be built on Newberry Street for use by the Aiken Community Playhouse and Westinghouse Government Services.

Mr. LeDuc stated Council had met in a work session and had proposed some changes to the Memorandum of Understanding and Mr. Gary Smith, City Attorney, would review the proposed changes.

Mr. LeDuc stated the proposed agreement is the formulation of a working relationship between the Playhouse and the City of Aiken. The City of Aiken will be constructing the building shell, expending up to \$1.5 million on the theater. The Playhouse group will be raising approximately \$1 million for a portion of this upfit with their remaining contribution coming from their labor and materials from their current location. It is anticipated that the sound and electrical equipment from the existing Playhouse will be utilized in the new theater along with several other miscellaneous items. Thus there is a definite joint sharing of the costs between the City and the Playhouse for this portion of the building. With this in mind the agreement sets forth the joint usage of this facility and who will be maintaining it over the life of this lease. The agreement also sets forth the number of days and nights that the facility would be available for the Playhouse and for the City on a year to year basis. This allows the City of Aiken the ability to use the theater and lobby for a certain number of days and nights each year. Given this flexibility Westinghouse, the City or the community will be able to use the theater during a large portion of the calendar year. This will give not only the City and Westinghouse, but also the public, the opportunity to utilize this facility and the City the ability to rent it, receiving rental income to offset its expenses. We feel the agreement is fair to both parties and should meet the needs of the parties involved.

Mr. Smith reviewed the proposed changes. He pointed out that paragraph 9.C.2. regarding Yellow dates would be amended to add "that the city would not be allowed behind the area of the building coinciding with the curtain on the stage." In paragraph 9.C.4. 145 "red" would be changed to "green" or yellow nights and adding after "yellow nights" and "120 green dates." A new paragraph 14 would be added to read as follows: "The viability of this project shall be reevaluated by both parties on or before January 1, 2003, and if the parties do not mutually agree that the project will not be an operational theater building comparable to the existing Aiken Community Playhouse facility located at the intersection of Price and Two Notch Road, then the City has the right to terminate this Memorandum of Understanding and/or lease." A new paragraph 15 would state: "That upon agreement with Westinghouse any pledge they would make would be dedicated to upfitting the lobby area."

Councilman Anaclerio moved, seconded by Councilman Cunning, that Council approve the Memorandum of Understanding or agreement between the City of Aiken and the Aiken Community Playhouse with the modifications reviewed by the City Attorney. The motion was approved by a vote of 6 in favor and 1 not voting. Councilwoman Clyburn did not vote on the matter.

AIKEN CORPORATION

Newberry Street

Westinghouse Government Services

Memorandum of Understanding

Ground Lease

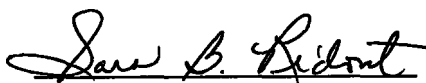
Mr. LeDuc stated as Council had discussed previously due to the need to maintain the integrity of one building with two separate entities, it is necessary for the City of Aiken to own the entire parcel of property on Newberry Street. For that reason the City of Aiken desires to enter into a ground lease with Aiken Corporation for 99 years. In the proposed Memorandum of Understanding the Aiken Corporation will be paying for the portion of the land which would be occupied by the footprint of the Westinghouse building. Under the assumption that this land has a value of approximately \$120,000 the lease per month, based on 8% over 20 years would be \$1,003 per month. This number will change based on the finished footprint of the Westinghouse building and would be a prorata share of the cost of the land that was purchased by the city last year. The lease also contains language concerning the maintenance of this building and responsibility for taxes and use of the lobby and atrium area. The lease is set up with a pay back over 20 years with a \$1 per year cost to continue the lease over the next 79 years.

Mr. LeDuc pointed out in the discussion in the work session no changes were suggested to the proposed Memorandum of Understanding for the ground lease.

Councilman Cunning moved, seconded by Councilman Sprawls and unanimously approved, that Council approve the proposed Memorandum of Understanding with Aiken Corporation for a ground lease for the property on Newberry Street which is to be the site of a building for Westinghouse Government Services and the Aiken Community Playhouse.

ADJOURNMENT

There being no further business the meeting adjourned at 5:15 P.M.



Sara B. Ridout
City Clerk