

DECATUR LEGACY BOARD

CALLED MEETING

JULY 6, 2021

4:00 P.M.

This will be a virtual meeting. To view the meeting please use the link below to register.

https://us02web.zoom.us/meeting/register/tZAsdemorz0rHt0X2h7JRtN8Jx3U_tmzenr-

1. Call to Order
2. Presentation of a proposed lease with the Frank Hamilton School for the non-exclusive use of the Gillespie Building at Legacy Park in the amount of \$24,000 per year for a term of three years with annual 3% increase.


The Frank Hamilton School is a 501c3 organization that provides musical instruction focused on traditional American musical instruments. In addition to rental payments, the organization will be investing time and resources for interior cosmetic upgrades, removing invasive plant materials and maintaining landscape beds around the building and providing free, public concerts at the park. The building will be available for additional rentals throughout the year scheduled around Frank Hamilton School classes. Estimated annual rental revenue will be \$32,000 per year.

Staff recommends authorization to move forward with a formal lease effective August 1, 2021.

3. Additional Business
4. Adjourn

LEGACY | DECATUR

MEMORANDUM

TO: LEGACY DECATUR BOARD OF DIRECTORS
FROM: LYN MENNE 
RE: PROPOSED LEASE OF GILLESPIE BUILDING
DATE: JUNE 29, 2021

The purpose of this memorandum is to present an outline of a proposed lease agreement with the Frank Hamilton School for the Gillespie Building (also shown as the Education Center on maps). The Frank Hamilton School is a 501c3 non-profit program that offers primarily adult instruction on traditional American folk music instruments. The proposed lease is for non-exclusive use of the building allowing for additional rentals on the days and times not scheduled for classes.

The Frank Hamilton School is based on the Old Town Music School established by Frank Hamilton and a partner in Chicago. Founded in September 2015, the Frank Hamilton School is a place where people of all ages can come together to share, learn, and celebrate music. Based on the idea that music is a natural birthright shared by everyone, the school strives to make learning accessible and enjoyable, bringing students and teachers together in a caring and supportive musical community.

The Gillespie Building is a 3200 sf building that was built in 1942. It has been used as a school and an infirmary. The building needs a new HVAC system and some upgrades to create an accessible bathroom and make the front entry accessible. We estimate these repairs will cost \$25,000. The building will generate \$32,000 per year in rent. The proposed lease with the Frank Hamilton School will generate \$24,000 per year for non-exclusive use of the building. Additional rentals to other non-profits scheduled around the Frank Hamilton School classes will allow us to generate the remaining \$8,000 a year in revenue. The Frank Hamilton School board members and students will also be contributing time and resources for interior cosmetic improvements, removing invasive plants and maintaining landscaping around the building and periodically offering free, public concerts at the park.

Capital funding to support the building improvements is included in the PFA fund and was included in the City's FY22 budget. We estimate that the return on investment based on anticipated rental income will be 10 months.

I recommend authorizing the executive director to move forward with a lease agreement in coordination with the city manager based on the details outlined for a period of three years with 3% annual increases. The lease will be effective August 1, 2021. The proposed lease meets the goals of the master plan by repurposing an existing building, generating income for the park, and offering a unique program that supports the community's interest in including cultural arts programming and education at the park. I recommend approval.

LETTER OF INTENT

Gillespie a/k/a the Education Center (Map Location #4)

WHO— The Frank Hamilton School

The Frank Hamilton School is modeled on Chicago's highly successful Old Town School of Folk Music, founded by musicians Frank Hamilton and Win Stracke in 1957, at the dawn of the folk music boom of the early 60s. The Old Town School grew to an enrollment of around 6,000 students, both adults and children, and helped launch the careers of many notable folk music artists. The Frank Hamilton School is a 501c3 non-profit organization.

After a long and successful music career, Frank Hamilton retired to the Atlanta area and realized that the timing was right to start a new school based on the teaching methods successfully used in Chicago. "There is a tradition of music that runs through the South," says Frank, who maintains that "Georgia is a musical place" with a strong ongoing musical tradition. The climate was right, there were already many local teachers and students working separately; why not provide a place where everyone could come together and create a thriving music community?

Currently housed in Oakhurst Baptist Church in Decatur, the school offers classes two nights a week for an eight-week term. In addition to teaching, the Frank Hamilton School hosts workshops and concerts, bringing touring musicians to local venues. Students and teachers from the school perform as well, at venues such as AAFFM's Fiddler's Green Coffeehouse, local festivals, and the High Museum's "Family Sundays" program.

WHAT— Gillespie a/k/a the Education Center 520 S. Columbia Drive

Originally built in 1942 to serve as the elementary school for the United Methodist Children's Home, the building has served several uses over the years.

Total Square Footage: 3200 sf feet.

Condition: The building needs a new HVAC system. Estimated cost for installation is \$14,500. This work will be completed by Legacy Decatur. Legacy Decatur will cover the cost of any basic upgrades required for a certificate of occupancy. Beyond that the building is rented as is and interior cleaning and cosmetic upgrades will be the responsibility of the tenant.

Rental Rate:

3200 sf @ \$10 per sqft = \$32000 per year or \$2600 per month

The Tenant agrees to pay \$2000 per month for the nonexclusive use of the building and allow Legacy Decatur to rent the space to other suitable users based on an agreed upon available space schedule each year to allow Legacy Decatur to make up the difference in the annual rental income.

Tenant further agrees to work with Legacy Park to move classes to like facilities on the campus should the space be desired for a film rental shoot. In exchange Legacy Decatur will pay the Frank Hamilton School 10% of the film rental income.

Tenant agrees to provide periodic maintenance of the landscaped beds surrounding the building and work with Legacy Decatur to improve the appearance of the exterior building and offered to provide periodic concerts at the property featuring students and teachers.

Term: 3 years with renewal options

Insurance: General liability

No exclusive use to parking

WHY (What Does Legacy Decatur and the City of Decatur Gain) :

Annual guaranteed rental income of \$24,000 per year with ability to generate additional rent from small rentals in the building when available

Use meets the overall vision and goals of the Master Plan by repurposing historic buildings, encouraging a diversity of uses and users and generating income for the property