From: Sage Turner <sageturner@avlcouncil.com>
Sent: 10/26/2021 2:21:06 PM
To: Jonathan Wainscott
Cc:
Subject: Re: City of Asheville Discriminatory Leasing Practices

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Interesting as always, Jonathan.
I see this valuation a lot with older, fully depreciated structures.
Not sure why we didn't go for the $1 lease. I'll poke around and see if there's an option there.

Sage

On Mon, Oct 25, 2021 at 8:25 PM Jonathan Wainscott <jonwainscott@gmail.com> wrote:

> Hello Council,
>
> Concerning Consent Agenda Item B, the lease between the City of Asheville and Grind, LLC I would like to note that City will be leasing a $200K property for $18,000 a year. That's 9% rent on the total value of the property. The express purpose of Grind is to create "Black Wall Street" which is a noble endeavor that I support. I do wish that we could (I believe we can) extend the same terms to Black Wall Street as we do to the Asheville Tourists Baseball Team, who's express purpose is to sell baseball game tickets and hotdogs for 58 home games a year. The owners of The Asheville Tourists, Ohio Governor Mike DeWine and his family, rent a City-owned property valued at almost $28,000,000 for $1 a year. One. Dollar. Nine percent rent on the total value of this property is $2.5M a year. We charge a dollar.
>
> Now I know these are two very different properties with completely different markets and as such, we can say that each is being rented at "Fair Market Value". Obviously the Fair Market isn't very fair, but it is completely legal. Just like Jim Crow, but I digress. I suppose there's is a North Carolina law that we can blame for not being able to rent 8 River Arts Place for a buck the same way we can with 30 Buchanan Place, but, something legally slippery had to be done for 8 River Arts Place to be valued at only $198,800, thereby not representing any kind of Fair Market Analysis.
>
> As the Buncombe County Property Card will show (https://prc-buncombe.spatialest.com/#/property/963896784600000) the 1,920 square-foot building at 8 River Arts Place is only valued at $16,900. No, I'm not missing a zero. This building is worth less than a 2017 Ford Escape SE with average wear. This building is only $8.80/sqft.That's very odd. Meanwhile, the land is valued at almost $200K for a fat quarter/skinny third of an acre and I guess that's about right for that type of acreage in the River Arts District, but there's a major creek running right under the building. It would be very expensive to build on this particular site and should reduce the price.
>
> I'm sure there's a lawyerly reason that 8 River Arts Place is only worth two hundred grand and that keeps the rent low. Fair Market Value in this ultra-hip location should be $18-22 a square foot (annually) which would be $2,880- 3,520 a month. Obviously we have the capacity to exempt this property from Fair Market status, but we just can't do better than taking $18,000 a year from Black Wall Street while giving the DeWine Family $28M worth of assets for free? And, the Asheville Tourists only won 30 home games last year! Why is the DeWine Family's mediocre baseball hobby more important than Black Wall Street?
>
> Supporting documents for Item B say that an "equity lens' was used at every opportunity in this process, but Staff Resources don't include input from Brenda Mills, Interim Director of the Department of Equity and Inclusion. Staff Resources do include Interim Director of Economic and Community Development Department, Nikki Reid. I think the Equity Lens is out of focus.
>
> Perhaps it is too late to adjust Grind, LLC's terms to be on par with Governor DeWine's, I get that it's a bit more complicated than scratching out the numbers on the lease and initializing them with a black pen, but it seems like this leasing disparity needs to be addressed.
>
> Thanks-
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> --
> ***Jonathan Wainscott***
>
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> 28806

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