



**Town Council
Adjourned Meeting for Work Session Minutes
May 17, 2022**

The Town Council of Bedford, Virginia, held an Adjourned Meeting for a Work Session on Tuesday, May 17, 2022, at 6:00 p.m. in the Council Chambers of the Town Municipal Building at 215 East Main Street, Bedford, Virginia.

Town Council members present:

Mayor Tim Black, Vice Mayor C. G. Stanley, Councilman Bob Carson, Councilman Stacey Hailey, Councilman Bruce Hartwick, Councilman Bruce Johannessen, Councilman Darren Shoen

Town Staff present:

Town Manager Bart Warner, Town Attorney Michael Lockaby, Clerk of Council Debra B. Anderson, and Recording Secretary Julia Peters

Mayor Black called the meeting to order and explained that Council would be discussing the lease for the Chamber of Commerce and what options they would want to present to them. They want to come up with something today so the Chamber staff would have time to review it and get back with Council by the next regularly scheduled meeting on May 24, 2022.

Mayor Black said he had a couple conversations with Chamber Board members and Council has their attention now. He noted that the first option for Town Council was to prepare a lease with terms acknowledging the Town owns the real estate. The Chamber of Commerce did raise the money back in 1970 to build the building, but that was 50 years ago. The money was raised through the business community and no taxpayer dollars were used for the build. In a typical commercial lease agreement, the Town would maintain the property but charge a monthly rent payment. Another option would be to draw up just a ground lease. The Town owns the land and would rent it to the Chamber. The Chamber would be responsible for the building and its maintenance. The Town would still complete snow plowing and lawn mowing of the lot. The third option would be to sell the lot to the Chamber and the property would be transferred to them for the price of the lot. This would eliminate the continual debate of who owns the building and who owns what and would remove the Town from the liability of the property. The building currently needs some work to bring it up to code and the cost to do so is not known at this time.

Mr. Lockaby said that sale of property that is open to public use such as parks or streets, the requirement by law is to bid out for RFP's. But if the property owned is just a parcel of land, it can be sold however the Town chooses as long as a public hearing is held. Therefore, if the Council wants to make a deal with the Chamber, they can have a public hearing regarding the deal and then make the sale. He also noted that the Town legally owns the ground and it is set forth in a deed. The way the documents were drafted, there was a termination penalty if the lease was terminated early, but the lease is over which means the building is a fixture on the land and is annexed and a part of the real estate. It is not unusual for an entity to have a ground lease for a period of time and then whatever is left of the building when the lease is up reverts back to the landlord. He believes that a court would most likely find it so in this case.

Discussion followed regarding the three options Mayor Black mentioned. Topics discussed were costs of maintenance and upkeep, fair market value of the property, appraisals, the parking lot and its use by the Town, ground leases and the particular clauses/stipulations to be included, taxes, and any potential need or benefit for the Town to keep the property.

Consensus of Council members was to sell the property to the Chamber. It would resolve the continuing issues handled for 50 years, keep the Chamber located within the Town, remove the Town from liability for the property and generate some revenue and taxes. An appraisal will be obtained within the next month and Mr. Lockaby will draw up particulars needed for a ground lease, which was the second option agreeable to Council members. Consensus was to remove the option of a normal landlord/tenant lease from consideration. Council members requested a letter of intent from the Chamber of Commerce, if they were serious about buying the property.

ADJOURNMENT

6:40 p.m.

Tim Black, Mayor

Debra Anderson, Clerk of the Council