

Request for Board of Commissioners' Action

From: Faye Hughes, County Administrator Date: March 24, 2021

Subject: DFCS Building Lease Item Number: VIII-G

Please find attached the new building lease for DFCS. Currently, the State Properties Commission is paying **\$5,979.17** per month (**\$7.00**/RSF). The rent represented in the attached LOI is **\$3,895.00** per month (**\$4.56**/RSF) – constituting **a decrease of 34.9%.***

There are two new clauses in the agreement –

- 1- Requires that the county be responsible for signage on exterior and interior doors and building, see page 3 of the Letter of Intent.
- 2- Requires that the county be responsible for a list of interior building updates and repairs, see page 3 and 4 of the Letter of Intent.

Mr. Rob Hill will attend the work session (via skype) to answer any questions the Commission may have.

Motion made by _____

Second made by _____

Any discussion: _____

Votes _____ yes _____ no

Motion carried/ failed

Vicki

From: Hill, Robert <rob.hill@spc.ga.gov>
Sent: Thursday, March 18, 2021 1:15 PM
To: Vicki
Subject: 5213 DHS-DFCS (Adel) New Lease Letter of Intent for the Premises at 1010 South Hutchinson Avenue, Adel, GA 31620-5218
Attachments: 5213 DHS-DFCS (Adel) LOI Draft 03.18.21.docx

Importance: High

Follow Up Flag: Follow up
Flag Status: Flagged

Vicki,

As we discussed, in situations such as this, the State of Georgia no longer employs the “*Local Statement of Service and Maintenance Costs in Lieu of Rent in Public Buildings*” (AKA: “*Maintenance in Lieu Agreement*”) format as a contractual means of leasing commercial real property. Instead, a more traditional lease format is utilized to compensate the property owner (as “Landlord”) for their anticipated expenditures toward “Operating Expenses” (“OpEx”).

Without a precise itemized record of the actual Operating Expenses (as recognized under *Generally Accepted Accounting Principles, United States* (“GAAP US”) and the *Building Owners and Managers Association* (“BOMA”) guidelines) for a particular structure, the State of Georgia estimates these expenditures from the actual Operating Expenses of other buildings within Georgia as compiled by BOMA - the *Building Owners and Managers Association* – in accordance with these guidelines.

BOMA OpEx Standards:

To account for regional economic differences, the State Properties Commission applies an appropriate Standard from 1 of 2 sets of OpEx Standards.

- (1) For properties within the greater metropolitan Atlanta region, BOMA Operating Expense records compiled from commercial buildings in the Metro-Atlanta, GA market are used as the Standard. (the “**Metro-Atlanta OpEx Standard**”)
- (2) For properties outside of that region, BOMA Operating Expense records compiled from commercial buildings in the Macon, GA market are used as the Standard. (the “**Statewide OpEx Standard**”)

In this instance the State Properties Commission of Georgia has determined that the most appropriate Operating Expense Standard to use is the **Statewide OpEx Standard**.

BOMA OpEx Baselines:

To account for variations within each Standard, the State Properties Commission applies an appropriate Baseline from 1 of 4 sets of OpEx Baselines reported in the studies: “**Average**”, “**Median**”, “**Low**”, or “**High**”.

In this instance the State Properties Commission of Georgia has determined that the most appropriate Baseline is that comprised of the sum of the annual “**High**” per square foot expenditures for each Operating Expense line-item.

The table below shows the most recent itemized Baseline lists from the **Statewide OpEx Standard** with the **"High"** Baseline figures highlighted.

2019 Statewide OpEx Standard				
Baseline:	Average	Median	Low	High
Expense				
Repair / Maintenance	\$1.17	\$1.37	\$0.98	\$1.43
Roads / Grounds	\$0.20	\$0.15	\$0.14	\$0.92
Security	\$0.05	\$0.06	\$0.06	\$0.06
Administrative	\$1.63	\$2.13	\$1.64	\$2.15
Total	\$3.05	\$3.71	\$2.82	\$4.56

Lease 5213 DHS-DFCS (Adel) Letter of Intent:

Attached, please find a draft letter of intent ("LOI") ("**5213 DHS-DFCS (Adel) LOI Draft 03.18.21.docx**") for a lease in which rent is calculated on this Operating Expense Standard Baseline.

Currently, the State Properties Commission is paying **\$5,979.17** per month (**\$7.00/RSF**). The rent represented in the attached LOI is **\$3,895.00** per month (**\$4.56/RSF**) – constituting a **decrease of 34.9%.***

**According to Article V., § 19. "Janitorial Services" of the Rental Agreement dated July 25, 2011, the costs of such services were to be borne by the Cook County Board of Commissioners, but records show that these costs were instead borne by the Tenant. Therefore, the assumption is that this arrangement will be incorporated into the proposed lease, and these costs are reflected in the Fixed Rental figures and were excluded from the 2019 Statewide OpEx Standard.*

The attached LOI also covers an overview of a number of additional terms and conditions that will be addressed in more detail in the final lease draft.

Requested Action: Please review this LOI carefully as, once agreed to by the parties, it will be the framework for drafting the terms and conditions of the subsequent lease agreement.

- (1) If the attached is incomplete on any point**, it cannot be executed. Please provide whatever information is needed to complete the attached in customary Microsoft Word "redline" format and return the "redlined" electronic document to me via email at your earliest convenience as time is of the essence.
- (2) If the attached is inaccurate in any way**, it should not be executed. Please make any revisions in customary Microsoft Word "redline" format and return the "redlined" electronic document to me via email at your earliest convenience as time is of the essence.
- (3) If the attached is acceptable – unchanged - in its current form**, please execute three (3) original copies and return them by mail to me at the address below at your earliest convenience as time is of the essence. Provided that all required internal approvals are received, a signed original will be sent to you as acceptance of that offer or we will notify you of its refusal - and any proposals for an acceptable counteroffer, if applicable.

Thank you for your prompt response; if you have any questions or concerns, please feel free to contact me directly – **on my Mobile phone: 404-973-9699** - at any time.

Best regards,



Rob Hill

Leasing Specialist

270 Washington Street, SW

Suite 2-129

Atlanta, Georgia 30334

Office: (404) 463-1728

Mobile: (404) 973-9699

Email: rob.hill@spc.ga.gov

3/18/2021

Ms. Vicki Parrish
County Clerk
Cook County Board of Commissioners
1200 South Hutchinson Avenue
Adel, Georgia 31620-5218
229-896-2266
vicki@cookcountyga.us

**RE: Letter of Intent - Georgia Department of Human Services – Division of Family and Children Services
Lease # 5243 – 1010 South Hutchinson Avenue, Adel, GA 31620-5100**

Dear Ms. Parrish:

Thank you for your efforts to date in proposing and providing information to State Properties Commission (“Tenant”) and the Georgia Department of Human Services – Division of Family and Children Services (“Occupying Agency”) regarding the potential lease of the space at the above referenced address. Please review the following terms and conditions and fill in all required information. Once fully executed, this letter will signal agreement to terms and conditions for a new lease agreement. This is a non-binding offer. **We request your response within ten (10) business days of the date of this letter.**

PROPOSED PREMISES INFORMATION

LANDLORD LEGAL NAME AND NOTICE ADDRESS:	Cook County Board of Commissioners Att.: County Administrator 1200 South Hutchinson Avenue, Adel, Georgia 31620-5218
LANDLORD RENT:	1200 South Hutchinson Avenue, Adel, Georgia 31620-5218
PREMISES / BUILDING ADDRESS:	1010 South Hutchinson Avenue, Adel, GA 31620-5100
PREMISES:	The Premises comprises: 10,250 Rentable Square Feet (“RSF”) in a Single Tenant building; and is further described in the Floor Plan attached hereto as Exhibit A .

RENTAL RATE:	<p>The following Rental Rate schedule outlines the Modified Gross rate that the Landlord is proposing to Tenant for the Term.</p> <table><tr><th>FISCAL YEAR</th><th>PERIOD</th><th>MONTHLY RENT</th><th>ANNUAL RENT</th><th>ABATED RENT</th></tr><tr><td>2022</td><td>7/1/21 – 6/30/22</td><td>\$3,895.00</td><td>\$46,740.00</td><td>\$0.00</td></tr></table>	FISCAL YEAR	PERIOD	MONTHLY RENT	ANNUAL RENT	ABATED RENT	2022	7/1/21 – 6/30/22	\$3,895.00	\$46,740.00	\$0.00																																			
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RENEWAL OPTIONS:	Eight (8), one-year Renewal Option(s)																																													
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OPERATING EXPENSES:	Landlord shall be responsible for all building and property operating expenses for the Term including any renewals.																																													
UTILITIES:	Tenant shall maintain accounts in its name for any utility used by Tenant to service the Premises including electricity, gas, water, sewer, data/internet, and telephone and shall pay for these utilities directly to the appropriate utility service provider.																																													
JANITORIAL:	Tenant shall furnish and pay for all janitorial services for the Premises.																																													
PARKING:	Tenant’s parking allocation shall not be less than Five (5) spaces per 1,000 RSF of the Premises (Fifty-One (51) parking spaces) located on the Land containing the Premises. All parking spaces shall be free of charge throughout the Term and any Renewal Term(s).																																													

OTHER BUSINESS TERMS

OBLIGATION TO REPAIR & MAINTAIN:	Landlord will be responsible for all building and property operations, interior and exterior repairs, and maintenance of the Premises at no additional charge to Tenant.
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SIGNAGE RIGHTS:	Within one hundred twenty (120) days of the execution of a lease agreement, Tenant or Occupying Agency (or Agencies), at Landlord's sole cost and expense, shall be permitted to replace Occupying Agency's (or Agencies') signage graphics where such are extant in, on, and around the Building and Premises, as necessary in order to bring such into compliance with the standards set forth in <i>Department of Human Services Facilities Signage Guide</i> , attached hereto and incorporate herein as Exhibit B .
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TENANT IMPROVEMENTS

TENANT IMPROVEMENTS & LANDLORD CONSTRUCTION:	<p>Within ninety (90) days of the execution of a lease agreement, Landlord agrees to complete the following modifications to the Premises (hereinafter, the "Tenant Improvements") at Landlord's sole cost and expense in a good and workmanlike manner by duly licensed, bonded, and insured contractors in compliance with all applicable ordinances, orders, rules, regulations, and requirements of all federal, state, and municipal governments and the appropriate departments, boards, and offices thereof, at a time or times that will not unreasonably interfere with Tenant's or Occupying Agency's business activities. Landlord shall also be responsible for obtaining all of the required building permits and other governmental authorizations (if any) for the completion of the Tenant Improvements at Landlord's sole cost and expense. Where applicable, the Occupying Agency will be responsible for disconnecting and reconnecting all computers and appliances, and Landlord will move Occupying Agency's furniture and replace same when Tenant Improvements are complete at Landlord's sole cost and expense.</p> <ul style="list-style-type: none"> (A) Steam clean all carpets within the Premises to a "like new" appearance. (B) Repair or replace any stained, damaged, or missing tile flooring and/or molding with new tiles and/or molding to match those existing within the Premises. (C) Strip and wax or appropriately refinish all exposed flooring within the Premises to a "like new" appearance. (D) Repair or replace any stained or damaged ceiling tiles with new ceiling tiles to match those existing within the Premises. (E) Fill any surface depressions and apply touch-up paint where reasonably necessary to render the painted interior surfaces of the leased Premises, including doors and door frames, to a "like new" appearance. (F) Repair or replace any stained or damaged lighting fixtures and fixture covers with new fixtures to match those existing within the Premises. (G) All exterior windows are to have intact, damage-free window screens in place. Any damaged or missing window screens are to be replaced with new window screens to match those existing on the Building.
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	<p>(H) Any damaged, unused, or unwanted furniture or fixtures as identified by the Tenant or Occupying Agency, are to be removed from the Land.</p> <p>Landlord and Landlord's management company both agree that they will not charge Tenant a construction management fee.</p>
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OTHER LEGAL TERMS

CONTINGENCY:	The terms of any real estate transaction for the Premises shall be subject to final approval and full execution of the lease by both Landlord and Tenant.
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If the foregoing offer is acceptable to Landlord and Landlord agrees to undertake good faith negotiations with Tenant in order to finalize a Lease Document embodying the terms set forth above, please execute this letter where indicated below and return a copy to our office (via email) by the time and date referenced in the opening paragraph. If you have any questions or would like to discuss, please contact me directly.

Robert C. "Rob" Hill, III
Leasing Specialist
State Properties Commission of Georgia
270 Washington Street, SW
Suite 2-129
Atlanta, Georgia 30334
Office: (404) 463-1728
Mobile: (404) 973-9699
Email: rob.hill@spc.ga.gov

cc:

The remainder of this page intentionally left blank

AGREED AND ACCEPTED THIS ____ DAY OF _____, 2021.

Landlord: Cook County Board of Commissioners

By: _____

Name: _____

(print name)

Its: _____

AGREED AND ACCEPTED THIS ____ DAY OF _____, 2021.

Occupying Agency: Georgia Department of Human Services – Division of Family and Children Services

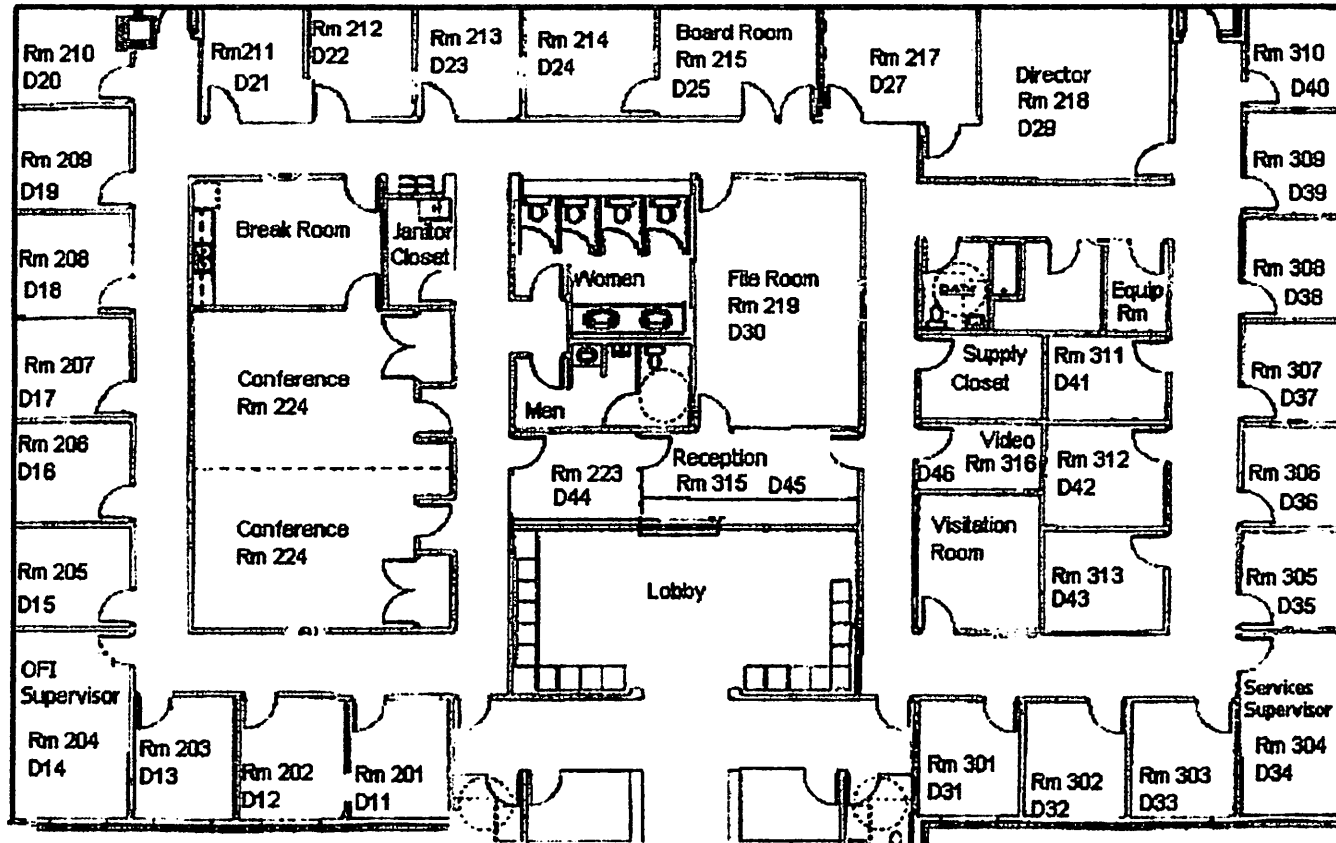
By: _____

Name: Robyn A. Crittenden

Its: Commissioner

By signing, the Occupying Agency approves this Letter of Intent as to content including monetary obligations that will be incurred by the Occupying Agency subsequent to the execution of the lease by the State Properties Commission and the Landlord, and upon assignment of the Premises to such Occupying Agency by the State Properties Commission.

COOK COUNTY DFCS FLOOR PLAN



(Not to Scale)

Exhibit A
Floor Plan

Exhibit B

Department of Human Services Facilities Signage Guide



Georgia Department of Human Services

DHS Facility Signage Guide

DHS Facility Signage Guide

Signage across the Department's facilities should be consistent. Overall, signs should use the state seal and the name of the Department and Division in Arial and Arial Black font. "Georgia Department of Human Services" is always represented in Arial Black font. Division names are represented in Arial regular font.

DHS signs should use black type. Signage restrictions and mandates from building / complex owners should be provided to ofssrealstateunit@dhs.ga.gov.

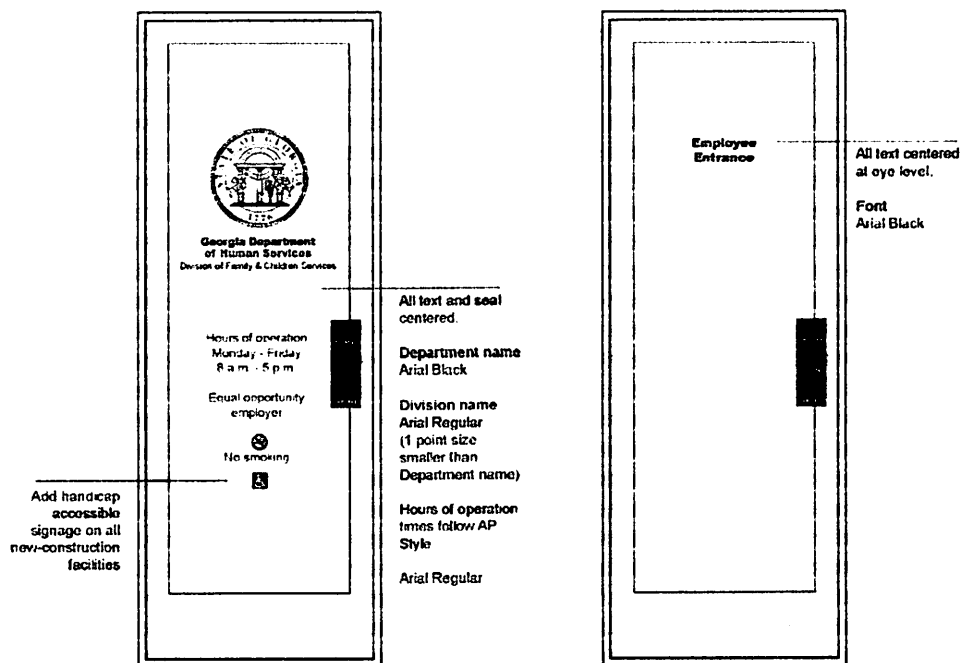
Doors

Facility doors should have all writing in Arial font, with the exception of the Department name in Arial Black. Font color should be white or black, depending on the tint of the glass. Images of the state seal can be downloaded from the Employee Intranet. If a vector file is needed, contact tahni.segars@dhs.ga.gov.

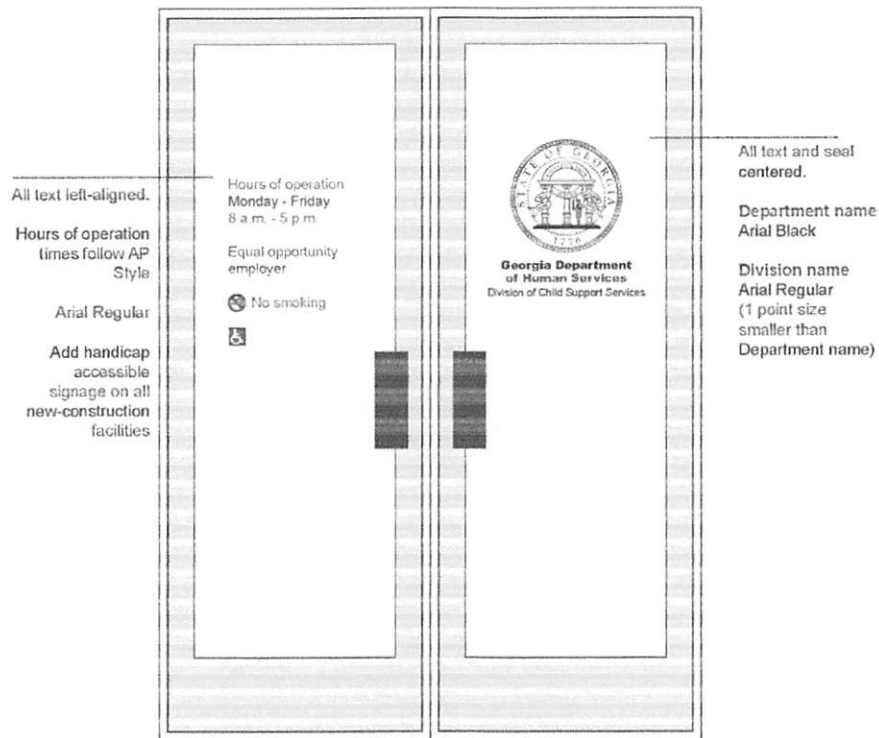
Hours of operation should follow Associated Press Style format, with the hours represented as numerals and "a.m." or "p.m." represented lowercase with periods. Please find examples below.

Hours of operation
Monday – Friday
8 a.m. – 5 p.m.

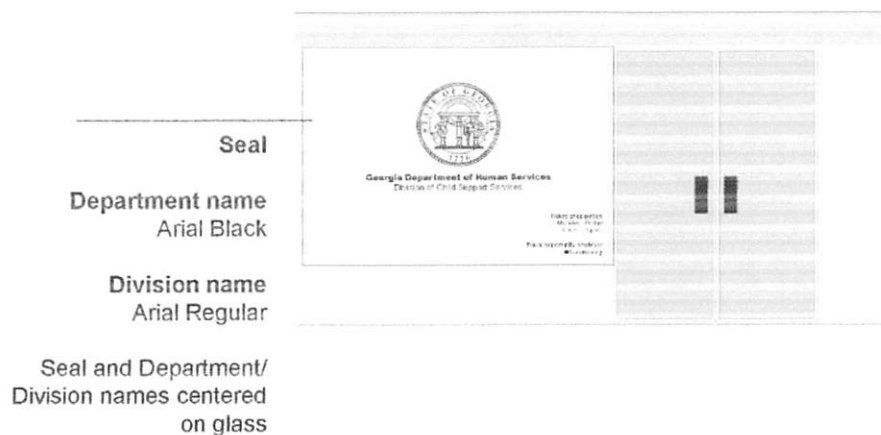
Single Doors



Double Doors





Solid doors with adjacent window panel




Signs / Marquees

Monument / Panel Signs


Horizontal

 <p>Georgia Department of Human Services Division of Child Support Services</p> <p>555 Main St. Cartersville, GA</p>	<p>Department name Arial Black</p> <p>Division name Arial Regular</p>
 <p>Georgia Department of Human Services Division of Child Support Services Division of Aging Services</p> <p>555 Main St. Cartersville, GA</p>	<p>Co-location</p> <p>Department name Arial Black</p> <p>Division names Arial Regular</p>

Vertical

 <p>Georgia Department of Human Services Division of Child Support Services Division of Family & Children Services</p> <p>555 Main St. Cartersville, GA</p>	<p>Department name Arial Black</p> <p>Division name Arial Regular</p> <p>Text, graphics left-aligned</p> <p>Address high enough to allow for vegetation growth. Address formats can include street number only or full address.</p>
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Illuminated Complex Marquees

Avondale Crossing		
	Department of Human Services Division of Child Support Services	
Seal		
Department name Arial Black	Department of Human Services Division of Child Support Services	Department name Arial Black
Division name Arial Regular		Division name Arial Regular
(use this design for larger, horizontal displays)		(use this design for smaller displays)

Building Fronts

Standard

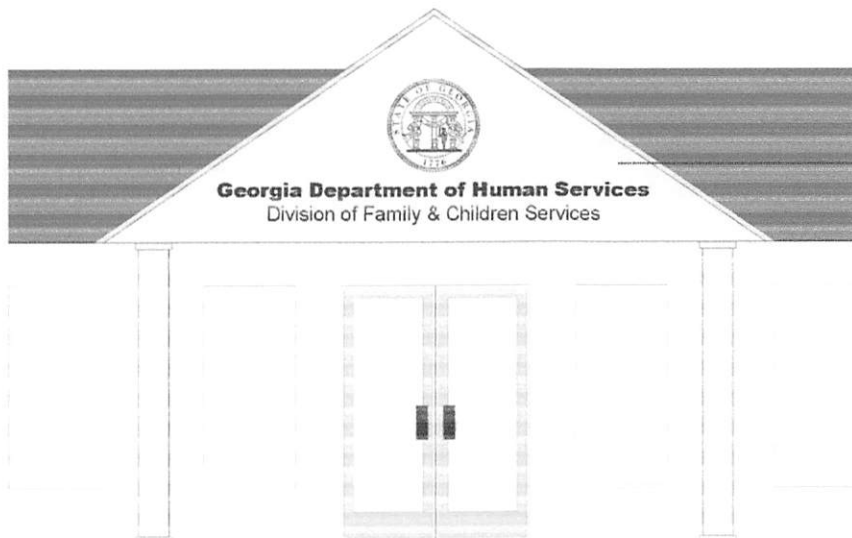


Department name
Arial Black

Division name
Arial Regular

Centered over entrance

Gabled



Department name
Arial Black

Division name
Arial Regular

Centered over entrance
with seal above

This format can also
be used on semi-circle/
rounded awning fronts.