

Legislation Text

File #: 2017-1141, **Version:** 1

Public Hearing: YES NO **Department:** Community Development

SUBJECT: Lease of Office Space for the Community Development Department

Commission District(s): All

Community Development Lease - 750 Commerce Drive, Decatur, GA 30030

Information Contact: Allen Mitchell

Phone Number: 404.371.2727

PURPOSE:

To approve a lease agreement with Housing Authority of the City of Decatur, Georgia and Housing Authority of DeKalb County, Georgia, for the rental of office space to accommodate the Community Development Department. This agreement is for a period of 12 months beginning on January 1, 2018 and ending at 12:00 midnight on December 31, 2018 to include four (4) annual options to renew until December 31, 2022. The lease location is 750 Commerce Drive, Decatur, GA 30030.

NEED/IMPACT:

The Community Development Department is currently located at 3486 Covington Highway and seeks to relocate to a more suitable space. The lease, 6,404 square feet, will allow the Community Development Department to obtain adequate space to accommodate authorized staffing, storage requirements, and overall program needs. The current location is deemed as generally unsafe, is insect infested, and has infrastructure issues.

The annual rental expense will be One Hundred Twenty one Thousand Six Hundred Seventy Six Dollars and 00/100 (\$121,676.00) for the period January 1, 2018 and ending at 12:00 midnight on December 31, 2018 with a rate per square foot of \$19.00, which is below the prevailing market rate. Renewal option clauses require an annual increase of three percent. The Landlord is granting a \$25,000 Tenant Finish Allowance for paint, carpeting, and other interior work. In the event the County utilizes the allowance and exercises its contractual right to terminate the lease for any reason, there is a de-escalating termination fee of \$15,000 at the end of the first year, \$10,000 at the end of the second year, and \$5,000 at the end of the third year. There is no parking fee required for the twenty-three spaces the department requires and utilities are included in the lease costs.

The law department is currently reviewing the lease for approval as to form.

FISCAL IMPACT:

No Cost to the County

RECOMMENDATION:

Approve a lease agreement with Housing Authority of the City of Decatur, Georgia and Housing Authority of DeKalb County, Georgia, for the rental of office space to accommodate the Community Development Department. This agreement is for a period of 12 months beginning on January 1, 2018 and ending at 12:00 midnight on December 31, 2018 to include four (4) annual options to renew until December 31, 2022. Authorize the Chief Executive Officer to execute all necessary documents.