



Fulton County

Legislation Text

File #: 22-0620, Version: 1

Department

Real Estate and Asset Management

Requested Action *(Identify appropriate Action or Motion, purpose, cost, timeframe, etc.)*

Request approval of a First Amendment to Lease Agreement between Fulton County ("Tenant") and SOUTHPOINT FARMS LPIV, LLC ("Prime Lessee"); SOUTHPOINT FARMS VERTICAL PIV1, LLC ("PIV SUBLESSEE"); and SOUTHPOINT FARMS VERTICAL DP, LLC ("DP SUBLESSEE") (PRIME LESSEE, PIV SUBLESSEE and DP SUBLESSEE are collectively "Landlord") for the purpose of amending the lease commencement date and modifying certain rental terms for the consolidated warehouse Lease Agreement for 5674 Campbellton-Fairburn Road, Union City, Georgia 30312; to authorize the Chairman to execute the First Amendment to Lease Agreement and related documents; to authorize the County Attorney to approve the First Amendment to Lease Agreement and related documents as to form and to make any modifications thereto in order to protect the interests of Fulton County prior to execution; and for other purposes. **(APPROVED UPON ADOPTION OF THE CONSENT AGENDA)**

Requirement for Board Action *(Cite specific Board policy, statute or code requirement)*

According to O.C.G.A. § 36-60-13, each county or municipality in this State shall be authorized to enter into multiyear lease, purchase, or lease purchase contracts of all kinds for the acquisition of goods, materials, real and personal property, services and supplies.

Strategic Priority Area related to this item *(If yes, note strategic priority area below)*

Open and Responsible Government

Commission Districts Affected

- All Districts ☒
- District 1 ☐
- District 2 ☐
- District 3 ☐
- District 4 ☐
- District 5 ☐
- District 6 ☐

Is this a purchasing item?

No

Summary & Background *(First sentence includes Agency recommendation. Provide an executive summary of the action that gives an overview of the relevant details for the item.)*

Scope of Work: The Department of Real Estate and Asset Management is requesting the approval of the Fulton County Board of Commissioners of the First Amendment to Lease Agreement which amends the lease commencement date and modifies certain rental terms for the consolidated warehouse Lease Agreement for 5674 Campbellton-Fairburn Road, Union City, Georgia 30312, that was previously approved at the Board of Commissioner Meeting held November 17, 2021 as agenda item 21-0915.

SOUTHPOINT FARMS LP IV, LLC and the Department of Real Estate and Asset Management have negotiated mutually acceptable amendments to the current consolidate warehouse lease agreement that, amongst other things, formalizes the effective rent commencement date as November 1, 2022, sets the commencement date for the payment of rent, modifies the renewal terms, and includes a reduction to the early termination penalty should the lease agreement have to be terminated prior to expiration.

In accordance with Fulton County Policy, the approval of the Fulton County Board of Commissioner's is required prior to executing or modifying the terms of all contractual agreements in which the County is a party to the agreement.

Community Impact: The Lease is required to consolidate multiple user departments into a single warehouse location for the purpose of improving efficiency in service levels, implementation of a proactive warehouse space plan that will solve the County's warehouse space needs for the next 20 years and reduce operational costs and reconfirm the commitment of providing staff the necessary resources.

Department Recommendation: The Department of Real Estate and Asset Management recommends approval of the First Amendment to Lease Agreement for the purpose of formalizing the effective lease commencement date, setting the commencement date for the payment of rent, modifying the renewal terms, and including a reduction to the early termination penalty should the lease agreement have to be terminated prior to expiration.

Project Implications: Multiple user departments will be located at a centralized, state of the art and easily accessible location.

Community Issues/Concerns: None.

Department Issues/Concerns: Approval of lease modifications are required to consolidate currently dispersed operations for better efficiency.

History of BOC Agenda Item: The Fulton County Board of Commissioners previously approved the Lease Agreement for this location at the Board of Commissioner Meeting held November 17, 2021 as agenda item 21-0915.