



CITY OF STONECREST, GEORGIA

Honorable Mayor Jason Lary, Sr.

Council Member Jimmy Clanton, Jr. – District 1

Council Member Rob Turner- District 2

Council Member Jazzmin Cobble – District 3

Council Member George Turner- District 4

Council Member Tammy Grimes – District 5

SPECIAL CALLED MEETING AGENDA

VIRTUAL MEETING

October 11, 2021 5:30 P.M.

Citizen Access: [Stonecrest YouTube Live Channel](#)

- I. CALL TO ORDER:** Mayor Pro Tem, George Turner
- II. ROLL CALL:** Sonya Isom, Deputy City Clerk
- III. AGENDA DISCUSSION ITEMS:**
 1. Approval - of City Hall Lease Amendment – *Janice Allen Jackson/Jim Nichols*
- IV. EXECUTIVE SESSION**

(when an executive session is required, one will be called for the following issues: 1) Personnel, 2) Litigation, 3) Real Estate)
- V. ADJOURNMENT**



CITY COUNCIL AGENDA ITEM

SUBJECT: City Hall Lease Amendment

AGENDA SECTION: *(check all that apply)*

PRESENTATION PUBLIC HEARING CONSENT AGENDA OLD BUSINESS
 NEW BUSINESS OTHER, PLEASE STATE: [Click or tap here to enter text.](#)

CATEGORY: *(check all that apply)*

ORDINANCE RESOLUTION CONTRACT POLICY STATUS REPORT
 OTHER, PLEASE STATE: **Lease Amendment**

ACTION REQUESTED: DECISION DISCUSSION, REVIEW, or UPDATE ONLY

Previously Heard Date(s): 09/27/21 & 10/4/21

Current Work Session: [Click or tap to enter a date.](#)

Current Council Meeting: Monday, October 11, 2021

SUBMITTED BY: Jim Nichols, Deputy City Manager

PRESENTER: Janice Allen Jackson, ACM/Jim Nichols, DCM

PURPOSE: Consider an amendment to our current lease with Stonecrest Center for additional space at 3120 Stonecrest Boulevard, the location of the current City Hall.

FACTS: The Stonecrest City Hall is rapidly running out of space for current employees. This situation has been tempered by the adjusted work schedule enacted by the Acting City Manager. However, as employees begin returning to the work place and as the City hires additional staff as part of the transition from Jacobs Engineering, there will not be enough room for all of the City functions to take place. Though Sam's Club was purchased as a potential City Hall replacement, if that option is pursued, it is years from completion and occupancy. Additional space is needed now. The Acting City Manager and Deputy City Manager have engaged with the landlord of the current City Hall building (Ashley Capital) and discussed securing additional space to accommodate our needs. There are 2 wings of unfinished space in the building – one on the 1st floor and another on the 2nd - that are available for the City's use. The 1st floor wing contains more than 2,800 sq ft of rentable space while the 2nd floor wing contains over 5,800 sq ft of rentable space. Either could include cubicles, offices, conference space and storage. We estimate that the 1st floor space can hold



CITY COUNCIL AGENDA ITEM

up to 18 staff members while the 2nd floor space can hold approximately 30 staff members, which should cover the City's upcoming needs as we prepare to expand the staff as part of the upcoming transition. The lease amendment would take effect on or around January 1, 2022 and would extend our lease 5 years from that date forward. Due to the timing established in our current lease, an annual rent escalation of 2.5% would take effect in April of every year. The landlord has agreed to a rent abatement for the first 3 months of occupancy in either new space. In addition to the base rent, the City pays a monthly rent component to address our proportionate share of the operating costs of the building. This added cost will increase as our proportionate share of building area does. The City's base rent is established from the rentable square feet (rsf) that is allocated for the space we will occupy. Our current base rent is \$13.34/rsf. This rate will increase to \$13.67/rsf in April 2022 followed by annual increases each April thereafter. The City may opt out of the agreement at any time over the 5-year lease, however this will come with an early exit penalty that reduces with each year of occupancy. After the 5th year, if the City wishes to continue occupying their space, the City may again opt out at any time by giving 6 months of advance notice to the landlord, at no penalty. We believe this is a worthwhile opportunity that meets a current space need and buys us time while we consider the long-term options for the Stonecrest City Hall. We recommend approval of either amendment.

OPTIONS: Approve, Deny, Defer [Click or tap here to enter text.](#)

RECOMMENDED ACTION: Approval

ATTACHMENTS:

- (1) Attachment 1 - Lease Amendment 1st floor
- (2) Attachment 2 - Lease Amendment 2nd floor
- (3) Attachment 3 - Commencement Letter
- (4) Attachment 4 - Lease Calculations 1st floor
- (5) Attachment 5 - Lease Calculations 2nd floor

**CITY OF STONECREST
FIRST AMENDMENT TO LEASE**

This First Amendment to Lease is entered into as of the date below between Stonecrest Center, LLC (“Landlord”) and City of Stonecrest (“Tenant”).

RECITALS

WHEREAS, on the 1st day of October 2017, Landlord and Tenant entered into a Lease agreement (“Lease”) for space known as 3120 Stonecrest Blvd, Suite 190, Stonecrest, GA, consisting of approximately twelve thousand, five hundred sixty-nine rentable square feet (12,569 RSF), and more particularly described in said Lease (the “Premises”); and

WHEREAS, Landlord and Tenant now wish to modify and amend said Lease as follows:

WITNESSETH

NOW, THEREFORE, in consideration of the mutual covenants set forth below, Landlord and Tenant agree to expand and extend the Lease as follows:

1. **TERM:** Effective upon substantial completion of Landlord’s work (“Expansion Commencement Date”), the term of the Lease shall be extended by 60 months and shall expire on the last day of the 60th month from the Expansion Commencement Date.
2. **RENTABLE AREA OF PREMISES:** Effective on the Expansion Commencement Date, the size of the Premises shall be increased by two thousand, five hundred seventy-nine rentable square feet (2,579 RSF), two thousand, two hundred seventy-one usable square feet (2,271 USF). The revised Rentable Area of the Premises shall be fifteen thousand, one hundred forty-eight rentable square feet (15,148 RSF) as reflected on Exhibit A-1.
3. **PROPORTIONATE SHARE:** Effective on the Expansion Commencement Date, Tenant’s Proportionate Share shall be 27.9 %.
4. **BASE RENT:** Effective on the Expansion Commencement Date, the Base Rent Schedule shall be as follows:

	<u>Annual</u>	<u>Monthly</u>
Months 1 - 3	\$ 167,652	\$ 13,971 *
Months 4 - 15	\$ 207,072	\$ 17,256
Months 16 - 27	\$ 212,220	\$ 17,685
Months 28 - 39	\$ 217,548	\$ 18,129
Months 40 - 51	\$ 222,960	\$ 18,580
Months 52 - 60	\$ 228,540	\$ 19,045

* NET RENT ABATEMENT. Net Rent shall be abated for the three (3) month period from the Expansion Commencement Date through the end of the third month of the term on the expansion area of 2,579 RSF only. Although Tenant shall not be required to pay Net Rent on the expansion space during this abatement period, Tenant shall be required to pay Additional Rent as stated in Article 1 of the Lease and electrical services as stated in Article 7 of this Amendment.

5. **FORCE MAJEURE:** Upon full execution of this 1st Amendment, Article 28d (“Force Majeure”) shall be replaced in its entirety with the following:

“The term "**Force Majeure**" shall mean strikes, riots, acts of God, shortages of labor or materials, war, acts of terrorism, governmental laws, regulations or restrictions, including but not limited to, disruption caused by any public health crisis or pandemic, including COVID-19 or any other cause whatsoever beyond the control of Landlord or Tenant as the case may be. Whenever a period of time is herein prescribed for the taking of any action by Landlord or Tenant (other than the payment of Rent and all other such sums of money as shall become due hereunder), such party shall not be liable or responsible for, and there shall be excluded from the computation of such period of time, any delays due to events of Force Majeure.”

6. **PARKING:** Effective on the Expansion Commencement Date, Tenant’s designated number of non-exclusive parking spaces shall be increased from fifty (50) spaces to sixty-one (61) spaces.
7. **USE OF ELECTRICAL SERVICES BY TENANT:** Effective on the Expansion Commencement Date, Tenant’s Suite electric shall be increased from \$1,613.79 per month to \$1,944.98 per month (an annualized rate of \$1.75 PUSF).
8. **LANDLORD’S WORK:** Landlord shall provide a turn-key build-out of the expansion space, Suite 125, as shown on attached Exhibit A-1 in the configuration shown on the attached Exhibit B-1 (space plan by FBR Designs dated 09/01/2021). The space shall be constructed to Ashley Capital’s construction standards using Ashley Capital standard finishes.
9. **COMPLIANCE WITH O.C.G.A §36-60-13:** As required by O.C.G.A §36-60-13 the total obligation of the municipality for each year of the lease as shown in Article 5G shall be replaced in its entirety with the following:

Calendar Year	Maximum Amount including Early Termination Cost Reimbursement Amount
2022	\$490,196.42
2023	\$471,236.03
2024	\$444,090.77
2025	\$414,742.21
2026	\$383,019.00

If Tenant exercises its Option to Extend the Lease Term pursuant to Article 12 of this Amendment and Paragraph 2 of Exhibit E of the Lease

Calendar Year	Maximum Amount
2027	\$421,353
2028	\$446,040
2029	\$472,806
2030	\$501,678
2031	\$533,058

10. **EARLY TERMINATION COST REIMBURSEMENT:** Effective on the Expansion Commencement Date, the Early Termination Cost Reimbursement Amounts shown on Exhibit G shall be replaced with the following:

Calendar Year of Termination	Early Termination Cost Reimbursement Amount
2022	\$-0-
2023	\$184,067.42
2024	\$143,219.03
2025	\$99,102.77
2026	\$51,457.21
2027	\$-0-

11. **DEFINITIONS:** Article 1.T. of the Lease shall be replaced in its entirety with the following: “Notice Addresses” shall mean the addresses for Tenant and Landlord as shown in the signature blocks below on this Amendment with copies to:

As to Landlord, copies to:

Stonecrest Center, LLC
c/o Ashley Capital, LLC
2195 Eastview Parkway, Suite 100
Conyers, GA 30013

As to Tenant, copies to:

[Tenant to insert]

12. **OPTION TO EXTEND:** Tenant shall have one (1) “Option to Extend” the term of this lease for one (1) additional five (5) year term subject to Article 3.E and Exhibit E, Article 2 of the Lease.
13. **OPTION TO TERMINATE:** If Tenant exercises its Option to Extend as outlined in this Amendment Article 12, Tenant shall have one (1) “Option to Terminate” this Lease during the extension term provided: (a) Tenant is not in default; and (b) Tenant provides written notice to Landlord 6 months prior to Tenant’s desired termination date.

This Amendment modifies and supersedes the Lease, to the extent stated herein only. In any case of inconsistency between the Lease and this Amendment, this Amendment shall control. All other provisions and covenants of the Lease shall remain in full force and effect.

The Lease and this Amendment represent the entire agreement of the parties and neither has made or relied upon any representations, warranties, promises, covenants or undertaking other than those expressly set forth herein.

Landlord:

STONECREST CENTER, LLC

9810 S. Dorchester Avenue

Chicago, Illinois 60628

By: Ashley Capital, LLC, Its Agent

By: _____

Its: _____

By: _____

Its: _____

Tenant:

CITY OF STONECREST

3120 Stonecrest Blvd, Suite 190

Stonecrest, GA 30038

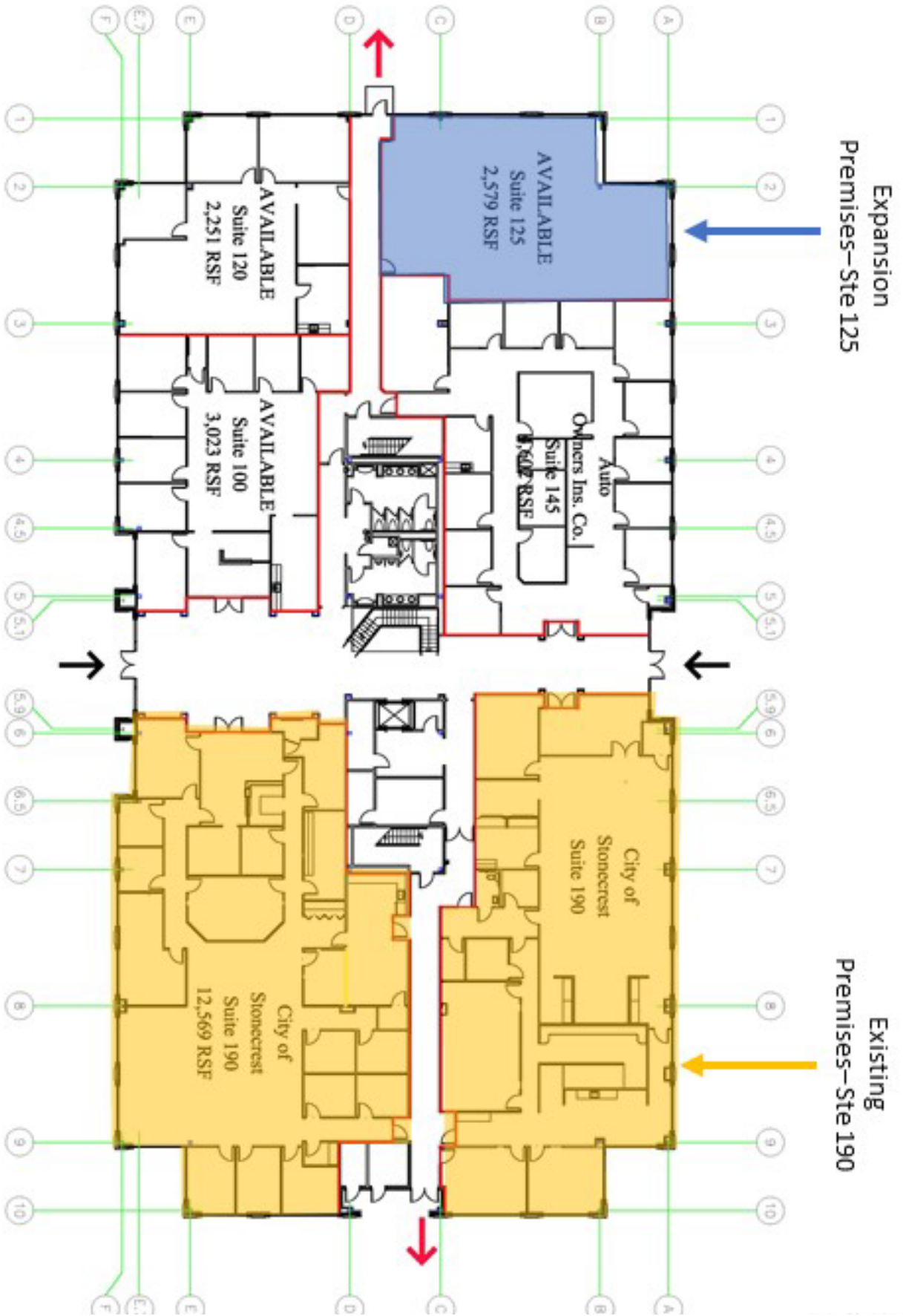
By: _____

Printed Name: _____

Title: _____

Dated: _____

Exhibit A-1





City of Stonecrest Expansion | 3120 Stonecrest Blvd, Suite #125

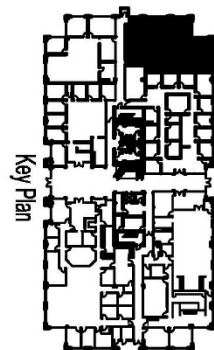
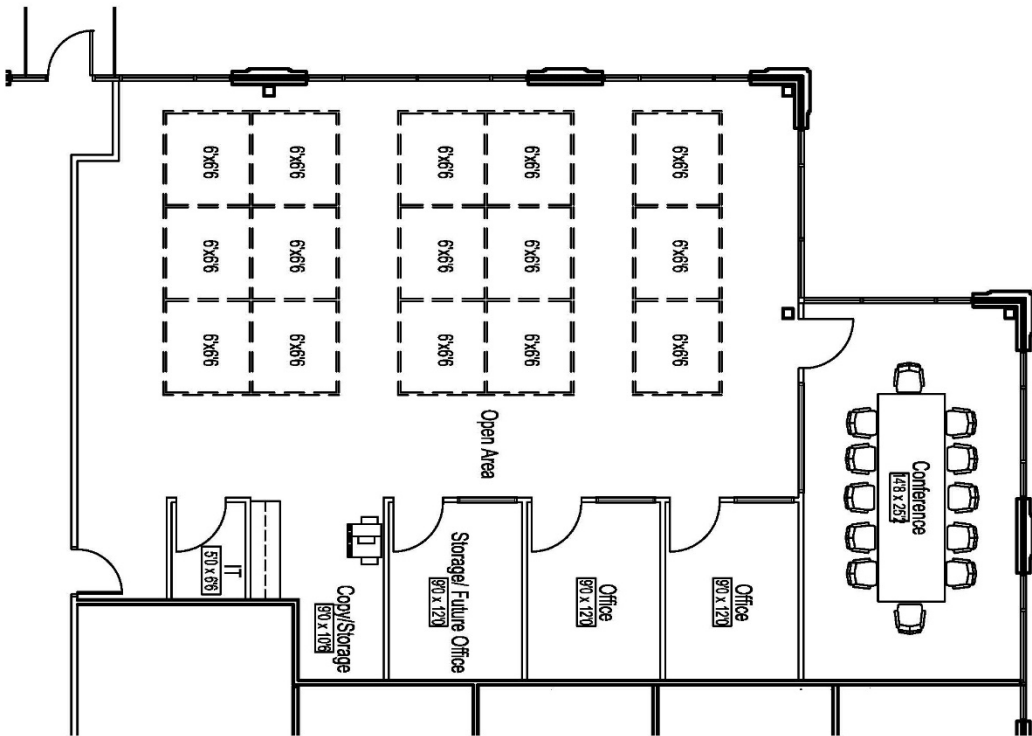
Preliminary Plan- Option 1- Rev. 1

3/32" = 1'-0"

2,579 RSF



September 1, 2021_L2101.0005



**CITY OF STONECREST
FIRST AMENDMENT TO LEASE**

This First Amendment to Lease is entered into as of the date below between Stonecrest Center, LLC (“Landlord”) and City of Stonecrest (“Tenant”).

RECITALS

WHEREAS, on the 1st day of October 2017, Landlord and Tenant entered into a Lease agreement (“Lease”) for space known as 3120 Stonecrest Blvd, Suite 190, Stonecrest, GA, consisting of approximately twelve thousand, five hundred sixty-nine rentable square feet (12,569 RSF), and more particularly described in said Lease (the “Premises”); and

WHEREAS, Landlord and Tenant now wish to modify and amend said Lease as follows:

WITNESSETH

NOW, THEREFORE, in consideration of the mutual covenants set forth below, Landlord and Tenant agree to expand and extend the Lease as follows:

1. **TERM:** Effective upon substantial completion of Landlord’s work (“Expansion Commencement Date”), the term of the Lease shall be extended by 60 months and shall expire on the last day of the 60th month from the Expansion Commencement Date.
2. **RENTABLE AREA OF PREMISES:** Effective on the Expansion Commencement Date, the size of the Premises shall be increased by five thousand, eight hundred thirty-five rentable square feet (5,835 RSF), and five thousand, forty usable square feet (5,040 USF). The revised Rentable Area of the Premises shall be eighteen thousand, four hundred four rentable square feet (18,404 RSF) as reflected on Exhibit A-1 and the revised Usable Area shall be sixteen thousand, one hundred six usable square feet (16,106 USF).
3. **PROPORTIONATE SHARE:** Effective on the Expansion Commencement Date, Tenant’s Proportionate Share shall be 33.8 %.
4. **BASE RENT:** Effective on the Expansion Commencement Date, the Base Rent Schedule shall be as follows:

	<u>Annual</u>	<u>Monthly</u>
Months 1 - 3	\$ 167,652	\$ 13,971 *
Months 4 - 15	\$ 251,580	\$ 20,965
Months 16 - 27	\$ 257,844	\$ 21,487
Months 28 - 39	\$ 264,288	\$ 22,024
Months 40 - 51	\$ 270,900	\$ 22,575
Months 52 - 60	\$ 277,668	\$ 23,139

* NET RENT ABATEMENT. Net Rent shall be abated for the three (3) month period from the Expansion Commencement Date through the end of the third month of the term on the expansion area of 5,835 RSF only. Although Tenant shall not be required to pay Net Rent on the expansion space during this abatement period, Tenant shall be required to pay Additional Rent as stated in Article 1 of the Lease and electrical services as stated in Article 7 of this Amendment.

5. **FORCE MAJEURE:** Upon full execution of this 1st Amendment, Article 28d (“Force Majeure”) shall be replaced in its entirety with the following:

“The term "**Force Majeure**" shall mean strikes, riots, acts of God, shortages of labor or materials, war, acts of terrorism, governmental laws, regulations or restrictions, including but not limited to, disruption caused by any public health crisis or pandemic, including COVID-19 or any other cause whatsoever beyond the control of Landlord or Tenant as the case may be. Whenever a period of time is herein prescribed for the taking of any action by Landlord or Tenant (other than the payment of Rent and all other such sums of money as shall become due hereunder), such party shall not be liable or responsible for, and there shall be excluded from the computation of such period of time, any delays due to events of Force Majeure.”

6. **PARKING:** Effective on the Expansion Commencement Date, Tenant’s designated number of non-exclusive parking spaces shall be increased from fifty (50) spaces to seventy-four (74) spaces.
7. **USE OF ELECTRICAL SERVICES BY TENANT:** Effective on the Expansion Commencement Date, Tenant’s Suite electric shall be increased from \$1,613.79 per month to \$2,348.79 per month (an annualized rate of \$1.75 PUSF).
8. **LANDLORD’S WORK:** Landlord shall provide a turn-key build-out of the expansion space, Suite 250, as shown on attached Exhibit A-1 in a mutually agreed upon configuration. The space shall be constructed to Ashley Capital’s construction standards using Ashley Capital standard finishes.
9. **COMPLIANCE WITH O.C.G.A §36-60-13:** As required by O.C.G.A §36-60-13 the total obligation of the municipality for each year of the lease as shown in Article 5G shall be replaced in its entirety with the following:

Calendar Year	Maximum Amount including Early Termination Cost Reimbursement Amount
2022	\$694,255.39
2023	\$656,323.62
2024	\$597,533.46
2025	\$534,001.34
2026	\$465,351.00

If Tenant exercises its Option to Extend the Lease Term pursuant to Article 12 of this Amendment and Paragraph 2 of Exhibit E of the Lease

Calendar Year	Maximum Amount
2027	\$511,920
2028	\$541,911
2029	\$574,431
2030	\$609,513
2031	\$647,640

10. **EARLY TERMINATION COST REIMBURSEMENT:** Effective on the Expansion Commencement Date, the Early Termination Cost Reimbursement Amounts shown on Exhibit G shall be replaced with the following:

Calendar Year of Termination	Early Termination Cost Reimbursement Amount
2022	\$-0-
2023	\$331,333.39
2024	\$257,803.62
2025	\$178,391.46
2026	\$92,626.34
2027	\$-0-

11. **DEFINITIONS:** Article 1.T. of the Lease shall be replaced in its entirety with the following: “Notice Addresses” shall mean the addresses for Tenant and Landlord as shown in the signature blocks below on this Amendment with copies to:

As to Landlord, copies to:

Stonecrest Center, LLC
c/o Ashley Capital, LLC
2195 Eastview Parkway, Suite 100
Conyers, GA 30013

As to Tenant, copies to:

[Tenant to insert]

12. **OPTION TO EXTEND:** Tenant shall have one (1) “Option to Extend” the term of this lease for one (1) additional five (5) year term subject to Article 3.E and Exhibit E, Article 2 of the Lease.
13. **OPTION TO TERMINATE:** If Tenant exercises its Option to Extend as outlined in this Amendment Article 12, Tenant shall have one (1) “Option to Terminate” this Lease during the extension term provided: (a) Tenant is not in default; and (b) Tenant provides written notice to Landlord 6 months prior to Tenant’s desired termination date.

This Amendment modifies and supersedes the Lease, to the extent stated herein only. In any case of inconsistency between the Lease and this Amendment, this Amendment shall control. All other provisions and covenants of the Lease shall remain in full force and effect.

The Lease and this Amendment represent the entire agreement of the parties and neither has made or relied upon any representations, warranties, promises, covenants or undertaking other than those expressly set forth herein.

Landlord:

STONECREST CENTER, LLC

9810 S. Dorchester Avenue

Chicago, Illinois 60628

By: Ashley Capital, LLC, Its Agent

By: _____

Its: _____

By: _____

Its: _____

Tenant:

CITY OF STONECREST

3120 Stonecrest Blvd, Suite 190

Stonecrest, GA 30038

By: _____

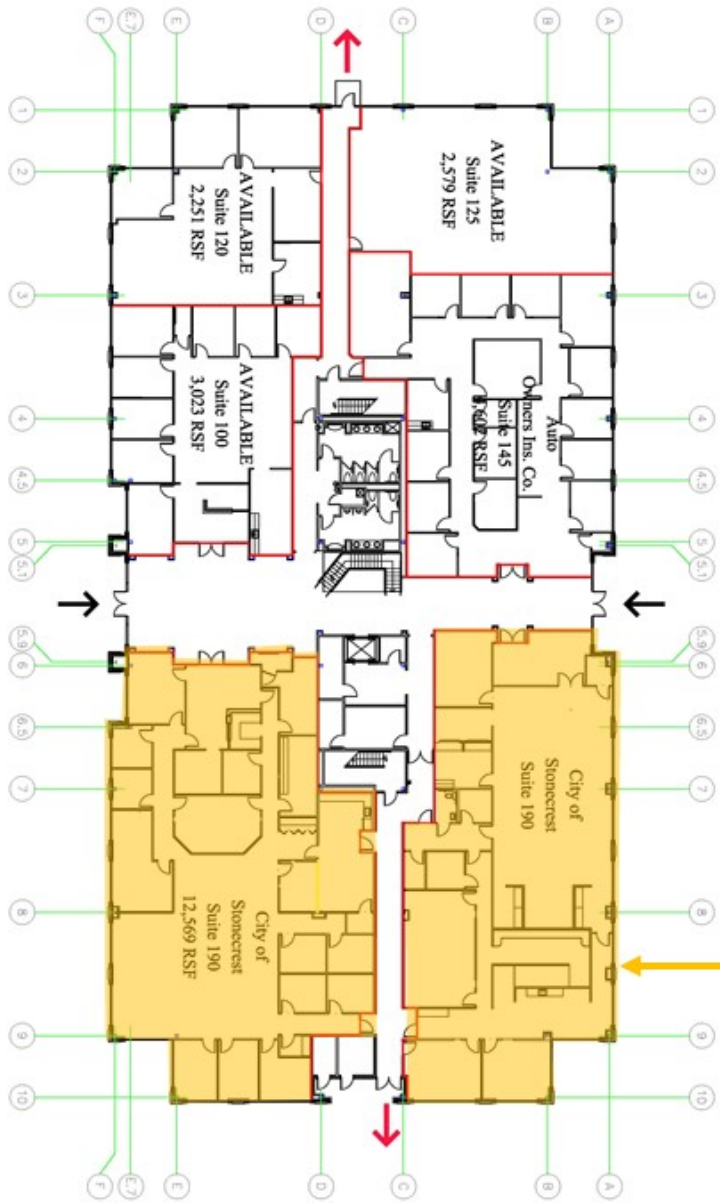
Printed Name: _____

Title: _____

Dated: _____

Exhibit A-1

- LEGEND**
- MAIN ENTRANCE
 - ↔ EXIT
 - E ELECTRICAL ROOM
 - F FIRE RISER ROOM

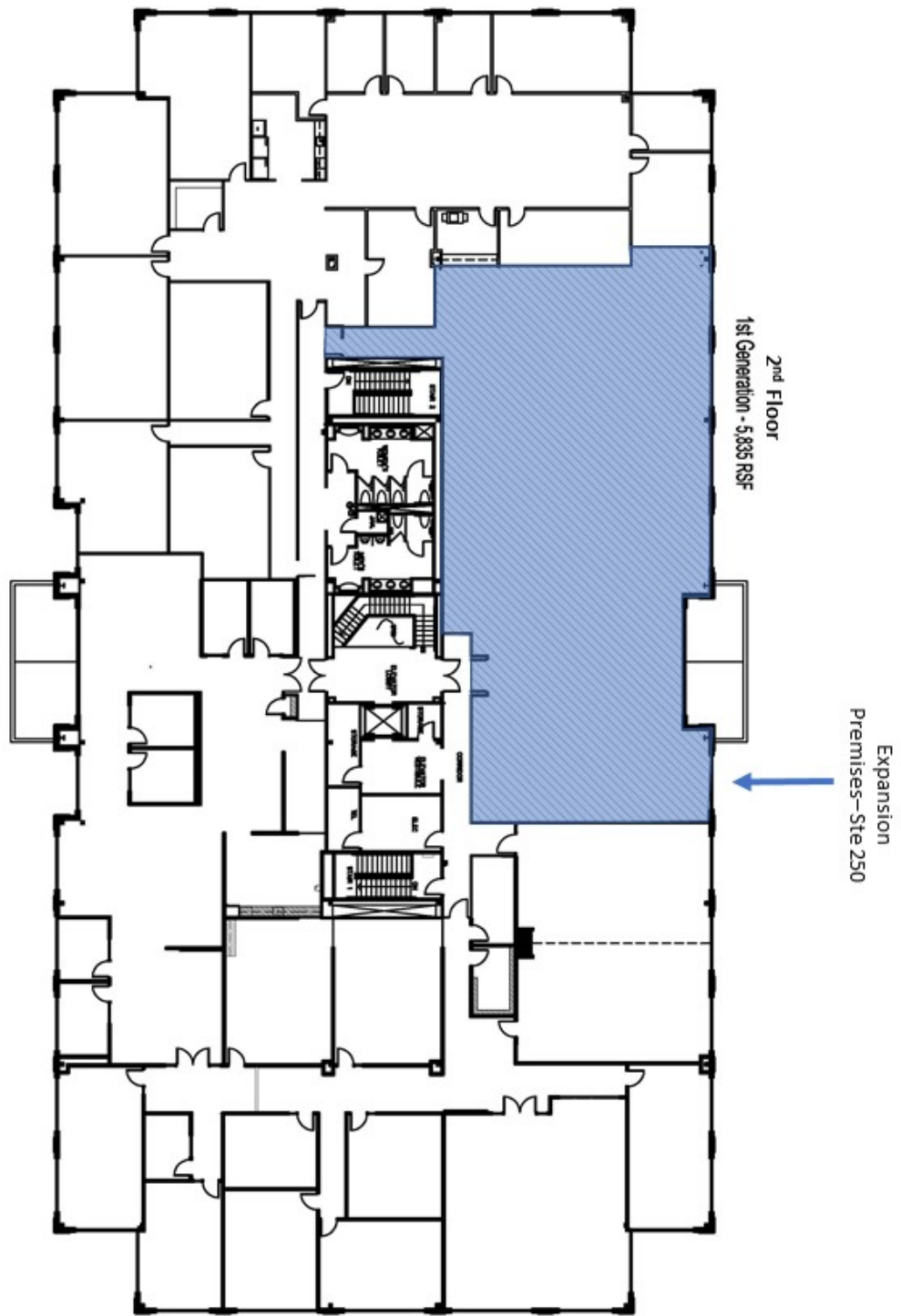


Existing
Premises—Ste 190

AshleyCapital
Stonecrest
 3120 Stonecrest Boulevard
 Stonecrest, GA 30038
 1st. fl.

- MECHANICAL**
- ROOF ASBESTOS SHEET PILING OVER 7" LOOSE LATH PER ENCL. METAL ROOF DECK OVER STEEL JOISTS
 - STEEL FRAMING
 - MECHANICAL SERVICE ONE (1) 3600 AMP 480V 3PHASE
 - SERVICE LIGHTING
 - NATURAL GAS SERVICE
 - HEATING (COOLING) HEATING IS CONTROLLED BY ELECTRIC RATIO THERMOSTATS ON EACH FLOOR. THERMOSTATS ARE CONTROLLED BY ELECTRIC RATIO SERVING COOLING
 - DOMESTIC WATER 3" FROM 12" CITY WATER MAIN
 - FIRE PROTECTION FIRE EXTINGUISHERS TO BE PROVIDED FROM 12" CITY MAIN
 - SANITARY 6" INTO 12" CITY MAIN





COMMENCEMENT LETTER

December 15, 2017

City of Stonecrest
Attn: Michael Harris
3120 Stonecrest Blvd.
Stonecrest, GA 30038

Re: Commencement Letter with respect to that certain Lease dated June 30, 2017 by and between Stonecrest Center, LLC, as Landlord, and City of Stonecrest, as Tenant, for a Rentable Area in the Premises of twelve thousand five hundred sixty-nine (12,569) square feet on the first floor of the Building located at 3120 Stonecrest Blvd., Stonecrest, GA.

Dear Michael:

In accordance with the terms and conditions of the above referenced Lease, Tenant hereby accepts possession of the Premises and agrees as follows:

The Commencement Date of the Lease is November 1, 2017

The Expiration Date of the Lease is March 31, 2023

Tenant shall pay the following amounts as Base Rent for the Premises:

<u>Term</u>	<u>Annual</u>	<u>Monthly</u>
11/1/17 - 3/31/18	\$ -	\$ -
4/1/18 - 3/31/19	\$ 155,688	\$ 12,974
4/1/19 - 3/31/20	\$ 159,576	\$ 13,298
4/1/20 - 3/31/21	\$ 163,560	\$ 13,630
4/1/21 - 3/31/22	\$ 167,652	\$ 13,971
4/1/22 - 4/31/23	\$ 171,840	\$ 14,320

Landlord agrees to complete the work in the Premises identified in the punch list jointly prepared by Landlord and Tenant dated November 10, 2017. Tenant accepts possession of the Premises subject to Landlord's obligation to complete the work identified on the punch list.

AshleyCapital

opportunity into value

Please acknowledge your acceptance of possession and agreement to the terms set forth above by signing all three (3) copies of this Commencement Letter in the space provided and returning two (2) fully executed copies of the same to my attention.

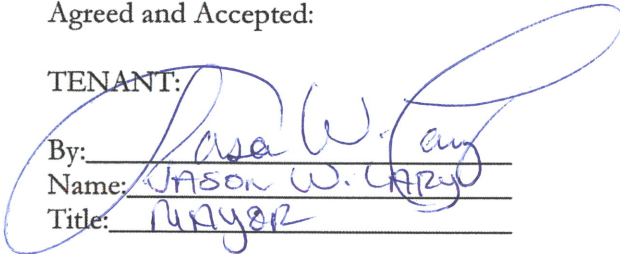
Sincerely,



Sarah K. Newman
Sr. Property Manager

Agreed and Accepted:

TENANT:



By: _____
Name: JASON W. LAPE
Title: BUYER

5-Year Lease Calculations

Start	Finish	RSF	PSF Base	NET Monthly	NET Annual	Months
1/1/2022	3/31/2022	12,569	\$ 13.34	\$ 13,971	\$ 167,652	3
1/1/2022	3/31/2022	5,835	\$ -	-	\$ -	3
4/1/2022	3/31/2023	18,404	\$ 13.67	20,965	\$ 251,580	12
4/1/2023	3/31/2024	18,404	\$ 14.01	21,487	\$ 257,844	12
4/1/2024	3/31/2025	18,404	\$ 14.36	22,024	\$ 264,288	12
4/1/2025	3/31/2026	18,404	\$ 14.72	22,575	\$ 270,900	12
4/1/2025	12/31/2026	18,404	\$ 15.09	23,139	\$ 277,668	9
					Total months	60

5-Year Lease Calculations

ENDING DATE	RSF	PSF Base	NET Monthly	NET Annual	Months
3/31/2022	12,569	\$ 13.34	\$ 13,971	\$ 167,652	3
3/31/2022	2,579	\$ -	\$ -	\$ -	3
3/31/2023	15,148	\$ 13.67	\$ 17,256	\$ 207,072	12
3/31/2024	15,148	\$ 14.01	\$ 17,685	\$ 212,220	12
3/31/2025	15,148	\$ 14.36	\$ 18,127	\$ 217,524	12
3/31/2026	15,148	\$ 14.72	\$ 18,580	\$ 222,960	12
12/31/2026	15,148	\$ 15.09	\$ 19,045	\$ 228,540	9
					60