



SANDY SPRINGS

CITY CLERK'S OFFICE

TO: Members of the Public Facilities Authority

FROM: Eden Freeman, City Manager

DATE: May 26, 2023 Submission for the May 30, 2023 Public Facilities Authority Meeting

ITEM: Request for Public Facilities Authority Consideration to Approve the Consolidated Amendments to the Lease Agreements for Police Department and Municipal Court

Recommendation:

It is recommended the Public Facilities Authority approved the presented Consolidated Amendments to the Lease Agreements to continue the Morgan Fall Office Pack office rentals for the Municipal Court and Police.

Background:

The City's Police Department currently occupies buildings Suite 301 and Suite 401 of the Morgan Falls Office Park located at 7840 Roswell Road. The City's Municipal Court currently occupies Suite 501 and Suite 510 in the same office park. The leases for these spaces are set to expire on June 30, 2023.

Discussion:

The City's representatives have negotiated the attached consolidated amendments to the leases for Suites 501 and 510, Suite 401, and Suite 301, an aggregate square footage of approximately 54,828 rentable square feet. The amendments provide for an extension of the lease until July 1, 2025 (24-months).

Financial Impact:

In FY 2024, the City has budgeted \$1,087,257.00 for the continued lease of office space at Morgan Falls Office Park. The Base Rent for Suite 501 and 510, Suite 401, and Suite 301 is as follows:

Dates	# Months	Monthly Base Rent	Annual Base Rent
July 1, 2023-July 1, 2024	1-12	\$75,388.50	\$904,662.00
July 1, 2024 – July 1, 2025	13-24	\$77,650.15	\$931,801.86

Additional Rent includes the common area expenses for the premises, estimated to be \$2.94 per rentable square feet (\$161,194.32 per year). The City will also pay increases in taxes and insurance over a base year of 2023, of which the cost is to be determined.

The consolidated amendment provides a Tenant Improvement Allowance up to, but not to exceed, \$6.00 per rentable square foot for the costs for materials and labor in conjunction with improvements and alterations. This amendment also contains a provision governing replacement and repair of the HVAC whereby the City continues to cover maintenance and minor part replacement (below \$1,000/year), but the City has no exposure on major replacements other than the amortized costs based on the useful lives of any new equipment the landlord purchases.

Alternatives:

The Authority could decide not to approve the attached Consolidated Amendments.

Review:

Raquel Gonzalez, City Clerk
 Dan Lee, City Attorney
 Eden Freeman, City Manager

Created/Initiated - 5/26/2023
 Approved - 5/26/2023
 Final Approval - 5/26/2023

Attachments:

1. 7840 Roswell Road Consolidated Lease Amendments
2. 7840 Roswell Road Lease Amendments Resolution