



Legislation Text

File #: 24-0355, Version: 2

Title

Lease - Department of Child, Family & Adult Services

Action

ACTION:

Authorize the County Manager to negotiate and execute a lease between the County and Star Mountain West, LLC for office space for the Department of Child, Family & Adult Services

Staff Contact: Jacqueline McNeil, Real Estate Management Director

Presentation: No

BACKGROUND/JUSTIFICATION:

At its November 8, 2023 meeting, the Board approved the County entering into a lease with Star Mountain West, LLC ("Star Med") for the Department of Child, Family & Adult Services. That lease was to be for a period of two (2) years with two (2) extensions of one (1) year each. Since that time, Star Med and County staff have continued with discussions that have resulted in new proposed lease terms that are more desirable for both the County and Star Med. The new proposal is for a lease term of ten (10) years which will provide greater stability for the department. Therefore, staff is seeking authorization to enter into a lease agreement with Star Med that is consistent with the new negotiated terms.

The department was previously housed at office space leased by the County at the Charlotte East complex off of Albemarle Road. In addition to office space for staff, the new lease will provide a location for the temporary care of youth in the County's custody. The space is located at 4024 Triangle Drive near the Valerie C. Woodard Community Resource Center. Below are the updated major business terms of the proposed lease with Star Med:

Location - 4024 Triangle Drive Charlotte, NC 28208

Square Footage - 4,926 SF

Term - Ten (10) years from substantial completion of work to be performed on the premises by the

Landlord

Renewals - Two (2) periods of Five (5) years each, subject to Landlord's agreement

Base Rent - \$123,150 annually or \$10,262.50 monthly for the initial lease year

Rent Escalation - the greater of the CPI (consumer price index) or 3% annually

Services - The County shall be responsible for the payment of electricity, gas, water, sewer and other utilities needed at the premises.

Parking - The County and its employees, guests, and invitees shall be entitled to park on the land adjacent to 4016 and 4024 Triangle Drive on a first come first serve basis with the exception of those certain spaces identified by the Landlord as for the sole use of the Landlord.

Maintenance and Repairs - County is responsible for all repairs and maintenance of the Premises, including major (capital) repairs, which shall either be paid directly or as additional rent. The County portion of major repairs greater than \$2,000 (HVAC, roof, exterior glass) shall be amortized using a formula taking into account the reasonable life expectancy of the major repair and the remaining term of the County's Lease.

Landlord Work - Landlord shall renovate the Premises to a facility accommodating 12 beds, including bathroom, kitchen, lounge and office space. The Landlord shall perform the work and bill the County. The County is responsible for compliance with zoning and NC Department of Health and Human Services regulations regarding the construction of the facility. The Landlord's quote for the work to be performed is estimated at \$1,500,000.

Landlord's Improvement Contribution - Following completion of the Landlord's work, the Landlord agrees to reimburse the County \$300,000 of the total costs paid by the County for the Landlord's work provided that the County is not in default of the lease agreement and has met certain other conditions of the lease.

PROCUREMENT BACKGROUND:

N/A

POLICY IMPACT:

N/A

FISCAL IMPACT:

N/A