

HABERSHAM COUNTY BOARD OF COMMISSIONERS

EXECUTIVE SUMMARY

SUBJECT: New Lease Agreement with Avita Community Partners

DATE: 01/14/2025

RECOMMENDATION

POLICY DISCUSSION

BUDGET INFORMATION:

STATUS REPORT

ANNUAL-

OTHER

CAPITAL-

COMMISSION ACTION REQUESTED ON: January 21, 2025

PURPOSE: To obtain Commission approval of a new lease agreement with Avita Community Partners for the space that they occupy in the county owned building located at 196 Scoggins Drive in Demorest.

BACKGROUND / HISTORY:

- a. Avita Community Partners is a non-profit organization that was formed by the Georgia State Legislature in 1993 to provide services to those experiencing the disabling effects of mental illness, developmental disabilities and addiction within a 13-county area of northeast Georgia.
- b. In the past, the County has been provided Avita Community Partners the use of approximately 12,000 square feet of space at the county owned facility located at 196 Scoggins Drive in Demorest for no fee. This was in addition to an annual contribution by Habersham County of \$30,000.
- c. The facility at 196 Scoggins Drive is in need of costly renovations, which include a new roof, making it necessary to start charging rent to assist in its current and future maintenance for the mutual benefit of the lessee and the lessor.
- d. The average rent for office space in the US in 2024 was approximately \$37/square foot per year.
- e. With Avita Community Partners being a non-profit organization that provides valuable community services in Habersham County, it is appropriate to charge them at a lower than market rate. This will also provide them time to adjust budgetarily to paying rent for the space.
- f. This new lease agreement is for a three year term, with the first year's rent starting at \$60,000 (\$5/sq ft) and increasing to \$72,000 (\$6/sq ft) in the second year and \$84,000 (\$7/sq ft) in the third year.

FACTS AND ISSUES:

- a. The lease agreement is effective February 1, 2025 for a term of three years.
 - b. The lease is for approximately 12,000 square feet of space at 196 Scoggins Drive in Demorest.
 - c. The term of the lease agreement is for three years at the following rates:
 1. The sum of \$60,000 per annum for the first year of the term (\$5,000/month on the 1st of each month beginning February 1, 2025).
 2. The sum of \$72,000 per annum for the second year of the term (\$6,000/month on the 1st of each month beginning February 1, 2026).
 3. The sum of \$84,000 per annum for the third year of the term (\$7,000/month on the 1st of each month beginning February 1, 2027).
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OPTIONS:

- 1) Approve recommendation:
- 2) Deny recommendation:
- 3) Commission defined alternative:

RECOMMENDED SAMPLE MOTION: “Motion to approve the new lease agreement with Avita Community Partners for their use of the space in the county owned building located at 196 Scoggins Drive in Demorest.”

DEPARTMENT:

Prepared by:
Director: __

**ADMINISTRATIVE
COMMENTS:**

_____ **DATE:** _____

County Manager

HABERSHAM COUNTY LEASE

THIS LEASE, made as of the ____ day of _____, 202__, by and between **Habersham County, Georgia**, a subdivision of the State of Georgia, party of the first part, (herein called "Lessor") and **Avita Community Partners**, party of the second part, (herein called "Lessee").

WITNESSETH:

1.

PREMISES

Lessor does hereby rent and lease to the Lessee the following property: The building located at 196 Scoggins Drive, Demorest, GA 30535, known as The Habersham County Mental Health and Day Treatment Center consisting of approximately 12,000 square feet of space. No easements are included in this Lease.

2.

TERM

This Lease shall be for a term of three years (hereinafter call the "Term") commencing on February 1, 2025 and ending on January 31, 2028.

3.

RENTAL

In exchange for Habersham County providing the 12,000 s.f. rental facility located at 196 Scoggins Drive, Demorest , GA 30535, Avita will pay annual rent on a monthly basis as follows

:

- The sum of \$60,000.00 per annum for the first year of the Term (\$5,000.00 payable on the first of each month beginning February 1, 2025)
- The sum of \$72,000.00 per annum for the second year of the Term (\$6,000.00 payable on the first of each month beginning February 1, 2026),
- The sum of \$84,000.00 per annum for the third year of the Term (\$7,000.00 payable on the first of each month beginning February 1, 2027)
- Avita shall provide mental health, developmental disability and additive disease services as "in kind" services to all eligible citizens of Habersham County. Eligibility will be determined by Avita. Avita shall pay all utilities and Lessor shall provide all building maintenance.

4.

USE

The Premises shall not be used for any illegal purposes, in violation of any law or regulation of any governmental body, in any manner to create any nuisance or trespass or in any manner that could result in a cancellation of the insurance or an increase in the rate of insurance on the Premises. Lessee shall not conduct any action, distress, fire or bankruptcy sales.

5.

LESSEE'S ACCEPTANCE

Lessee accepts the Premises in its present condition and as suited for the use intended by Lessee and Lessor shall not be required to make any improvements to the Premises. Lessee may take possession immediately on February 1, 2025. Taking possession of the Premises by Lessee shall be conclusive evidence that Lessee has accepted the Premises in "as is" condition. However, Lessor shall be responsible for maintaining the grounds, the building and HVAC system.

6.

LESSEE'S CARE; INSURANCE

If Lessee is insured for the claim, Lessee shall be liable for and shall hold Lessor harmless in respect of damage or injury to the Premises or the person or property of the Lessee or to the person or property of Lessor's other tenants or anyone else if arising in whole or in part out of or related to Lessee's occupancy of the Premises. If Lessee is not insured for the claim described in the preceding sentence, then Lessee shall be liable for and shall hold Lessor harmless with respect to damage or injury to the Premises or to the person or property of the Lessee or to the person or property of Lessor's other tenants or anyone else, if arising in whole or in part out of or related to Lessee's occupancy of the Premises, except to the extent such damage or injury is caused by Lessor's negligence. All personal property owned by Lessee or by any of Lessee's employees or visitors, which is located upon the Premises or the real property and improvements upon and within which the Premises are located shall be at the risk of Lessee only and Lessor shall not be liable for any damage thereto or theft thereof.

7.

INSPECTIONS

Lessor may enter the Premises at reasonable hours to inspect the Premises to see that Lessee is complying with all Lessee's obligations hereunder.

8.

PERSONALITY OF LESSEE

If Lessee shall not remove all its effects from said Premises at any termination of this Lease, Lessor may, at its option, remove all or part of said effects in any manner that Lessor shall choose and store the same without liability to Lessee for loss thereof, and Lessee shall reimburse Lessor on demand for all expenses incurred in such removal and also storage of said effects. Lessee hereby grants to Lessor a lien and security interest upon the property and effects of Lessee on the Premises and, upon any termination of this Lease or re-entry by Lessor upon the Premises in accordance with Paragraph 7 hereof wherein Lessee shall be liable in any amount to Lessor, Lessor may, at its option, without notice, take possession of said property and effects and sell at public or private sale all or part of said property and effects for such price as Lessor may deem best and apply the proceeds of such sale to any amounts due under this Lease from Lessee to Lessor, including the expenses of the removal and sale.

9.

POSSESSION

Lessee shall have possession of the premises on February 1, 2025.

10.

SERVICES

Lessee shall be responsible for all of the utilities.

11.

SUBLETTING AND ASSIGNMENTS

Lessee shall not voluntarily, involuntarily or by operation of law assign, transfer, hypothecate or otherwise encumber this Lease or any interest herein and shall not sublet nor permit the use by others of the Premises.

12.

RULES AND REGULATIONS

Lessee shall, at his own cost and expense, comply with all governmental laws, ordinance, orders and regulations affecting the premises now in force or which hereafter may be in force and comply with

and execute all rules, requirements and regulations of Lessor, Lessor's insurance companies and other organizations establishing insurance rates and not suffer, permit or commit any waste or nuisance.

13.

NO ESTATE

This contract shall create the relationship of landlord and tenant between Lessor and Lessee; no estate shall pass out of Lessor; Lessee has only a usufruct, not subject to levy and sale.

14.

HOLDING OVER

If Lessee remains in possession of the Premises after expiration of the Term, with Lessor's acquiescence and without any distinct agreement of the parties, then Lessee by virtue of this paragraph shall become a tenant from month-to-month. In no event shall there be a renewal of this Lease by operation of law and any such month-to-month tenancy may be terminated by either Lessor or Lessee by giving 30 days written notice to the other. Specifically notwithstanding the foregoing, if Lessee shall remain in possession of the Premises as a holdover tenant without the acquiescence of Lessor or otherwise in violation of the terms and provisions of this Lease, in addition to any other rights and remedies available to Lessor, Lessor shall have the immediate right to reenter and take possession of the Premises.

15.

SURRENDER OF PREMISES

At termination of this Lease, Lessee shall surrender the Premises (and all keys to the Premises) to Lessor in good condition, natural wear and tear only excepted. Any property of Lessee left upon the Premises at the termination of this Lease shall be deemed abandoned by Lessee and Lessor may thereafter use or dispose of such property as Lessor sees fit without obligation to Lessee. Lessee shall reimburse Lessor on demand for Lessor's costs and expenses in removing and disposing of such property and Lessee shall further indemnify and hold Lessor free and harmless from any liability, claim or expense suffered or incurred by Lessor in connection with the removal or disposal of such property.

16.

NOTICES

Lessee hereby appoints as his agent to receive the service of all dispossessory or distraint proceedings and notices thereunder and all notices required under this Lease to be given by Lessor to Lessee, the person occupying said Premises and, if no person is occupying same, then such service or notice may be made by attaching the same on the main entrance to the Premises. Any notice given by Lessee to Lessor under this Lease shall be in writing, effective only when received by Lessor at Lessor's address at the Office of the County Manager, Habersham County Administrative Building located at 130 Jacob's Way, Clarkesville, GA 30523. Either party may, by written notice to the other, specify a different address for notice purposes except that Lessor may in any event use the Premises as proper and sufficient for service of dispossessory or distraint proceedings and notice of an event of default.

17.

QUIET POSSESSION

Upon Lessee's paying the Rent reserved hereunder and observing and performing all of the covenants, conditions and provisions on Lessee's part to be observed and performed hereunder, Lessee shall have quiet possession of the Premises for the Term hereof, subject to all of the terms and provisions of this Lease.

18.

NON-LIABILITY AND INDEMNIFICATION

Unless due solely to the gross negligence or willful misconduct of Lessor or its agents, neither Lessor nor Lessor's agents shall be liable to Lessee or Lessee's visitors and Lessee shall and does hereby indemnify and hold Lessor harmless from and against any and all loss, cost, liability, claim, damage or expense (including, without limitation, reasonable attorneys' fees, court costs and costs of investigation) incurred in connection with or arising from (a) any default by Lessee in the performance of any of the terms and provisions of this Lease on Lessee's part to be performed; (b) Lessee's use and occupancy of the Premises; or (c) any acts, omissions or negligence of Lessee or any such person in or about the Premises. Lessee, and all those claiming by, through or under Lessee, shall store their property in and shall occupy and use the Premises and all portions of the Building and related improvements solely at their own risk. Lessee and all those claiming or entering the Premises by, through or under Lessee hereby release Lessor, to the full extent permitted by law, from all claims of every kind including, without limitation, personal injury, property damage, loss or other damages occurring by theft or mysterious disappearance or business interruption unless caused by or due to the gross negligence or willful misconduct of Lessor.

19.

ENTIRE AGREEMENT, ETC.

This Lease contains the entire agreement of the parties and no representation or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect. No failure of Lessor to exercise any power given Lessor hereunder or to insist upon strict compliance by Lessee of any obligation hereunder and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Lessor's right to demand exact compliance with the terms hereof. The submission by Lessor to Lessee of this Lease in draft form shall be deemed submitted for discussion only, shall have no binding force or effect and shall not constitute an option to Lessee. This Lease may be executed in one or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument. This Lease shall be governed by the laws of the State of Georgia. Lessee shall not record this Lease nor any memorandum hereof.

20.

TIME OF ESSENCE

Time is of the essence of this Lease.

21.

PARTIAL INVALIDITY

If any provision of this lease or application thereof to any person or circumstance shall to any extent be invalid, the remainder of this lease or the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby and each provision of this Lease shall be valid and enforced to the fullest extent permitted by the law.

IN WITNESS WHEREOF, the parties herein have hereunto set their hands and seals, the day and year first above written.

SIGNATURES FOLLOW ON THE NEXT PAGE

"LESSOR"
HABERSHAM COUNTY, GEORGIA

"LESSEE"
AVITA COMMUNITY PARTNERS

Commission Chairman

Cynthia L. Levi, CEO.

Chief Executive Officer

County Clerk

[Handwritten Signature]

Witness

