

**GORDON COUNTY, GEORGIA  
MEMORANDUM**

To: Board of County Commissioners  
From: Randall Dowling, County Administrator  
Subject: Proposal to Provide Office Space for Federal and Local Agricultural Agencies  
(Update)  
Date: October 25, 2012

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**BACKGROUND**

Gordon County received notification from the U.S. Department of Agriculture (USDA) during June 2010 that USDA was going to solicit for offers from local property owners to provide 5,550 square feet of office space for the USDA Service Center since the current lease has expired.

The local USDA Service Center, which has been in Gordon County since the 1940s or 1950s, and is currently located at 717 S. Wall Street in privately owned office space of about 4,085 square feet since 1997, contains several federal agricultural agencies including:

**Farm Service Agency (FSA) - Farm Programs** – 3 employees and serves Gordon, Bartow, Murray, Whitfield, Pickens, Cherokee, and Cobb counties.

**Farm Service Agency (FSA) - Farm Loan Programs** – 3 employees and serves 22 counties in NW Georgia.

**Natural Resources Conservation Service** – 5 employees and serves Gordon, Bartow, Pickens, and Cherokee counties.

The federal government pays rent to the private owner of about \$61,275 per year.

A proposal was brought before the Board during the commission meeting of July 6, 2010 to determine if the Board wanted to submit an offer to USDA to construct a new county-owned facility to house not only the USDA Service Center but other agricultural agencies such as the local county Agricultural Extension Service (including the 4-H program and research staff) currently located on McDaniel Station Road and the Georgia Soil & Water Conservation Commission currently located in Rome. The purpose of housing many agricultural agencies under one roof was to have a one-stop facility for the convenience of the regional agricultural producers. The USDA and Georgia Soil & Water Conservation Commission (3 employees) would pay annual rent to the county for their office space but the Agriculture Extension Service (9 employee positions), currently housed in a state owned building with the county funding utilities and maintenance (\$13,000 annually), would not pay any rent. The Board approved this concept and decided to move forward with this project.

The county received the official Solicitation for Offers from USDA on August 5, 2010. The county, with considerable free assistance from Forum MDS, completed the lengthy proposal and submitted it to USDA on August 25, 2010. The Solicitation for Offers was amended by USDA three times (Oct. 5, 2010, Aug. 22, 2011, and May 28, 2012) and the county submitted the three amendments as requested. The Board discussed and approved this project again during the commission meeting on Sept. 27, 2011.

During September 2012, the county received email notification that USDA accepted the county's proposal and on October 23, 2012, the county received a lease agreement for execution. The lease agreement indicates the new facility must be substantially completed by Sept. 30, 2013.

## PROJECT OVERVIEW

This project would consist of the following:

**Land:** the county will acquire 5+/- acres from the Development Authority for free on SR 53 Spur directly adjacent to the Northwest Georgia Livestock Pavilion.

**Building:** the new facility will be a total of 12,963 square feet of which 4,260 square feet will be allocated to the USDA and the remaining 8,703 square feet will be allocated to the local Agricultural Extension Service, the Georgia Soil & Water Conservation Commission, and a 2,200 square foot/300 person auditorium for public use.

**Cost:** the new facility's cost estimate is \$2,500,000 to build and \$45,000 to maintain every year (utilities, maintenance, grass cutting, insurance, etc.).

**Financing:** the new facility could be financed with existing county funds or with debt financing. If debt financing is selected, the debt would be amortized over 20 years at a blended interest rate of 3.5% since the USDA's portion of the facility is not tax exempt and the remaining portion is tax exempt. The annual debt payment would be \$192,666 according to Bill Johnston of Stephens Inc.

**Lease Terms:** the USDA lease agreement has a 10 year lease term but can be terminated at any time with a 120 day written notice, which is customary for federal leases. The Georgia Soil & Water Conservation Commission would have a year to year lease, which is customary for state leases.

**Annual Rent Payments:** The USDA would pay the county \$61,258.80 annually for rent that will go toward debt payments and \$15,336.00 annually for utilities for a total annual payment of \$76,594.80. The Soil & Water Conservation Commission would pay the county \$8,100 per year for rent that will go toward debt payments. The county would pay the balance for the Agricultural Extension Service portion. When the debt is paid in full, the county would own the building and the USDA and Georgia Soil & Water Commission would continue to pay rent (see next page for the Annual Payment Detailed by Jurisdiction).

**Project Benefits:** All regional agriculture producers are currently traveling to at least three different locations to transact their business - USDA Service Center on S. Wall St., Agricultural Extension Service on McDaniel Station Road, and Soil & Water Commission in Rome. This new one-stop facility that would be located directly adjacent to the Livestock Pavilion would be very convenient for the agricultural producers and would attract new and more agricultural related seminars, shows, and regional meetings. In addition, the 300 person auditorium would be available to the public for rentals. The existing Extension Service building, owned by the Georgia Board of Regents, would be available to the county for any county purpose.

### Meeting Attendees:

Developer and Finance  
Don Chandler, Forum MDS  
Bill Johnston, Stephens Inc.

Local USDA  
Glen Forrester  
Doug Cabe

Local Ag. Extension Service  
Greg Price, Greg Bowman,  
Phil Worley

GA Soil & Water Commission  
John Loughridge

**Attachments:** Lease Agreement, Site Plan, Front Elevation, Floor Plan, and Amortization Schedule.

**Annual Payments Detailed by Jurisdiction  
(if privately financed for 20 years at 3.5%)**

<b>Jurisdiction</b>	<b>Annual Rent Payment</b>	<b>Annual Utility &amp; Maintenance Payment</b>	<b>Total</b>
USDA	\$61,258.80	\$15,336.00	\$76,594.80
GA Soil & Water Comm.	8,100.00	0.00	8,100.00
Gordon County	123,308.00	29,664.00	152,972.00
<b>Total</b>	<b>\$192,666.80 / \$3,853,336 for 20 years</b>	<b>\$45,000.00</b>	<b>\$237,666.80</b>

**Annual Payments Detailed by Jurisdiction  
(if county financed for 20 years at 0.0%)**

<b>Jurisdiction</b>	<b>Annual Rent Payment</b>	<b>Annual Utility &amp; Maintenance Payment</b>	<b>Total</b>
USDA	\$61,258.80	\$15,336.00	\$76,594.80
GA Soil & Water Comm.	8,100.00	0.00	8,100.00
Gordon County	55,641.20	29,664.00	85,305.20
<b>Total</b>	<b>\$125,000.00 / \$2,500,000 for 20 years</b>	<b>\$45,000.00</b>	<b>\$170,000.00</b>

U.S. GOVERNMENT  
LEASE FOR REAL PROPERTY

DATE OF LEASE

LEASE NO.

FSA Gordon County GA 2010

THIS LEASE, made and entered into this date by and between

Gordon County Board of Commissioners

whose address is 201 North Wall Street, Calhoun GA 30701

and whose interest in the property hereinafter described is that of OWNER. Hereinafter called the Lessor,

and the UNITED STATES OF AMERICA, acting by and through the USDA Farm Service Agency, hereinafter called the Government. Witnessed: The parties hereto for the consideration hereinafter mentioned, covenant and agree as follows:

1. **RENTABLE SQUARE FEET:** The Lessor hereby leases to the Government the following described premises: A total of 4,260 ANS/BOMA Rentable Square Feet (RSF) that yields a total of 4,260 ANS/BOMA Office Area Square Feet of office space located at 1304 S. R. 53 Spur, SW Calhoun GA 30701 (hereafter the PREMISES).

2. **LEASE TERM:** To have and to hold, for a 10-year term commencing upon substantial completion and suitable acceptance of space and continuing through lease term, inclusive. Government may terminate this Lease at any time by giving one hundred twenty (120) days prior written notice to Lessor.

3. **RENT:** The Government shall pay the Lessor Annual Rent for (4,260 RSF) the term of the lease in the amount of Seventy-Six Thousand, Five Hundred Ninety-Four and 80/100 Dollars (\$76,594.80) per annum, or (\$17.98) per RSF, payable Six Thousand Three Hundred Eighty-Two and 90/100 Dollars (\$6,382.90) per month in arrears. Rent includes the following amounts:

- a) **BASE SHELL RENT:** The Base Shell Rent is Forty-Five Thousand, Five Hundred Thirty-Nine and 40/100 Dollars (\$45,539.40) per annum, or (\$10.69) per RSF, payable Three Thousand, Seven Hundred Ninety-Four and 95/100 Dollars (\$3,794.95) monthly in arrears.
- b) **OPERATING COSTS:** The Base Operating Cost for the purpose of calculating the escalation of rent is pursuant to Section 4.3 of the Solicitation For Offers (SFO) for this lease and the expenses further detailed in the Lessor's, GSA Form 1217 is Twenty-One Thousand, Two Hundred Eighty-Six and 79/100 Dollars (\$21,286.79) per annum, or (\$4.99) per RSF, payable One Thousand Seven Hundred Seventy-Three and 89/100 Dollars (\$1,773.89) monthly in arrears.
- c) **TENANT IMPROVEMENT ALLOWANCE (TI):** The TI cost is One Hundred Eighty-Nine, Two Hundred Seventy-Five Thousand and 00/100 (\$189,275.00) per annum for an amortized term of 20 years with zero percent (4.50%) interest applied, or (2.30) per RSF, payable One Hundred Twenty-nine and 17/100 in arrears. Although TI is amortized for a 20-year term, the Government is not responsible for the payment of TI after the 10<sup>th</sup> year should the Government vacate the premises on or subsequent to the 10<sup>th</sup> year.

4. **SPACE ALTERATION:** The Lessor shall deliver the premises substantially complete within 365 days subsequent to lease award which shall not exceed September 30, 2013.

5. **PARKING -** Government, at no additional cost, shall have the right to use forty (40) reserved, surface parking spaces in the parking lot adjacent to the building.

6. **REAL ESTATE TAXES:** As per SFO paragraph 4.2.

7. **LESSOR'S FEES:** Lessor's management fees, if any shall be included as TI costs for Architectural and Engineering construction services.

8. **SOLICITATION REQUIREMENTS:** It is understood by both parties that the Lessor, at its expense, will meet all of the Base Building and Building Shell Requirements.

9. **CONTRACTING OFFICER APPROVAL:** The Contracting Officer shall approve any changes that may impact the scope of work, project schedule, or cost of the TI, and/or any requirements stipulated in this lease.

10. **PERCENTAGE OF OCCUPANCY:** The Government's percentage of occupancy for the purpose of computing tax adjustment in accordance with SFO paragraph 4.2, Tax Adjustment (AUG 2008) and paragraph 4.3, the percentage occupancy shall be 100%, based on the Government occupying 4,260 RSF in a building containing a total of 4,260 RSF.

11. The following are attached and made a part hereof:

- a) Solicitation For Offers (SFO) FSA Gordon County GA, initialed by both parties (47 pages)
- b) AD 2066 – USDA/OCIO/ITS Requirements (6 pages)
- c) Option Form 309 – Amendment of Solicitation I
- d) Option Form 309 – Amendment of Solicitation II
- e) GSA Form 3517B - General Clauses (21 pages)
- f) GSA Form 3518 - Representatives and Certifications (7 pages)
- g) GSA Form 12000 - Prelease Fire Protection and Life Safety (4 pages)
- h) Fire and Damage Clause (1 page)
- i) Pre-Lease Building Security Plan (6 pages)
- j) Proposed Floor Plan, Site Plan, and Building Rendering

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR

BY \_\_\_\_\_

(Signature)

(Signature)

IN PRESENCE OF:

(Signature)

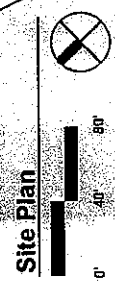
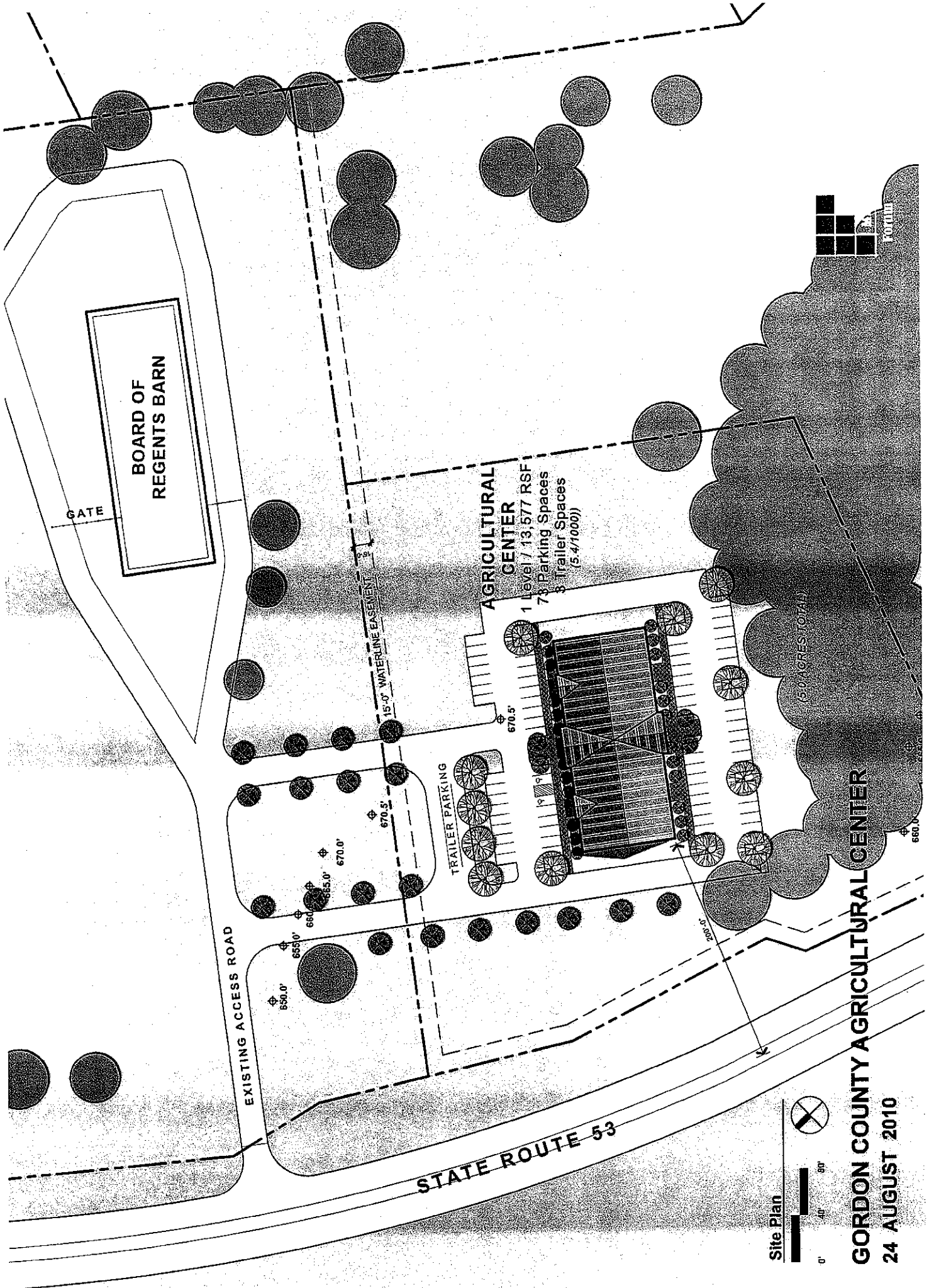
(Address)

UNITED STATES OF AMERICA GENERAL SERVICES ADMINISTRATION

BY \_\_\_\_\_

Julius M. Byrd

Contracting Officer, USDA Farm Service Agency  
(Official title)



**GORDON COUNTY AGRICULTURAL CENTER**  
 24 AUGUST 2010



GORDON COUNTY AGRICULTURAL CENTER  
24 AUGUST 2010



J.K. Lockwood  
CONSTRUCTION COMPANY







**\$2,500,000**

Gordon County Building Authority (Georgia)  
Revenue Bonds, Series 2012A & Taxable Revenue Bonds, Series 2012B  
Callable & CALL '12/01/2022' @ & CALL PRICE '100.000%' / Assumed Rating: Aa/AA

**Debt Service Schedule**

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I
01/01/2013	-	-	-	-
01/01/2014	85,000.00	2.102%	110,001.33	195,001.33
01/01/2015	90,000.00	2.300%	103,254.06	193,254.06
01/01/2016	90,000.00	3.139%	101,183.70	191,183.70
01/01/2017	95,000.00	3.239%	98,358.96	193,358.96
01/01/2018	100,000.00	3.430%	95,281.70	195,281.70
01/01/2019	100,000.00	3.530%	91,851.70	191,851.70
01/01/2020	105,000.00	3.741%	88,321.70	193,321.70
01/01/2021	110,000.00	3.807%	84,393.70	194,393.70
01/01/2022	110,000.00	3.844%	80,205.70	190,205.70
01/01/2023	120,000.00	4.208%	75,977.70	195,977.70
01/01/2024	120,000.00	4.264%	70,928.70	190,928.70
01/01/2025	125,000.00	4.327%	65,812.20	190,812.20
01/01/2026	135,000.00	4.693%	60,403.20	195,403.20
01/01/2027	140,000.00	4.751%	54,068.20	194,068.20
01/01/2028	145,000.00	4.735%	47,417.20	192,417.20
01/01/2029	150,000.00	4.817%	40,551.10	190,551.10
01/01/2030	160,000.00	4.813%	33,325.00	193,325.00
01/01/2031	165,000.00	4.928%	25,623.80	190,623.80
01/01/2032	175,000.00	4.926%	17,492.60	192,492.60
01/01/2033	180,000.00	4.929%	8,871.30	188,871.30
<b>Total</b>	<b>\$2,500,000.00</b>	<b>-</b>	<b>\$1,353,323.55</b>	<b>\$3,853,323.55</b>