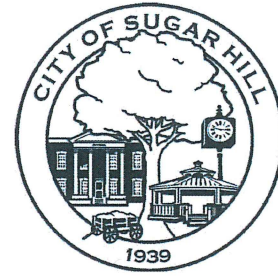


DATE: February 27, 2025  
TO: Mayor and City Council  
FROM: Assistant City Manager  
SUBJECT: Lease Agreement 4988 W Broad St (Suite Spot)



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**RECOMMENDED ACTION.**

Approve the Intergovernmental Agreement (IGA) for the continued operation of the Suite Spot (4988 W. Broad St/Old City Hall) by the DDA as an office building and authorization for the Mayor to sign the documents.

**BUDGET IMPACT.**

Lease revenues returned to the city are about \$50,000 per year. Continuing the operations will generate about \$500,000 over a ten-year term.

**DISCUSSION.**

The DDA has operated the Suite Spot as a business incubator since city operations were relocated out of the old City Hall in 2014. The concept of helping 'start-ups' in Sugar Hill with office space has been highly successful in terms of launching new businesses from our strong home-based commercial community. The authorization to operate comes from the original ten-year IGA executed in 2014, now in need of renewal.

The proposed agreement has been prepared by the city attorney and is attached for consideration of an extension of the operational focus of the facility for business purposes. One key change is to allow for the office use to transition to a single, market rate sub-tenant should a favorable opportunity arise.

Staff is recommending approval and authorization for the Mayor to sign the agreement.

*Attachments*

*IGA for Lease of Real Estate*

STATE OF GEORGIA  
COUNTY OF GWINNETT

**INTERGOVERNMENTAL AGREEMENT FOR  
LEASE OF REAL ESTATE**

This INTERGOVERNMENTAL AGREEMENT (“IGA”) is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between the CITY OF SUGAR HILL, GEORGIA, a municipal corporation in the State of Georgia (the “City”), and the CITY OF SUGAR HILL DOWNTOWN DEVELOPMENT AUTHORITY, a public corporation created and existing under the laws of the State of Georgia (the “SHDDA”).

**WITNESSETH:**

**WHEREAS**, the City and the SHDDA entered into a lease agreement, as amended, in 2014 related to the former City Hall property; and

**WHEREAS**, it is the desire of the parties to update and replace said lease agreement; and

**WHEREAS**, the SHDDA has been created pursuant to the provisions of Article IX, Section VI, Paragraph III of the Constitution of the State of Georgia, the Downtown Development Authorities Law of the State of Georgia, O.C.G.A. § 36-42-1, *et seq.*, as amended (the “Act”), and an activating resolution of the Council of the City of Sugar Hill, duly adopted on January 13, 2003, and is now existing and operating as a public body corporate and politic, and

**WHEREAS**, the SHDDA finds as its purpose in the Act (O.C.G.A. § 36-42-2) the revitalization and redevelopment of the central business district of the City of Sugar Hill and to “develop and promote for the public good and general welfare trade, commerce, industry, and employment opportunities and promote the general welfare of this state by creating a climate favorable to the location of new industry, trade, and commerce and the development of existing industry, trade, and commerce” within the City of Sugar Hill.

**WHEREAS**, the Act (O.C.G.A. § 36-42-8) empowers the SHDDA to take actions necessary or convenient to carry out and effectuate its purposes, including actions necessary for the purpose of acquiring, constructing, leasing, financing and selling any “project” in furtherance of the public purpose for which it was created; and

**WHEREAS**, the Act (O.C.G.A. § 36-42-3(6)) defines “projects” to include the “acquisition, construction, installation, modification, renovation, or rehabilitation of land and interests in land, buildings, structures, facilities or other improvements located or to be located within the downtown development area,” all for the essential public purpose of

the development of trade, commerce, industry and employment opportunities in the downtown development area; and

**WHEREAS**, in order to encourage the development and revitalization of its downtown business district, the Mayor and Council of the City of Sugar Hill duly adopted a resolution on January 13, 2003 creating the SHDDA and designating a geographic area to be known as the downtown development area, which has been or may be altered from time to time; and

**WHEREAS**, the City desires to see certain projects completed by and through the SHDDA for the purpose of revitalizing and redeveloping the primary central business district of the downtown area and for the public good and general welfare of the citizens of the City; and

**WHEREAS**, the City desires to continue leasing the former City Hall property to the SHDDA; and

**WHEREAS**, the parties wish to work cooperatively in the undertakings provided herein for the mutual benefit of the City and the SHDDA.

**NOW THEREFORE**, for and in consideration of the amounts set forth herein, the mutual covenants and promises herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, the City and the SHDDA do hereby enter into the following Agreement.

1. Agreement to Lease.

The City leases to the SHDDA all that tract or parcel of land lying and being in Land Lot 291 of the 7<sup>th</sup> Land District of Gwinnett County, Georgia, containing 0.709 acres more or less, which is more particularly described on Exhibit A which is attached hereto and incorporated herein by reference (hereinafter referred to as "the Property"). Said property is commonly known as 4988 West Broad Street and comprises the Old City Hall complex. The SHDDA acknowledges that any improvements made to the Property will remain with the property and shall become the property of the City upon the expiration of this Agreement.

2. Payment, Use and Maintenance of Property.

- a. The Property shall be leased to the SHDDA in consideration of the annual payment of Ten Dollars (\$10.00).
- b. The SHDDA shall manage the Property and enter into a sublease or subleases for the rental and occupancy of the building for office uses. The SHDDA shall provide written notice of any proposed tenant to the City prior to execution of a sublease.

- c. Any sublease entered into by the SHDDA related to the Property shall be subject to the following terms or conditions:
  - i. All subleases shall be approved by the SHDDA and city attorney.
  - ii. All subleases shall have a maximum term of 6 years; however, any sublease may provide for an automatic renewal for additional 5 year terms, not to exceed a total lease period of 11 years.
  - iii. All subleases shall require that the tenant obtain and maintain sufficient property, casualty, liability, and other insurance as is appropriate.
  - iv. All subleases shall include, as in a gross format, or require payment of utilities as additional rent in the case of a net lease.
- d. The SHDDA shall establish fair, market rates with each sub-lease or memberships in alignment with downtown plans and economic development purposes.
- e. The SHDDA shall be responsible for maintenance and upkeep of the Property with the exception of the following items: elevator, roof, and HVAC systems.
- f. The SHDDA shall place a minimum of 20% into a restricted fund to pay for one time, recurring, and other maintenance and operations costs of the Property. All revenues generated under this agreement and not placed into the restricted fund shall be paid to the City.
- g. The City shall include the Property on all relevant insurance policies (property and casualty, liability, umbrella).

3. Term.

The term of this Intergovernmental Agreement shall be for Eleven (11) years from the effective date. The effective date shall be the date first set forth above. The Intergovernmental Agreement may be renewed for an additional Ten (10) year term if such a renewal is approved by both parties in writing.

4. Legal Approvals.

This Intergovernmental Agreement has been duly authorized, executed and delivered by each party and all documents executed by each party which are to be delivered to the other party will be (a) duly authorized, executed and delivered by each party, (b) the legal, valid and binding obligation of each party, and (c) sufficient to convey a leased title and do not violate any provisions of any agreement or judicial order affecting that party.

5. Notices.

Any notices required or permitted to be given under this Intergovernmental Agreement to the other party shall be in writing, postage pre-paid and will be sent by overnight delivery by courier of choice or registered or certified mail to:

City of Sugar Hill, Georgia:

City of Sugar Hill  
5039 West Broad Street  
Sugar Hill, GA 30518  
Attention: City Clerk

City of Sugar Hill Downtown Development Authority:

Sugar Hill DDA  
5039 West Broad Street  
Sugar Hill, GA 30518  
Attention: Chairman

6. Miscellaneous.

(a) Interpretation. In this Intergovernmental Agreement the neuter gender includes the feminine and masculine, and the singular number includes the plural, and the words "person" and "party" include corporation, partnership, individual, form, trust, or association wherever the context so requires.

(b) Attorney's Fees. In the event it becomes necessary for either party to bring an action at law or other proceeding to enforce any of the terms, covenants or conditions of this contract, the prevailing party in any such action or proceeding shall be entitled to recover its costs and expenses incurred in such action from the other party, including without limitations reasonable attorney's fees as determined by the court without a jury. As used herein, the term "prevailing party" shall mean as to the plaintiff, obtaining substantially all relief sought, and such term shall mean as to the defendant, denying the obtaining of substantially all relief sought by the plaintiff.

(c) Time of Essence. The parties hereby agree that this Intergovernmental Agreement was entered into with the understanding that time is of the essence.

(d) Severability. In the event any provision, or any portion of any provision, of this Intergovernmental Agreement shall be deemed to be invalid, illegal, or unenforceable by a court of competent jurisdiction, such invalid, illegal or unenforceable provision or portion of a provision shall not alter the remaining portion of any provision or any other provision, as each provision of this Intergovernmental Agreement shall be deemed to be severable from all other provisions.

(e) Inurement. This Intergovernmental Agreement shall be binding upon and inure to the benefit of the successors and assigns, if any, of the respective parties hereto.

(f) Date of Intergovernmental Agreement. The date of this Intergovernmental Agreement shall be the date the last party signs a fully executed copy of the Intergovernmental Agreement.

7. Governing Law. This Agreement and the rights and obligations of the parties hereto shall be governed, construed, and interpreted according to the laws of the State of Georgia.

8. Entire Agreement. This Agreement expresses the entire understanding and agreement between the parties hereto.

9. Severability. The invalidity of any one or more phrases, sentences, clauses or sections contained in this Agreement shall not affect the remaining portions of this Agreement or any part thereof.

10. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument.

11. Amendments or Modifications. No waiver, amendment, release, or modification of this Agreement shall be effective unless made in writing and executed by both parties hereto.

**CITY OF SUGAR HILL, GEORGIA**

By: \_\_\_\_\_  
Brandon Hembree, Mayor

Attest \_\_\_\_\_  
Jane Whittington, City Clerk

(CITY SEAL)

**[SIGNATURES CONTINUED ON FOLLOWING PAGE]**

**CITY OF SUGAR HILL DOWNTOWN  
DEVLEOPMENT AUTHORITY**

By \_\_\_\_\_  
Jack Wolfe, Chairman

Attest \_\_\_\_\_  
\_\_\_\_\_, Secretary

(AUTHORITY SEAL)

**EXHIBIT A  
TO LEGAL DESCRIPTION OF  
CITY OF SUGAR HILL PROPERTY**

All that tract of land located in Land Lot 291 and 292 of the 7<sup>th</sup> District of Gwinnett County, Georgia, located in the City of Sugar Hill, and being more particularly described as follows:

**COMMENCING** at a chisel mark found at the intersection of the southerly right-of-way line of West Broad Street (60' R/W) and the northwesterly right-of-way line of Level Creek Road (30' R/W), said corner being the most easterly corner of land now or formerly owned by Robinson; thence S53° 41' 48"W, along the northwesterly right-of-way line of said Level Creek Road, a distance of 94.55 feet to a 4" axle found on the northwesterly right-of-way line of said Level Creek Road, said corner being the most southerly corner of said Robinson land, and the **POINT OF BEGINNING**. Thence continuing along the northwesterly right-of-way line of said Level Creek Road, S53° 41' 48"W a distance of 170.45 feet to a point on the northwesterly right-of-way line of said Level Creek Road, said point being the southeast corner of land now or formerly owned by Nina Blankenship (DB 12627, PG 28); thence N44° 38' 06"W, along the northeasterly line of said Blankenship land, a distance of 126.73 feet to a ½" rebar found at the northeasterly corner of said Blankenship land, said corner being a point on the southeasterly line of land now or formerly owned by the Gwinnett County Board of Education; thence along a common line with said Gwinnett County Board of Education land, N36° 54' 44"E a distance of 35.00 feet to a ½" capped rebar found; thence , N56° 01' 34"W a distance of 27.00 feet to a ½" capped rebar found; thence N33° 58' 26"E a distance of 93.30 feet to a PK Nail found at the northeasterly corner of said Gwinnett County Board of Education land, said corner being located on the southerly right-of-way line of said West Broad Street; thence S77° 56' 09"E, along the southerly right-of-way line of said West Broad Street, a distance of 173.43 feet to a 6" axle found on the southerly right-of-way line of sad West Broad Street, said corner being the northwest corner of said Robinson land; thence S04° 41' 35"E, along the west line of said Robinson land, a distance of 73.71 feet to the **POINT OF BEGINNING**.

Said tract of land contains 30,872 Square Feet or 0.709 Acres.