

IN THE COUNTY LEGISLATURE OF JACKSON COUNTY, MISSOURI

A RESOLUTION authorizing the County Executive to execute a sixty-month extension to the lease with BRE Space Kansas City, LLC, of Kansas City, MO, for records storage space for use by the Recorder of Deeds Department and the 16th Judicial Circuit Court of Jackson County, at an initial estimated annual cost to the County in the amount of \$204,468.91, as a sole source purchase.

RESOLUTION NO. 20492, September 21, 2020

INTRODUCED BY Charlie Franklin, County Legislator

WHEREAS, the County has a continuing need for climate-controlled records storage and office space for use by the Recorder of Deeds' Records Center and the 16th Judicial Circuit Court of Jackson County; and,

WHEREAS, the County has leased such space from Space Center-Kansas City of Independence, MO, since 1995; and,

WHEREAS, the current lease will expire on December 31, 2020; and,

WHEREAS, in March 2019, ownership of Space Center-Kansas City was transferred to BRE (Blackstone Real Estate) Space Kansas City, LLC, of Kansas City, MO, and the property is now managed by Link Industrial Properties of Independence, MO; and,

WHEREAS, Link has submitted, on behalf of BRE, a proposal for a sixty-month extension to the current lease; and,

WHEREAS, section 1030.1, Jackson County Code, 1984, eliminates the requirement for competitive bidding when the item to be acquired can be obtained from only one source; and,

WHEREAS, the Director of Finance and Purchasing recommends award of a lease extension to BRE and Link, as sole source providers, because the cost of moving the County's records to alternate leased or newly constructed space, estimated at \$382,050.00, would be prohibitive; and,

WHEREAS, the new lease term will be effective January 1, 2021, with the availability of funds for 2021 and future years subject to annual appropriation; now therefore,

BE IT RESOLVED by the County Legislature of Jackson County, Missouri, that the County Executive be and hereby is authorized to execute the attached extension to the lease agreement with BRE Space Kansas City, LLC, and Link Industrial Properties of Independence, MO; and,

BE IT FURTHER RESOLVED that the Director of Finance and Purchasing be and hereby is authorized to make all payments, including final payment, on the extension, to the extent that sufficient appropriations to the using spending agencies are contained in the then current Jackson County budget.

Effective Date: This Resolution shall be effective immediately upon its passage by a majority of the Legislature.

APPROVED AS TO FORM:

Opus D. Holden
Chief Deputy County Counselor

Bryan O. Covinsky
County Counselor

I hereby certify that the attached resolution, Resolution No. 20492 of September 21, 2020, was duly passed on *September 28*, 2020 by the Jackson County Legislature. The votes thereon were as follows:

Yeas *7*

Nays *1*

Abstaining *0*

Absent *1*

 9.28.2020
Date

Mary Jo Spino
Mary Jo Spino, Clerk of Legislature

Funds sufficient to meet this obligation are subject to appropriation in the County's 2021 and future years' annual budgets.

 9-17-2020
Date

J. S. [Signature]
Chief Administrative Officer

MEMORANDUM

To: Barbara Casamento – Purchasing Administrator
From: Robert T. Kelly, Director - Recorder of Deeds Department
Date: June 1, 2020
RE: Jackson County Records Center – Expiration of Existing Lease

Background History:

The Jackson County Records Center currently leases 55,000 square feet of floor space from Space Center-Kansas City, Inc., an environmentally controlled and secure underground facility located at 1500 South Geospace Drive, Independence, Missouri for the storage of 16th Circuit Court and other County department records. A three year lease was initially signed and went into effect in April, 1996. Additional three-to-five year lease extensions, with Legislative appropriations, have been executed over time (the latest in 2015) in order to provide County-wide record storage space through December 31st, 2020.

Records Center Storage/ Staffing:

Currently, of the 80,000 boxes stored at the Records Center, the vast majority of records retrieved from and returned to the facility on a weekly basis (370 files) are considered "Active" files, i.e., one to five years old. Remaining records retrieved from and returned to the facility are considered "Archived" files, i.e., six years or older. "Active" files comprise approximately 15% of all inventory with Archived files comprising the remaining 85%. Daily management and staffing of the Records Center is divided between the Recorder of Deeds Department and the 16th Circuit Court. All Recorder of Deeds staff salaries are funded from the Recorders Fee Fund.

Records Center Ownership / Current Lease Expenses:

In March, 2019, ownership by Space Center storage complex was transferred to BRE (Blackstone Real Estate) Space Kansas City, LLC, and the property is now managed by Link Industrial Properties. The initial monthly fee for leasing of this space in 1996 (23 years ago) was \$15,079 per month and included additional Common Area Maintenance (CAM), janitorial and, at-that-time only, tenant improvement fees. Both CAM and janitorial fees, regarding the current lease extension, are annually adjusted based on the Consumer Price Index. Current lease expenses for this facility, negotiated in 2015, are \$2.55 per square foot plus a monthly CAM of \$0.92, totaling \$3.47 per square foot or a monthly fee of \$15,904, through the end of 2020.

Storage Need Analysis:

An evaluation of responses regarding a recently completed five-year storage needs questionnaire submitted by twenty departments/agencies, with input from 16th Circuit Court Administration, indicated that future County-wide existing storage/space needs will remain unchanged over the next five-year period. Although various County-wide digitization initiatives have commenced in various departments/divisions and will help limit in-coming storage growth, such efforts will not immediately impact the vast majority of existing, hard-copy archived holdings that are considered permanent.

Based on such reporting and analysis, Jackson County and the 16th Circuit Court will continue to need approximately 55,000 sq. ft. of records storage space over the next several years. Options for addressing such on-going needs include: (1) Temporarily extending the County's current vendor lease; (2) Seeking less expensive alternate storage space from another storage vendor; or (3) Consider construction of a County owned facility or modification of an existing County-owned building facility (Example: Lower levels of the 14th Street parking garage) for permanent record storage.

In evaluating Option 1 the Recorder of Deeds Department approached Link Industrial Properties and asked the company to determine costs if the County wished to extend the existing lease (negotiated in 2015) for up to an additional one-to-five year period, subject to annual appropriations and/or need. Link Industrial Properties responded with a written proposal, offering to extend the current lease for an additional five year period, i.e., 2021 to 2025. Costs would average \$2.83 per square foot plus a monthly estimated CAM of \$1.01, totaling \$3.84 per square foot or a monthly fee of \$17,600.

In evaluating Option 2 seeking less expensive alternate storage, informal bids were sought in lieu of a formal Request for Proposal RFP, to assess current market pricing. Two comparable public storage space centers (Carefree Industrial Park, Indep., Mo. and Dean Underground, Kansas City, Mo. were contacted, conducted an on-site visit, and were asked for square footage estimates for Jackson County holdings. Carefree Industrial Park does not have comparable space at this time with a future build-out estimated in a \$4.00+ square foot range. Dean Underground would be over \$4.00 per square foot or a monthly fee in excess of \$18,000 in comparison with the Link Industrial Properties proposal of \$17,600.

Additional bids could be sought, either formally (RFP) or informally, but facility relocation costs would also need to be factored in overall costs estimates. A. Arnold Company (Jackson County's term and supply moving service vendor) was contacted and conducted an on-site analysis. Estimated expenses, including use of multiple transportation trailers, lifting equipment, twenty-five contact staff (with appropriate security clearances), totaled \$382,050 for the relocation of such holdings within a ten mile radius of the existing facility. Estimated project completion would take four to five weeks in order to disassemble, transport and reassemble all holdings at another location, i.e., 80,000 storage boxes/books plus 93 aisles of commercial grade shelving units twelve to fourteen feet tall. During this period of time the County, in order to maintain timely services to departments and Circuit Court divisions, would need to staff and operate two storage centers during the month+ long process.

In evaluating Option 3, based on discussion with Administration, no potential alternatives are in place through 2020 to fund either the construction or modification an existing building for records storage.

Management Recommendation:

Based on the above analysis, giving consideration to each of the above storage options, renewing the Space Center lease with Link Properties (that would include open termination options based on County appropriations or need), is recommended as the best near-term solution for the interim storage of Jackson County and 16th Circuit Court records.



Jackson County Lease Renewal Term Sheet

July 29, 2020

Landlord: BRE Space Kansas City LLC
Tenant: Jackson County Missouri
Premises: 1560 West GeoSpace Dr.
Square Footage: 55,000 square feet
Lease Commencement: January 1, 2021
Lease Term: 60 months
Improvements: Building As-Is

Rent:

<u>From</u>	<u>To</u>	<u>#</u> <u>Months</u>	<u>Annual</u> <u>Base Rent/sf</u>	<u>Annual CAM</u> <u>Jan/Maint/sf (1)</u>	<u>Annual</u> <u>Gross Rent</u>	<u>Monthly</u> <u>Gross Rent</u>
1/1/2021	1/31/2021	1	\$0.00	\$0.00	\$0.00	\$0.00
2/1/2021	12/31/2021	11	\$2.75	\$0.97	\$204,468.91	\$17,039.08
1/1/2022	12/31/2022	12	\$2.79	\$0.99	\$207,802.04	\$17,316.84
1/1/2023	12/31/2023	12	\$2.83	\$1.01	\$211,190.48	\$17,599.21
1/1/2024	12/31/2024	12	\$2.88	\$1.03	\$214,635.19	\$17,886.27
1/1/2025	12/31/2025	12	\$2.92	\$1.05	\$218,137.09	\$18,178.09

Annual Base Rent adjustments for common area maintenance, building maintenance and janitorial services are projected to increase by 2% annually for budgetary purposes. Current (2020) expenses are \$4,386.66/month.

Tax recovery estimate for the current year is as follows:

Taxes included in lease	\$5,500.00
2019 tax recovery	\$6,609.00

SEVENTH ADDENDUM TO LEASE AGREEMENT

THIS SEVENTH ADDENDUM TO LEASE AGREEMENT (the “**Seventh Addendum**”) is made and entered into as of _____, 2020, by and between **BRE SPACE KANSAS CITY LLC**, a Delaware limited liability company (“**Lessor**”) and **JACKSON COUNTY, MISSOURI**, a First Class Constitutional Home Rule Charter County (“**Lessee**”).

RECITALS

- A. Lessor (as successor in interest to Space Center Kansas City, Inc., a Minnesota corporation, as successor in interest to GeoSpace Joint Venture, a Missouri general partnership) and Lessee are parties to that certain Lease Agreement dated December 29, 1995 (the “**Original Lease**”), which Original Lease has been previously amended by that certain First Addendum to Lease Agreement dated March 3, 1999, by that certain Second Addendum to Lease Agreement dated March 1, 2000, by that certain Third Addendum to Lease Agreement dated January 24, 2004, by that certain Fourth Addendum to Lease Agreement dated April 17, 2009, by that certain Fifth Addendum to Lease Agreement dated December 18, 2012 and by that certain Sixth Lease Agreement Addendum to Lease Agreement dated December 4, 2015 (collectively, the “**Existing Lease**”). Pursuant to the Existing Lease, Lessor has leased to Lessee space currently containing approximately **55,000** square feet of net usable space (the “**Premises**”) lying below the top of the Bethany Falls ledge of rock and commonly identified as 1560 West GeoSpace Drive, Independence, Missouri 64056 (the “**Building**”).
- B. The Existing Lease by its terms expires on December 31, 2020, and the parties desire to extend the term of the Existing Lease, all on the following terms and conditions. The Existing Lease as amended by this Seventh Addendum is herein referred to as the “**Lease**”.

NOW, THEREFORE, in consideration of the above recitals which by this reference are incorporated herein, the mutual covenants and conditions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee hereby amend the Existing Lease and agree and represent as follows:

- 1. **Extension.** The term of the Existing Lease is hereby extended for a period of 60 months and shall commence on January 1, 2021 (the “**Sixth Extension Date**”) and expire on December 31, 2025 (“**Sixth Extended Termination Date**”), unless sooner terminated in accordance with the terms of the Lease (the “**Sixth Extended Term**”). Effective as of the Sixth Extension Date, the term of Lease shall mean the term of the Lease as extended through the Sixth Extended Termination Date.
- 2. **Rent.** From and after the Sixth Extension Date, the schedule of rent payable with respect to the Premises during the Sixth Extended Term is the following:

Period	Monthly Rent
01/01/21 – 12/31/21	\$12,604.17
01/01/22 – 12/31/22	\$12,793.23
01/01/23 – 12/31/23	\$12,985.13
01/01/24 – 12/31/24	\$13,179.90
01/01/25 – 12/31/25	\$13,377.60

plus the then in effect Annual Base Rent adjustments for Common Area Maintenance, building maintenance, janitorial expenses and taxes during the term hereof, without deduction or set off, on the first day of each month. The current 2020 Expenses are \$4,386.66 per month, subject to CPI increases.

Consistent with Paragraph 3 of the Original Lease, funds sufficient to meet the Lessee’s financial obligations set out herein are subject to appropriation in Lessee’s 2021 and future years’ annual budgets. Lessee agrees to use its best efforts to ensure that funds sufficient to cover rental payments for each year of the Lease (including the Sixth Extended Term) and any subsequent renewal term, are included in its annual budgets and agrees that in the event that sufficient funds to pay any rental payment due under the Lease are not appropriated in Lessee’s annual budget for any year under the Lease, including the Sixth Extended Term and any subsequent renewal term, Lessee shall not

lease space for money from any other owner of real property or leasing agent for the purpose of storing the same materials which are to be stored on the Premises under the Lease.

3. **Condition of Premises.** Lessee is in possession of the Premises and accepts the same in their current condition subject to the Existing Lease without any agreements, representations, understandings or obligations on the part of Lessor in conjunction with this Seventh Addendum to perform any alterations, repairs or improvements.
4. **Lessor Notice and Rent Payment Addresses.** Effective as of the date of this Seventh Addendum, any notice required under the Lease to be given to Lessor shall be sent to BRE Space Kansas City LLC, 90 Park Avenue 32nd Floor, New York, New York 10016, Attention: General Counsel with a copy to BRE Space Kansas City LLC, 220 Commerce Drive, 4th Floor, Fort Washington, PA 19034, Attention: Lease Administration. Rent shall be made payable to an entity, and sent to the address or addresses, Lessor designates in writing to Lessee and shall be made by good and sufficient check payable in United States of America currency or by other means acceptable to Lessor.
5. **No Options.** The parties hereto acknowledge and agree that during the Sixth Extended Term, Lessee shall have no rights to extend the term of the Lease, or expand, terminate or contract the Premises. The parties agree that any rights existing in the Lease to extend the term of the Lease, or expand, terminate or contract the Premises shall be deleted in their entirety and are of no further force and effect.
6. **OFAC and Anti-Money Laundering Compliance Certifications.** Lessee represents, warrants and covenants to Lessor that from and after the date of this Seventh Addendum (i) Lessee is not acting for itself or acting for the benefit of, a person or entity blocked pursuant to Executive Order 13224 signed on September 24, 2001 and entitled "Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism" or under any rules or regulations promulgated thereunder (collectively, the "**Executive Order**") and (ii) Lessee does not have any interest in any property blocked by the Executive Order. In the event that Lessee breaches the above representations, warranties or covenants in this Section, Lessor shall have the right to terminate the Lease and all other rights and remedies available at law and in equity. Lessee hereby agrees to defend, indemnify and hold harmless Lessor from and against any and all claims, damages, losses, risks, liabilities, fines, penalties, forfeitures and expenses (including costs and reasonable attorneys' fees) arising from or related to any breach of its obligations under, or of its representations, certification and warranties set forth in, this Section.
7. **Miscellaneous.** This Seventh Addendum sets forth the entire agreement between the parties with respect to the matters set forth herein. Except as herein modified or amended, the provisions, conditions and terms of the Existing Lease shall remain unchanged and in full force and effect. In the case of any inconsistency between the provisions of the Existing Lease and this Seventh Addendum, the provisions of this Seventh Addendum shall govern and control. Each signatory of this Seventh Addendum represents hereby that he or she has the authority to execute and deliver the same on behalf of the party hereto for which such signatory is acting. The capitalized terms used in this Seventh Addendum shall have the same definitions as set forth in the Existing Lease to the extent that such capitalized terms are defined therein and not redefined in this Seventh Addendum. Lessee hereby represents to Lessor that Lessee has dealt with no broker, agent or finder in connection with this Seventh Addendum. Lessee agrees to indemnify and hold Lessor, its trustees, members, managers, principals, beneficiaries, partners, officers, directors, employees, mortgagee(s) and agents, harmless from all claims of any brokers, agents or finders claiming to have represented Lessee in connection with this Seventh Addendum. Lessor hereby represents to Lessee that Lessor has dealt with no broker, agent or finder in connection with this Seventh Addendum. Lessor agrees to indemnify and hold Lessee, its trustees, members, managers, principals, beneficiaries, partners, officers, directors, employees, and agents, and the respective principals and members of any such agents harmless from all claims of any brokers, agents or finders claiming to have represented Lessor in connection with this Seventh Addendum. This Seventh Addendum may be executed in counterparts and shall constitute an agreement binding on all parties notwithstanding that all parties are not signatories to the original or the same counterpart provided that all parties are furnished a copy or copies thereof reflecting the signature of all parties. Transmission of a facsimile or by email of a pdf copy of the signed counterpart of this Seventh Addendum shall be deemed the equivalent of the delivery of the original, and any party so delivering a facsimile or pdf copy of the signed counterpart of this Seventh Addendum by email transmission shall in all events deliver to the other party an original signature promptly upon request.

[SIGNATURES ARE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Lessor and Lessee have duly executed this Seventh Addendum in two or more counterparts as of the day and year first above written.

LESSOR:

BRE SPACE KANSAS CITY LLC, a Delaware limited liability company

By: _____

Name: _____

Title: _____

LESSEE:

JACKSON COUNTY, MISSOURI, a First Class Constitutional Home Rule Charter County

By: _____

Name: _____

Title: _____