



COMMISSIONERS COURT COMMUNICATION

REFERENCE NUMBER _____

PAGE 1 OF 36

DATE: 09/05/2023

**SUBJECT: APPROVAL OF REAL PROPERTY LEASE AGREEMENT WITH
MERCANTILE PARTNERS, L.P. FOR OFFICE SPACE LOCATED
AT 5001 N. RIVERSIDE DRIVE, FORT WORTH, FOR USE BY THE
TARRANT COUNTY PUBLIC HEALTH DEPARTMENT**

COMMISSIONERS COURT ACTION REQUESTED

It is requested that the Commissioners Court approve a Real Property Lease Agreement with Mercantile Partners, L.P. for office space located at 5001 N. Riverside Drive, Fort Worth, for use by the Tarrant County Public Health Department.

BACKGROUND

On June 22, 2021, the Commissioners Court, through Court Order #135718, approved the Real Property Lease with Mercantile Partners, L.P. for the use of office space located at 4708 Mercantile Drive for a lease term of twenty-four (24) months, beginning September 1, 2021 and ending August 31, 2023, with three (3) one-year options to renew. This lease is for 36,763 square feet of office space for use by TCPH and includes ample parking spaces to accommodate the 124 non-public facing TCPH staff.

On August 24, 2021, the Commissioners Court, through Court Order # 136152, approved Amendment No.1 to the Real Property Lease with Mercantile Partners, L.P., for the additional construction buildout of a Main Distribution Frame room for the building.

Mercantile Partners contacted Tarrant County requesting a relocation of TCPH to a different Mercantile Partners Building located at 5001 N. Riverside Drive due to a different tenant expressing interest in a long-term lease for the full building. The proposed relocation would be to a 47,500 square foot building located on 5001 N. Riverside Drive. This building is newer and includes more available square footage at a reduced cost per square foot when compared to the current lease rate.

On August 15, 2023, the Commissioners Court, through Court Order # 141468, approved Amendment No. 2 to modify the original term of the lease for space at 4708 Mercantile Drive by extending to a month-to-month basis at no additional cost, beginning Friday, September 1, 2023. It is anticipated that the new lease space will be available for TCPH staff to move to 5001 N. Riverside Drive on December 1, 2023. It was noted that Facilities Management would present the attached lease for the 5001 N. Riverside Drive building on the September 5, 2023 Commissioners Court agenda.

SUBMITTED BY:	Facilities Management	PREPARED BY: APPROVED BY:	Robert Carter Michael Amador
---------------	-----------------------	------------------------------	---------------------------------



COMMISSIONERS COURT COMMUNICATION

REFERENCE NUMBER: _____ DATE: 09/05/2023 PAGE 2 OF 36

If approved, the following TCPH Divisions will be relocated to 5001 N. Riverside Drive: Call Center, Family Services, Chronic Disease Prevention, Community Health Outreach and Health Informatics. The new location will also provide space for TCPH to relocate other groups as needed from current locations. The term of the Lease Agreement is for thirty-six (36) months, commencing on December 1, 2023 with two (2) option to renew and extend the term of the lease for a term of one (1) year. Cost associated with this Real Property Lease Agreement include the following:

Base Rent

Base rent includes use of eleven (11) offices and 339 workstations already in place and 237 parking spaces at a rate of \$49,479.17 per month, \$12.50 per square foot annualized.

Triple Net Costs

For reimbursement to Landlord for variable costs such as common area maintenance, property insurance, property taxes. Costs are estimated to be \$17,653.00 per month, \$4.46 per square foot annualized.

Maintenance/Janitorial Costs

Other costs include utilities, janitorial, HVAC maintenance and general interior maintenance. Costs are estimated to be \$13,050.00 per month, \$3.29 per square foot annualized.

Should the Court elect to remain in the current space at 4708 Mercantile Drive, Mercantile Partners has informed the County they will honor the first one-year renewal extension; however, if the County chooses this option, Mercantile Partners, L.P. has advised they will not renew the lease for the remaining two (2) one-year options. The County will need to secure alternative accommodations for TCPH.

The Criminal District Attorney's Office has approved this lease as to form.

FISCAL IMPACT

All associated costs will be paid by grant funds as follows:

F0102-2023 – 54%;
T0400-2024 – 35%;
F0108-2023 – 11%;