



COMMISSIONERS COURT
COMMUNICATION

COURT ORDER NUMBER _____
PAGE 1 OF 5
DATE: 10/15/2024

SUBJECT: **CONSIDERATION TO APPROVE AMENDMENT NO. 6 TO THE REAL
PROPERTY LEASE WITH MERCANTILE PARTNERS, L.P. FOR
WAREHOUSE SPACE**

***** CONSENT AGENDA *****

COMMISSIONERS COURT ACTION REQUESTED

It is requested that the Commissioners Court consider approval of Amendment No. 6 to the real property lease with Mercantile Partners, L.P. for warehouse space located at 3333 Quorum Drive, Fort Worth.

BACKGROUND

On February 19, 2008, the Commissioners Court, through Court Order #102542, approved a real property lease with Mercantile Partners with many extensions over the years.

The current 3333 Quorum Drive lease space is 81,700 square feet 28 feet high, environmentally controlled warehouse space used for IT Department record storage (36,866 square feet), County Clerk records storage (10,000 square feet), Facilities Management storage (10,000 square feet), and the Elections Department (24,834 square feet). In the IT Department records storage area there are approximately 130,000 boxes of records and 19,723 books with growth space. The County Clerk stores approximately 9,045 boxes of records, 10,904 books and several large cabinets of land plats. Facilities Management uses their 10,000 square feet to store emergency response equipment, tents, event stages, spare furniture inventory, and large spare parts for our buildings (garage and dock entry roll-up doors, etc.). The Elections Department currently stores voting equipment and supplies and provides training rooms for election workers.

On October 1, 2019, the Commissioners Court, through Court Order # 131252 approved Amendment No. 5 which expires October 31, 2024.

With approval of Amendment No. 6, this lease agreement will extend the term of the agreement from November 1, 2024 through October 31, 2029.

This lease is a triple-net lease, which means the County pays a base rent of \$5.75/sf, plus approximately \$2.50/sf to reimburse the landlord for direct costs such as real estate taxes, property insurance and common area maintenance. Additionally, the County pays for utilities to the lease space and maintenance/repair of the HVAC and the interior of the lease space. The landlord is responsible for the maintenance/repair of the building, roof, parking lot, fire protection systems, electrical systems, and plumbing systems that serve the building. The landlord also provides 24/7 security guard vehicle patrol services for the property as part of their security patrol of the entire Mercantile business campus.

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

SUBMITTED BY	Facilities Management	PREPARED BY:	Misty Foster
		APPROVED BY:	Michael Amador



COMMISSIONERS COURT COMMUNICATION

REFERENCE NUMBER: _____ DATE: 10/15/2024 PAGE 2 OF 5

FISCAL IMPACT

Funding in the estimated amount of \$204,880.50 for the Elections Department space (24,834 sq. ft) is available in account 10000-2025 General Funds/3110701000 Elections Center/531011 Rent.

Funding in the estimated amount of \$386,644.50 for the Facilities Management/IT Dept. (46,866 sq ft.) is available in account 10000-2025 General Funds/3110902000 Records Management/531011 Rent.

Funding in the estimated amount of \$82,500.00 for the County Clerk (10,000 sq. ft.) is available in account 21300-2025 /4820111000 Records Preservation/Restoration/ 531012 Space Lease Rental.

The base rent is \$5.75/sf plus an estimated \$2.50/sf for common area maintenance, real estate taxes and property insurance provided by the landlord. With an estimated total price of \$674,025.00 yearly.



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SIXTH AMENDMENT TO LEASE AGREEMENT

This Sixth Amendment ("Amendment") is entered into effective as of _____, 2024, between MERCANTILE PARTNERS, L.P., a Texas limited partnership ("Landlord"), and TARRANT COUNTY TEXAS ("Tenant").

RECITALS

- A. Landlord and Tenant entered into that certain Lease Agreement dated February 19, 2008 Commissioners Court Order Number 102542, and thereafter amended by the "First Amendment to Lease Agreement" on July 1, 2008, Commissioners Court Order 103370. The Lease Agreement was subsequently amended by letter exercising an option to renew the lease term, date May 24, 2011, Court Order 110489; by the "Second Amendment to Lease Agreement" dated April 3, 2012, Court Order 112525; and the "Third Amendment to Lease Agreement" dated October 16, 2012, Court Order 113942; and the "Fourth Amendment to Lease Agreement" dated December 5, 2017 Court Order 126682; and the "Fifth Amendment to Lease Agreement" dated October 1, 2019 Court Order 131252 collectively the ("Lease"), covering certain space certain space located at 3333 Quorum Drive, Suites 250, 260 and 280, Fort Worth, Texas ("Building") more particularly described in the Lease.
- B. Landlord and Tenant desire to amend certain provisions of the Lease and are entering into this Amendment for such purpose.

NOW THEREFORE, for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration paid by Landlord and Tenant to each other, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. The Recitals specified above are true and correct and are hereby made a part of this Amendment.
2. Landlord and Tenant desire to expand the leased for the total 81,700 square feet of rentable area.
3. Section 1.02 – Term. The term of the Lease is hereby extended through October 31, 2029.
4. Section 2.02 – Minimum Guaranteed Rent. Minimum Guaranteed Rent during the remainder of the existing term and during the extended term of the Lease shall be as follows:

November 1, 2024 through October 31, 2029 - \$39,147.92 monthly \$5.75 sq ft

5. Except as amended hereby, the Lease is unchanged. Landlord and Tenant hereby ratify and affirm the Lease, as valid and subsisting, as amended hereby.

Executed as of the day, month and year first above written.

Landlord:

MERCANTILE PARTNERS, L.P.,
a Texas limited partnership

By: Mercantile Corporation of Fort Worth,
a Texas corporation, its General Partner

By: _____

Name: Brian L. Randolph

Title: President

Tenant:

Tarrant County, Texas

By: _____

Name: Tim O'hare

Title: County Judge

APPROVED AS TO FORM:

James Marvin Nichols
Criminal District Attorney's Office*

*By law, the Criminal District Attorney's Office may only approve contracts for its clients. We reviewed this document as to form from our client's legal perspective. Other parties may not rely on this approval. Instead, those parties should seek contract review from independent counsel.

\$ 2,696,100.00 CONTINGENT
UPON COMMISSIONERS COURT
APPROVAL IN FY 26 to 29

CERTIFICATION OF FUNDS IN THE AMOUNT OF \$ 674,025.00

Kimberly M. Buchanan
Auditor Date: 10.14.24

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a Texas limited partnership
By: Mercantile Corporation of Fort Worth,
a Texas corporation, its General Partner

By: _____
Name: Brian L. Randolph
Title: President

Tenant:
Tarrant County, Texas

By: _____
Name: Tim O'hare
Title: County Judge

APPROVED AS TO FORM:

James Marwin Nichols
Criminal District Attorney's Office*

*By law, the Criminal District Attorney's Office may only approve contracts for its clients. We reviewed this document as to form from our client's legal perspective. Other parties may not rely on this approval. Instead, those parties should seek contract review from independent counsel.

CERTIFICATION OF FUNDS IN THE AMOUNT OF \$ _____

Auditor Date: _____