

Board of County Commissioners Agenda Request

Date of Meeting: May 7, 2024

Date Submitted: March 20, 2024

To: Honorable Chairman and Members of the Board

From: Edward J. Dixon, County Administrator
T.J. Lewis, Economic Development Director

Subject: Approval of a 10-year Sublease Agreement for 680 Maple Street, Chattahoochee, FL – North Florida Rural Health Corp

Statement of Issue:

This agenda item requests Board approval to execute a 10-year Sublease agreement with North Florida Rural Health Corp., a Florida nonprofit corporation, for the operation of a Health Care Services Center located at 680 Maple Street, Chattahoochee.

Background:

The County secured a Fifty (50) year leasehold interest in the property which consists of 4.02 acres +/- from the Trustees of the Internal Improvement Trust Fund (TIITF) on December 15, 2020, under BOT Lease 4845.

The County negotiated a sublease agreement with the North Florida Rural Health Corp, a Florida nonprofit corporation, to provide neighborhood health care services to the underserved communities of western Gadsden County. In December of 2023, the state of Florida modified BOT Lease No. 4845 to permit the subletting of the facility for the establishment and operation of a healthcare facility and Senior Services Center along with other related uses.

County Staff was advised by the Department of Environmental Protection, acting as agents for TIITF, that any agreement to sublet the property may be entered into by the Gadsden County BOCC and a third-party provider without prior DEP/Division of State Lands approval.

Analysis:

The proposed lease agreement provides for a nominal monthly rental rate (\$100.00) in exchange for the provision of healthcare and senior services to the underserved citizens occupying western portions of Gadsden County.

The subject premises were accepted in “AS IS” condition and deemed suitable for use. As tenant, North Florida Rural Health Corp. assumes responsibility for all repairs and maintenance to the facility except for the exterior walls, roof, roof structure, and foundation of the facility which will be maintained by the County. North Florida Rural Health Corp. will be responsible for furnishing its own pest control and janitorial services. Additionally, as the tenant, North Florida Rural Health Corp., will also be responsible for maintaining all other aspects of the premises which shall include but not be limited to HVAC, interior walls, windows, doors, skylights, storefront, adjacent sidewalks, landscaping, parking areas, mechanical, electrical, plumbing, appliances and the interior of the premises.

North Florida Rural Health Corp, as Sublessee, will maintain an Insurance, Liability, and Casualty policy on the property for the duration of the sublease with a single liability limit of not less than \$1,000,000.00, and property damage limits not less than \$500,000.00 which shall serve to protect themselves and the County against claims.

Department(s) Review:

Economic Development and Facilities have met and reviewed this agenda item and concur that it meets County guidelines.

Fiscal Impact:

+ \$12,000 Revenue (\$100 / mo. to the County over a 10-year period).

Options:

1. Approve and execute the 10-year Sublease Agreement for 680 Maple Street, Chattahoochee, FL to North Florida Rural Health Corp and authorize the Chairman to sign related documents.
2. Do not approve.
3. Board direction.

County Administrator’s Recommendation:

Option 1.

Attachment(s):

Proposed Lease Agreement

**This Lease Was Prepared by:
Gadsden County Florida
Department of Economic Development
P.O. Box 1799
Quincy, Florida 32351**

[4.02 +/- acres]

GADSDEN COUNTY BOARD OF COUNTY COMMISSIONERS

SUBLEASE AGREEMENT

4845-001

THIS SUBLEASE is entered into this ____ day of _____, 2024, by and between the GADSDEN COUNTY BOARD OF COUNTY COMMISSIONERS, hereinafter referred to as “SUBLESSOR” and NORTH FLORIDA RURAL HEALTH CORP., a Florida nonprofit corporation, whose address is 680 Maple Street, Chattahoochee, FL, hereinafter referred to as “SUBLESSEE”.

WHEREAS, the SUBLESSOR is an agency and a political subdivision of the State of Florida, existing for the purposes of promoting the overall health and well-being of the citizens of Gadsden County; and

WHEREAS, the SUBLESSEE has applied to the SUBLESSOR for the use of the building located at 680 Maple Street, Chattahoochee, Florida 32324 to promote community interest and welfare through the provision of Health Care Services to the citizens of Gadsden County; and

WHEREAS, the SUBLESSOR holds a 50-year leasehold interest in the building located at 680 Maple Street, Chattahoochee, Florida, which is suitable for the purpose of promoting community interest and welfare through the provision of Health Care Services to the citizens of Gadsden County and is not otherwise needed for County purposes; and

WHEREAS, the SUBLESSOR, through its duly authorized Board of County Commissioners, has determined that the provision of the building to the SUBLESSEE on the following terms and conditions for the sole and exclusive purpose of promoting community interest and welfare through the provision of Health Care Services to the citizens of Gadsden County; and

WHEREAS, the SUBLESSOR is expressly authorized to sublease the building to the SUBLESSEE on certain terms and conditions for the sole and exclusive purpose of promoting community interest and welfare through the provision of Health Care Services to the citizens of Gadsden County pursuant to Section 125.38, Florida Statutes and the terms “lease” and “sublease” shall be used interchangeably as set forth herein; and

NOW, THEREFORE, for and in consideration of the agreements to be performed hereunder, the SUBLESSOR and SUBLESSEE hereby agree as follows:

LEASED PREMISES AND TERM. The SUBLESSOR hereby leases to the SUBLESSEE that a certain portion of the building located at 680 Maple Street, Chattahoochee, Florida 32324 (the “Premises”) and

more specifically described in Exhibit "A" which is attached hereto and incorporated as though fully set forth herein, for the term OF 10-Years commencing on August 1, 2023 (the "Commencement Date"), and ending on August 1, 2033 unless sooner terminated pursuant to the provisions of this lease. This lease may only be extended or renewed by a written agreement executed by both parties. Notwithstanding the foregoing, this lease may be canceled by either party without cause by giving ninety (90) days written notice to the other party of the canceling party's termination of the lease.

1. RENTAL RATE. The SUBLESSEE will pay to the SUBLESSOR, without any demand, as rent for the Premises the amount of One Hundred Dollars (\$100.00) per month, plus all sales and use taxes due thereon, payable in advance on the first of each month, beginning August 1, 2023, Rental payments are to be made by check payable to SUBLESSOR and mailed to: Gadsden County Facilities Management P.O. Box 1799 Quincy, Florida, 32353 unless SUBLESSEE is otherwise notified in writing by SUBLESSOR.
2. INSURANCE, LIABILITY, AND CASUALTY. The SUBLESSEE, at its sole cost and expense, shall procure and maintain throughout the term of this lease, public liability and property damage insurance with a single combined liability limit of not less than ONE MILLION AND NO/1000 DOLLARS (\$1,000,000.00), and property damage limits of not less than FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$500,000.00), protecting the SUBLESSOR and SUBLESSEE against any claims for property damage, wrongful death or personal injury and insuring against the liability of SUBLESSEE and SUBLESSOR and their authorized representatives arising out of and in conjunction with possession, use, occupancy, operation, management, repair or maintenance of the leased premises by any person or entity, SUBLESSEE, at its sole cost and expense, shall also maintain on all of its personal property in the leased premises, a policy of standard fire and extended coverage insurance, with vandalism and malicious mischief endorsements, to the extent of the full replacement value of such personal property. SUBLESSEE shall defend, indemnify, and hold SUBLESSOR harmless from and against all claims, actions, damages, liability, and expenses arising out of or in connection with loss of life, personal injury, or damage to property occurring on the leased premises or in connection with the possession, use, occupancy, operation, management, repair or maintenance of the leased premises. Notwithstanding any provision of this Lease to the contrary, SUBLESSEE hereby releases the SUBLESSOR and each of its officers, directors, employees, servants, and agents from liability or responsibility for any loss or damage to the leased premises, and SUBLESSEE's personal property, fixtures and equipment that is covered by valid and collectible fire insurance with an extended coverage endorsement. This release will apply not only to the liability and responsibility of the SUBLESSEE to indemnify and hold harmless the SUBLESSOR but will also extend to liability and responsibility for anyone claiming through or under the parties by way of subrogation or otherwise against the SUBLESSOR. This release will apply even if the fire or other casualty is caused by the fault or negligence of a party or anyone for whom a party may be responsible. However, this release will apply only with respect to loss or damage actually recovered from an insurance company. All insurance required of SUBLESSEE hereunder shall list the SUBLESSOR as an additional insured. ON OR PRIOR TO THE COMMENCEMENT DATE HEREOF AND PRIOR TO BEING PERMITTED ACCESS TO THE LEASED PREMISES, THE SUBLESSEE SHALL DELIVER TO THE SUBLESSOR EVIDENCE OF THE INSURANCE REQUIRED BY THIS PARAGRAPH IN A FORM ACCEPTABLE TO THE SUBLESSOR.

3. PERMITTED USE. SUBLESSEE may use and occupy the leased Premises for the sole and exclusive purpose of promoting community interest and welfare through the provision of Health Care Services to the citizens of Gadsden County. No other use shall be allowed without the express prior written consent of the SUBLESSOR or the SUBLESSOR's authorized agent. SUBLESSEE shall not use or permit any part of the leased premises to be used for an unlawful purpose and will not use the leased premises for or carry on or permit upon leased premises any offensive, noisy or dangerous trade, business, manufacture, or occupation, or any nuisance or anything against public policy, nor permit any auction sale to be held or conducted in or about leased premises.
4. CONDITION "AS IS". By taking possession of the leased premises, SUBLESSEE shall accept and shall be held to have accepted the leased premises in its "AS IS" condition and as suitable for the use intended by SUBLESSEE. SUBLESSOR shall not be required, after delivery of possession, to make any repairs or improvements to the leased premises. SUBLESSOR shall not be liable to SUBLESSEE for losses to SUBLESSEE's property or personal injury caused by criminal acts or entry by unauthorized persons into the leased premises. SUBLESSEE hereby releases SUBLESSOR of and from any liability for criminal acts or entry by unauthorized persons into the leased premises, regardless of any actions or precautions that SUBLESSOR may have taken to prevent the acts or entry of any such persons. SUBLESSOR shall have no obligation to provide security service of any kind to the leased Premises, and SUBLESSEE shall indemnify and hold harmless the SUBLESSOR for any security-related incidents and/or breaches and shall defend against any actions, causes, or lawsuits based on the same.
5. REPAIRS; MAINTENANCE; RIGHT TO INSPECT/AUDIT. SUBLESSEE shall not allow any damage, waste, or deterioration to occur to the Premises. SUBLESSOR shall repair and maintain the exterior walls, roof, roof structure, and foundation of the Premises. SUBLESSEE shall be responsible for all other maintenance and repairs of the Premises, including but not limited to HVAC, interior walls, windows, doors, skylights, storefront, adjacent sidewalks, landscaping, parking areas, mechanical, electrical, plumbing, appliances, and interior of the Premises. As part of SUBLESSEE's responsibilities hereunder, SUBLESSEE shall be responsible for the replacement of all bulbs, lamps, tubes, starters, and other items used in connection with all lighting fixtures and shall, at its sole cost and expense, furnish pest control services and janitorial services. The SUBLESSOR shall be entitled to conduct an annual inspection of the premises to ascertain if any additional repairs are necessary. If, in SUBLESSOR's sole and absolute discretion, additional repairs, alterations, or other changes are necessary, SUBLESSOR may make such additional repairs, alterations, and changes at its own expense and seek reimbursement from SUBLESSEE. SUBLESSEE shall, within thirty (30) days of the demand for reimbursement, remit the same to SUBLESSOR. In the event the SUBLESSEE fails to reimburse SUBLESSOR, SUBLESSOR shall have the right to immediately terminate this lease and seek all amounts due and owing at such time of the termination.
6. ALTERATIONS. No alteration in or addition to the leased premises will be made without first obtaining SUBLESSOR's prior written consent, which SUBLESSOR may grant or withhold for any reason. Any such improvements, alterations, or additions shall become the property of the SUBLESSOR upon termination of this lease, provided that the building shall be returned to the SUBLESSOR at the termination of this lease agreement in substantially the same condition as it was when first leased to SUBLESSEE by the SUBLESSOR.

7. ASSIGNMENT/SUBLEASE. SUBLESSEE shall not assign this lease, or any right or privilege granted hereunder, or sublet all or any portion of the leased premises, without SUBLESSOR's prior written consent, which consent may be withheld or denied in SUBLESSOR's sole and absolute discretion. SUBLESSOR reserves the right to terminate the lease if the lease is assigned. SUBLESSEE shall remain jointly and severally liable if SUBLESSEE assigns the lease. SUBLESSEE may not and shall execute any subleases subject to or subordinate to this lease or the leased premises without the express written consent of SUBLESSOR.
8. LIENS. SUBLESSEE shall not permit any mechanic's material men's or other similar liens to stand against the leased premises for work and material furnished to SUBLESSEE, provided the SUBLESSEE shall have the right to contest the validity of a lien or claim; and further provided that if any such claim or lien is filed for record in the public records of Gadsden County, Florida, such claim or lien shall be satisfied or transferred to the security furnished by SUBLESSEE within ten (10) days of service of such claim or lien upon the parties hereto. Failure to remove any claim or lien as provided herein shall constitute a default hereunder.
9. UTILITIES. SUBLESSEE shall be responsible for and pay all charges for electricity, sewer, water, light, heat, power, gas, and all other utilities to the leased premises and shall indemnify SUBLESSOR against any liability or damages on such account. SUBLESSEE's obligation to pay for utility service used or consumed on the leased premises will survive the expiration or any termination of this Lease.
10. SIGNS. Upon approval of the SUBLESSOR, SUBLESSEE may install and display signs on the leased premises. SUBLESSEE shall, at its own expense, remove any signs or symbols placed on the Premises by it and repair and restore the portion of the Premises upon which they were placed in the same condition as prior to their placement, upon expiration or termination of this lease. SUBLESSEE shall ensure that the area is identified as being publicly owned and operated as a public facility in all signs, literature and advertising. If federal grants or funds are used by SUBLESSEE for any project on the lease premises, SUBLESSEE shall erect signs identifying the leased premises as a federally assisted project.
11. DEFAULT. In the event SUBLESSEE shall fail to timely pay any installment of rent due hereunder, or in the event SUBLESSEE otherwise breaches any term, covenant or condition of this lease and if said breach or default is not cured within ten (10) days after written notice thereof, then in such event SUBLESSOR may at its option: (a) institute an action or actions to enforce the performance of this lease; (b) terminate this lease by notice to SUBLESSEE, re-enter the leased premises and recover damages, including but not limited to cost of repossession, reletting attorney's fees and brokerage commission for services performed by the SUBLESSOR or by others (it being further agreed that upon termination of this lease by SUBLESSOR, it shall have the right to remove any and all of the personal property located on the above-described premises without liability to SUBLESSEE for damage to said property or to the business of SUBLESSEE); (c) demand acceleration of rental for the remaining term based on an annualized rent; and (d) exercise any other remedy allowed by law or equity.
12. SUBLESSOR'S RIGHT TO PERFORM FOR SUBLESSEE'S ACCOUNT. Upon the occurrence of any default of SUBLESSEE under this lease, SUBLESSOR may cure the default at any time for the account and at the expense of SUBLESSEE. If SUBLESSOR cures a default on the part of SUBLESSEE, such sum will be immediately due as additional rent and SUBLESSEE will reimburse SUBLESSOR for any amount expended by SUBLESSOR in

connection with the cure, together with interest on the amount so expended from the date such amount is expended until repaid at the highest rate permitted to be charged under Florida law.

13. NOTICES. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party or any other person shall be in writing and shall be deemed given on the date served personally, on one (1) day after deposited in Federal Express or other guaranteed overnight courier, or three (3) business days after deposit in prepaid, first-class United States mail, certified or registered. Any such notice, demand, request, consent, approval, or communication shall be addressed to the other party at the following respective addresses:

SUBLESSOR: Gadsden County Board of County Commissioners
Attention: County Administrator
Post Office Box 1799
Quincy, Florida 32353

SUBLESSEE: North Florida Rural Health Corporation
600 34TH Street South
St. Petersburg, Florida 33711

Either party may change its address by notifying the other party of the change of address.

14. SUBLESSOR ENTRY. Following 24-hour notice to SUBLESSEE, SUBLESSOR or its agents may enter the leased premises at any reasonable hour to exhibit same to prospective purchasers or tenants, to inspect the leased premises to see that SUBLESSEE is complying with all of its obligations hereunder, and to make repairs, improvements, alterations, or additions that SUBLESSOR shall deem necessary for the safety, preservation, or improvement of the leased premises.
15. COMPLIANCE WITH LEGAL REQUIREMENTS. SUBLESSEE will, at SUBLESSEE's sole cost and expense, promptly comply with all legal requirements that are now in force, or which may hereafter be in force, pertaining to the conduct of SUBLESSEE's business operations on the leased premises.
16. ENVIRONMENTAL LAWS; INDEMNITY. SUBLESSEE agrees to indemnify and hold SUBLESSOR harmless from and against any and all loss, claim, liability, damages, injuries to a person, property, or natural resources, cost, expense, action or cause of action, arising in connection with the release or presence of a Hazardous Substances at the leased premises, through the acts of SUBLESSEE, its officers, employees, contractors, agents or invitees, whether foreseeable or unforeseeable, regardless of the source of such release and when such release occurred or such presence is discovered. The foregoing indemnity includes, without limitation, all costs in law or in equity of removal, remediation of any kind, and disposal of such Hazardous Substances; all costs of determining whether the leased premises is in compliance and to cause the leased premises to be in compliance with all applicable environmental laws all costs associated with claims for damages to persons, property or natural resources, and SUBLESSOR's reasonable attorneys' and consultants' fees and costs, whether or not litigation is instituted. For the purposes of definition, "Hazardous Substances" includes, without limitation, any toxic or hazardous wastes, pollutants (or substances, including, without

limitation, asbestos, PCBs, petroleum products and by-products, substances defined or listed as “hazardous substances” or “toxic substances” or similarly identified in or pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9061 et. Seq., hazardous materials identified in or pursuant to the Hazardous Materials Transportation Act 49 U.S.C. Section 1802 et. seq.

17. LANDLORD’S LIABILITY, HOLD HARMLESS and INDEMNIFICATION. SUBLESSEE shall be responsible and liable to SUBLESSOR for any claimed loss or damage occurring on the leased premises or in connection with this lease or the possession, use, occupancy, operation, management, repair or maintenance of the leased premises. In the event of any assignment of SUBLESSEE’s interest in this Lease, the assignor shall also be liable for the performance or observation of any agreements or conditions on the part of SUBLESSEE to be performed or observed subsequent to the effective date of such assignment provided the assignee specifically assumes all such obligations.

18. WAIVER. The failure of either party to insist on strict performance of any covenant or condition hereof shall not be construed as a waiver of such covenant or condition in any other instance. This lease cannot be changed or terminated orally.

19. ENTIRE AGREEMENT. This Lease contains the entire agreement of the parties and no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect. No failure of the SUBLESSOR to exercise any power given the SUBLESSOR hereunder, or to insist upon strict compliance by the SUBLESSEE of any obligation hereunder, and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of the SUBLESSOR’s right to demand exact compliance with the terms hereof.

20. MISCELLANEOUS. Time is of the essence of this agreement. SUBLESSOR does not, in any way or for any purpose, become a partner of SUBLESSEE in the conduct of its business, or otherwise, or joint adventurer or member of a joint enterprise with SUBLESSEE. This Lease shall be governed by, and construed in accordance with, the laws of the State of Florida. The terms, conditions and covenants contained in this Lease shall inure to the benefit of and be binding upon the parties hereto, their respective heirs, administrators, executors, representatives, successors and assigns. In the event of any litigation or other proceedings between SUBLESSOR and SUBLESSEE arising out of this Lease or the leased premises, the prevailing party therein shall be allowed all reasonable attorney’s and paralegal assistant’s fees expended or incurred in such litigation, including those incurred before, during, and at trial, on appeal, or in federal bankruptcy or reorganization proceedings, to be recovered as part of the costs therein, or in a subsequent proceeding therefor.

21. RADON DISCLOSURE: THE FOLLOWING DISCLOSURE IS REQUIRED BY FLORIDA STATUTES, SECTION 404.056(8): RADON IS A NATURALLY OCCURRING RADIOACTIVE GAS THAT, WHEN IT HAS ACCUMULATED IN A BUILDING IN SUFFICIENT QUANTITIES, MAY PRESENT HEALTH RISKS TO PERSON WHO ARE EXPOSED TO IT OVER TIME. LEVELS OF RADON THAT EXCEED FEDERAL AND STATE GUIDELINES HAVE BEEN FOUND IN BUILDINGS IN FLORIDA. ADDITIONAL INFORMATION REGARDING RADON AND RADON TESTING MAY BE OBTAINED FROM YOUR COUNTY PUBLIC HEALTH UNIT.

22. SCRIVENER'S ERRORS: The County Attorney may correct or change any scrivener's errors or typographical errors without further action by the Board of County Commissioners or the SUBLESSEE.

IN WITNESS WHEREOF, the SUBLESSEE and the SUBLESSOR have hereunto set their hands and seals the day and year first above written.

WITNESSES:

GADSDEN COUNTY, FLORIDA
a political subdivision of the State of Florida
By its Board of County Commissioners

Original Signature

(SEAL)

Print/Type Name of Witness

BY: _____
Ronterious Green, Chairman

Original Signature

ATTEST:

Print/Type Name of Witness

“SUBLESSOR”

STATE OF FLORIDA
COUNTY OF GADSDEN

The foregoing instrument was acknowledged before me by means of ___ physical presence or ___ online notarization this date of _____, 2024, by Ronterious Green, as Chairperson, Board of County Commissioners, for and on behalf of Gadsden County, Florida, a political subdivision of the State of Florida. He is personally known to me or has produced _____ as identification.

Notary Public, State of Florida

Printed, Typed or Stamped Name

My Commission Expires: _____

Commission/Serial No: _____

IN WITNESS WHEREOF, the SUBLESSEE and the SUBLESSOR have hereunto set their hands and seals the day and year first above written.

WITNESSES:

North Florida Rural Health Corp., a Florida not for profit corporation

Original Signature

(SEAL)

BY: _____
Walter Kyles, President

Print/Type Name of Witness

Original Signature

ATTEST:

Print/Type Name of Witness

“SUBLESSOR”

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me by means of ___ physical presence or ___ online notarization this date of _____, 2024, by Walter Kyles, as President for and on behalf of North Florida Rural Health Corp., a Florida not for profit corporation. He is personally known to me or has produced _____ as identification.

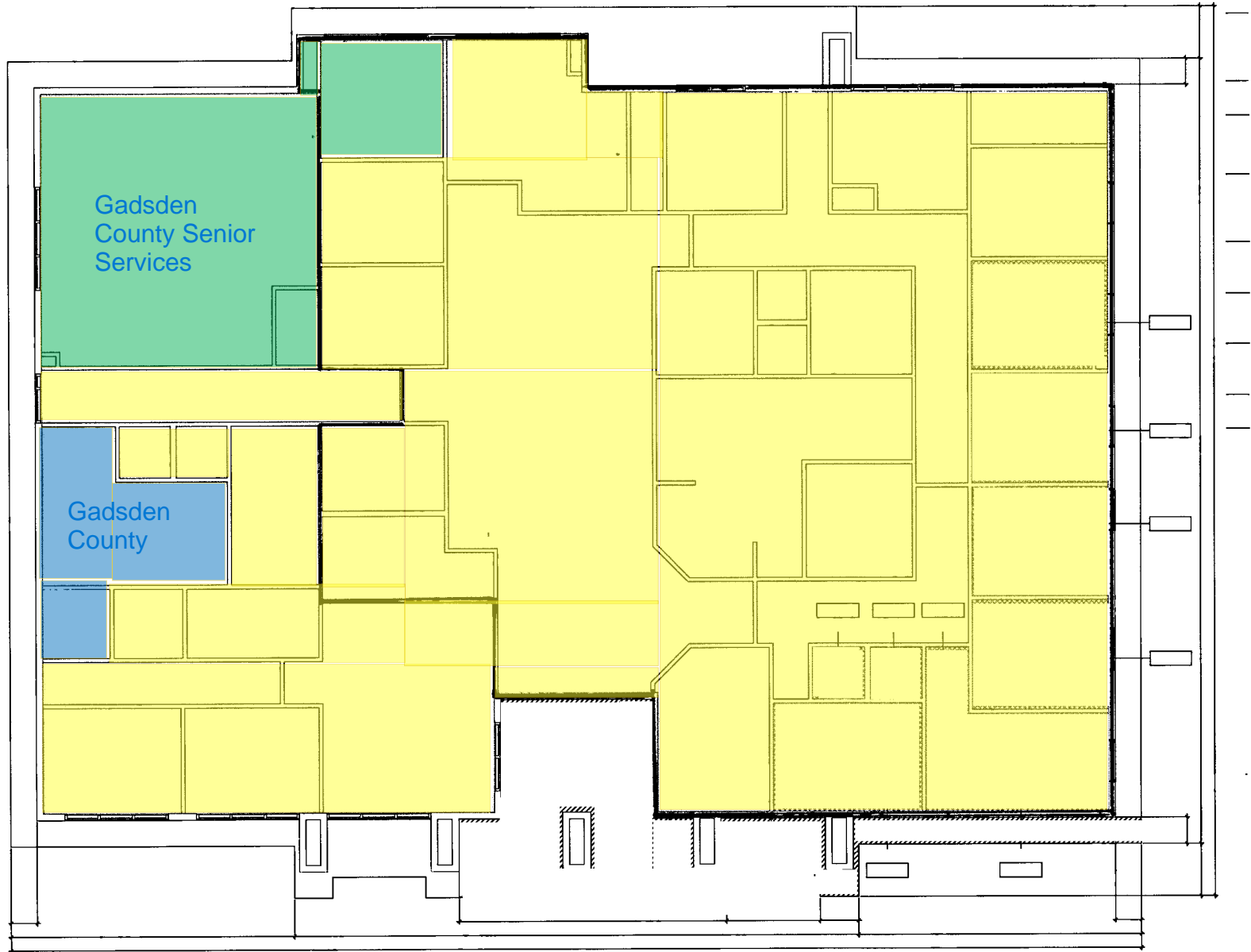
Notary Public, State of Florida

Printed, Typed or Stamped Name

My Commission Expires: _____

Commission/Serial No: _____

Lamar Massey Building Floor plan



North Florida Rural Health 6087 Sq. Ft.