

HABERSHAM COUNTY BOARD OF COMMISSIONERS

EXECUTIVE SUMMARY

SUBJECT: Intergovernmental Agreement (IGA) with the City of Demorest Regarding Lease Agreement for the Premises at 125 Ivy St. Demorest, GA 30535.

DATE: March 3, 2026

(X) RECOMMENDATION

() POLICY DISCUSSION

BUDGET INFORMATION:

() STATUS REPORT

ANNUAL-

() OTHER

CAPITAL-

COMMISSION ACTION REQUESTED ON: March 16, 2026

PURPOSE: To obtain approval from the Board of Commissioners to enter into an Intergovernmental Agreement (IGA) with the City of Demorest for the lease, of the building located at 125 Ivy St. Demorest, GA 30535 for the use of a Fire Station and related governmental purposes.

BACKGROUND / HISTORY:

- a. In October 2025, Habersham County and the City of Demorest entered into an Intergovernmental Agreement under which Habersham County Emergency Services provides fire protection services to the City by staffing the existing fire station and operating fire apparatus owned by the City.
- b. Under that agreement, the City agreed to pay the County \$655,396 annually, with a \$30,000 annual credit applied for the use of the Fire Station located at 125 Ivy St. Demorest, GA

FACTS AND ISSUES:

- a. Habersham County Emergency Services began providing fire protection for the City of Demorest on January 1, 2026.
 - b. Staffing of the fire apparatus began immediately, and a Med Unit and Captain, now also operate out of this facility.
 - c. This is a 1-year agreement, renewed annually through December 31, 2030.
 - d. The County is responsible for maintenance and minor repairs. Major repair issues will be discussed with City Officials should they be required.
 - e. The County maintains insurance coverage on the building.
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OPTIONS:

- 1) Approve recommendation: Approve the IGA with the City of Demorest for the use of the Fire Station.
 - 2) Deny recommendation: Deny the IGA with the City of Demorest for use of the Fire Station
 - 3) Commission defined alternative: Provide alternative direction as determined by the Board.
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RECOMMENDED SAMPLE MOTION:

"I make a motion to approve the Intergovernmental Agreement with the City of Demorest for the lease, with option to purchase, of the Fire Station located at 125 Ivy St. Demorest, GA by providing a credit of \$30,000 per year for five (5) years.

DEPARTMENT:

Prepared by:

Jeffrey D. Adams

Director: __

Jeffrey D. Adams_____

ADMINISTRATIVE

COMMENTS:_____

_____ **DATE:** _____

County Manager

INTERGOVERNMENTAL LEASE AGREEMENT

(County Operation of City Owned Fire Station)

This **Intergovernmental Lease Agreement** ("Agreement") is made and entered into as of the 1st day of January, 2026, by and between the **City of Demorest, Georgia**, a municipal corporation organized and existing under the laws of the State of Georgia ("City"), and **Habersham County, Georgia**, a political subdivision of the State of Georgia ("County"). City and County may be referred to individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, Article IX, Section III, Paragraph I of the Constitution of the State of Georgia authorizes municipalities and counties to enter into intergovernmental contracts for joint or cooperative action; and

WHEREAS, the City owns certain real property and improvements commonly known as the Demorest Fire Station, located at 125 Ivy Street, Demorest Georgia, referred to by Habersham County as Fire Station 5, and as more particularly described in Exhibit A attached hereto ("Leased Premises"); and

WHEREAS, the County is authorized by law to provide fire protection and emergency services within its jurisdiction and pursuant to intergovernmental agreement; and

WHEREAS, the City and County have determined that it is in the best interests of their citizens for the County to operate fire protection services for the City, utilizing the Leased Premises; and

WHEREAS, the Parties intend that this Agreement constitute an intergovernmental contract for governmental purposes, and not a private or proprietary lease;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein, the Parties agree as follows:

1. LEASE OF PREMISES. City hereby leases to County, and County hereby leases from City, the Leased Premises for use as a fire station and for related governmental purposes, subject to the terms and conditions of this Agreement. The Parties expressly find and declare that this Agreement serves a public and governmental purpose.

2. TERM. The initial term of this Agreement shall be one (1) year, commencing on January 1, 2026 ("Commencement Date"), and terminating on December 31, 2026 ("Termination Date"), unless sooner terminated as provided herein. The Agreement shall automatically renew for additional one-year terms beginning on the first day of each City fiscal year (e.g., January 1) unless written notice of termination is provided by the terminating party on or before July 1 of the current City fiscal year in which this Agreement is in effect or otherwise upon mutual written agreement of the Parties. The total term of this Agreement shall cover five (5) City fiscal years and shall expire, unless earlier terminated as provided herein, on December 31, 2030, with no automatic

renewals thereafter. The Parties may agree to modify the terms of the Agreement as provided hereinbelow.

This Agreement does not obligate either Party beyond the term stated herein and complies with Article IX, Section III, Paragraph I of the Georgia Constitution. The Parties will meet no later than September 30, 2030 to discuss any terms of renewal of this lease.

3. RENT. County shall lease the Leased Premises from City for the amount during the first year of Thirty Thousand Dollars (\$30,000.00) per year, and other good and valuable governmental consideration, the sufficiency of which is acknowledged. For the remaining years of the initial term, the rent shall increase by the CPI for the previous year, typically published in January. County will not make cash or other monetary payments during the initial term but will give City a credit against the payments required by the Intergovernmental Agreement Between Habersham County and the City of Demorest for Fire Protection Services between the parties effective October 20, 2025.

4. USE OF PREMISES. County shall use the Leased Premises solely for fire protection services, emergency response, training, administrative support, and other related governmental purposes. The Leased Premises may not be used for any other purpose or use without the express written consent of the City. County has agreed to house its ambulance service at the Leased Premises, and to the extent practicable will station at least one ambulance on the Leased Premises. County shall operate the Leased Premises in compliance with all applicable federal, state, and local laws and regulations. County shall comply with the City's sign ordinance unless it obtains a waiver from the City.

5. MAINTENANCE AND REPAIRS. County represents that County has inspected and examined the Leased Premises and accepts them in their present condition, and agrees that City shall not be required to make any improvements or repairs upon the Leased Premises or any part of them. County shall, at its expense, perform routine maintenance and ordinary repairs necessary to keep the Leased Premises in good working condition for the purposes set forth above. County agrees to make all improvements and repairs at County's sole cost and expense, and agrees to keep the premises safe and in good order and condition at all times during the term, and upon expiration of this lease, or at any sooner termination, the County will quit and surrender possession of the premises peaceably and in as good order and condition as the premises were at the commencement of the term, reasonable wear, tear and damage by the elements excepted. County agrees to leave the premises free from all nuisance and dangerous and defective conditions.

Unless otherwise agreed in writing, City shall remain responsible for major structural components of the building, including foundation, load-bearing walls, and roof, excluding damage caused by County's negligence or willful misconduct. County may make non-structural alterations necessary for fire operations without City's prior consent. Structural alterations shall require City's written approval, which shall not be unreasonably withheld.

6. UTILITIES AND OPERATING COSTS. County shall be responsible for all utilities, consumables, and operating expenses associated with its use of the Leased Premises during the term.

7. INSURANCE, INDEMNIFICATION AND RISK MANAGEMENT

County shall maintain insurance coverage through its governmental risk pool or otherwise, including general liability and property coverage, sufficient to cover its use of the Leased Premises. The County releases City from liability or costs associated with use of the Leased Premises. Additionally, County hereby expressly releases and discharges City from all liabilities other than liability due to the sole negligence of City. To the extent permissible by law, County agrees to indemnify City and its officers, representatives, agents and employees against all claims, cost and loss of any kind, including reasonable attorney's fees resulting from County members, employees, representatives or invitees use of the Leased Premises.

Nothing in this Agreement shall be construed as a waiver of sovereign immunity, official immunity, or any other immunity available to either Party under Georgia law.

9. DAMAGE OR DESTRUCTION. In the event the Leased Premises are substantially damaged or destroyed, the Parties shall confer in good faith to determine whether repair or reconstruction is feasible or whether this Agreement should be terminated.

10. TERMINATION AND DEFAULT

10.1 Mutual Termination. This Agreement may be terminated at any time by mutual written agreement of the Parties.

10.2 Termination for Non-Use. If County ceases to use the Leased Premises for fire services for a continuous period exceeding 3 months, City may terminate this Agreement upon written notice.

10.3 Default. City will notify County in the event of a default or breach by County of its obligations and responsibilities stated herein. Upon delivery of such a notification of default, County shall have a period of thirty-days in which to commence to cure the default and restore compliance with the obligations and responsibilities stated herein and complete the cure of default within a period not exceeding ninety-days. Should County fail to cure the noticed default within this agreed upon time frame, then City shall have the option to immediately terminate the lease of the Site in its sole discretion.

11. REVERSION OF POSSESSION. Upon expiration or termination of this Agreement, possession of the Leased Premises shall revert to City, subject to reasonable wear and tear.

12. NO ASSIGNMENT. County shall not assign or sublease the Leased Premises without City's prior written consent.

13. NOTICES. All notices shall be in writing and delivered by hand, certified mail, or statutory overnight to the addresses of the Parties set forth below, or such other address as may be designated in writing.

If to the County: County Manager Habersham County
130 Jacob's Way, Suite 301
Clarkesville, GA 30523
Phone: 706-839-0200
Email: tsims@habershamga.org

With Copy to County Attorney at:

Jarrard & Davis, LLP
Attn: Angela Davis
222 Webb Street
Cumming, GA 30040
Email: adavis@jarrard-davis.com

If to the City: Demorest City Manager
250 Alabama Street
Demorest, GA 30535
Email: mmusselwhite@cityofdemorest.org
With Copy to City Clerk at mchastain@cityofdemorest.org
With Copy to City Attorney at thomas.mitchell@carritch.com

14. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Georgia.

15. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof, specifically the lease and use of the Lease Premises. This Agreement may be amended only by written agreement executed by both Parties. The Parties acknowledge that there are other agreements related to the provision of fire services, including the Intergovernmental Agreement Between Habersham County and the City of Demorest for Fire Protection Services and an agreement related to the 2022 E-One Pumper truck.

16. AUTHORIZATION. Each of the individuals executing this Agreement on behalf of his or her respective Party agrees and represents that he or she is authorized to do so and further agrees and represents that this Agreement has been duly passed upon by the required governing authority in accordance with all applicable laws and spread upon the minutes thereof.

17. SEVERABILITY. Should any provision of this Agreement or application thereof to any person or circumstance be held invalid or unenforceable, the remainder of this Agreement or the application of such provision to any person or circumstance, other than those to which it is held

invalid or unenforceable, shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the full extent permitted by law.

18. AGREEMENT JOINTLY DRAFTED BY THE PARTIES. Each Party represents that it has reviewed and become familiar with this Agreement and has notified the other Party of any discrepancies, conflicts or errors herein. The Parties agree that, if any ambiguity or question of intent or interpretation arises, this Agreement is to be construed as if the Parties had drafted it jointly, as opposed to being construed against a Party because it was responsible for drafting one or more provisions of the Agreement.

19. BINDING EFFECT. This Agreement and the covenants and conditions herein contained shall apply to and bind the successors and assigns of the Parties hereto, or any other political subdivision assuming the obligations of any Party hereto, and all covenants are to be construed as conditions of this and said covenants shall be covenants running with the real property specified in Exhibit A during the term of this Agreement.

IN WITNESS WHEREOF, the Parties hereto, acting by and through their duly authorized officials and officers pursuant to appropriate ordinances and resolutions hereinbefore duly and properly adopted by each, have caused this Agreement to be executed in duplicate counterparts and the official seals of each Party properly affixed, each delivering to the other one of said duplicate counterparts, the day and year first above written.

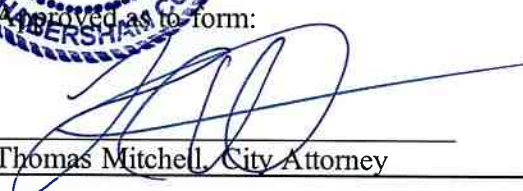
CITY OF DEMOREST, GEORGIA, by and through its City Council By:  Jerry Harkness, Mayor Attest:  Megan Chastain, City Clerk (city seal)  Approved as to form:  Thomas Mitchell, City Attorney	HABERSHAM COUNTY, GEORGIA, by and through its Board of Commissioners By: _____ Jimmy Tench, Chairman Attest: _____ Brandalin Carnes, County Clerk (county seal) Approved as to form: _____ , County Attorney
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EXHIBIT A

Legal Description of Leased Premises
