



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** {{item.number}}

**Agenda Date:** October 17, 2024

**In Control:** City Council A Session

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**DEPARTMENT:** Health Department

**DEPARTMENT HEAD:** Claude Jacob

**COUNCIL DISTRICTS IMPACTED:** District 5

**SUBJECT:**

Lease Amendment Agreement – Metro Health Salinas Clinic

**SUMMARY:**

This ordinance authorizes the negotiation and execution of an amendment to an existing lease with Opportunity Home SA for 2,342 additional square feet for the San Antonio Metropolitan Health District (Metro Health), to provide for office space located at 630 S. General McMullen in City Council District 5 at an estimated cost of \$15,625.00 over the 50 remaining months of the term.

**BACKGROUND INFORMATION:**

Metro Health has operated the Women, Infants and Children (WIC) Clinic located at 630 S. General McMullen in City Council District 5 for over 20 years. The building is shared with other public medical providers and a portion of the building has recently become vacant which provides the opportunity for Metro Health to locate three programs that are focused on community outreach into this building, Diabetes Prevention and Control Program, Healthy Start, and Health Neighborhoods.

The Diabetes Prevention and Control Program, Healthy Start, and the Healthy Neighborhoods

West Satellite are presently located in a leased facility at 2509 Kennedy Circle and Metro Health is in the process of relocating the program operations to City-owned buildings. However, there is not sufficient City-owned space to accommodate all the relocated staff. The building at 630 S. General McMullen has vacant space available that will accommodate the three programs. Opportunity Home is willing to provide to the City at a below market rental rate.

#### **ISSUE:**

This ordinance authorizes the negotiation and execution of an amendment to an existing lease with Opportunity Home SA for 2,342 additional square feet for the San Antonio Metropolitan Health District (Metro Health), to provide for office space located at 630 S. General McMullen in City Council District 5 at an estimated cost of \$15,625.00 over the 50 remaining months of the term.

The lease will allow for the relocation of three community programs into office space at 630 S. General McMullen to include Diabetes Prevention and Control Program, Healthy Start and Health Neighborhoods.

#### **ALTERNATIVES:**

Should City Council not authorize this amendment, Metro Health would need to locate and lease an alternative site for these services. However, given the favorable renewal terms being offered to the City, and considering the building already has infrastructure in place to support communications and network needs, it is unlikely that the search for a new location will result in a more cost-effective alternative.

#### **FISCAL IMPACT:**

Under the terms of the lease, the City will pay an estimated monthly rent of \$312.50 or \$3,437.50 for 11 months of occupancy in FY 2025 beginning November 1, 2024. The annual increased amount of \$3,750.00 will be charged from FY 2026 through FY 2028, and a total annual amount of \$937.50 in FY 2029, for a cumulative total lease cost of \$15,625.00. On an annual basis, Metro Health and Opportunity Home will review the costs of operation and adjust the rent accordingly.

The chart below demonstrates how the existing lease will be amended:

Term	Presently	As Amended	Net Change
Annual Rent	\$4,050.00	\$7,800.00	\$3,750.00 increase
Building Area	2,580 SF	4,922 SF	2,342 additional SF
Term	Ends 12/31/28	Ends 12/31/28	No change

Funding is available from the General Fund FY 2025 Adopted Budget. Funding for future years is contingent upon City Council approval of the annual budget and funds.

**RECOMMENDATION:**

Staff recommends approval of this ordinance.