



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 8

**Agenda Date:** August 10, 2023

**In Control:** City Council A Session

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**DEPARTMENT:** Building & Equipment Services

**DEPARTMENT HEAD:** Jorge Perez

**COUNCIL DISTRICTS IMPACTED:** District 3

**SUBJECT:**

Third Extension of Lease Agreement – SAMHD WIC Clinic

**SUMMARY:**

This ordinance authorizes the Third Extension of Lease Agreement with 6723 S. Flores Street, LP for a five-year term, in an amount not to exceed \$825,000.00 for the San Antonio Metropolitan Health District (SAMHD), to provide the continued operation of a Women Infant and Children's (WIC) Clinic located at 6723 South Flores Street, Suite 101 in City Council District 3. This extension also reimburses 6723 S. Flores Street, LP, an amount not to exceed \$133,856.00 for one-time improvements to the leased premises. Funding in the amount of \$271,356.00 is available for year one of the lease from the 2023 and 2024 WIC Grant to support these expenditures. Funding for future years will be subject to additional WIC Grant awards.

**BACKGROUND INFORMATION:**

SAMHD has operated this WIC Clinic in 6,000 square feet of clinic space located at 6723 South Flores Street, Suite 101, in City Council District 3 as part of the Special Supplement Nutrition Program since September 2003. Due to the success of the SNAP at the WIC Clinic at this location,

SAMHD seeks to continue occupancy and renew the lease agreement for an additional five years. The existing lease will expire on November 30, 2023, as such, it will need to be renewed in response to SAMHD's continuing need for the operation of a WIC Clinic as part of its obligation to maintain the Special Supplement Nutrition Program.

#### **ISSUE:**

The current lease term will expire November 30, 2023. Currently there is no available City-owned space in which to relocate this WIC Clinic.

This action is consistent with the City's policy to support the mission and space needs of the SAMHD and the Special Supplement Nutrition Program.

#### **ALTERNATIVES:**

Should City Council not authorize this lease agreement extension, SAMHD 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 high cost to relocate this function, it is very unlikely that the search for a new location will result in a more cost-effective alternative.

#### **FISCAL IMPACT:**

The base rent under the third extension of the lease agreement will be \$13,750.00 monthly and \$165,000.00 annually. The City will reimburse 6723 S. Flores Street LP an amount not to exceed \$133,856.00 for improvements to the leases premises for a five year total of \$958,856.00.

Funding in the amount of \$271,356.00 is available for year one of the lease from the 2023 and 2024 WIC Grant to support these expenditures. Funding for future years will be subject to additional WIC Grant awards.

#### **RECOMMENDATION:**

Staff recommends approving an ordinance authorizing a Third Extension of Lease Agreement with 6723 S. Flores Street, LP for a five-year term for the San Antonio Metropolitan Health District, to provide the continued operation of a Women Infant and Children's Clinic located at 6723 South

Flores Street, Suite 101 in City Council District 3.