



City of San Antonio

Agenda Memorandum

File Number:18-6153

Agenda Item Number: 15.

Agenda Date: 12/6/2018

In Control: City Council A Session

DEPARTMENT: Center City Development & Operations

DEPARTMENT HEAD: John Jacks

COUNCIL DISTRICTS IMPACTED: Council District 3

SUBJECT:

A five-year extension of lease agreement with Real Futures, LLC

SUMMARY:

Ordinance authorizing a 2nd Extension of Lease Agreement with Real Futures, LLC for a five-year term 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.

BACKGROUND INFORMATION:

SAMHD has operated 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 (SNAP) since September 2003. Due to the success of the SNAP at the WIC Clinic at this location, SAMHD seeks to continue occupancy.

The existing lease expired in August 2018 and is currently on a month to month holdover, 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 original lease agreement provided the City the opportunity to renew the lease for two additional five-year terms. This action will serve to exercise the remaining five-year renewal option commencing December 1,

2018.

The initial annual base rent during the extended term will be \$104,400 escalating to \$111,600 during the last year of the term. During the extended term, the City will also pay operating expenses which presently amount to \$19,310.28 annually.

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 during the five-year renewal term of the lease agreement will escalate as follows:

Term	Monthly Base Rent	Annual Base Rent
Current through 11-30-2018	\$8,100.00 (\$16.20 S.F.)	\$97,200.00
12-1-2018 through 11-30-2020	\$8,700.00 (\$17.40 S.F.)	\$104,400.00
12-1-2020 through 11-30-2022	\$9,000.00 (\$18.00 S.F.)	\$108,000.00
12-1-2022 through 11-30-2023	\$9,300.00 (\$18.60 S.F.)	\$111,600.00

In addition to the base rent reflected above, the City will pay reimburse the Landlord the pro-rata share of operating expenses, which is currently \$19,310.28 annually. Funding is available for year one of the lease from the WIC Grant to support these expenditures. Funding in future years will be subject to WIC Grant awards.

RECOMMENDATION:

Staff recommends approving an ordinance authorizing a 2nd Extension of Lease Agreement with Real Futures, LLC for a five-year term 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.