



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 9.

Agenda Date: 1/16/2020

In Control: City Council A Session

DEPARTMENT: Center City Development & Operations

DEPARTMENT HEAD: John Jacks

COUNCIL DISTRICTS IMPACTED: 3

SUBJECT:

Lease Amendment to Lease with State of Texas for use of buildings located at Texas Center for Infectious Diseases for the San Antonio Metropolitan Health District.

SUMMARY:

This ordinance authorizes the execution of a lease amendment with the State of Texas related to the 1,224 square foot expansion of an existing occupancy for the City operated Tuberculosis Clinic at Building 528 on the State owned Texas Center for Infectious Diseases Campus by the San Antonio Metropolitan Health District (Metro Health) for an increased cost of \$62.39 per month initially, and increasing to \$76.85 per month in the final year of the remaining 14 year term.

BACKGROUND INFORMATION:

Since 1997, through the Metro Health Tuberculosis Control (TB) Program, the City has provided clinical and health prevention services to the community. In April 2014, the City relocated these programs into a leased facility at 2303 SE Military Drive, in Building 528, on the campus of the Texas Center for Infectious Diseases which was subsequently expanded to a total of 7,489 square feet with Council approval pursuant to Ordinance 2014-12-11-1017.

The TB Program, funded primarily through grants from the Texas Department of State Health Services, provides clinical facilities for the diagnosis, treatment and prevention of TB, and has an active therapy staff that delivers daily doses of prescribed TB medications to patients along with staff that manage and monitor TB occurrences throughout the City with the aim of identifying and avoiding a public health emergency before it occurs.

The State of Texas has agreed to provide 1,224 additional square feet in Building 520 for a total of 8,713 square feet in support of the TB Program at a cost equal to the expense incurred by the State to operate the buildings including janitorial services, utility use, and maintenance and repair of the buildings being used for this purpose. Metro Health will use the additional space for records storage in support of the TB Program along with staff that manage the record keeping process.

ISSUE:

Metro Health has been occupying the 1,224 square feet of additional space for some time and has a continuing need for office space and records storage for employees and paperwork in support of the TB Program. The State has agreed to waive collection of any expense related to the City's prior occupancy but has requested that the lease documentation comport to the area actually in use by Metro Health on the TCID Campus.

ALTERNATIVES:

Metro Health could consolidate its existing operation or seek other space in the City to accommodate the required record storage area and office space in support of the TB Program. However, there are several factors to consider in this situation, such as: (i) the rate for these facilities is below market and represents the cost for the State of Texas to provide janitorial, utility and maintenance services to the property; (ii) it is not feasible to consolidate the functions housed in Building 520 into the main TB building on the campus, and; (iii) the expansion space is immediately adjacent to the existing tuberculosis clinic allowing for a seamless integration into the existing clinic. All of these factors contribute to leasing the additional space to meet these needs as the most practical approach for the City.

FISCAL IMPACT:

The chart below details the fiscal impact associated with expanding the existing tuberculosis clinic leased space.

	Present Lease	As Proposed	Net Change
Term	Expires 3/31/2034	Expires 3/31/2034	No change
Rent	\$3,067.03 per month	\$3,129.42 per month	\$62.39 monthly increase
Size	7,489 square feet	8,713 square feet	1,224 square feet increase

During the term rent will increase about 1.5% annually. The Adopted FY 2020 Budget includes sufficient funding to pay for this lease. Funding for subsequent years will be subject to City Council appropriation.

RECOMMENDATION:

Staff recommends approval of this ordinance authorizing the execution of an amendment to an existing lease with State of Texas Department of State Health Services for use of office, clinic space and record storage space located at 2303 SE Military Drive, Buildings 528 and 520 for a term ending March 31, 2034 at the monthly rental rate of \$3,129.42 commencing January 1, 2020 increasing to \$3,854.68 per month in the final year of the term.