



Legislation Text

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City of Alexandria, Virginia

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MEMORANDUM

**DATE:** FEBRUARY 7, 2023

**TO:** THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

**THROUGH:** JAMES F. PARAION, CITY MANAGER /s/

**FROM:** JEREMY MCPIKE, DIRECTOR, GENERAL SERVICES

**DOCKET TITLE:**

Public Hearing and Consideration of a Lease Agreement Between the City and Neighborhood Health, a Non-profit Healthcare Organization Serving the City of Alexandria to Lease Space at 4850 Mark Center Drive.

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**ISSUE:** Consideration of a Lease Agreement with Neighborhood Health, a non-profit healthcare organization serving the City of Alexandria to lease space at 4850 Mark Center Drive.

**RECOMMENDATION:** That City Council:

- (1) Receive the proposed Lease Agreement with Neighborhood Health and schedule it for public hearing on Saturday, February 25, 2023; and
- (2) After the public hearing approve the Lease Agreement and authorize the City Manager to execute the proposed Lease Agreement with Neighborhood Health.

**BACKGROUND:** Neighborhood Health is a non-profit Federally Qualified Health Center that provides primary healthcare to the community at multiple clinic sites across the City of Alexandria regardless of a patient's ability to pay. One of the sites occupied by Neighborhood Health includes the Health Department building located at 4480 King Street. As part of the consolidation of the Department of Community and Human Services (DCHS) and Health Department operations from 4480 King Street and other City-owned and leased locations to the building at 4850 Mark Center Drive, Neighborhood Health will also be relocating its operations from 4480 King Street to 4850 Mark Center Drive. To formalize the relocation to 4850 Mark Center Drive, a Lease Agreement between the City and Neighborhood Health is proposed that will provide the space needed for Neighborhood Health to continue to provide health services in the new DCHS and Health Department facility

at 4850 Mark Center Drive.

**DISCUSSION:** The Lease Agreement between the City and Neighborhood Health will provide 11,424 square feet of office and clinical space at 4850 Mark Center Drive for Neighborhood Health to provide health care operations for a term of five (5) years. Annual rent will be \$30.91 per square foot, or \$353,116 per year which will be provided in-kind and recorded as such. However, per the terms of the Lease Agreement, the City shall be entitled to any future funding allowing reimbursement for facility rent costs, including but not limited to additional rent, utilities, repairs, and maintenance during the initial term. Neighborhood Health may negotiate a new lease agreement with the City twelve (12) months prior to lease expiration which will be subject to the approval of City Council.

The Lease Agreement also requires that a proportionate share of utilities be billed as additional rent including but not limited to electrical, gas and water, as well as landscaping, snow removal and janitorial services. The Agreement shall also provide Neighborhood Health with thirty-five (35) parking spaces during normal City hours of operation and up to five (5) spaces outside of normal City hours of operation. This lease agreement will allow Neighborhood Health to continue to provide the Alexandria community with primary health care regardless of ability to pay.

**FISCAL IMPACT:** Annual rent in the amount of \$353,116 will be provided in-kind and recorded as such in the City of Alexandria Annual Financial Report. Neighborhood Health pays for its share of monthly utilities and custodial services. The City shall be entitled to future funding allowing reimbursement for facility rent costs.

**ATTACHMENT:** Lease Agreement Between the City and Neighborhood Health

**STAFF:**

Yon Lambert, Deputy City Manager

Alfred Coleman, Deputy Director, General Services

Dominique de' la Bay, Real Estate Specialist, General Services