



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 3/19/2019

District D

Item Creation Date: 2/19/2019

25DW39 - Harris Health System Lease

Agenda Item#: 29.

Summary:

ORDINANCE approving and authorizing a lease agreement between the City of Houston, Texas, as landlord, and **HARRIS COUNTY HOSPITAL DISTRICT d/b/a HARRIS HEALTH SYSTEM**, as tenant, for office space located at 3315 Delano Street, Houston, Harris County, Texas; containing provisions relating to the subject; and declaring an emergency.

Background:

RECOMMENDATION: Approve and authorize a Lease Agreement between City of Houston (Landlord) and Harris County Hospital District d/b/a Harris Health System (Tenant) at Riverside Health Clinic, 3315 Delano Street, Houston, Texas, 77004, for the Houston Health Department.

SPECIFIC EXPLANATION: The General Services Department recommends approval of a Lease Agreement between City of Houston (Landlord) and Harris County Hospital District d/b/a Harris Health System (Tenant), for 7,198 square feet of space located at 3315 Delano Street, known as Riverside Health Clinic. Harris Health System will utilize this space to operate an outpatient chronic end-stage renal dialysis center and health education center for low income and indigent patients.

The proposed Lease Agreement provides for an initial term of three years with five one-year renewal terms, at an annual rental of \$188,155.80, or monthly rate of \$15,679.65, which represents fair market rental value. Harris Health System will be permitted to offset its rent by the value of the health services it provides as a credit against the monthly rate, resulting in a net monthly rental of \$7,839.83, of which \$3,041.15 will be allocated to building operating expenses. The City recognizes these services to be a legitimate public or municipal purpose that is in the best interest of the citizens of Houston.

Either party may terminate the lease at the end of the initial term or renewal term by providing 90-days prior written notice to the other party.

The lease term will commence on the date of countersignature by the City Controller.

DIRECTOR'S SIGNATURE/DATE:

DocuSigned by:

3/7/2019

C. J. Messiah, Jr.

C. J. Messiah, Jr.
General Services Department

Amount of Funding:

Revenue

Contact Information:

Jacquelyn L. Nisby
Council Liaison
Phone: 832-393-8023

DS

JLN

ATTACHMENTS:

Description

Cover Sheet

Lease Summary

Riverside Health Clinic Area Map

Lease Agreement

Ordinance

Type

Signed Cover sheet

Signed Cover sheet

Signed Cover sheet

Signed Cover sheet

Ordinance/Resolution/Motion