



Cover Memorandum/Staff Report

File #: 19-1155

Agenda Date: 12/10/2019

Item #: 7.G.

TO: Mayor and Commissioners
FROM: Duane D'Andrea, Human Resources Director
THROUGH: Neal de Jesus, Interim City Manager
DATE: December 10, 2019

LEASE RENEWAL PINEAPPLE GROVE PROFESSIONAL CENTER FOR THE EMPLOYEE HEALTH AND WELLNESS CENTER

Recommended Action:

Motion to Approve the lease renewal for the Pineapple Grove Center for the Employee Health and Wellness Center.

Background:

Since 2010 the City has provided medical services at the City's Employee Health and Wellness Center for employees and dependents participating in one of City's Group Health Plans. Such services include initial care for minor ailments and injuries, employee physicals, blood draws, x-rays and generic prescription disbursement at no cost to the employee.

The attached lease agreement and addendum is between the City of Delray Beach and Pineapple Grove Holdings, LLC, for continued utilization of the site for the City's Employee Health and Wellness Center. The lease addendum terms are for a period of three (3) years, beginning March 1, 2020 through February 28, 2023.

The lease agreement provides for an annual increase of 4% however, we negotiated a 0% increase for the first year (March 2020), 2% increase the second year (March 2021), 4% increase the final year (March 2022), creating a savings of \$8,540 for the term of the renewal.

Lease Cost Increase Based on Lease Agreement				Total 3 Year Cost
	March 2020	March 2021	March 2020	
Monthly Lease of 02/28	\$4,295.72	\$4,467.55	\$4,646.25	
4% Increase	\$171.83	\$178.70	\$185.85	
New Monthly Lease	\$4,467.55	\$4,646.25	\$4,832.10	
Total Annual Cost	\$53,610.59	\$55,755.01	\$57,985.21	\$167,350.80
Lease Cost Increase Based on Lease Negotiated Amendment				
	March 2020	March 2021	March 2020	
Monthly Lease of 02/28	\$4,295.72	\$4,295.72	\$4,381.63	
Increase	0%	2%	4%	
Dollar Amount Increase	\$0.00	\$85.91	\$175.27	
New Monthly Lease	\$4,295.72	\$4,381.63	\$4,556.90	
Total Annual Cost	\$51,248.64	\$52,579.61	\$54,682.80	\$158,811.05
Amendment Savings				\$8,539.75

City Attorney Review:

Approved as to form and legal sufficiency.

Funding Source/Financial Impact:

Funding is available from Risk Management Account Number 551-17-020-513-44.11.