




Human Resources

MEMORANDUM

TO: Mayor and Commissioners

THROUGH: Neal De Jesus, Interim City Manager

FROM: Tennille Decoste, Human Resources Director 

DATE: January 24, 2017

SUBJECT: Lease Renewal Pineapple Grove Professional 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 2017 through February 2020.

FINANCIAL DEPARTMENT REVIEW

The item before the Commission is to approve the lease agreement between the City of Delray Beach and Pineapple Grove Holdings, LLC for the continued occupancy of the medical facility located at 525 NW 3rd Avenue, Delray Beach, Florida. The Code of Ordinance, Chapter 36 only applies to the acquisition of good and or services.

The annual lease cost negotiated with the Lessor, Pineapple Grove Holding, LLC, reflects a zero percent increase in rent for months one (1) through (12), a two percent (2%) increase in rent beginning with month thirteen (13) and a four percent (4%) increase in rent beginning with month twenty-five (25). Additionally, the base rent has been reduced by four percent (4%), from the current \$4,211.49 to \$4,049.51. Overall, the new lease provides the City with a savings of \$14,360 over the three year term of the lease.

FUNDING SOURCE

Funding is available from Risk Management Account Number 551-1577-591-44.20.

RECOMMENDATION

The Administration recommends approval of the lease addendum between the City of Delray Beach and Pineapple Grove Holdings, LLC.