

Department of Public Health (DPH)

Residential Care Facility – Lease Renewal – 1421 Broderick Street

Budget and Finance Committee – February 24, 2021

Program and Property Overview:

- The City's lease of the entire building at 1421 Broderick originally began in 2001; extended in 2010 through February 2021.
- The property is uniquely positioned to allow both residential and medical uses.
- DPH, through its non-profit service provider operates the Broderick Street Adult Residential Facility (BSARF) as an 18-room, 29-bed residential treatment facility.
- BSARF provides residential care to individuals who have complex behavioral health and medical needs. The program provides therapeutic support, medical monitoring, recreational activities, daily care needs such as meals, bath/shower assistance, transportation to appointments.

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- **Term:** Extends lease until January 31, 2024
- **Rent:** \$30.00 per sq. ft. per year, increasing at 3% annually

Proposed Amendment Overview			
	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Annual Rent	372,510	383,685	395,196
\$ / Sq. Ft. / Yr.	\$ 30.00	\$ 30.90	\$ 31.83

Note: City is currently paying the Year 1 amount under month-to-month holdover

- **NNN Expenses:** City responsible for its own custodial and utilities and a portion of real estate taxes.
- **Major Repairs:** City’s liability for repairs to major building systems and building structure capped at \$15,000 per year with Landlord responsible for anything above that.

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Other Noteworthy Items:

- **Early Termination:** City can terminate early with 365 days' notice (no penalty).
- **Right of First Refusal:** The City retains a right of first refusal, meaning if the owner enters into a contract to sell the property, the City has the right to buy it under those negotiated conditions.
- **Short-Term Extension:** The term is just under three years, meaning DPH has the flexibility to explore other long-term options.
- **BLA Proposed Amendment:** DPH and RED agree to update BOS annually on the long-term plans regarding this property and program.

Note: As of February 2, 2021, the owner is not interested in selling the Property



Questions?