



Legislation Text

File #: 1148-2007, **Version:** 1

Background: Since 1974, the Columbus Health Department ("City") has provided primary health care services to the needy through contracts with community-based health centers. More specifically, since 1998 the Columbus Health Department has contracted with the Columbus Neighborhood Health Center, Inc. ("CNHC"), a not-for-profit corporation, to provide primary health care services to medically indigent patients at the City's neighborhood health centers. The City and CNHC now desire to enter into a lease agreement for the use of that City medical office facility located at 1180 East Main Street, commonly known as East Central Health Center. The proposed lease is for a period of five (5) consecutive one (1) year terms commencing on March 1, 2007, and ending February 29, 2012, subject to the renewal of CNHC's annual contract as the City's provider of primary health care services for its neighborhood health centers. The following legislation authorizes the Director of the Department of Finance and Management to execute those documents necessary to enter into a lease agreement with CNHC for that real property located at 1180 East Main Street, commonly known as East Central Health Center. This ordinance also authorizes the City Auditor to establish a "Neighborhood Health Center Capital Reserve Fund" into which rent proceeds will be placed. These proceeds will be used solely for costs related to the repair and replacement of interior and exterior building components, or for the replacement of equipment or furnishing that have reached the end of their useful life.

Fiscal Impact: The City will receive rental funds for the term of the lease which shall be deposited in a separate capital reserve fund, established for the support of the City's neighborhood health center facilities, to be used for building interior and exterior repairs and replacements, or for the replacement of the associated equipment or furnishings that have reached the end of their useful life as defined by IRS depreciation guidelines. Annual rent payments are graduated and projected for years 1-5 as follows: year 1 - \$68,632 (8 months only), year 2 - \$128,685, year 3 - \$154,422, year 4 - \$180,159 and year 5 - \$205,896.

Emergency Justification: Emergency action is requested to allow for the immediate execution of the subject lease agreement by the City in order to comply with the terms and condition of the lease.

To authorize the Director of the Department of Finance and Management to execute on behalf of the Columbus Health Department (Lessor), those documents necessary to enter into a lease agreement with the Columbus Neighborhood Health Centers, Inc. (Lessee) for the use of the City's neighborhood health center located at 1180 East Main Street, commonly known as East Central Health Center, to provide primary health care services to medically indigent patients, to authorize the City Auditor to establish a Neighborhood Health Center Capital Reserve Fund, and to declare an emergency.

WHEREAS, since 1974, the Columbus Health Department ("City") has provided primary health care services to the needy through contracts with community-based health centers; and

WHEREAS, more specifically, the Columbus Health Department has contracted with the Columbus Neighborhood Health Center, Inc. ("CNHC"), a not-for-profit corporation, to provide primary health care services to medically indigent patients at its neighborhood health centers since 1998; and

WHEREAS, the City and CNHC now desire to enter into a lease agreement for the use of that City owned medical office facility located at 1180 East Main Street, commonly known as East Central Health Center; and

WHEREAS, the proposed lease is for a period of five (5) consecutive one (1) year terms commencing on March 1, 2007, and ending February 29, 2012, subject to the renewal of CNHC's annual contract as the City's provider of primary health care services for its neighborhood health centers; and

WHEREAS, it is necessary to create separate and distinct from the General Fund, a "Neighborhood Health Center Capital Reserve Fund" in order to deposit rent payments from the above mentioned lease for the repair of capital costs at Columbus Health Center

buildings, and

WHEREAS, an emergency exists in the usual daily operation of the City of Columbus, in that it is immediately necessary to authorize the Director of the Department of Finance and Management to execute, on behalf of the City, those documents necessary to enter into a lease agreement with the Columbus Neighborhood Health Center, Inc. ("Lessee"), a Ohio non-profit corporation for that real property known as 1180 East Main Street, commonly known as East Central Health Center, to be used as a "neighborhood health center" to benefit the public health for the immediate preservation of the public health, peace, property and safety; now, therefore:

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

Section 1. That the Director of the Department of Finance and Management, on the behalf of the City, be, and hereby is, authorized to execute those documents as approved by the Department of Law, Division of Real Estate, necessary to enter into a lease agreement by and between the City of Columbus, ("Lessor"), and the Columbus Neighborhood Health Center, Inc. ("Lessee"), a Ohio non-profit corporation for that real property known as 1180 East Main Street, East Central Health Center, to be used as a "neighborhood health center" to benefit the public health.

Section 2. That the terms and conditions of the lease shall be in form approved by the City Attorneys Office and shall include the following:

- a) The lease shall be effective for a period of five (5) consecutive one (1) year terms commencing on March 1, 2007, the "Lease Commencement Date" and ending at midnight on February 29, 2012, the "Lease Expiration Date", with two options to renew, subject to the renewal of Lessee's annual contract with the Columbus Health Department as its provider of primary health care services for its neighborhood health centers.
- b) The Lessee's annual rent shall be deposited in a separate capital reserve fund the held by the City, established for the support of the City's neighborhood health centers, to assist in covering the expenses related to the repair and replacements of building interior and exterior components, or for the replacement cost of the associated equipment or furnishings that have reached the end of their useful life as defined by IRS depreciation guidelines.
- c) Such other terms and conditions as agreed to and approved by the City Attorney.

Section 3. That the City Auditor shall establish a " Neighborhood Health Center Capital Reserve Fund" separate and distinct from the "General Fund" into which the Lessee's annual rent shall be deposited and such funds shall be held by the City Auditor solely for the payment of costs at the City's neighborhood health centers related to the repair and replacements of building interior and exterior components, or for the replacement of the associated equipment or furnishings that have reached the end of their useful life as defined by IRS depreciation guidelines.

Section 4. That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor or ten days after passage if the Mayor neither approves nor vetoes the same.