



Staff Report

File #: 21-411
Version: 1

Date: 9/27/2021
Item #: 3.3e.

TO: Mayor and City Council
THROUGH: Steve Powers, City Manager
FROM: Kristin Retherford, Urban Development Department Director

SUBJECT:

Amendment to Lease with Swift Mountain, LLC for City-occupied lease space at 960 Liberty Street SE housing the City of Salem Employee Health Hub.

Ward(s): 2
Councilor(s): Andersen
Neighborhood(s): SCAN
Result Area(s): Good Governance

SUMMARY:

The City currently leases space for its Employee Health Hub at 960 Liberty Street SE. A portion of the space was envisioned as an employee pharmacy, however the cost of developing and maintaining an employee pharmacy proved cost prohibitive. In order to reduce future costs, an amendment (Amendment) (Attachment 1) to the lease (Lease) (Attachment 2) between the City and Swift Mountain, LLC (Lessor) (George Miller, Member) for a reduction of leased square footage is necessary.

ISSUE:

Shall City Council authorize the City Manager to execute the attached lease amendment to reduce the square footage of the lease space for the City of Salem Employee Health Hub?

RECOMMENDATION:

Authorize the City Manager to execute the attached lease amendment to reduce the square footage of the lease space for the City of Salem Employee Health Hub.

FACTS AND FINDINGS:

Staff and Lessor have come to terms on an Amendment to the Lease. Key terms of the Amendment are below.

Square feet:	1,678	(previously 2,305)
Monthly lease rate:	\$2,938.16	(previously \$4,244.78)
Effective Date:	November 1, 2021	
Buyout payment:	\$7,839.72	(six months' rent)

BACKGROUND:

On June 25, 2018, Council authorized the City Manager to execute the Lease with Lessor for 1,678 square feet of space at 960 Liberty Street SE for the City of Salem Employee Health Hub. On 7/27/2020, Council authorized the City Manager to execute Amendment 1 to the Lease to increase the square footage to 2,305 square feet to include a proposed City employee pharmacy.

Funding for the Lease comes the City Self Insurance Fund.

Clint Dameron
Real Property Services Manager

Attachments:

1. Amendment 2
2. Lease (as amended)