



Monterey County

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Board Report

Legistar File Number: A 18-181

June 12, 2018

Introduced: 5/11/2018

Current Status: Consent Agenda

Version: 1

Matter Type: BoS Agreement

- a. Authorize the Deputy Purchasing Agent for Natividad Medical Center (“NMC”) to execute a lease agreement renewal with Thrust IV Property Management for the Creekbridge Apartment located at 1757 Independence Boulevard, Unit 204 in Salinas, California, for an eighteen (18) month term of August 1, 2018 through October 31, 2019, for housing of medical students and residents performing visiting rotations at NMC.
- b. Authorize the Auditor-Controller to make lease payments of \$1,935 per month in accordance with the terms of the Lease Agreement.
- c. Authorize the Deputy Purchasing Agent for NMC to execute three future renewals to the lease agreement for three (3) additional eighteen (18) month terms under the same general terms and conditions provided there is not a significant increase to the amount of the monthly lease payments, and to make minor revisions to the lease agreements if deemed by the Deputy Purchasing Agent for NMC to be in the best interest of the County to do so, subject to review and approval of County Counsel and County-Auditor-Controller.

RECOMMENDATION:

It is recommended the Board of Supervisors:

- a. Authorize the Deputy Purchasing Agent for Natividad Medical Center (“NMC”) to execute a lease agreement renewal with Thrust IV Property Management for the Creekbridge Apartment located at 1757 Independence Boulevard, Unit 204 in Salinas, California, for an eighteen (18) month term of August 1, 2018 through October 31, 2019, for housing of medical students and residents performing visiting rotations at NMC.
- b. Authorize the Auditor-Controller to make lease payments of \$1,935 per month in accordance with the terms of the Lease Agreement.
- c. Authorize the Deputy Purchasing Agent for NMC to execute three future renewals to the lease agreement for three (3) additional eighteen (18) month terms under the same general terms and conditions provided there is not a significant increase to the amount of the monthly lease payments, and to make minor revisions to the lease agreements if deemed by the Deputy Purchasing Agent for NMC to be in the best interest of the County to do so, subject to review and approval of County Counsel and County-Auditor-Controller.

SUMMARY/DISCUSSION:

Creekbridge Apartments at 1757 Independence Boulevard, Unit 204:

The visiting student and resident program at NMC has existed for over twenty years. Learning resources and administrative support are offered up to four students or residents for two to six week periods throughout the year. NMC uses the apartment for visiting students from several medical schools and residencies; offering housing is an important incentive for visiting students, who are more likely to apply and match to NMC's Family Medicine Residency after rotating here. Housing must be located within a reasonable distance from the hospital. Since August, 2005, Creekbridge Apartments has provided access, proximity, and cost effectiveness.

UCSF currently reimburses NMC \$30,000 a year for support of medical student training that is used for leasing a medical student apartment at Creekbridge Apartments. This allows medical students to use NMC for clinical rotations, and allows NMC to continue this important relationship. It is important because of the UCSF name, because of the chance to recruit the students into the residency program, and because of the relationship and experience the students share about NMC with their peers, thus giving NMC a broader audience for recruitment.

The term of this lease agreement is August 1, 2018, through and including January 31, 2020 for a total lease term of eighteen (18) months. Lease payments will be \$1,935 per month. This monthly amount is a discounted rate off the market rate of \$2,150 per month for this unit (\$215 savings per month). NMC is receiving a discounted rate by executing an eighteen month lease term as opposed to a 12 month lease term. The refundable security deposit of \$600 collected from the original lease will be transferred and applied as the security deposit to the new lease. The lease agreement also includes provisions for late payment, return check, after hour key charges and the collection of a refundable security deposit. These charges and conditions are viewed as industry standard for apartment complexes with similar amenities. The County may terminate the new lease upon sixty day written notice.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this lease agreement as to legal form, and the Auditor-Controller has reviewed and approved as to payment provisions. The lease agreement has also been reviewed and approved by NMC's Finance Committee on April 26, 2018 and by its Board of Trustees on May 4, 2018.

FINANCING:

The cost for this lease agreement for an eighteen (18) month period is \$34,830, of which \$21,285 will be included in the Fiscal year 2018-19 Recommended Budget. Costs for future years will be included those budgets as appropriate.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This lease agreement provides a home-like environment when necessary for resident physicians at NMC. Resident physicians provide patient care on many levels at NMC and this rental unit ensures that they are within close proximity to the hospital.

- Economic Development
- Administration
- Health and Human Services
- Infrastructure
- Public Safety

Prepared by: Dr. Melissa Nothnagle, Director of Family Practice Residency, 783-2582

Approved by: Gary R. Gray, DO, Chief Executive Officer, 783-2504

Attachments:

Renewed Creekbridge Lease Agreement for Residency Physicians (Unit #204)

Attachments on file with the Clerk of the Board