



MEMORANDUM

Council Agenda
Item No. IX. AU
4/26/2022

The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: Craig Freeman, City Manager

Sublease Agreement with the Oklahoma City Public Property Authority and Variety Care, Inc., for provision of all-ages primary and urgent-care medical services at the Pete White Health and Wellness Center, 4021 South Walker Avenue, revenue of \$2,940 per month, April 26, 2022 through April 25, 2025. Ward 4.

Location:

4021 South Walker Avenue

Background:

The City of Oklahoma City (City) owns, and the Oklahoma City Public Property Authority (OCPPA) leases, the Pete White Health and Wellness Center (Pete White Center), located at 4021 South Walker Avenue. Variety Care, Inc., (Lessee) is a local non-profit community health center dedicated to making quality healthcare affordable and accessible.

On December 5, 2017 (Items No. VII.AS. and PPA.B.), the City and OCPPA entered into a Lease and Management Agreement with NorthCare for operation and management of the Pete White Center. In April 2019, as authorized under the Lease and Management Agreement, NorthCare subleased operation of the Pete White Center's clinic (Clinic) to Lessee.

In a letter dated July 14, 2020, NorthCare notified the city manager that, due to unique operational challenges that were exacerbated by the COVID-19 pandemic, it would terminate the Lease and Management Agreement, effective January 31, 2021. On January 2, 2021 (Item No. VII. AV.), the City, OCPPA, and NorthCare entered into a Memorandum of Understanding under which NorthCare terminated the Lease and Management Agreement but facilitated the transition of the Pete White Center back to City management by covering employee costs through February 28, 2021.

After the Lease and Management Agreement was terminated, Lessee continued to operate the Clinic. The City, OCPPA, and Lessee wish to enter into this Agreement to formalize the arrangement and ensure continuity of Clinic services moving forward.

This Sublease Agreement (Agreement) authorizes Lessee to use the Clinic for the purposes described above. Lessee must provide and maintain any medical equipment, supplies, or other resources needed at the Clinic. Lessee must also provide an Operations Plan for approval by the

City and OCPPA. The Operations Plan will include a sliding-scale fee structure, based on patients' household size and income, as required for Federally Qualified Health Centers.

Water, electricity, trash service, and alarm system costs are included in Lessee's monthly rent. Lessee will maintain a separate Clinic entrance from the rest of the Pete White Center and be responsible for associated locks. Lessee must provide required insurance and indemnification; protect City property at the Clinic; submit required reports; and comply with applicable laws, rules, and regulations.

The Agreement is for three years from the date of approval by the City and OCPPA. Upon mutual consent, it may be renewed for two, one-year terms, for a total of five years. Any party may terminate the Agreement upon six month's notice. The Agreement may also be terminated for cause upon ten calendar days' notice.

OCPPA was also scheduled to consider the Agreement on April 26, 2022.

Revenue:

\$2,940 monthly to be deposited in the General Fund – General Operations – Parks-Facility Leases-Agreements – Culture and Recreation (001-0001-42050019-REV1500)

Review:

Parks and Recreation

Recommendation: Agreement be approved.