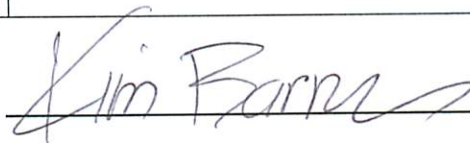


Mayor's Office: Council Agenda Item Request Form
*This form and supporting documents (if applicable) are due the Wednesday
before the COW meeting by noon.*

Date Received (office use)	28 Feb 2017
--------------------------------------	-------------

Date of Request	2-28-2017
Requesting Staff Member	Ben Stringham, Real Estate Project Manager
Requested Council Date	3-7-2017
Topic/Discussion Title	Approval of lease Amendment for South Main Health Clinic
Description	The University of Utah would like to expand their presence at the South Main Health clinic to include Dentistry services. This requires a renovation and expansion to the space already being leased by the University. Because this will affect the term of the lease and the compensation received to be over \$50,000/yr this must be approved by Council.
Requested Action¹	Approval of lease amendment and authorization for signature
Presenter(s)	David Clemence and Ben Stringham
Time Needed²	Consent agenda
Time Sensitive³	N/A
Specific Time(s)⁴	N/A
Contact Name & Phone	Ben Stringham, Ext. 80337
Please attach the supporting documentation you plan to provide for the packets to this form. While not ideal, if supporting documents are not yet ready, you can still submit them by 10 am the Friday morning prior to the COW agenda. Items without documentation may be taken off for consideration at that COW meeting.	

Mayor or Designee approval:



¹ What you will ask the Council to do (e.g., discussion only, appropriate money, adopt policy/ordinance) – in specific terms.

² Assumed to be 10 minutes unless otherwise specified.

³ Urgency that the topic to scheduled on the requested date.

⁴ If important to schedule at a specific time, list a few preferred times.

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE ("**Amendment**") is dated as of the ____ day of February, 2017, by and between the SALT LAKE COUNTY, a body corporate and politic of the State of Utah, ("**Lessor**"), and the University of Utah, a body politic and corporate of the State of Utah, ("**Lessee**").

RECITALS:

A. Lessor and Lessee are parties to that certain Lease Agreement dated the 18th day of November, 2014 (the "**Lease**"), pursuant to which Lessee leases space in the South Main Clinic located at 3690 South Main Street, South Salt Lake City, Utah, 84115, which space is more particularly described in the Lease as the "**Premises**."

B. Effective as of March 1, 2017, Landlord and Tenant desire to amend the Lease, as provided herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Definitions. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Lease.

2. The first sentence of Paragraph 2 of the Lease is deleted and replaced with the following:

The term of the lease shall be for ten (10) years commencing January 1, 2015 ("**Effective Date**"), and expiring December 31, 2024 ("**Term**"), unless terminated as hereinafter provided.

3. The third sentence of Paragraph 3 of the Lease is deleted and replaced with the following:

During the initial ten-year term and during each Extension Term, the Lease rate may be increased annually by an amount not to exceed 3% per year, based upon the CPI for Salt Lake County.

4. The following language is hereby inserted at the end of Paragraph 4 of the Lease:

Notwithstanding any other provisions of the Lease, upon any surrender of the Premises, Lessee will be permitted to remove any and all personal property, equipment, furnishings, and trade fixtures purchased and installed by Lessee.

5. Paragraph 12 of the Lease is hereby deleted and replaced with the following:

The Premises shall be used by the lessee only as a community-based prenatal and pediatric primary care and/or dental care clinic for indigent and underserved women and children and for family-centered care. Services may include but are not limited to: Pediatric services; Ob/Gyn; Teen Mom; Family Health Services; and Dental Services. It is further understood that Lessee will use the Premises to provide training sites for resident physicians, advanced practice nurse trainees, and dental students and residents.

6. The first sentence of Paragraph 20 of the Lease is hereby deleted and replaced with the following two sentences:

No alterations, additions or improvements, including changes in furnishings or décor, may be made by LESSEE to the Premises without first obtaining prior written approval of LESSOR in consultation with the Salt Lake County Health Department Facilities Managers or designees, which approval will not be unreasonably withheld. LESSOR desires that the furniture, furnishings and décor coordinate with the building and areas surrounding the Premises.

7. The following language is hereby inserted at the end of Paragraph 21 of the Lease:

In the event that LESSOR exercises its option to terminate this agreement in advance of the expiration of the Term for any reason other than default by the LESSEE for failure to comply with its obligations under this Agreement, including but not limited to failure to pay rent, Lessor agrees to pay Lessee upon vacation of Premises an amount equal to the unamortized portion of the total cost of any and all structural improvements and repairs which the Lessee shall have made or installed in or on the Premises during the period of the Lease, including design and construction costs, permanent cabinetry, and electronic, sterilization, nitrous, and mechanical components ("Lessee's Structural Improvements"). For purposes of this Paragraph 21, LESSEE's Structural Improvements shall be amortized over the term of this agreement through December 31, 2024, according to the amortization schedule attached hereto as Exhibit C.

8. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

9. Effect of Amendment. Except as expressly modified by this Amendment, the Lease and each of its covenants, terms and conditions continues in full force and effect. In the event of any inconsistency between the terms of this Amendment and the terms of the Lease, the terms of this Amendment shall govern and control.

10. Binding Effect. The covenants and agreements contained in this Amendment shall inure to the benefit of and be binding upon the parties, and their heirs, legal representatives, successors and assigns.

11. Applicable Law. The terms and conditions of this Amendment shall be construed, interpreted and governed in accordance with the laws of the State of Utah.

[Signatures on Following Page]


IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first set forth above.

LESSOR:

SALT LAKE COUNTY


By: _____
Mayor or Designee

APPROVED BY:
Salt Lake County Health Department

By:  _____
Gary L. Edwards, M.S.
Executive Director

Date: 2/28/17

APPROVED AS TO FORM:

By:  _____
R. Christopher Preston
Deputy District Attorney

Date: 2/27/2017

LESSEE:

UNIVERSITY OF UTAH

By: _____
Arnold B. Combe
Vice President for Administrative Services

Exhibit C

Amortization Schedule for South Main Clinic Improvements by the University of Utah School of Dentistry.

Initial	final salvage		
Construction	value of		
cost	improvements	Effective date	Lease expiration date
\$ 168,044.00	\$ 15,307.00	3/3/2017	12/31/2024

unamortized portion per year
\$ 19,498.34

Potential Unamortized liability/year of lease

beginning of lease year	beginning balance	end of lease year	ending balance
3/3/2017	\$ 152,737.00	12/31/2017	\$ 136,488.38
1/1/2018	\$ 136,488.38	12/31/2018	\$ 116,990.04
1/1/2019	\$ 116,990.04	12/31/2019	\$ 97,491.70
1/1/2020	\$ 97,491.70	12/31/2020	\$ 77,993.36
1/1/2021	\$ 77,993.36	12/31/2021	\$ 58,495.02
1/1/2022	\$ 58,495.02	12/31/2022	\$ 38,996.68
1/1/2023	\$ 38,996.68	12/31/2023	\$ 19,498.34
1/1/2024	\$ 19,498.34	12/31/2024	\$ (0.00)

RESOLUTION NO. _____

DATE _____

A RESOLUTION OF THE SALT LAKE COUNTY COUNCIL AUTHORIZING
THE EXECUTION OF THE FIRST AMENDMENT TO LEASE MODIFYING A
LEASE AGREEMENT BETWEEN UNIVERSITY OF UTAH AND SALT LAKE
COUNTY FOR SPACE AT THE SOUTH MAIN PUBLIC HEALTH CLINIC

RECITALS

A. Salt Lake County (the “County”) owns certain real property located at 3690 South Main Street, South Salt Lake City, Utah (the “Property”), where it operates the South Main Public Health Clinic (“Clinic”).

B. On November 18, 2014, the County entered into a Lease Agreement with the University of Utah (“University”) to lease a portion of the Clinic for an initial five-year term to be used as clinic and office space for a community-based prenatal and pediatric primary care clinic for indigent and underserved women and children and for family-centered care.

C. The University would like to extend the initial term of the Lease from five to ten years and would like to expand its use of the Clinic space to include dental services.

D. The County and the University have jointly prepared a First Amendment of Lease (the “Amendment”) to modify the terms of the original lease.

E. It has been determined that the best interests of the County and the general public will now be served by executing the Amendment.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Salt Lake County Council that it is in the best interests of the County to enter into the Amendment (attached hereto as Exhibit “A,” and by this reference made a part of this Resolution). The Mayor is hereby authorized and directed to sign the Amendment on behalf of the County, and to deliver the fully

executed document to the County Real Estate Section for further action.

APPROVED and ADOPTED this _____ day of _____, 2017.

SALT LAKE COUNTY COUNCIL


By: _____
Steve DeBry, Chair

ATTEST:

Sherrie Swensen
Salt Lake County Clerk

Council Member Bradley voting	_____
Council Member Bradshaw voting	_____
Council Member Burdick voting	_____
Council Member DeBry voting	_____
Council Member Granato voting	_____
Council Member Jensen voting	_____
Council Member Newton voting	_____
Council Member Snelgrove voting	_____
Council Member Wilson voting	_____

APPROVED AS TO FORM:



R. Christopher Preston
Deputy District Attorney
Date: 2/27/2017

EXHIBIT A

First Amendment to Lease