

CITY OF CHARLOTTESVILLE, VIRGINIA  
CITY COUNCIL AGENDA



Agenda Date:	December 4, 2023
Action Required:	Approve Resolution
Presenter:	Brenda Kelley, Redevelopment Manager
Staff Contacts:	Brenda Kelley, Redevelopment Manager Riaan Anthony, Interim Director
Title:	<b>Resolution to approve a Sublease Agreement Extension with Sentara Martha Jefferson Hospital (SMJH) for lease of space at 233 4th Street NW</b>

**Background**

The City is Tenant pursuant to a Lease Agreement with Jefferson School Community Partnership, LLLP at 233 4<sup>th</sup> Street NW, for the use of the space as Carver Rec Center (28,258 SF usable area). The City's lease of this space at the Jefferson School City Center expires in April 2032. The city subleases a portion of this leased space (approximately 1,771 square feet) to Sentara Martha Jefferson Hospital (SMJH) for use as a health clinic. The existing Sublease Agreement between the City and SMJH expires December 31, 2023.

SMJH has requested an extension of the current Sublease Agreement for one year, with the intention of relocating to an owned building within the next year. They would like to extend their current sublease with the ability to terminate with 60 day notice.

**Discussion**

The City entered into a Sublease Agreement with SMJH in January 2018. Earlier this year, City staff met with representatives of SMJH well in advance of the expiration of the existing Sublease Agreement. Following significant discussion on timing of use of the space, SMJH informed City staff that they intend to eventually move out of the subleased space following the build-out of a new location. Once the space is vacated by SMJH, the City's Parks and Recreation Department will utilize the entire leased space at the Jefferson School.

The general terms of the Sublease Agreement will not change, except for:

- the term of the agreement (now expires December 31, 2024)
- the right to terminate with 60 day notice
- the rent increase will be a straight 2.5%.

If approved, the term of the Sublease Agreement will be extended for one year, with the ability to terminate with 60 day notice.

**Alignment with City Council's Vision and Strategic Plan**

Approval of this sublease aligns with City Council's Strategic Outcome Areas of Organizational Excellence; Partnerships; and Recreation, Arts, Culture.

**Community Engagement**

This Lease Agreement has been reviewed by SMJH representative(s).

**Budgetary Impact**

This request does not require any funding from the City budget. SMJH will continue to pay rent to the City for their subleased space.

**Recommendation**

Staff recommends that City Council approve the attached Resolution.

**Alternatives**

City Council could choose to not approve this Resolution which will result in SMJH needing to find another location for the health clinic immediately.

**Attachments**

1. SMJH sublease extension draftAug2023
2. Resolution SMJH Sublease extension 120423