



# City Council Report

**Date:** July 11, 2022  
**To:** City Council  
**Through:** Marc Heirshberg, Deputy City Manager  
**From:** Beth Huning, City Engineer  
Marc Ahlstrom, Assistant City Engineer  
**Subject:** Enter into a lease with Aster Aging, Inc. for a portion of the City-owned Senior Center located at 247 North Macdonald Council District #4

## Purpose and Recommendation

The purpose of this report is to consider staff's recommendation to enter into a lease agreement with Aster Aging, previously East Valley Adult Resources for a portion of the Senior Center facility located at 247 North Macdonald.

## Background

The City-owned Senior Center houses two non-profit entities, Aster Aging and Oakwood Creative Care (Oakwood). Aster currently occupies 28,383 square feet of the 32,559 square foot property. Aster provides programs and social services to adults 55 years of age and older to promote social interaction and independence of senior citizens. Programs include food and nutrition classes, outreach, and other health and wellness programs. Aster has been operating and serving Mesa's senior community from the Senior Center location since 1980 and currently occupies the property based on a 2017 lease it entered into with the City.

The services and programming provided are a public benefit as they allow residents of Mesa and the surrounding communities to have access to social services that improve the participants' quality of life.

## Discussion

Aster would like to continue leasing its portion of the Senior Center property and desires to enter into a five-year lease agreement with the City, with an optional five-year renewal. The lease would terminate on June 30, 2027, or June 30, 2032, if the renewal is allowed under the terms of the lease. The material deal points of this new lease agreement are similar to the lease entered into 2017 under East Valley Adult

Resources.

### **Alternatives**

The City Council could choose to not enter into a new lease agreement with Aster. Choosing this alternative would result in the disruption of the programs and services that are offered at this location.

### **Fiscal Impact**

The City will receive a nominal amount of lease revenue, \$5.00 per year, from the lease. This lease rate is consistent with EVAR's 2017 and 2012 leases and with leases the City has with other non-profit agencies who provide a public benefit to the Mesa community through the services and programming they offer at the leased location.

Under the new lease, the City will continue to provide an annual utility credit of approximately \$96,473.00 that is funded by Human Services funds. The credit is for the entire building, also covering the portion of the Senior Center occupied by Oakwood. The utility credit is used to pay for building utilities owned/operated by the City up to the credited amount each year. In the event the building utility charges exceed the utility credit amount, the agencies will be required to pay any utility charges over the credit amount to remain in compliance with the lease.

### **Coordinated With**

These leases have been coordinated with the City Attorney's Office, Community Services department, and PRCF - Facilities Maintenance.