



COMMISSIONERS COURT COMMUNICATION

REFERENCE NUMBER _____

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DATE: 05/10/2022

SUBJECT: APPROVAL OF FIRST AMENDMENT TO THE LEASE AGREEMENT BETWEEN HEALTHCARE REALTY SERVICES, INC. AND ACCLAIM PHYSICIANS GROUP, INC. FOR THE MEDICAL OFFICE BUILDING KNOWN AS BAYLOR ALL SAINTS PROFESSIONAL PAVILION LOCATED AT 1250 8TH AVENUE, SUITE 600, FORT WORTH, TEXAS FOR THE TARRANT COUNTY HOSPITAL DISTRICT, D/B/A JPS HEALTH NETWORK

COMMISSIONERS COURT ACTION REQUESTED

It is requested that the Commissioners Court approve the First Amendment to the Lease Agreement between Healthcare Realty Services, Inc. and Acclaim Physicians Group, Inc. for the medical building known as Baylor All Saints Professional Pavilion, located at 1250 8th Avenue, Suite 600, Fort Worth, Texas, for the Tarrant County Hospital District, d/b/a JPS Health Network.

BACKGROUND

On September 21, 2021, the Commissioners Court, through Court Order #136372, approved the original lease agreement between Healthcare Realty Services, Inc., a Tennessee Corporation, as agent for HRT Properties of Texas, LTD, a Texas Limited Partnership, and Acclaim Physician Group, Inc., a Texas nonprofit corporation certified by the Texas Medical Board as a nonprofit corporation. The lease space allowed for Acclaim Physician Group, Inc. to access 10,000 square feet of space, the six (6) story medical office building located at 1250 8th Avenue, Suite 600, Fort Worth, Texas 76104 for the purpose of operating and maintaining a multi-specialty clinic that conducts over 15,000 patient visits per year with services including orthopedics, podiatry, physical medicine and rehab, plastic and general surgery, and uro-gynecology.

The amended Lease will provide for an additional two (2) year term, the base rent will be abated for five (5) months beginning March 1, 2022, and an estimated increase in rentable square footage from 10,000 square feet to 10,552 square feet at \$85.00 per square foot. Based on the estimated square footage of 10,552, Acclaim will receive an allowance in the amount of \$896,920.00 for a custom build-out of space – an increase in Tenant improvement allowance of \$296,920.00 over the original five (5) year lease.

The TCHD General Counsel reviewed the agreement and has approved them as to form. The TCHD Board of Managers approved the agreement at its April 14, 2022 Board of Managers meeting subject to the approval of the Commissioners Court which is required for projects over \$500,000.00.

SUBMITTED BY:	Administrator's Office	PREPARED BY: APPROVED BY:	Daphne Walker, Sr. Vice President, Chief Legal Counsel for TCHD
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FISCAL IMPACT

Total cost for additional two (2) years added to the lease agreement is \$860,690.00. Base Rent abated for (5) months beginning March 1, 2022 provides a savings for the first twelve (12) months in the amount of \$136,295.00.