



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 9

Agenda Date: April 20, 2023

In Control: City Council A Session

DEPARTMENT: Building & Equipment Services

DEPARTMENT HEAD: Jorge Perez

COUNCIL DISTRICTS IMPACTED: District 1

SUBJECT:

Fifth Amendment of Lease Agreement - SAFD Wellness Center

SUMMARY:

This ordinance authorizes the Fifth Amendment of Lease Agreement with San Saba Opportunity Fund, LP for the continued use of 14,091 square feet space located at 215 South San Saba. The location houses the San Antonio Fire Department's (SAFD) Psychology and Safety Divisions, and its' Health & Wellness Program. This lease would increase the monthly rate from \$23,335.36 to \$25,833.50 for the remainder of FY 2023. Funding for the first five months of the lease in the amount of \$129,168.00 is available from the FY 2023 General Fund Budget. Funding for future years is contingent on City Council approval of the annual budget.

BACKGROUND INFORMATION:

The SAFD Wellness Program has been a tenant at 215 South San Saba since December 1, 2010. As a result of the FY 2010 budget process, the SAFD was given direction to implement a Health and Wellness Program for uniformed employees. Through coordination with the San Antonio Professional Firefighters Association, the Human Resources Department, Health Department and Office of Management and Budget, the SAFD determined that an in-house program was the most cost effective and efficient method to provide annual physicals for each firefighter. This location

has also provided the SAFD the ability to establish a fitness center and accommodates the fitness evaluations for all uniformed personnel. Additionally, this location houses the SAFD Safety, and Psychology Divisions. This action will serve to extend the lease term for an additional five years.

ISSUE:

The current lease term will expire April 30, 2023. Currently there is no available City-owned space in which to relocate these functions of the SAFD.

This action is consistent with the City's policy to support the mission and space needs of the San Antonio Fire Department.

ALTERNATIVES:

SAFD can search for another property to accommodate the services provided at its current location, however, due to the high cost associated with relocation, and high rental rates in the desired downtown location, it is unlikely that a location with ample parking and more economically favorable lease rates can be identified.

FISCAL IMPACT:

This ordinance authorizes the Fifth Amendment of Lease Agreement with San Saba Opportunity Fund, LP for the continued use of 14,091 square feet space located at 215 South San Saba. This lease would increase the monthly rate from \$23,335.36 to \$25,833.50 for the remainder of FY 2023. Funding for the first five months of the lease in the amount of \$129,168.00 is available from the FY 2023 General Fund Budget. Funding for future years is contingent on City Council approval of the annual budget.

Under the terms of the Fifth Amendment of Lease Agreement the City will pay \$1,733,193.00 in rent as follows:

Term	Rate S.F.	Annual Rent
May 1, 2023 – April 30, 2024	\$22.00	\$310,002.00
May 1, 2024 – April 30, 2025	\$23.00	\$324,093.00
May 1, 2025 – April 30, 2026	\$25.00	\$352,275.00
May 1, 2026 – April 30, 2027	\$26.00	\$366,366.00
May 1, 2027 – April 30, 2028	\$27.00	\$380,457.00
Total		\$1,733,193.00

In addition to Base Rent, the SAFD will be responsible for the payment of its pro-rata share of increases in property taxes. Estimated pro-rata property tax costs are estimated to be between \$8,000 to \$10,000 per year.

RECOMMENDATION:

Staff recommends approval of this ordinance authorizing the execution of the Fifth Amendment of the Lease Agreement with San Saba Opportunity Fund, LP, to extend the lease term for an additional five years at 215 S. San Saba.