

ORDINANCE 2021-11-18-0869

AUTHORIZING THE FIVE-YEAR EXTENSION OF A LEASE AGREEMENT ENDING NOVEMBER 30, 2026 BETWEEN RE OFFICE TX II LLC AND THE CITY OF SAN ANTONIO FOR 6,208 RENTABLE SQUARE FEET OF OFFICE SPACE LOCATED AT 4335 WEST PIEDRAS DRIVE, SUITE 200, IN COUNCIL DISTRICT 7.

* * * * *

WHEREAS, Metro Health received funding targeting methods to prevent violence in the community. Known as the Violence Prevention Initiative, the program seeks to stop the spread of violence in communities through detecting and interrupting conflicts, identifying and treating the high-risk individuals and changing social norms; and

WHEREAS, presently, the Solid Waste Management Department utilizes the current space, however, the department is moving into City Tower as part of the consolidation of offices into the City-owned building at 100 West Houston Street and the FY22 adopted budget includes additional positions for domestic violence prevention programs within the Metro Health District (Metro Health), resulting in a need for additional office space; and

WHEREAS, backfilling the current space with Metro Health staff allows for the seamless transition of network, furniture, and other costly infrastructure typically associated with a newly acquired leased space; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Council authorizes the City Manager or designee to execute a five-year lease extension substantially in the form as shown in **Attachment I** ending November 30, 2026 between RE Office TX II LLC and the City of San Antonio for 6,208 rentable square feet of office space located at 4335 West Piedras Drive, Suite 200, in Council District 7, for an annual rental amount of \$176,928.00 during the first year of the term increasing to \$193,534.40 during the final year of the term.

SECTION 2. Under the terms of the lease extension, the annual rate for this agreement will be \$176,928.00 and will increase \$0.50 per square foot annually during the term. The chart below identifies the costs associated with this lease during the term:

Term	Total Yearly Rate
Year 1	\$176,928.00
Year 2	\$181,428.80
Year 3	\$185,929.60
Year 4	\$190,430.40
Year 5	\$193,534.40

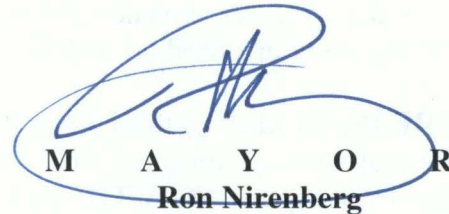
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The quoted rent is inclusive of all costs associated with the occupancy and includes 24-hour air conditioning as the space will be in constant use. Metro Health has sufficient funding in their FY 2022 Budget to fund the costs associated with this lease. Future years funding will be contingent upon appropriation of additional funding; however, the lease provides that in the event funds are not received, the City can cancel the lease at any time.

SECTION 3. The financial allocations in this Ordinance are subject to approval by the Deputy Chief Financial Officer, City of San Antonio. The Deputy Chief Financial Officer may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

SECTION 4. This Ordinance becomes effective immediately upon its passage by eight (8) votes or more and 10 days after passage upon its approval by less than eight (8) votes.


PASSED AND APPROVED this 18th day of November, 2021.


M A Y O R
Ron Nirenberg

ATTEST:


Debbie Racca-Sittre, Acting City Clerk

APPROVED AS TO FORM:


Andrew Segovia, City Attorney



City of San Antonio

City Council Meeting November 18, 2021

21.

2021-11-18-0869

Ordinance approving a five-year lease extension with RE Office TX II LLC and the City of San Antonio for 6,208 rentable square feet of office space located at 4335 West Piedras Drive, Suite 200, for Metro Health's Violence Prevention Initiative for an annual rental amount of \$176,928.00 during the first year of the term increasing to \$193,534.40 during the final year of the term. [Lori Houston, Assistant City Manager; John Jacks, Director, Center City Development and Operations]

Councilmember Courage moved to Approve on the Consent Agenda. Councilmember Cabello Havrda seconded the motion. The motion carried by the following vote:

Aye: Nirenberg, Bravo, McKee-Rodriguez, Viagran, Rocha Garcia, Castillo, Cabello Havrda, Courage, Perry

Absent: Sandoval, Pelaez

VS
11/18/21
Item No. 21

ATTACHMENT I

Attachment I

2nd Amendment to Lease Agreement (4335 Piedras- Metro Health)

This 2nd Amendment of Lease Agreement ("Amendment") is entered into between Landlord and Tenant. The 1st Renewal and Amendment to Lease Agreement and the Lease shall be collectively read and referred to as the "Lease".

1. Identifying Information.

Ordinance Authorizing 2nd Amendment:

Landlord: RE Office Texas II, LLC successor in interest to Omminet Centerview, LP

Landlord's Address: 9420 Wilshire Blvd, Suite 400
Beverly Hills, California 90212

Tenant: City of San Antonio

Tenant's Address: P.O. Box 829966, San Antonio, Texas 78283-3966

Lease: Approximately 6,208 square feet, consisting of Suite 200 of the Lamar Office Building, 4335 Piedras Drive W., San Antonio, Bexar County, Texas

**Ordinance Authorizing
Original Lease:** 2012-04-05-0244

**Ordinance Authorizing
1st Amendment** 2017-06-15-0438

**Beginning of Extended
Term:** December 1, 2021

**Expiration of Renewal
Term:** November 31, 2026

2. Defined Terms.

All terms defined in the Lease and not otherwise defined in this Amendment, when used in this Amendment, have the meanings ascribed to them in the Lease. References to "Lease" in this amendment include the Original Lease.

Attachment I

3. Term.

3.01. The Term of the 1st Renewal and Amendment will end November 30, 2021 and all terms and conditions of the amendment will cease except for Operating Expenses which shall be billed, if any, for the 11 month period ending November 11, 2021.

3.02. The Term of the 2nd Amendment will commence December 1, 2021 and end November 30, 2026.

4. Rent.

Tenant shall pay monthly rent for the five (5) year term of this Amendment at the rates listed below:

Term	Monthly Rent
December 1, 2021 – November 30, 2022	\$14,774.00
December 1, 2022 – November 30, 2023	\$15,119.07
December 1, 2023 – November 30, 2024	\$15,494.13
December 1, 2024 – November 30, 2025	\$15,869.20
December 1, 2025 – November 30, 2026	\$16,127.87

Included in the monthly rent quoted above is after-hours building services including electricity and air conditioning to operate the Premises 24 hours a day, 7 days a week thereby adding 108 hours of weekly usage to the space beyond what the Landlord expected to provide. This charge amounts to \$0.75 per rentable square foot monthly and will escalate 2.5% annually every December 1st during the term. In the event that Tenant no longer needs to use the Premises 24/7 then Landlord will agree to decrease the monthly rent in an amount commensurate with the number of hours of reduced operation. For instance, if Tenant requests that Sunday use will cease as of the first day of the first month after owner receives notice, for purpose of this example, March 1, 2023, then the amount of usage is reduced by a factor of 24 or 22% based on a formula of 24/108, for February 2023 Monthly rent would have included \$4,772.40 for the afterhours services, therefore March rent and every month thereafter during the Term will be reduced \$1,049.93 plus a 2.5% upward adjustment effective every December 1st during the term.

5. Operating Expenses

Rental rates in Section 4 herein shall include all base year operating expenses as described in the Lease. The base year for related calculations is amended to reflect calendar year 2017. As a result, Landlord may not pass through any expenses related to Additional Rent as provided in Sections 3.02.01 and 3.02.02 of the Lease until January 1, 2019, which would be retroactively based on statements Landlord must provide to Tenant in writing no later than March 30, 2019 for the costs accrued, if any, during calendar year 2018 and then annually thereafter based on these calendar dates adjusted to reflect the year in which they occur during the Renewal Term.

6. Premises.

Landlord has re-measured the building and determined that the correct premises size is 6,208. The suite designation, Final Plans and reference to Tenant's Proportionate Share all remain as provided in the Lease

Attachment I

7. No Default.

Neither Landlord, to its actual knowledge without inquiry, nor Tenant is in default under the Lease and neither party is aware of a cause of action against the other arising out of or relating to the period before the date of Landlord's signature on this amendment.

8. Same Terms and Conditions.

This renewal and amendment is a fully integrated expression of the changes the parties intend to make to the Lease. The parties acknowledge that, except as expressly set forth above, the Lease remains in full force and effect according to its terms, as amended, and the parties reaffirm the obligations thereof. Both Landlord and Tenant are bound thereby. Neither party is in default under the Lease. There have been no other amendments or other modifications to the Lease except as expressly identified in this agreement.

9. Public Information.

Landlord acknowledges that this instrument is public information within the meaning of Chapter 552 of the Texas Government Code and accordingly may be disclosed to the public.

In Witness Whereof, the parties have caused their representatives to set their hands.

Landlord

Tenant

RE TX II, LLC, a Colorado limited liability company

City of San Antonio, a Texas municipal corporation

By: Bow River Capital RE II, LLC,
a Colorado limited liability company,
its Manager

Signature: _____

Printed

Name: _____

By: _____

Title: _____

Printed

Name: _____

Date: _____

Title: _____

Date: _____

Approved as to Form:

City Attorney