



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 21

Agenda Date: November 18, 2021

In Control: City Council A Session

DEPARTMENT: Center City Development & Operations

DEPARTMENT HEAD: John Jacks

COUNCIL DISTRICTS IMPACTED: District 7

SUBJECT:

Lease Agreement– Metro Health at 4335 Piedras Street

SUMMARY:

Consideration of an ordinance authorizing the execution of a five-year lease extension ending November 30, 2026 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, 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.

BACKGROUND INFORMATION:

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.

Presently, the Solid Waste Management Department utilizes the 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. 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. Back filling this 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.

ISSUE:

The City has been awarded the Violence Prevention funding which requires staff be embedded in the community being served. The proposed lease will provide sufficient space for the staff assigned to this program and provide an environment conducive to effectively deploying staff at times of need in the community.

ALTERNATIVES:

The site proposed offers a central location for efficient service delivery at a cost that is competitive in the marketplace, plus savings associated with utilizing a move-in ready site. The City can identify alternative locations for office space, however, this would increase the timeline for service delivery and may result in increased costs.

FISCAL IMPACT:

Under the terms of the lease 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

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 anytime.

RECOMMENDATION:

Staff recommends approval of this lease authorizing the execution of a five-year lease extension with RE Office TX II LLC.

