



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 14

Agenda Date: May 19, 2022

In Control: City Council A Session

DEPARTMENT: Center City Development & Operations

DEPARTMENT HEAD: John Jacks

COUNCIL DISTRICTS IMPACTED: District 10

SUBJECT:

Second Renewal and Amendment to Lease Agreement - City Council District 10 Constituent Office

SUMMARY:

An ordinance authorizing the Second Renewal and Amendment to Lease Agreement with Catholic Life Insurance, and expanding the suite by 212 square feet to approximately 1,245 square feet. The lease is located at 1635 NE Loop 410, Suite 510, and serves as the City Council District 10 Constituent Office. The lease terms include an initial monthly rental amount of \$2,106.00 during the first three years, escalating to \$2,178.75 monthly during the last two years of the lease term. The City will reimburse Catholic Life Insurance an amount not to exceed \$28,304.00 for the expansion of and improvements to the leased premises. The City has the option to terminate the lease with thirty days' notice.

BACKGROUND INFORMATION:

The City has been a tenant at this location since November 2011, for use as the District 10 City Council Constituent Office. In an effort to better utilize and improve the efficiency of the existing office space, this action will serve to expand the size of the Constituent Office to a total of 1,245

square feet and renew the lease agreement for a period of five years, with the option to renew for an additional five-year term with 90 days' notice.

ISSUE:

The existing lease term has expired and there is an immediate and continued need for the District 10 Constituent Office. This action will serve to ensure no interruption in the ability of Councilman Perry and his staff to conveniently meet with District 10 constituents to discuss issues important to the community.

ALTERNATIVES:

An alternative to exercising this lease renewal would be to search for a new lease space in the same geographic area which offers more favorable lease terms than the very favorable terms already secured. Additionally, the cost to relocate this office would likely negate any potential rent savings.

FISCAL IMPACT:

The monthly rent during the renewal term is as follows:

Term	Monthly Rent	Total Rent
Years 1-3	\$2,106.00	\$75,816.00
Years 4&5	\$2,176.75	\$52,290.00

There are sufficient funds in the FY 2022 General Fund Budget for the expenses related to this lease renewal. Funding for subsequent fiscal years is subject to City council approval of the annual budget.

The City will reimburse Catholic Life Insurance an amount not to exceed \$28,304.00 for the expansion of and improvements to the leased premises.

RECOMMENDATION:

Staff recommends approval of this ordinance authorizing the Second Renewal and Amendment to Lease Agreement with Catholic Life Insurance, for the expansion and continued use of the office space located at 1635 NE Loop 410, for an additional five years.