



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 18

Agenda Date: September 15, 2022

In Control: City Council A Session

DEPARTMENT: Center City Development & Operations

DEPARTMENT HEAD: John Jacks

COUNCIL DISTRICTS IMPACTED: District 2

SUBJECT:

First Renewal and Amendment to Lease Agreement - City Council District 2 Constituent Office

SUMMARY:

An ordinance authorizing the First Renewal and Amendment to Lease Agreement with Warfield 4, a Series of Warfield Properties, LLC, for the District 2 field office located at 4351 Rittiman Road. Through this amendment, the leased area will be expanded from 632 Sq. Ft. to approximately 1,892 Sq. Ft. of office space. The initial monthly rental amount will be \$1,875.00 during the first two years, escalating to \$1,989.19 monthly during the fifth and final year of the lease term. The City will also reimburse Warfield 4, a Series of Warfield Properties, LLC, an amount not to exceed \$178,284.00 for the expansion of the suite and related improvements to the leased premises.

BACKGROUND INFORMATION:

The City has been a tenant at this location since October 2017, for use as the District 2 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 1,892 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 180 days' notice. The City also has the option to terminate the lease with sixty days' notice.

ISSUE:

The existing lease term will expire on October 15, 2022, and there is an immediate and continued need for the District 2 Constituent Office. This action will ensure that Councilman McKee-Rodriguez and his staff continue to have a convenient field office at which to meet and discuss important issues with District 2 constituents.

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 – 2 | \$1,875.00 | \$45,000.00 |
| Years 3 – 4 | \$1,931.24 | \$46,349.76 |
| Year 5 | \$1,989.19 | \$23,870.28 |

There are sufficient funds in the FY 2023 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 Warfield 4, a Series of Warfield Properties, LLC, an amount not to exceed \$178,284.00 for the expansion and improvement of the leased premises.

RECOMMENDATION:

Staff recommends approval of this ordinance authorizing the First Renewal and Amendment to Lease Agreement with Warfield 4, a Series of Warfield Properties, LLC, for the expansion and continued use of the office space located at 4351 Rittiman Road, for an additional five years.