

AN ORDINANCE 2017-09-21-0685

AUTHORIZING THE EXECUTION OF THE THIRD RENEWAL OF LEASE AGREEMENT WITH SUSHI ZUSHI OF DOWNTOWN, LLC, FOR THE CONTINUED USE OF SPACE IN THE CITY OWNED PROPERTY KNOWN AS THE INTERNATIONAL CENTER, LOCATED AT 203 SOUTH ST. MARY'S STREET, SUITE 170, IN COUNCIL DISTRICT 1, FOR A TERM OF FIVE YEARS.

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


SECTION 1. The City Manager and her designee, severally, are authorized and directed to execute and deliver on behalf of the City an instrument in the form of **Attachment I**, which is incorporated for all purposes as if fully set forth. The City Manager and her designee, severally, should take all other actions conducive to effectuate the transaction, including agreeing to non-material changes to the approved form and executing and delivering ancillary documents and instruments conducive to effectuating the transaction.

SECTION 2: Funds generated by this ordinance will be deposited into Fund 11001000, Internal Order 219000000028 and General Ledger 4401110.

SECTION 3: The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance, may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 4. This Ordinance shall be effective immediately upon passage by eight or more affirmative votes; otherwise, it shall be effective on the tenth day after passage.

PASSED AND APPROVED this 21st day of September, 2017.



M A Y O R
Ron Nirenberg

Attest:



Leticia M. Vacek, City Clerk

Approved As To Form:



Andrew Segovia, City Attorney

For

Agenda Item:	21 (in consent vote: 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 16, 18A, 18B, 18C, 18D, 19, 20, 21, 22, 24A, 24B, 25, 26, 27, 28, 29, 30, 31, 32, 33, 35, 38, 40, 41, 42, 43, 44, 45, 47, 50A, 50B, 51B, 52A, 52B, 52C, 52D, 52E, 52F, 52G, 52H)						
Date:	09/21/2017						
Time:	09:45:52 AM						
Vote Type:	Motion to Approve						
Description:	An Ordinance authorizing the execution of the 3rd Renewal of Lease Agreement with Sushi Zushi of Downtown, LLC, for the continued use of space in the City-owned property known as the International Center, located at 203 South St. Mary's St. Suite 170, in City Council District 1, for a term of five years. [Lori Houston, Assistant City Manager; John Jacks, Director, Center City Development & Operations]						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ron Nirenberg	Mayor		x				
Roberto C. Treviño	District 1		x			x	
William Cruz Shaw	District 2		x				x
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4		x				
Shirley Gonzales	District 5	x					
Greg Brockhouse	District 6		x				
Ana E. Sandoval	District 7		x				
Manny Pelaez	District 8	x					
John Courage	District 9		x				
Clayton H. Perry	District 10		x				

JH
09/21/2017
Item No. 21

Attachment I

3rd Renewal of Lease Agreement

(Sushi Zushi)

This 3rd Renewal of Lease Agreement is between Tenant and the City of San Antonio ("Landlord"), pursuant to the Ordinance Authorizing 3rd Renewal.

1. Identifying Information.

Ordinance Authorizing 3rd Renewal:

Tenant: Sushi Zushi of Downtown, LLC

Tenant's Address: International Center Building, 203 S. St. Mary's Street, Suite 170, San Antonio, Texas 78205

Lease: Lease Agreement—Retail Space (International Center—Sushi Zushi of Downtown, LLC) pertaining to 2,000 square feet of gross leaseable floor area and additional sidewalk space at the International Center, 203 S. St. Mary's St., San Antonio, Bexar County, Texas

Ordinance Authorizing Original Lease: 95656, April 25, 2002

Ordinance Authorizing 1st Renewal: 2007-09-20-1004

Ordinance Authorizing 2nd Renewal: 2012-12-06-0925

Beginning of Renewal Term: October 1, 2017

Expiration of Renewal Term: September 30, 2022

2. Defined Terms.

All terms used in this instrument and not otherwise defined herein but defined in the Lease or any previous amendment to it have the meanings previously ascribed to them.

3. Renewal.

The term of the lease is extended from the Beginning of Renewal Term through and including the Expiration of Renewal Term. Tenant may renew this Lease for one additional 5-year term (the Optional Renewal Term) by giving Landlord 180-days' prior written notice before the expiration of the previous term. Rent under the Renewal Term and Optional Renewal Term shall be as described in Section 4. If Tenant chooses not to enter into an agreement for the Optional

Renewal Term, then Tenant must vacate the Premises no later than the Expiration of Renewal Term.

4. Rent.

Rent during the Renewal Term shall be as follows:

Year	Rate per S.F.	Monthly Rent	Annual Rent
Year 1	\$29.44	\$4,906.67	\$58,880.04
Year 2	\$29.88	\$4,980.00	\$59,760.00
Year 3	\$30.33	\$5,055.00	\$60,660.00
Year 4	\$30.78	\$5,130.00	\$61,560.00
Year 5	\$31.24	\$5,206.67	\$62,480.04

Rent during the Optional Renewal Term shall be as follows:

Year	Rate per S.F.	Monthly Rent	Annual Rent
Year 1	\$31.71	\$5,285.00	\$63,420.00
Year 2	\$32.19	\$5,365.00	\$64,380.00
Year 3	\$32.67	\$5,445.00	\$65,340.00
Year 4	\$33.16	\$5,526.67	\$66,320.04
Year 5	\$33.66	\$5,610.00	\$67,320.00

5. Grease Trap System Maintenance.

Tenant, at Tenant's sole cost and expense, must facilitate the pumping, skimming and maintenance of the grease trap system (hereinafter, grease trap maintenance) that services the Leased Premises, at intervals of not less than every sixty (60) days, and must complete the first grease trap maintenance no later than October 31, 2017. Tenant must provide Landlord copies of the itemized grease trap maintenance service invoices that are provided to Tenant by the company/companies that performed the grease trap maintenance, not less than every sixty (60) days, as proof that the required grease trap maintenance has been timely completed. In the event that Tenant does not provide Landlord the aforementioned grease trap maintenance service invoices at the required intervals, then Tenant is solely responsible for all costs associated with the replacement of the grease trap pump and/or all other components needed to repair the grease trap system to a fully operational condition. At the time of a partial or total failure of the grease trap system, or any of its components, if the required grease trap maintenance service invoices have not timely been provided to Landlord by Tenant, then Tenant, at Tenant's sole cost and expense, must restore the grease trap system to its fully operational condition no later than twenty four (24) hours after the grease trap system or component failure has been identified by the grease trap maintenance service company that diagnosed the problem with or failure of any component of the grease trap system. In the event Tenant fails to restore the grease trap to working order within said 24 hours period, then Landlord at its option can make the repairs itself and charge Tenant as rent the costs incurred to repair the grease trap including a 25% premium to cover Landlord's fixed costs for administration of the repair. Tenant's failure to reimburse

Landlord's costs, including the 25% premium, within 30 days of receipt of Landlord's invoice will be considered default as provided in the Lease for events of default pertaining to payment of rent. Tenant must inform Landlord immediately of all grease trap system failures or problems of any kind, by contacting the Landlord by phone and email correspondence.

6. No Default.

Neither Landlord 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 this renewal.

7. Same Terms and Conditions.

This renewal instrument is a fully integrated statement of the modifications to the Lease. Except as expressly modified by this renewal, the Lease remains a comprehensive statement of the rights and obligations of Landlord and Tenant. Landlord and Tenant reaffirm the Lease as modified by this agreement. Landlord and Tenant reaffirm the Lease as modified by this agreement and represent to each other that no written right or obligation of either party has been waived such that it would impair exercise of the right or enforcement of the obligation on a future occasion.

8. Conflicts Between Numbers Stated Multiple Ways.

Whenever there is a conflict between numbers stated more than one way, either by using both words and numerals or by stating a fixed amount and a calculation, the highest number controls.

9. Public Information.

Tenant 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. Nothing in this agreement waives an otherwise applicable exception to disclosure.

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

Landlord

Tenant

City of San Antonio, a Texas municipal corporation

Sushi Zushi of Downtown, LLC, a Texas limited liability corporation

By: _____

By:  _____

Printed Name: _____

Printed Name: Alfonso Tomita

Title: _____

Title: Managing Member

Date: _____

Date: 8-10-2017

Attest:

City Clerk

Approved as to Form:

City Attorney