

ORDINANCE 2018-05-31-0394

AMENDING A LEASE WITH FREE TRADE ALLIANCE SAN ANTONIO DUE TO ITS INTEGRATION WITH THE SAN ANTONIO ECONOMIC DEVELOPMENT FOUNDATION, REDUCING THE LEASED SPACE TO 2,824 SQUARE FEET FOR AN INITIAL ANNUAL RENT OF \$36,846.96 AND INCREASING TO \$37,581.00 DURING THE FINAL YEAR OF THE TERM.

* * * * *

WHEREAS, the City of San Antonio entered into a Lease Agreement with Free Trade Alliance San Antonio (Free Trade Alliance) in December of 2003 and, pursuant to Ordinance No. 2014-09-18-0703, subsequently renewed and amended the Lease to expire on September 30, 2019, with a right to renew for an additional five years; and

WHEREAS, Free Trade Alliance San Antonio and the San Antonio Economic Development Foundation (EDF) have merged and will continue to promote the development of international commerce and trade in San Antonio; and

WHEREAS, as a result of this streamline and focus of efforts, staff formerly employed by Free Trade Alliance have been absorbed into EDF, have relocated into space already occupied by EDF, and a portion of the space formerly occupied by Free Trade Alliance is now surplus to the needs of the reconfigured EDF; and

WHEREAS, this ordinance will reduce the leased area from 6,100 square feet to 2,824 square feet and reduce the monthly rent reflecting the commensurate reduction of square feet occupied at the same rental rate per square foot as established by City Council on September 18, 2014; and

WHEREAS, this action reduces the occupancy to a size appropriate for the EDF effort and recognizes that EDF is the tenant in possession of the office space retained; **NOW THEREFORE:**

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 a lease amendment with the San Antonio Economic Development Foundation. The lease amendment is attached hereto and incorporated herein for all purposes as **Exhibit I**.

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

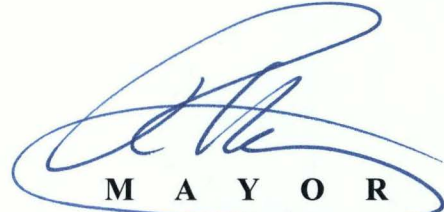
SECTION 3. The financial allocations in this ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers,

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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 is effective immediately upon passage by eight affirmative votes; otherwise it is effective on the tenth day after passage.

PASSED and APPROVED this 31st day of May, 2018.



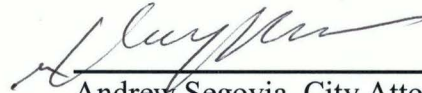
M A Y O R
Ron Nirenberg

ATTEST:



Lenica M. Vacek, City Clerk

APPROVED AS TO FORM:



Andrew Segovia, City Attorney

Agenda Item:	15 (in consent vote: 4, 6, 7, 8, 9, 10, 12, 13A, 13B, 14, 15, 16, 18, 19, 20, 21, 22, 23, 27)						
Date:	05/31/2018						
Time:	09:52:18 AM						
Vote Type:	Motion to Approve						
Description:	Ordinance amending a lease with Free Trade Alliance San Antonio, assigning the lease to the San Antonio Economic Development Foundation, reducing the leased space to 2,824 square feet for an initial annual rent of \$36,846.96 and increasing to \$37,581.00 during the final year of the term. Amendment stems from Free Trade Alliance San Antonio integration with San Antonio Economic Development Foundation. [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				
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			x	
Clayton H. Perry	District 10		x				

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Exhibit I

Amendment of Lease Agreement
(San Antonio Economic Development Foundation)

This Amendment of Lease Agreement is between Tenant and the City of San Antonio ("Landlord"), pursuant to the Ordinance authorizing amendment.

Whereas, Tenant and Landlord entered into a Lease Agreement in December of 2003 and subsequently renewed and amended the Agreement to expire on September 30, 2019, with a right to renew for an additional five years pursuant to the terms in the Lease Agreement; and

Whereas, Free Trade Alliance San Antonio is integrating with the San Antonio Economic Development Foundation; and

Whereas, Tenant and Landlord believe it is in the best interest of Parties to reduce the leased area from 6,100 square feet to 2,824 square feet; and

Whereas, in accordance with permitted use of the Lease Agreement, the San Antonio Economic Development Foundation will use the office space to support promotion of international commerce and trade in San Antonio under the same terms and conditions unless agreed otherwise in this Amendment of Lease Agreement; and

Now Therefore, in consideration of the mutual covenants and agreements stated herein, the Parties agree as follows:

1. Basic Information, Definitions.

Authorizing Ordinance: _____

Landlord: City of San Antonio

Landlord's Address: P.O. Box 839966, San Antonio, Texas 78283-3966
(Attention: Center City Development & Operations Department)

Tenant: San Antonio Economic Development Foundation,
successor in interest to Free Trade Alliance San Antonio

Tenant's Address: 112 East Pecan Street, Suite 2635
San Antonio, TX 78205

Premises: 203 S. St. Mary's St., San Antonio, Texas 78205. Total 2,824 rentable square feet comprising Area "A" (commonly known as Suite 130) as depicted on the attached floor plan, **Exhibit A**.

Permitted Use: The Permitted Use is limited exclusively to office use to support promotion of international commerce and trade in San Antonio. No other use is permitted.

Commencement Date: Binding upon the parties upon approval by the City Council of this Amendment of Lease Agreement with an effective date of June 1, 2018.

2. Defined Terms.

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

3. Premises.

3.01. Article I. Demise of Premises, Section 1.1 is hereby deleted in its entirety and the following is inserted in its place:

1.1 Premises is defined as 2,824 rentable square feet comprising Area "A" (commonly known as Suite 130) as depicted on the attached floor plan, **Exhibit A**, in the building commonly known as the International Center Building located at 203 South St. Mary's Street, San Antonio, Texas.

3.02. The following new section 1.3 is hereby added to Article I. Demise of Premises:

1.3 Prior to said effective date Tenant shall remove all furniture, fixtures and equipment from the portion of the 6,100 rentable square feet no longer to be occupied by Tenant (Vacated Space), with any FFE remaining in the Vacated Space as of May 28, 2018, becoming the property of the City of San Antonio. Furthermore, at its sole cost and expense, Tenant shall remove from the Vacated Space any signage, placards or other identifying materials, and repair all damaged walls.

4. Rent.

4.01. Based on 2,824 rentable square feet, the table in Article V. Rent, Section 5.1, is deleted in its entirety and replaced with the following:

Term	Annual Rate per Rentable SF	Monthly Rent
June 1, 2018 - September 30, 2018	\$6.98	\$1,642.01
October 1, 2018 - December 31, 2018	\$7.24	\$1,703.18
January 1, 2019 - September 30, 2019	\$13.31	\$3,131.75

4.02. The table in Article V. Rent, Section 5.3, is deleted in its entirety and replaced with the following:

Term	Annual Rate per Rentable SF	Monthly Rent
October 1, 2019 - September 30, 2020	\$13.58	\$3,195.28
October 1, 2020 - September 30, 2021	\$13.85	\$3,258.81
October 1, 2021 - September 30, 2022	\$14.13	\$3,324.69
October 1, 2022 - September 30, 2023	\$14.41	\$3,390.58
October 1, 2023 - September 30, 2024	\$14.70	\$3,458.81

4.03. The following new section 5.5 is added to Article V. Rent:

5.5 The rental amounts stated in the table above reflect a \$1,428.57 monthly rent credit from June 1, 2018 through December 31, 2018 as payment from Landlord to Tenant for the audio visual equipment and Smartboard with all associated cables and remote controls, refrigerator, dishwasher, ice maker, microwave, conference room table and 18 chairs (and chair dolly) currently located in the Vacated Space.

5. Assignment and Subleasing.

5.01. As provided in Article XXIII, Assignment and Subletting, Section 23.1, Tenant may not assign the Lease Agreement.

5.02. Tenant may sublet subject to the terms and conditions as set forth in the Lease Agreement in Article XXIII, Assignment and Subletting. In Section 23.2 of this Article, the total rentable square feet is hereby revised by replacing 3,050 with 2,824 throughout the section.

6. Miscellaneous.

6.01. *Applicable Law.* This Agreement is entered into in San Antonio, Bexar County, State of Texas. **Its Construction And The Rights, Remedies, And Obligations Arising Under It Are Governed by The Laws of The State Of Texas.** Both parties' obligations under this agreement are performable in San Antonio, Bexar County, Texas, and venue for any action arising under this agreement is only in Bexar County, Texas.

6.02. *Severability.* If any part of this agreement is found invalid or unenforceable, the finding does not affect the remainder.

6.03. *Successors.* This Agreement inures to the benefit of and binds the heirs, representatives, successors, and permitted assigns of each party. This clause does not authorize any assignment not otherwise authorized.

6.04. *Integration.* **This Written Agreement Represents The Final Agreement Between The Parties And May Not Be Contradicted By Evidence Of Prior, Contemporaneous, Or Subsequent Oral Agreements Of The Parties. There Are No Oral Agreements Between The Parties.**

6.05. *Counterparts.* This Agreement may be executed in multiple counterparts, each of which is an original, whether or not all parties sign the same document. Regardless of their number, counterparts constitute only one agreement. In making proof of this agreement, one need not produce or account for more counterparts than necessary to show execution by or on behalf of all parties.

6.06. *Incorporation of Exhibits.* All exhibits to this Lease are incorporated into it for all purposes as if fully set forth.

6.07. *Non-Discrimination.* Tenant understands and agrees to comply with the *Non-Discrimination Policy* of the City of San Antonio contained in Chapter 2, Article X of the City Code and further, shall not discriminate in its operations under this lease agreement on the basis of race, color, religion, national origin, sex, sexual orientation, gender identity, veteran status, age or disability, unless exempted by state or federal law, or as otherwise established herein.

7. 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.

8. Terms and Conditions.

All other terms, conditions, covenants and provisions of the Lease Agreement are hereby continued and shall remain in effect in their original form, except for the provisions modified by this Amendment of Lease Agreement.

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

Landlord:

City of San Antonio, a Texas municipal corporation

Signature

Name

Title

Date

Attest:

City Clerk

Approved as to Form:

City Attorney

Tenant:

San Antonio Economic Development Foundation, a Texas nonprofit corporation

C. Lara

Signature

Carmen Lara

Name

Chief Administrative Officer

Title

05/14/18

Date

Exhibit A: Depiction of Lease Premises

