

**City of San Antonio**

**Center City Development Office**

**Interdepartmental Correspondence Sheet**

TO: Carlos Contreras, Assistant City Manager

FROM: Lori Houston, Director, Center City Development Office

SUBJECT: Funding Agreement and Lease Amendments with ACCD for the Good Samaritan / VOTC Project

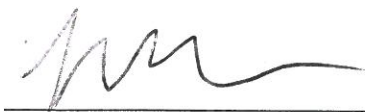
DATE: February 19, 2013

Attached for your signature are the Amendments to Funding Agreement and to the Lease for the Good Samaritan / Veterans Outreach and Transition Center project with Alamo Community College District. The Amendments were authorized by City Council on February 14, 2013 pursuant to Ordinance 2013-02-14-0112.

The Amendment to the Funding Agreement is to provide additional funding to ACCD to complete the renovation of the former Good Samaritan Hospital building in the amount of \$1,167,679.00 for a total funding agreement of \$2,767,679.00. Funds for this amendment are available from the FY 2013 General Fund Inner City Incentive budget in the amount of \$167,679.00 and from previously approved Housing and Urban Development (HUD) Section 108 funds allocated for Eastside Redevelopment Projects in City Council District 2 in the amount of \$1,000,000.00. The Amendment to the Lease is to include five surrounding lots, which the City either has acquired or is in the final processes of acquiring, with the leased premises at the Good Samaritan Hospital building and lot at 1602 Dakota. The additional lots will be for immediate use for construction staging and demolition, and once construction is completed, for parking access to the VOTC. The original Funding Agreement, Lease, and real estate acquisitions were authorized by Ordinances 2011-12-15-1022, 2011-12-15-1023, 2011-12-15-1024.

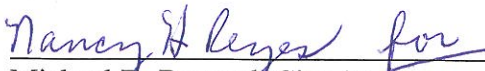
Once the building is renovated, St. Philip's College will operate their Veterans Outreach and Transition Center from the location, providing services to veterans in the region.

Please call me at 207-2210, if you have any questions or require additional information.



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Lori Houston, Director  
Center City Development Office



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Michael D. Bernard, City Attorney  
City Attorney's Office

# First Amendment to Funding Agreement

Good Samaritan/Veteran's Outreach Transition Center - 1602 Dakota Street

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This First Amendment to Funding Agreement is entered into between Alamo Community College District ("ACCD") and the City of San Antonio ("CITY"), to be effective as of the last date signed below, which amendment is being entered into by the parties in consideration of additional funding to be provided by the City to Alamo Community College District for the Project.

## 1. Identifying Information.

**Authorizing Ordinance:** 2013-02-14-0112

**Grantee:** Alamo Community College District, a political subdivision of the State of Texas, acting by and through its Board of Trustees

**Grantee's Address:** 201 West Sheridan  
San Antonio, Texas 78240-1429

**Funding Agreement:** Funding Agreement – Good Samaritan – 1602 Dakota Street,  
January 11, 2012

**Ordinance Authorizing  
Original Funding  
Agreement:** 2011-12-15-1023

## 2. Defined Terms.

All terms defined in the Funding Agreement and not otherwise defined in this amendment, when used in this amendment, have the meanings ascribed to them in the Funding Agreement.

## 3. Amendments to Funding Agreement, Article III, Milestones.

*Article III, Milestones is amended to read as follows:*

**Section 3.01 Feasibility Milestones.** By July 31, 2013, ACCD will prepare the Master Plan for the Building, the Schedule, the Operating Manifest, and Operating Budget and shall determine the Quality Standard and obtain the CITY's approval thereof.

**Section 3.02 Commencement of Construction.** The Construction Commencement Date shall occur not later than September 3, 2013, and ACCD shall provide the Certificate of Commencement of Construction to the CITY on or before such date. The Certificate of

Commencement of Construction form is attached as Exhibit B hereto and incorporated herein for all purposes.

**Section 3.03 Capital Budget.** ACCD will prepare and the CITY will approve the Capital Budget for the Building.

**Section 3.04 Substantial Completion.** Subject to Force Majeure Events, as provided in Section 18.01, ACCD shall cause the Substantial Completion of the Project not later than the Scheduled Completion Date of August 29, 2014, and to evidence and confirm such Substantial Completion, ACCD shall deliver to the CITY a certificate of substantial completion for the Project in the form set forth in Exhibit C attached hereto and incorporated herein.

**Section 3.05 Preconstruction Milestones.** Not later than the date specified herein, or if no date is specified, not later than September 3, 2013:

- A. Completion of Final Plans. Not later than February 28, 2013, ACCD shall complete and submit to the CITY and obtain the CITY's approval of the Final Plans for the Project.
- B. Pre-Construction Consultation. Prior to awarding any Construction Contracts for the Project, ACCD shall cause the completion of a Phase 1 environmental analysis of the Property, shall submit the Plans and Specifications to the CITY's Historic Design and Review Commission (at the meeting of which CITY agrees to send representatives to appear in support of approving the Project substantially as submitted), obtain preliminary CITY review of the Plans and Specifications, and solicit proposals from prospective General Contractors for the Project. ACCD shall thereafter, either prior to selecting a General Contractor or, at its election, thereafter but prior to the CITY issuing a building permit for the Project, meet with the CITY Representative to determine whether the Project as specified in the Plans and Specifications, as they may have been revised by interaction with the CITY, can reasonably be expected to be completed, including comprehensive completion bonding and a contingency reserve of approximately ten percent (10%) of the costs of the proposal of ACCD's intended General Contractor, without total Project Costs exceeding the amount of the CITY Contribution. If ACCD reasonably expects that the Project cannot be completed without total Project Costs exceeding the amount of the CITY Contribution, then unless the parties renegotiate the Plans and Specifications and the Capital Budget to reduce total Project Costs, or the City determines, in its absolute discretion, and subject to CITY Council approval, to increase the amount of the CITY Contribution, or both, with the result that anticipated total Project Costs will not exceed the amount of the CITY Contribution, then neither party shall be under any obligation to proceed further, nor will either party have any liability to the other by reason thereof or otherwise under this Funding Agreement.

- C. Construction Contracts. ACCD shall provide a copy of each of the Construction Contracts for all Work, services, and purchase orders for all materials to be supplied for construction of the Project to the CITY at least ten (10) Business Days following the execution of a Construction Contract or purchase order, with all Construction Contracts required to be furnished to the CITY on or before September 3, 2013.
- D. Operating Budget. ACCD shall provide the CITY with a final Operating Budget projecting the anticipated income and expenses on a five (5) year rolling budget. The Operating Budget shall demonstrate that ACCD can operate the Building on a fiscally sound basis.
- E. Operating Reserve. The Operating Budget will include an Operating Reserve to cover operating deficits. ACCD's Contribution will include the Operating Reserve.
- F. Development Plan. Not later than September 3, 2013, ACCD shall prepare and submit to the CITY the Development Plan for the Project.
- G. Completion of Preconstruction Milestones. ACCD shall not proceed with commencement of construction of the Project until all Preconstruction Milestones have been fully satisfied.

**Section 3.06** Extensions. The CITY may extend the time for performance of any target date, scheduled date, Deadline or Milestone appearing anywhere in this Funding Agreement. All milestones and deadlines set forth in this Agreement shall be adjusted forward if CITY does not put ACCD in possession of the Property by September 3, 2013, or if the CITY's Historical Design and Review Commission delays the Project by postponing a hearing, requiring a second hearing or requiring a substantial revision of the Plans and Specifications. Any such delay shall postpone all such milestones and deadlines by the amount of the delay.

#### **4. Amendments to Funding Agreement, Article IV, Development of the Project.**

*Sections 4.04 and 4.05 of Article IV, Development of the Project, are amended to read as follows:*

**Section 4.04** Operation of the Project. The Building will remain open to the public after the Work is completed. By August 29, 2014, ACCD shall develop an Operating Manifest and submit it to the CITY for approval. ACCD shall operate the Building according to the Operating Manifest.

**Section 4.05** Completion of Project. By August 29, 2014, ACCD shall have completed the renovation of the entire Building according to the Master Plan and Quality Standard, but delay in completion shall not constitute a default until the date specified at Section 15.03Q hereof.

## **5. Amendments to Funding Agreement, Article VI, Construction of the Project.**

*Section 6.02.B of Article VI, Construction of the Project, is amended to read as follows:*

### **Section 6.02 Capital Budget.**

- A. Attached hereto as Exhibit F is the Preliminary Capital Budget for the Project.
- B. No later than September 3, 2013, ACCD will deliver the final Capital Budget for the Project to the CITY for review and approval, which will be based upon the Master Plan.
- C. The Parties have agreed that any expenses of any nature on the Project will be the obligation of the CITY, subject to the amount of the CITY Contribution. The costs of any extended maintenance contracts are not included in the Capital Budget and are the obligation of ACCD under the CITY Lease.

## **5. Amendments to Funding Agreement, Article IX, Financing of the Project.**

*Section 9.02 of Article IX, Financing of the Project, is amended to read as follows:*

**Section 9.02 The CITY Contribution.** The CITY will obtain and secure up to TWO MILLION SEVEN HUNDRED SIXTY-SEVEN THOUSAND, SIX HUNDRED SEVENTY-NINE AND ZERO/HUNDRED DOLLARS (\$2,767,679.00) for the Capital Budget, to be made when and in the amounts needed to fund the CITY Contribution, which will be funded through the issuance of certificates of obligation or from any other legally available funds of the CITY which the CITY decides to use. In the event construction and/or renovation costs exceed the CITY Contribution, the CITY may, in its sole discretion and with City Council approval, either (1) authorize additional funds as needed; or (2) consider, and approve, reasonable change(s) in the scope of the Project to ensure completion within the amount of the CITY Contribution. Notwithstanding the foregoing, once CITY has completed all real estate acquisitions for the Project, and to the extent funds remain available from the original sum of \$2,000,000.00 which City Council authorized for this Funding Agreement and for real estate acquisition costs under Ordinance 2011-12-15-1023, then CITY shall add said funds to the CITY Contribution. Under no circumstances will this Agreement be construed to obligate ACCD to pay any funds for the Project.

## **6. Amendments to Funding Agreement, Article XV, Termination Events, Events of Default, and Remedies.**

*Section 15.03.Q of Article XV, Termination Events, Events of Default, and Remedies, is amended to read as follows:*

**Section 15.03 Events of Default.** Each of the following will be an Event of Default: ...

- Q. The failure of ACCD to complete the entire Project by August 29, 2014, unless caused by the CITY's issuance of a Change Order that cannot be implemented without total Project Costs exceeding the amount of the CITY Contribution.

## **7. Amendments to Exhibit A, Definitions.**

*The definitions of "CITY Contribution" and "Scheduled Completion Date" are amended to read as follows:*

**"CITY Contribution"** means the funding of \$2,767,679.00 by the City under the terms of this Funding Agreement. In the event construction and/or renovation costs exceed the CITY Contribution, the CITY may, in its sole discretion and with City Council approval, either (1) authorize additional funds as needed; or (2) consider, and approve, reasonable change(s) in the scope of the Project to ensure completion within the amount of the CITY Contribution. Notwithstanding the foregoing, once CITY has completed all real estate acquisitions for the Project, and to the extent funds remain available from the original sum of \$2,000,000.00 which City Council authorized for this Funding Agreement and for real estate acquisition costs under Ordinance 2011-12-15-1023, then CITY shall add said funds to the CITY Contribution. Under no terms will this Funding Agreement be construed to obligate ACCD to pay any funds for the Project.

**"Scheduled Completion Date"** means August 29, 2014.

## **8. No Default.**

Neither party is in default under the Funding Agreement and neither party is aware of a cause of action against the other arising out of or relating to the period before the effective date of this amendment.

## **9. Same Terms and Conditions.**

This amendment is a fully integrated expression of the changes the parties intend to make to the Funding Agreement. The parties acknowledge that, except as expressly set forth in this amendment, the Funding Agreement remains in full force and effect according to its terms, and the parties reaffirm the obligations thereof. Both parties are bound thereby. Neither party is in default under the Funding Agreement as amended. There have been no amendments or other modifications to the Funding Agreement except as expressly described in this amendment.

**10. Public Information.**

The parties acknowledge 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.

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

**City of San Antonio**, a Texas municipal corporation

Signature: *Carlos J. Contreras*

Printed Name: CARLOS J. CONTRERAS, IA

Title: Assistant City Manager

Date: 2/20/13

**Alamo Colleges**, a political subdivision of the State of Texas, acting by and through its Board of Trustees

Signature: *John W. Strybos*

Printed Name: John W. Strybos

Title: Associate Vice Chancellor of Facilities & Construction Mgt

Date: 2/14/2013

**Attest:**

*Leticia Vard*  
City Clerk



**Approved as to Form:**

*Nancy H. Leys for Michael Bernard*  
City Attorney

# First Amendment to Lease Agreement

Good Samaritan/Veteran's Outreach Transition Center - 1602 Dakota Street

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This First Amendment to Lease Agreement is entered into between Tenant and the City of San Antonio (Landlord), to be effective as of the last date signed below.

## 1. Identifying Information.

**Authorizing Ordinance:** 2013-~~02-14~~-~~0112~~

**Tenant:** Alamo Colleges, a political subdivision of the State of Texas, acting by and through its Board of Trustees

**Tenant's Address:** 201 West Sheridan  
San Antonio, Texas 78240-1429

**Lease:** Lease – Good Samaritan – 1602 Dakota Street, December 15, 2011

**Ordinance Authorizing Original Lease:** 2011-12-15-1024

## 2. Defined Terms.

All terms defined in the Lease and not otherwise defined in this amendment, when used in this amendment, have the meanings ascribed to them in the Lease.

## 3. Amendments to Defined Terms.

The following Defined Terms in the Lease are amended to read as follows:

**Premises:** Structure and lot at 1602 Dakota Street, San Antonio, Texas 78203; and  
1520 Dakota Street, NCB 1509, Lot 12, Blk 9;  
1604 Dakota Street, NCB 1508, Blk 8, Lot 2A;  
1610 Dakota Street, NCB 1508, Blk 8, Lot 3A;  
208 Connelly Street, NCB 1508, Blk 8, Lot 7A;  
120 Connelly Street, NCB 1495, Blk 3, Lot 15 (all of the foregoing shall be the "Premises", as more particularly described in the attached **Exhibit A**).

**Permitted Use:** Immediate use of Premises at 1602 Dakota Street for interior demolition and construction of improvements to building for eventual use as Veteran's Outreach and Transition Center program to be operated by St. Philip's



College of Alamo Colleges, which program is more specifically described in the attached **Exhibit B**. Immediate use of 1520 Dakota Street, 1604 Dakota Street, 1610 Dakota Street, 208 Connelly Street, and 120 Connelly Street for construction staging and related activities for renovations to 1602 Dakota Street, including demolition of City-owned structures at 1604 Dakota and 1610 Dakota for access to the structure and construction site at 1602 Dakota Street, and for eventual use as parking for staff, students, faculty, visitors, and public access to the Veteran's Outreach and Transition Center program.

#### **4. Exhibit A.**

**Exhibit A** is revised as attached hereto.

#### **5. 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 the date of Landlord's signature on this amendment.

#### **6. Same Terms and Conditions.**

This amendment is a fully integrated expression of the changes the parties intend to make to the Lease, as previously amended. The parties acknowledge that, except as expressly set forth in this amendment, the Lease as previously amended remains in full force and effect according to its terms, and the parties reaffirm the obligations thereof. Both Landlord and Tenant are bound thereby. Neither party is in default under the Lease as amended. There have been no amendments or other modifications to the Lease except as expressly described in this amendment.

#### **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.

*[Signature page follows]*

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

**Landlord**

**Tenant**

City of San Antonio, a Texas municipal corporation

Alamo Colleges, a political subdivision of the State of Texas, acting by and through its Board of Trustees

Signature: *Carlos J. Contreras*

Signature: *John W. Strybos*

Printed Name: Carlos J. Contreras

Printed Name: John W. Strybos

Title: Assistant City Manager

Title: Associate Vice Chancellor of Facilities

Date: 2/20/13

Date: 2/11/2013

Attest:

*Leticia Vial*  
City Clerk



Approved as to Form:

*Nancy Reyes for Michael Bernard*  
City Attorney

## Exhibit A

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### Legal Description of Premises:

Lot 1, Block 8, New City Block 1508, in the City of San Antonio, Bexar County, Texas, commonly known as 1602 Dakota Street, San Antonio, Bexar County, Texas 78203;

1520 Dakota Street, NCB 1509, Lot 12, Blk 9;

1604 Dakota Street, NCB 1508, Blk 8, Lot 2A;

1610 Dakota Street, NCB 1508, Blk 8, Lot 3A;

208 Connelly Street, NCB 1508, Blk 8, Lot 7A;

120 Connelly Street, NCB 1495, Blk 3, Lot 15.