

AN ORDINANCE 2017-06-15-0438

AUTHORIZING THE EXECUTION OF A FIVE YEAR LEASE RENEWAL AGREEMENT WITH OMNINET CENTERVIEW, LP, FOR USE OF A 6,208 SQUARE FOOT PORTION OF A BUILDING LOCATED AT 4335 WEST PIEDRAS DRIVE FOR THE PURPOSES OF PROVIDING OFFICE SPACE FOR THE SOLID WASTE MANAGEMENT DEPARTMENT AT THE MONTHLY RENTAL RATE OF \$9,053.00 IN THE FIRST YEAR, INCREASING TO \$10,088.00 IN THE FIFTH AND FINAL YEAR OF THE RENEWAL TERM.

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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 substantially 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. Funding in the amount of \$60,963.00 for this ordinance is available in Fund 55001000, Cost Center 5501010001 and General Ledger 5206010 as part of the Fiscal Year 2017 and subsequent budgets that fall within the term period of this contract approved by City Council.

SECTION 3. Payment not to exceed the budgeted amount is authorized Omninet Centerview, LP, and should be encumbered with a purchase order. All expenditures will comply with the approved operating budget for current and future fiscal years.

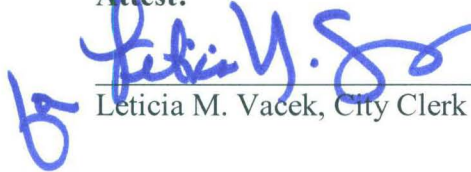
SECTION 4. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, 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 5. 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 15th day of June, 2017.


M A Y O R
Ivy R. Taylor

Attest:


Leticia M. Vacek, City Clerk

Approved As To Form:


Andrew Segovia, City Attorney

Agenda Item:	11A (in consent vote: 4, 5, 6, 7, 9, 10, 11A, 11B, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 35A, 35B)						
Date:	06/15/2017						
Time:	09:32:16 AM						
Vote Type:	Motion to Approve						
Description:	An Ordinance authorizing the execution of a five-year lease renewal agreement with Omninet Centerview, LP for use of 6,208 square foot portion of a building located at 4335 West Piedras Street for the purposes of providing office space for the Solid Waste Management Department at the monthly rental rate of \$9,053.00 in the first year increasing to \$10,088.00 in the fifth and final year of the renewal term.						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ivy R. Taylor	Mayor		x				
Roberto C. Treviño	District 1		x			x	
Alan Warrick	District 2		x				
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4		x				
Shirley Gonzales	District 5		x				
Ray Lopez	District 6		x				
Ana E. Sandoval	District 7		x				
Ron Nirenberg	District 8		x				
Joe Krier	District 9		x				
Michael Gallagher	District 10		x				x

1st Renewal and Amendment to Lease Agreement

(4335 Piedras- Solid Waste Department)

This 1st Renewal to Lease Agreement is entered into between Landlord and Tenant.

1. Identifying Information.

Ordinance Authorizing 1st Renewal:

Landlord: Omninet Centerview, LP, a Delaware LP

Landlord's Address: 9420 Wilshire Blvd, Suite 400
Beverly Hills, California 90212

Tenant: City of San Antonio

Tenant's Address: P.O. Box 829966, San Antonio, Texas 78283-3966

Lease: Approximately 6,163 square feet, (as amended and restated to be 6,208 rentable square feet pursuant to Section 7 herein) consisting of Suite 200 of the Lamar Office Building, 4335 Piedras Drive W., San Antonio, Bexar County, Texas

**Ordinance Authorizing
Original Lease:** 2012-04-05-0244

1st Renewal: Renews the lease agreement for a period of 5 years.

**Beginning of Renewal
Term:** August 1, 2017

**Expiration of Renewal
Term:** July 31, 2022

2. Defined Terms.

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

3. Term and Early Termination.

3.01. The 1st Renewal Term will begin on August 1, 2017, and will consist of a five (5) year term, subject to early termination by Tenant as described in Section 3.02.

3.02. Landlord will provide to Tenant a one-time right to terminate at any time between July 31, 2020 and July 31, 2021 provided Tenant gives no less than (120) days prior written notice and pays to Landlord, on or before the date the Lease will terminate, a fee calculated pursuant to Section 6.02 below.

4. Rent.

Tenant shall pay monthly rent for the five (5) year term of this renewal at the rates listed below:

Year	Base Monthly Rent
August 1, 2017 – July 31, 2018	\$9,053.00
August 1, 2018 – July 31, 2019	\$9,312.00
August 1, 2019 – July 31, 2020	\$9,571.00
August 1, 2020 – July 31, 2021	\$9,829.00
August 1, 2021 – July 31, 2022	\$10,088.00

5. Operating Expenses.

Rental rates in Section 4 herein shall include all base year operating expenses as described in the Lease. The base year for related calculations is amended to reflect calendar year 2017. As a result, Landlord may not pass through any expenses related to Additional Rent as provided in Sections 3.02.01 and 3.02.02 of the Lease until January 1, 2019, which would be retroactively based on statements Landlord must provide to Tenant in writing no later than March 30, 2019 for the costs accrued, if any, during calendar year 2018 and then annually thereafter based on these calendar dates adjusted to reflect the year in which they occur during the Renewal Term.

6. Tenant Improvements.

6.01. Landlord shall provide Tenant an improvement allowance of up to \$61,630.00. Tenant may allocate and spend the allowance as it deems appropriate on the premises covered by this Lease, or the premises covered by the Lease by and between Landlord and Tenant for Suite 100 in the Burnet Building. The Tenant shall have until July 31, 2018 to expend this allowance and upon the earlier of (i) the date Tenant confirms that all expenditures against the allowance have been accounted for or (ii) August 31, 2018, Landlord and Tenant shall execute a document confirming the total amount expended which shall then be the basis for calculating the payment due Landlord as provided below in the event that Tenant exercises its right to terminate this Lease pursuant to Section 3.02 herein.

6.02. Should Tenant exercise the early termination provision in Section 3 herein, Tenant will then be responsible for the payment of any balance remaining for unamortized Tenant Improvements over a term of 60 months and unamortized commissions over a term of the first forty-four (44) months, both at an interest rate of 5%. The cost expended by Landlord for Tenant Improvements and commissions shall be memorialized by the parties in a document similar in format to the Initial Cost Memorandum attached hereto as Exhibit A.

7. Premises.

Landlord has re-measured the building and determined that the correct premises size is 6,208. The suite designation, Final Plans and reference to Tenant's Proportionate Share all remain as provided in the Lease

8. No Default.

Neither Landlord, to its actual knowledge without inquiry, 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.

9. Same Terms and Conditions.

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

10. Public Information.

Landlord 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.

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

Landlord

Omninet Centerview, LP, a Delaware limited partnership, by and through its sole general partner

By: **Omninet Three GP, LLC**, a California limited liability company

By: 

Printed Name: Michael Danielpour

Title: Manager

Date: 5/31/17

Tenant

City of San Antonio, a Texas municipal corporation

Signature: _____

Printed Name: _____

Title: _____

Date: _____

Approved as to Form:

City Attorney

Exhibit A: Initial Cost Memorandum

Landlord: Omninet Centerview, L.P, a Delaware LP

Tenant: City of San Antonio

Lease: Approximately 6,208 square feet, consisting of Suite 200 of the Lamar Office Building, 4335 Piedras Drive W., San Antonio, Bexar County, Texas

Authorizing Ordinance:

Predicate Facts:

Landlord and Tenant are parties to the 1st Renewal and Amendment to Lease, which was authorized by the Authorizing Ordinance.

The leasing commission and tenant improvement costs are relevant to the parties' rights and obligations under the Lease.

For their mutual benefit, the parties now wish to memorialize the actual costs.

Rights and Obligations:

Now Therefore, in consideration of the premises, the mutual covenants and promises contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Defined Terms.

All terms used in this memorandum and not otherwise defined herein but defined in the Lease have the meanings ascribed to them in that instrument.

2. Costs to be Amortized.

Landlord and Tenant confirm the following:

- A. The total amount paid by Landlord as a leasing commission for the first 44 months of the renewal term to secure this Lease is: \$ _____
- B. The final amount of the Tenant Improvement Allowance used for the Landlord's Work is: \$ _____

The final amount of the Tenant Improvement Allowance may not exceed \$205,070.00. This figure accounts for the allocation of costs between the Lamar and Burnet buildings which allows for the allowance to be spent proportionality between the two facilities which may or may not result in all of the allowance being spent in one particular facility.

3. No Default.

Neither Landlord, to its actual knowledge without inquiry, 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 Exhibit.

4. Conflict of Terms.
This instrument controls over anything to the contrary in the Lease.

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

<p>City of San Antonio, a Texas municipal corporation</p> <p>By: _____</p> <p>Printed Name: _____</p> <p>Title: _____</p> <p>Date: _____</p> <p>Approved as to Form:</p> <p>_____ City Attorney</p>	<p>Omninet Centerview, LP, a Delaware limited partnership, by and through its sole general partner</p> <p>By: Omninet Three GP, LLC, a California limited liability company</p> <p>By: _____</p> <p>Printed Name: <u>Michael Danielpour</u></p> <p>Title: <u>Manager</u></p> <p>Date: _____</p>
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