

AN ORDINANCE 2017-08-31-0604

**AUTHORIZING THE EXECUTION OF THE SECOND  
AMENDMENT AND EXTENSION TO THE LEASE  
AGREEMENT FOR 11,622 SQUARE FEET OF OFFICE SPACE  
LOCATED AT 215 SOUTH SAN SABA FOR THE SAN ANTONIO  
FIRE DEPARTMENT HEALTH AND WELLNESS PROGRAM  
LOCATED IN COUNCIL DISTRICT 1.**

\* \* \* \* \*

**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 \$18,486.10 for this ordinance is available in Fund 11001000, Cost Center 2015090001 and General Ledger 5206010 as part of the Fiscal Year 2017. Additional funding for this ordinance is contingent upon City Council approval of the City's operating budget and the availability of funds for subsequent Fiscal Years.

**SECTION 3.** Payment not to exceed the budgeted amount is authorized Burkhart, Shannon and Holmes, a Texas general partnership, d/b/a Washington Place, and should be encumbered with a purchase order. All expenditures will comply with the approved operating budget for current and future fiscal years.

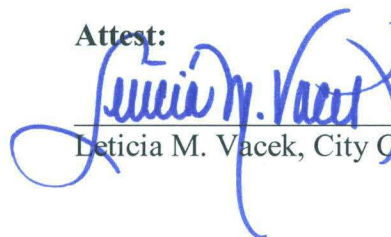
**SECTION 4.** The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, 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 31<sup>st</sup> day of August, 2017.

  
**M A Y O R**  
Ron Nirenberg

**Attest:**

  
\_\_\_\_\_  
Leticia M. Vacek, City Clerk

**Approved As To Form:**

  
\_\_\_\_\_  
Andrew Segovia, City Attorney  
For

<b>Agenda Item:</b>	<b>11 ( in consent vote: 7, 8, 10, 11, 12, 13, 15, 16, 17, 18, 19, 20, 21, 24, 25, 26, 27, 28A, 28B )</b>						
<b>Date:</b>	08/31/2017						
<b>Time:</b>	09:24:59 AM						
<b>Vote Type:</b>	Motion to Approve						
<b>Description:</b>	An Ordinance authorizing the execution of the Second Amendment and Extension to the Lease Agreement for 11,622 square feet of office space located at 215 S. San Saba Street for the San Antonio Fire Department Health and Wellness Program located in Council District 1. [Lori Houston, Assistant City Manager; John Jacks, Director, Center City Development & Operations]						
<b>Result:</b>	Passed						
<b>Voter</b>	<b>Group</b>	<b>Not Present</b>	<b>Yea</b>	<b>Nay</b>	<b>Abstain</b>	<b>Motion</b>	<b>Second</b>
Ron Nirenberg	Mayor		x				
Roberto C. Treviño	District 1		x			x	
William Cruz Shaw	District 2		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				

# **Attachment I**



## **Second Amendment and Extension of Lease Agreement**

**(Washington Place/SAFD)**

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### **1. Identifying Information.**

**Ordinance Authorizing  
Second Amendment and  
Extension:**

**Landlord:** Burkhart, Shannon and Holmes, a Texas general partnership,  
d/b/a Washington Place

**Landlord's Address for  
Notices:** c/o Spencer Property Management, 5825 Callaghan Road, Suite  
101, San Antonio, Texas 78228-1124

**Landlord's Address for  
Payment of Rent:** Washington Place  
c/o Barbara O'Riley  
211 West Camellia Avenue  
McAllen, TX 78501

**Tenant:** City of San Antonio

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

**Premises:** Being (11,622) square feet in total, and comprised of (5,594)  
square feet in Suite 111, (2,415) square feet in Suite 107, and  
(3,613) square feet in Suite 107A, on the first floor of a  
building known as the Washington Place Office Building  
located at 215 S. San Saba, San Antonio, Bexar County, Texas  
78207 (hereinafter referred to as "the Building") as graphically  
depicted on Exhibit A, which is incorporated by reference for  
all purposes as if fully set forth.

**Ordinance Authorizing  
Original Lease:** 2010-09-09-0782

**Ordinance Authorizing First  
Renewal and Amendment:** 2015-09-17-0800

**Building Operating Hours:** Seven days per week, daily from 5:30 A.M. to 12:00 A.M.

**Beginning of Extended  
Term:** First day of the first full month following the completion and  
issuance of Certificate of Occupancy for the Improvements  
described in Section 7 below.

**Expiration of Extended  
Term:** Five years from the Beginning of Extended Term.

## **2. Defined Terms.**

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

## **3. Amendment and Extension.**

3.01. The Original Lease, as amended by the First Renewal and Amendment of Lease, is hereby amended to add Ste. 107A, consisting of approximately 3,613 square feet, to the leased premises. The current premises under lease consists of Ste. 111 and Ste. 107, and 8,009 square feet. With the incorporation of this amendment the total square footage of the leased premises is now 11,622 square feet.

3.02. The term of the Lease is extended from the Beginning of Extended Term through and including the Expiration of Extended Term. The parties will confirm the Term commencement date in the Term Commencement Memorandum substantially in the form attached as Exhibit D.

## **4. Rent.**

4.01. From the Beginning of the Extended Term to the Expiration of the Extended Term, Tenant must pay to Landlord the following new rent amounts at the Landlord's Address for Payment of Rent.

<b>Term</b>	<b>Base Rent</b>	<b>T.I. Rent</b>	<b>Total Monthly Rent</b>
Month 1 - 12(\$17.52 S.F.)	\$16,968.12	\$1,517.98	\$18,486.10
Month 13 - 24(\$17.87 S.F.)	\$17,307.10	\$1,517.98	\$18,825.08
Month 25 - 36(\$18.23 S.F.)	\$17,655.76	\$1,517.98	\$19,173.74
Month 37 - 48(\$18.59 S.F.)	\$18,004.42	\$1,517.98	\$19,522.40
Month 49 - 60(\$18.96 S.F.)	\$18,362.76	\$1,517.98	\$19,880.74

4.02. Prior to the Beginning of the Extended Term, Rent will be paid in accordance with the terms provided in the First Renewal and Amendment of the Lease.

## **5. Renewal.**

Tenant may renew this Lease again for one five (5) year term by giving Landlord 120-days written notice prior to the expiration of the Extended Term. The renewal provided



for in this Section 5 is on the same terms and conditions as the Lease, as amended, except for rent. Renewal must be approved by City Council.

## **6. Change in Base Year.**

6.01. The base year for calculating increases in real estate ad valorem taxes in Section 3.2 of the Lease, as amended, is changed from 2015 to 2016.

6.02 For the purpose only of calculating any pass through charges related to increases in property taxes, Tenant's prorated share of building occupancy is 46%.

## **7. Improvements to Premises.**

7.01. Tenant Improvements to be provided by Landlord consist of finishing out the 3,613 square feet in Suite 107A, and the construction of men's and women's bathrooms in the existing lease space, all in accordance with the accepted construction plans detailed in the Work Letter attached as Exhibit B and fully incorporated herein.

7.02. Landlord shall provide to Tenant an allowance of \$15,310.00 of the total cost of \$30,113.00 for the finish out work to be performed by Landlord in Suite 107A. The difference of \$14,803.00 has been amortized in the rent payments over the five year Extended Term and is included in the Base Rent. Landlord shall perform the construction of the men's and women's bathrooms in the existing lease space and the construction cost of \$86,606.00 and shall be amortized through the rent payments to be made by Tenant over the five year, or sixty (60) month, Extended Term at (2.0%) annual interest paid as T.I. Rent. The rent payment table in Section 4 herein incorporates the amortization schedule described in this section.

7.03. Landlord shall be solely responsible to complete the Tenant Improvements at its sole cost and expense without any necessity for the Tenant to contribute towards the cost of the Tenant Improvements.

## **8. Tenant's Early Termination Right.**

8.01. Tenant may terminate this Lease any time after the third year of the Extended Term. To do so, Tenant must deliver to Landlord written notice of intent to terminate at least 120 days before the proposed termination date.

8.02. If Tenant exercises its Early Termination Right, Tenant agrees to reimburse Landlord for the unamortized amount of the construction costs described in Section 7 in a lump sum payment as follows:

For finish out of Suite 107A:	\$246.72 multiplied by the number of months remaining of the sixty (60) month term.
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For the bathroom construction:	A payment representing the unamortized balance remaining for the \$86,606.00 initial
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investment by Landlord for the bathrooms, amortized over the Extended Term at 2% annual interest.

#### **9. Parking Spaces.**

Tenant shall be provided 32 reserved parking spaces in the lot adjoining the Building, as depicted in Exhibit C.

#### **10. Holdover.**

In the event Tenant holds over after the expiration date of the Extended Term, then the monthly rent during the holdover period shall be equal to the amount of the Base Rent during the last month of the Extended Term.

#### **11. 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 amendment and extension.

#### **12. Same Terms and Conditions.**

This Second Amendment and Extension instrument is a fully integrated statement of the modifications to the Lease. Except as expressly modified by this Second Amendment and Extension, the Lease, as amended, 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.

#### **13. Public Information.**

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.

City of San Antonio, a Texas municipal corporation

Burkhart, Shannon and Holmes, a Texas general partnership

By: \_\_\_\_\_

Signature: Max Burkhardt  
Max Burkhardt, General Partner  
MB

Printed Name: \_\_\_\_\_

Date: 5/23/2017

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Attest:

\_\_\_\_\_  
City Clerk

Approved as to Form:

\_\_\_\_\_  
City Attorney

**EXHIBIT A- Description of Premises**

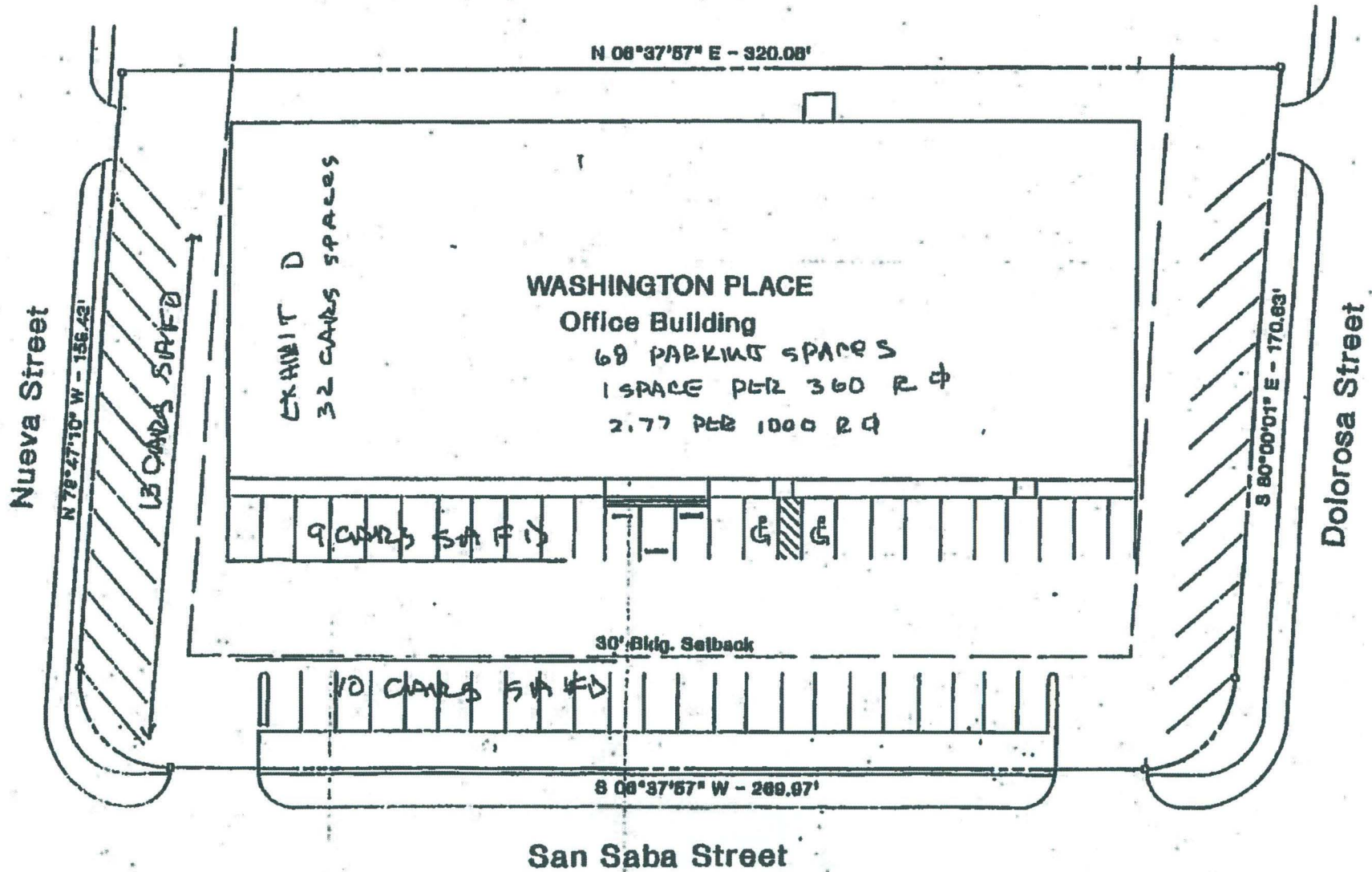
**EXHIBIT B- Work Letter and Construction Plans**

**EXHIBIT C- Parking Plan**

EXHIBIT C - PARKING PLAN

215 South San Saba  
Site/Parking Plan

Scale 1" = 40'



2 Dec. 1997



**EXHIBIT D- Term Commencement Memorandum**

**Landlord:** Burhart, Shannon and Holmes, a Texas general partnership,  
d/b/a/ Washington Place

**Tenant:** City of San Antonio

**Lease:** Lease between Landlord and Tenant relating to  
approximately 11,622 rentable square feet, 215 S. San Saba  
Street, Suites 107, 107A and 111 in San Antonio, Bexar  
County, Texas

**Authorizing Ordinance:**

***Predicate Facts:***

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

Second Amendment and Extension of Lease Agreements calls for the Extended Term to begin on the Beginning of the Extended Term.

For their mutual benefit, the parties now wish to memorialize the actual Beginning of the Extended Term.

***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. Beginning of the Extended Term.**

The Beginning of the Extended Term for purposes of the Second Amendment and Extension of Lease Agreements is hereby agreed to be \_\_\_\_\_, 2017. That is the date that rent shall commence to be paid as provided in Section 3 below.

### 3. Description.

Rent during the Extended Term shall be paid in accordance with the following schedule:

Term	Base Rent	T.I. Rent	Total Monthly Rent
Month 1 - 12	\$16,968.12	\$1,517.98	\$18,486.10
Month 13 - 24	\$17,307.10	\$1,517.98	\$18,825.08
Month 25 - 36	\$17,655.76	\$1,517.98	\$19,173.74
Month 37 - 48	\$18,004.42	\$1,517.98	\$19,522.40
Month 49 - 60	\$18,362.76	\$1,517.98	\$19,880.74

### 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.

#### Tenant

City of San Antonio, a Texas municipal corporation

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

#### Landlord

Burkhart, Shannon and Holmes, a Texas general partnership

Signature: \_\_\_\_\_  
Max Burkhardt, General Partner

Date: \_\_\_\_\_

Approved as to Form:

\_\_\_\_\_  
City Attorney