

ORDINANCE 2018-10-18-0826

**APPROVING A FIVE-YEAR LEASE RENEWAL WITH RE OFFICE – TX II, LLC FOR THE CONTINUED USE OF 2,174 SQUARE FEET OF OFFICE SPACE LOCATED AT 4538 CENTERVIEW DRIVE BY THE SAN ANTONIO METROPOLITAN HEALTH DISTRICT AS A BABY CAFÉ FOR THE INITIAL ANNUAL RENT AMOUNT OF \$40,218.96 AND INCREASING TO \$44,567.04 DURING THE FIFTH YEAR.**

\* \* \* \* \*

**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 renewal and amendment with RE Office – TX II, LLC which is attached hereto and incorporated herein for all purposes as **Exhibit I**.

**SECTION 2.** Funding in the amount of \$33,515.00 for this ordinance is available in the Texas Medicaid 1115 Waiver Program FY 2019 budget, in Fund 29658000, Internal Order 836000000077 and General Ledger 5206010. Additional funding for this ordinance is contingent upon City Council approval of the Texas Medicaid 1115 Waiver Program and the availability of said funds for subsequent Fiscal Years.

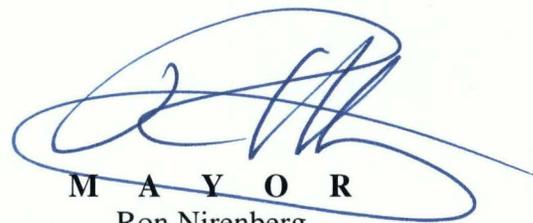
**SECTION 3.** Payment not to exceed the budgeted amount is authorized to RE Office – TX II, LLC and should be encumbered with a purchase order. All expenditures will be in accordance with the Fiscal Year 2019 and subsequent budgets that fall within the term of this contract as approved by City Council.

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

LC  
10/18/18  
Item No. 12

**PASSED and APPROVED this 18<sup>th</sup> day of October, 2018.**



**M A Y O R**  
Ron Nirenberg

**ATTEST:**



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Leticia M. Vacek, City Clerk

**APPROVED AS TO FORM:**



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Andrew Segovia, City Attorney

<b>Agenda Item:</b>	<b>12 ( in consent vote: 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 )</b>						
<b>Date:</b>	10/18/2018						
<b>Time:</b>	09:41:26 AM						
<b>Vote Type:</b>	Motion to Approve						
<b>Description:</b>	Ordinance approving a five-year lease renewal with RE Office - TX II, LLC for the continued use of 2,174 square feet of office space located at 4538 Centerview Drive by the San Antonio Metropolitan Health District as a Baby Café for the initial annual rent amount of \$40,218.96 and increasing to \$44,567.04 during the fifth year. [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				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				

LC  
10/18/18  
Item No. 12

# **Exhibit I**

## 1st Renewal and Amendment to Lease Agreement

(4538 Centerview Dr - Baby Cafe)

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This 1<sup>st</sup> Renewal and Amendment to Lease Agreement is entered into between Landlord and Tenant.

### 1. Identifying Information.

#### Ordinance Authorizing 1<sup>st</sup> Renewal and Amendment:

**Landlord:** RE Office – TX II, LLC, a Colorado limited liability company

**Landlord's Address:** 1780 South Bellaire St., Suite 800  
Denver, CO 80222

**Tenant:** City of San Antonio

**Tenant's Address:** P.O. Box 829966, San Antonio, Texas 78283-3966  
(Attention: Leasing Manager, Center City Development Office)

**Lease:** Approximately 2,174 rentable square feet, constituting Suite 151 of the Centerview Building, 4538 Centerview Drive, San Antonio, Bexar County, Texas.

**Ordinance Authorizing  
Original Lease:** 2013-09-19-0644

**Address for Payment  
of Rent:** RE Office – TX II, LLC, c/o CBRE,  
Attn: DeAnna Meyer  
200 Concord Plaza, Ste 800  
San Antonio, TX 78216

**1<sup>st</sup> Renewal:** Renews the lease agreement for a period of 5 years.

**Beginning of Renewal  
Term:** December 1, 2018

**Expiration of Renewal  
Term:** November 30, 2023

## 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. References to "Lease" in this Renewal and Amendment include the original Lease.

## 3. Term and Early Termination.

3.01. The term of the Lease is extended from the Beginning of Renewal Term through and including the Expiration of Renewal Term. The Extended Lease Term is a five (5) years, subject to early termination by Tenant as described in Section 3.02.

3.02. Tenant may, without cause, terminate this lease at or any time after November 30, 2021 provided Tenant gives Landlord no less than (120) days prior written notice.

## 4. Rent.

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

Year	Per Rentable Square Foot Per Year	Monthly Rent
December 1, 2018 – November 30, 2019	\$18.50	\$3,351.58
December 1, 2019 – November 30, 2020	\$19.00	\$3,442.17
December 1, 2020 – November 30, 2021	\$19.50	\$3,532.75
December 1, 2021 – November 30, 2022	\$20.00	\$3,623.33
December 1, 2022 – November 30, 2023	\$20.50	\$3,713.92

## 5. Tenant Improvements.

5.01. Landlord shall provide Tenant an improvement allowance of up to \$21,740.00. Tenant may allocate and spend the allowance as it deems appropriate on the Premises covered by this Lease. Landlord will ensure that the approved improvements will be completed no later than sixty (60) days after Tenant's request for the improvements. The Tenant shall have until October 31, 2019 to identify the improvements to be made to the Premises. Upon the earlier of (i) the date Tenant confirms that all expenditures against the allowance have been accounted for; or (ii) October 31, 2019, 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.

5.02. Should Tenant exercise the early termination provision in Section 3.02 herein, Tenant will then be responsible for the payment of any balance remaining for unamortized Tenant Improvements over a term of 60 months. 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**.

## 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 and Amendment.

**7. Same Terms and Conditions.**

This Renewal and Amendment is a fully integrated statement of the modifications to the Lease. Except as expressly modified by this Renewal and Amendment, 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 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. If this Renewal and Amendment conflicts with the Lease, this Renewal and Amendment controls.

**8. 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. 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**

**RE Office – TX II, LLC**, a Colorado limited liability company

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

By: Bow River Capital RE II, LLC, a Colorado limited liability company, its Manager

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

By: *[Signature]*

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

Printed Name: Nicholas B. Kociljic

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

Title: Authorized Agent

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

Date: 9/26/18

Approved as to Form:

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

Attest:

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

**Exhibit A: Initial Cost Memorandum**

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**Landlord:** RE Office – TX II, LLC, a Colorado limited liability company

**Tenant:** City of San Antonio

**Lease:** Approximately 2,174 rentable square feet, constituting Suite 151 of the Centerview Building, 4538 Centerview Drive, San Antonio, Bexar County, Texas.

**Authorizing Ordinance:**

*Predicate Facts:*

Landlord and Tenant are parties to the 1<sup>st</sup> 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:

The final amount of the Tenant Improvement Allowance approved by Tenant and expended by Landlord is: \$ \_\_\_\_\_

The final amount of the Tenant Improvement Allowance may not exceed \$21,740.00.

**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><b>City of San Antonio</b>, a Texas municipal corporation</p> <p>By: _____</p> <p>Printed Name: _____</p> <p>Title: _____</p> <p>Date: _____</p> <p><b>Approved as to Form:</b></p> <p>_____</p> <p>City Attorney</p>	<p><b>RE Office – TX II, LLC</b>, a Colorado limited liability company</p> <p>By: Bow River Capital RE II, LLC, a Colorado limited liability company, its Manager</p> <p>By: _____</p> <p>Printed Name: _____</p> <p>Title: _____</p> <p>Date: _____</p>
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