

ORDINANCE 2019-01-31-0101

**AMENDING A LEASE WITH HACKBERRY INVESTORS, LTD. TO EXPAND THE OFFICE SPACE LOCATED AT 512 E. HIGHLAND BLVD. USED BY THE SAN ANTONIO METROPOLITAN HEALTH DISTRICT FOR THE MONTHLY RENTAL AMOUNT OF \$2,693.83 FOR THE FIRST YEAR AND INCREASING TO \$2,788.00 PER MONTH IN THE FIFTH YEAR. THE AMENDED PORTION OF THE LEASE WILL BE PAID THROUGH THE REACH GRANT THAT WAS APPROVED BY ORDINANCE 2018-06-21-0486.**

\* \* \* \* \*

**WHEREAS**, Ordinance No. 2013-08-01-0494 authorized a ten year lease with Hackberry Investors, Ltd., for 12,251 square feet of clinic space located at 512 E. Highland for use by the San Antonio Metropolitan Health District (SAMHD); and

**WHEREAS**, this ordinance will authorize a lease amendment for additional space at this location for SAMHD's Racial and Ethnic Approaches to Community Health (REACH) Program for a five year period; **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 Hackberry Investors, Ltd., which is attached hereto and incorporated herein for all purposes as **Exhibit I**.

**SECTION 2.** Funding for this ordinance in an amount up to \$13,469.15 is available for year one of the lease from the REACH grant, Fund 2201636050, Internal Order 136000000767, and General Ledger 5206010.

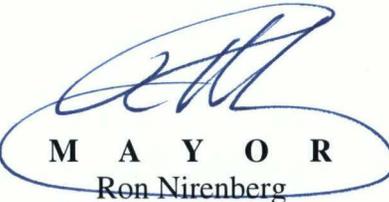
**SECTION 3.** Payment not to exceed the budgeted amount is authorized to Hackberry Investors, Ltd., and should be encumbered with a purchase order.

**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.

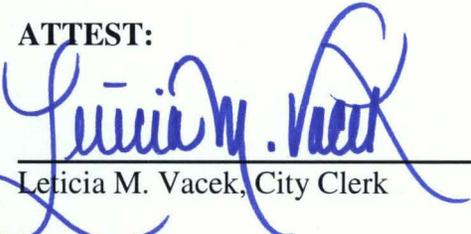
LC  
01/31/19  
Item No. 10

**PASSED and APPROVED this 31<sup>st</sup> day of January, 2019.**



**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>10 ( in consent vote: 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21 )</b>						
<b>Date:</b>	01/31/2019						
<b>Time:</b>	09:57:54 AM						
<b>Vote Type:</b>	Motion to Approve						
<b>Description:</b>	Ordinance amending a 5 year lease agreement with Hackberry Investors, Ltd., for office space located at 512 E. Highland Blvd., expanding the space to be used by the San Antonio Metropolitan Health District, for the rental amount of \$2,693.83 per month during the first year, increasing to \$2,788.00 per month during the fifth year. The amended portion of the lease will be paid through the REACH Grant that was approved through Ordinance 2018-06-21-0486. [Lori Houston, Assistant City Manager; John Jacks, Director, Center City Development and 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	
Art A. Hall	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  
01/31/19  
Item No. 10

# Exhibit I

## Amendment of Office Lease

(512 E. Highland Blvd – Health)

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This Amendment of Office Lease (Amendment) is entered into between Landlord and Tenant.

### 1. Identifying Information, Definitions.

**Ordinance  
Authorizing  
Amendment:**

**Landlord:** Hackberry Investors, Ltd.

**Landlord's Address:** 7420 Blanco, Suite 125, San Antonio, Texas 78216

**Tenant:** City of San Antonio

**Tenant's Address:** P.O. Box 839966, San Antonio, Texas 78283-3966  
(Attention: Leasing Manager, Center City Development Office)

**Original Lease:** Office Lease Agreement between Landlord and Tenant dated August 13, 2013

**Original Premises:** Approximately 12,251 rentable square feet (RSF) of 1st floor space of the Highland Park Building located at 512 E. Highland Blvd., San Antonio, Texas.

**Ordinance Authorizing  
Original Lease:** 2013-08-01-0494

**Additional Premises:** Approximately 1,662 RSF on the 2<sup>nd</sup> floor of the Highland Park Building located at 512 E. Highland Blvd., San Antonio, Texas as graphically depicted in **Exhibit A-1**.

**No. of Parking Spaces:** Ratio of 5 car parking spaces (in the lot immediately adjacent to the Premises) per 1,000 RSF

**Commencement Date:** The first day of the month after the date of issuance of the Landlord-obtained Certificate of Occupancy, or such earlier date as the parties may agree in writing, the actual date to be memorialized at the time on a Commencement Memorandum substantially in the form attached as **Exhibit B-1**.

**Binding Date:** This Amendment is binding on the parties on the later of  
(A) The effective date of the Ordinance Authorizing Amendment; or  
(B) The later of the signatures of the two parties.

**Lease Term:** Sixty months

**Building Operating Hours and Security:** 7:00 a.m. to 7:00 p.m., Monday through Friday  
8:00 a.m. to 1:00 p.m., Saturday

## 2. Defined Terms.

2.01. 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 Amendment of Office Lease include the Original Lease.

## 3. Term, Renewal & Extension, Termination.

3.01. The term of the Lease is the Lease Term of sixty months from the Commencement Date, unless sooner terminated as provided in this Lease.

3.02. Tenant shall have the option to renew and extend this lease at the end of the Lease Term as provided in the Original Lease.

3.03. Tenant shall have the annual right to terminate this lease without cause, on not less than 150-days prior written notice to Landlord, as provided in the Original Lease. Tenant may terminate the lease in full or in part, whereas Original Premises and Additional Premises may be terminated independently of each other and the remaining provisions of this Lease remain in full force and effect.

## 4. Rent.

Effective as of the Commencement Date, Tenant shall pay to Landlord monthly rent at the place, at the intervals, and in the manner described in the Lease for the payment of rent, as follows:

Months	Annual Base Rent Rate RSF		Annual Operating Expense Rate RSF	Monthly Rent		Total Monthly Rent
	Original Premises (12,251 sf)	Additional Premises (1,662 sf)	Original & Additional Premises	Original Premises	Additional Premises	
1 - 12	\$12.85	\$14.06	\$5.39	\$18,621.52	\$2,693.83	\$21,315.35
13 - 24	\$12.85	\$14.06	\$5.55	\$18,784.87	\$2,715.99	\$21,500.86
25 - 36	\$12.85	\$14.06	\$5.73	\$18,958.42	\$2,739.53	\$21,697.95
37 - 48	\$12.85	\$14.06	\$5.89	\$19,131.98	\$2,763.08	\$21,895.06
49 - 60	\$12.85	\$14.06	\$6.07	\$19,315.74	\$2,788.00	\$22,103.74

Prior to the Commencement Date, Tenant shall pay to Landlord rent as provided in the Original Lease.

### **5. Asbestos Survey.**

At Landlord's sole cost and expense, Landlord agrees to deliver to Tenant an Asbestos Survey of the building for the Additional Premises in accordance with the City Code of the City of San Antonio, Texas. The Asbestos Survey shall be completed and a copy provided to Tenant prior to Tenant taking possession of the Additional Premises or payment of any rent, cost or expense of Tenant hereunder.

### **6. Improvements to Additional Premises – Landlord's Work.**

6.01. Landlord shall provide Tenant an improvement allowance not to exceed \$41,550.00 (the "Tenant Improvement Allowance") for architectural fees, a construction management fee of 3% of construction costs, and actual improvements to be made to Tenant's Additional Premises, to be known as Landlord's Work. Landlord will be responsible for the performance and cost of any work related to (i) ADA upgrades to the building of which the Additional Premises is part and; (ii) asbestos removal, if any such work is required, and such costs will not be deducted from the Tenant Improvement Allowance. Tenant may allocate and spend the allowance as it deems appropriate on the Additional Premises covered by this Lease. Landlord will ensure that the approved improvements as listed and depicted in **Exhibit A-1** will be completed to make Additional Premises *Move-in ready* within 120 days of the Binding Date of this Amendment. *Move-in ready* means that a Certificate of Occupancy has been issued for the Additional Premises and the Additional Premises are finished-out according to the requirements of this Lease, except for minor items such as are routinely corrected with a punch list. Tenant may occupy the Additional Premises on the date of issuance of the Certificate of Occupancy. However, Tenant and its contractors shall be granted access to the Additional Premises prior to the Commencement Date for the purpose of installing IT infrastructure, installing furniture and performing any other activities Tenant deems appropriate prior to its actual occupancy of the Additional Premises.

6.02. Tenant may terminate this Amendment and be free of all obligations for the Additional Premises if the Commencement Date has not occurred as a result of the Additional Premises not being *Move-in ready* within 120 days of the Binding Date of this Amendment.

### **7. Amendments, Premises, Parking.**

7.01. *Premises.* The original Lease is hereby amended to add the Additional Premises of 1,662 RSF on the 2nd floor of the Highland Park Building, increasing the total leased space to 13,913 RSF.

7.02. *Parking.* The number of parking spaces is hereby revised to a ratio of five car parking spaces (in the lot immediately adjacent to the Premises) per 1,000 RSF and Section 2.04 of the original Lease is deleted in its entirety and replaced with the following:

2.04. Landlord acknowledges that a portion of the parking will be for clients of Tenant and in the event Landlord decides to begin charging for visitor parking, then Tenant's visitors shall be allowed to park free of charge provided Tenant does not exceed the use of the number of parking spaces indicated above at any one time.

**8. 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.

**9. Same Terms and Conditions.**

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

**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. Nothing in this agreement waives an otherwise applicable exception to disclosure.

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

**Tenant**

City of San Antonio, a Texas municipal corporation

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

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

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

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

Attest:

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

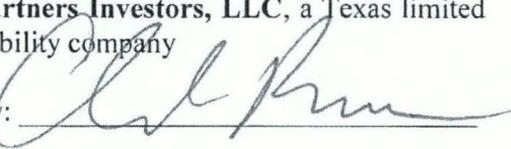
Approved as to Form:

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

**Landlord**

Hackberry Investors, Ltd., a Texas limited partnership by and through its General Partner,

Partners Investors, LLC, a Texas limited liability company

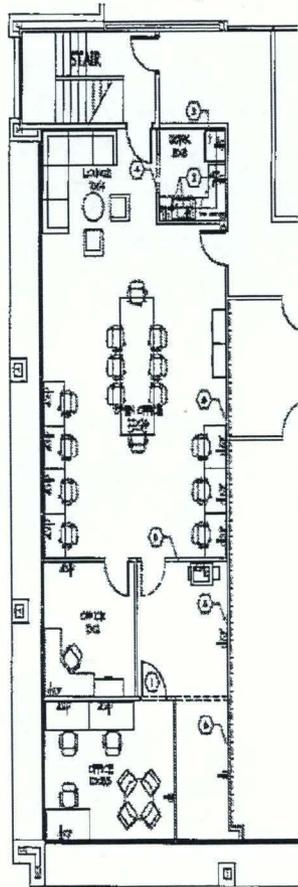
By:  \_\_\_\_\_

Printed Name: Charles B. Brown, Manager

Title: Manager

Date: 1-10-19 \_\_\_\_\_

Exhibit A-1: Depiction of Additional Premises — Landlord's Work



Schematic Plan

Scale: 3/32" = 1'-0"

Date: 11.14.18

Pricing: 11.27.18

Rev: 11.29.18

Rev: 12.13.18

**GENERAL NOTES**

1. THESE NOTES ARE FOR PRELIMINARY PRICING ONLY, NOT FOR CONSTRUCTION. CONTRACTOR TO VISIT SITE AND VERIFY EXISTING CONDITIONS.
2. MODIFY EXISTING HVAC SYSTEM AS REQUIRED FOR NEW WALL CONFIGURATIONS AND TO MEET ALL APPLICABLE CODES.
3. PROVIDE ALL SAFETY SYSTEMS AND ITEMS REQUIRED, SUCH AS EXIT SIGNS, EMERGENCY LIGHTS, FIRE EXTINGUISHERS, SMOKE DETECTORS, SPRINKLER HEADS AND FIRE ALARMS, TO MEET ALL APPLICABLE CODES. ALL SYSTEMS TO BE TIED INTO BUILDING SYSTEM AS REQUIRED.
4. ALL NEW INTERIOR PARTITIONS TO MATCH BUILDING STANDARD UNLESS NOTED OTHERWISE. PROVIDE FOR N WALL 3" SOUND BATT INSULATION (FLOOR TO CEILING AT ALL NEW PARTITIONS).
5. ALL NEW INTERIOR DOORS, FRAMES, AND HARDWARE TO MATCH BUILDING STANDARD. ALL HARDWARE IS TO BE LEVER TYPE.
6. REUSE ALL BUILDING STANDARD MATERIALS. SALVAGE WHERE POSSIBLE. COORDINATE THE USE OF ANY STOCKPILED BUILDING STANDARD MATERIALS WITH BUILDING REPRESENTATIVE.
7. ALL TELEPHONE, DATA, SECURITY, & CONTROLLED ACCESS CABLING & EQUIPMENT BY TENANT. ALL CONDUIT FOR VOICE/DATA CABLING TO BE 1/2" DIA. MIN.
8. REMOVE ALL EXISTING KNOB HARDWARE AND REPLACE WITH NEW BUILDING STANDARD LEVER HARDWARE.
9. CHECK FOR OPERABLE CONDITION OF EXISTING MIN-BLINDS. REPAIR OR REPLACE AS REQUIRED. REPLACE ANY DAMAGED OR MISSING WANDA TYP. AT ALL WINDOWS.
10. OUTLETS SHOWN ARE NEW.
11. PROVIDE ALLOWANCE TO RELOCATE (4) EXISTING 2X4 LIGHT FIXTURE.

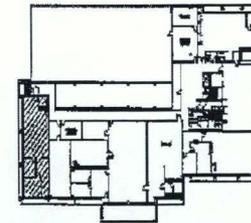
**KEYED NOTES**

1. NEW BUILDING STANDARD DOOR, ALUMINUM FRAME & LEVER HARDWARE SET. NOTE: EXISTING MAY BE REUSED FROM DEMOLITION (WHERE POSSIBLE).
2. NEW PLASTIC LAMINATE VENEER TOP, WALL, BASE CABINETS & NEW STAINLESS STEEL TOP MOUNT KITCHEN SINK (VARIABLE) BY ELKAY (DLR833220) WITH FAUCET BY MOEN "ALYON" #923366 WITH SPOT RESISTANT STAINLESS ONE-HANDLE PRE-RINSE SPRING PULLDOWN KITCHEN FAUCET. PROVIDE TEMPERATURE SENSOR VALVES AND ABOVE CEILING HOT WATER UNIT. ALSO PROVIDE FOR GARBAGE DISPOSAL BY BADGER 5 DISPOSERATOR.
3. NEW TENANT PROVIDED REFRIGERATOR. PROVIDE 1/2" COPPER WATER LINE WITH SHUT-OFF VALVE FOR OPTIONAL ICE/WATER DISPENSER.
4. NEW 3'-0" X 8'-0" GUB ARCHED CASED OPENING.
5. NEW 4'-6" X 8'-0" GUB ARCHED CASED OPENING.
6. EXTEND NEW / EXISTING PARTITION TO DECK ABOVE. PROVIDE SOUND TRANSFER Baffles AS REQUIRED.

**GENERAL FINISH NOTES**

1. ALL EXISTING FLOORING & BASE TO BE REMOVED. PROVIDE NEW BUILDING STANDARD CARPET TILE/RUBBER BASE AT ALL AREAS EXCEPT FOR COFFEE WHICH IS TO RECEIVE LVT FLOORING.
  - A. CARPET BY: PROVIDE ALLOWANCE OF 68.00/69.00 YD. INSTALLED.
  - B. LUXURY VINYL TILE BY: PROVIDE ALLOWANCE OF 44.00/62.00 FT. INSTALLED.
2. PREPARE & PAINT ALL NEW / EXISTING PARTITIONS WITH 2 COATS OF INTERIOR LATEX EMULSION, EGG-SHELL FINISH.
3. REMOVE & REPLACE ALL EXISTING CEILING TILE WITH NEW BY: AR-STRONG, DUNE OR EQUAL. ALSO REPAIR & PAINT EXISTING CEILING TEE-GRID.

Location Map



**HEALTH NEIGHBORHOOD**

512 E. Highlands - Level 2

1,662 RSF

**INSITE**  
ARCHITECTS

## Exhibit B-1: Commencement Memorandum

**Landlord:** **Hackberry Investors, Ltd.**, a Texas limited partnership by and through its General Partner, **Partners Investors, LLC**, a Texas limited liability company

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

**Lease:** Office Lease Agreement, as amended, between Landlord and Tenant dated August 13, 2013, pertaining to approximately 12,251 rentable square feet (RSF) of 1st floor space of the Highland Park Building located at 512 E. Highland Blvd., San Antonio, Texas.

**Authorizing Ordinance:** 2013-08-01-0494

**Additional Premises:** Approximately 1,662 RSF on the 2nd floor of the Highland Park Building located at 512 E. Highland Blvd., San Antonio, Texas as graphically depicted in **Exhibit A-1**.

**Ordinance Authorizing Amendment:**

### *Predicate Facts:*

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

For their mutual benefit, the parties now wish to memorialize the actual Commencement Date of the Lease's 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. Commencement Date.**

The Lease term commences: \_\_\_\_\_

**3. Term.**

The Term for both the Original Premises and the Additional Premises, as those terms are defined in the Amendment is from \_\_\_\_\_ to \_\_\_\_\_

**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

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

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

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

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

**Attest:**

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

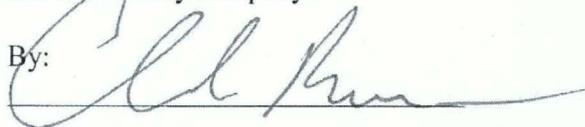
Approved as to Form:

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

**Landlord**

Hackberry Investors, Ltd., a Texas limited partnership by and through its General Partner,

Partners Investors, LLC, a Texas limited liability company

By: 

Printed Name: Charles B. Brown

Title: Manager

Date: 1-10-19