

**THIS IS A DRAFT AND WILL BE REPLACED BY THE FINAL, SIGNED
ORDINANCE OR RESOLUTION ADOPTED BY THE CITY COUNCIL**

ORDINANCE

**AUTHORIZING A LEASE AGREEMENT BETWEEN THE CITY OF SAN
ANTONIO AS TENANT AND PORT AUTHORITY OF SAN ANTONIO AS
LANDLORD TO LEASE APPROXIMATELY 20,363 SQUARE FEET OF
SPACE AT 638 DAVY CROCKETT, BUILDING 940 LOCATED AT PORT
SAN ANTONIO IN ORDER FOR THE CITY TO ESTABLISH THE
ALAMO REGIONAL SECURITY OPERATIONS CENTER (“ARSOC”)**

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WHEREAS, the Alamo Regional Security Operations Center (“ARSOC”) vision is for a centralized security operations facility to provide real-time, collaborative, cyber-security information sharing among municipally owned entities in the San Antonio Area including City of San Antonio, CPS Energy, San Antonio Water System (SAWS), and VIA Metropolitan Transit; and

WHEREAS, a lease agreement between the City of San Antonio (“City”) and Port Authority of San Antonio to lease approximately 20,363 square feet of space located at 638 Davy Crockett, Building 940 located at Port San Antonio for a fifteen (15) year term with a five (5) year renewal option for zero rent and up to \$2,705,895 paid at lease inception by Port San Antonio as a tenant improvement allowance to include construction of offices, restrooms, demising walls, architectural plans, and other mutually agreed upon standard tenant improvements would standup the ARSOC; and

WHEREAS, \$2,205,885 of the tenant improvement allowance is due within 30 days of commencement of the Primary Lease and \$500,010 by December 31, 2021; a \$10 interest charge will be assessed by Port SA, and is included in the total allowance above, so long as the tenant improvement balance is paid by December 31, 2021; otherwise, the remaining balance will be repaid by City on a mortgage style amortization with equal monthly payments over the remaining term of the lease plus 7% annual interest rate applied on a 30/360-day basis; and

WHEREAS, the tenant improvement allowance is funded by \$1,205,895 from the City’s Capital Budget allocation and CPS Energy’s \$1.5 million contribution; and

WHEREAS, \$1,294,105 from the City’s Capital Budget (allocation for security projects of \$2,500,000 less the \$1,205,895 paid towards the tenant allowance) will be used to purchase furniture and equipment to be used at the facility and solely owned by the City; and

WHEREAS, the City will enter into a sublease with CPS, and CPS shall have the right to participate in all aspects of the Project to the same extent as the rights of the City and CPS will also have dedicated office space and parking spaces, to be specified upon finalization of the design and architectural plans; CPS will contribute its pro rata share of the maintenance and utility costs after the third year anniversary of the date the Primary Lease begins; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Council authorizes the City Manager or designee to enter into a lease agreement substantially in the form as shown in **Attachment I** with Port Authority of San Antonio for use of 20,363 square feet of space located at 638 Davy Crockett, Building 940 for a fifteen (15) year term with a five (5) year renewal option for zero rent. City will contribute \$1,205,895 and CPS Energy will contribute \$1,500,000 towards the repayment of a \$2,705,895 tenant improvement allowance provided by Port SA for the design and build out of the facility to include, among other specifications, the construction of offices, restrooms, demising walls, architectural plans, and other mutually agreed upon standard tenant improvements; and a sublease between City and CPS Energy to be entered upon commencement of the primary lease.

SECTION 2. During the term of the lease, ITSD will be responsible for day-to-day facility operations to include staffing, utilities, equipment, and maintenance. After the third year into the Primary Lease, other subtenants, including CPS, will begin contributing towards facility maintenance and utility costs as specified in their sublease agreements.

SECTION 3. Funds are authorized to be received from CPS Energy to SAP Fund 40099000 Other Capital Projects, SAP Project Definition 09-00127 Alamo Regional Security Operations Center, WBS element 09-00127-90-09-01, GL Account 4502280, and the budget shall be revised by increasing WBS element 09-00127-01-06, General Ledger Account 5201140 in the amount of \$1,500,000.00.

SECTION 4. Funding in the annual amount of \$2,705,895.00 for reimbursement to Port of San Antonio for tenant improvements is contingent upon City Council approval of subsequent budgets that fall within the duration of this agreement.

SECTION 5. Funding in the annual amount of \$150,000.00 for the future operating costs is contingent upon City Council approval of subsequent budgets that fall within the duration of this contract.

SECTION 6. The financial allocations in this Ordinance are subject to approval by the Deputy Chief Financial Officer, City of San Antonio. The Deputy Chief Financial Officer may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

SECTION 7: This Ordinance becomes effective immediately upon its passage by eight (8) votes or more and 10 days after passage upon its approval by less than eight (8) votes.

PASSED AND APPROVED this ____ day of June, 2020.

M A Y O R
Ron Nirenberg

VS
06/18/20
Item No. ____

ATTEST:

APPROVED AS TO FORM:

Tina Flores, Acting City Clerk

Andrew Segovia, City Attorney

DRAFT