ORDINANCE 2021 - 03 - 18 - 0171

AMENDING A LEASE AGREEMENT WITH HACKBERRY INVESTORS, LTD., FOR OFFICE SPACE LOCATED AT 512 E. HIGHLAND BLVD., FOR THE SAN ANTONIO METROPOLITAN HEALTH DISTRICT, FOR A FIVE-YEAR TERM, EXPANDING THEIR EXISTING SPACE BY 8,290 S.F., FOR THE ADDITIONAL RENTAL AMOUNT OF \$14,472.76 PER MONTH DURING THE FIRST YEAR, INCREASING TO \$14,970.36 PER MONTH DURING THE FIFTH YEAR.

* * * * *

WHEREAS, the Metropolitan Health District (SAMHD) has been a tenant at 512 E. Highland Blvd. since February 2014, as a location for its Sexually Transmitted Disease Clinic; and

WHEREAS, this amendment will add 8,290 S.F. of office space to accommodate the SAMHD's additional staff needs for its' new Violence Prevention Initiative, the expansion of the Sexually Transmitted Disease Clinic, the Healthy Start Program and the Healthy Neighborhoods Program; and

WHEREAS, the expansion space will provide for the growth and improved efficiency of these programs and improve the education and health services to the community; and

WHEREAS, the existing space is 13,913 square feet, and the amendment will bring the total space occupied to 22,203 square feet; and

WHEREAS, the term of the amendment is five years; NOW THEREFORE:

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

SECTION 1. The City Manager or designee, or the Director of the Center City Development and Operations Department or designee, is authorized to execute the 2nd Amendment to the lease with Hackberry Investors, Ltd., for office space located at 512 E. Highland Blvd., for the expansion of space for the Metropolitan Health District (SAMHD) for various health and community outreach programs, for a term of five years, for the initial monthly rental amount of \$14,472.76 during the first year, escalating to \$14,970.36 during the fifth year. A copy of the 2nd amendment in substantially final form is attached hereto and incorporated herein for all purposes as **Attachment I**.

SECTION 2. Funding for the additional space in the amount of \$57,891.84 for this ordinance is available in Fund 11001000, Cost Centers 3616010004, 3618010008, 3618010001, 3619010009 and General Ledger 5206010 as part of the Fiscal Year 2021 Adopted Budget approved by City Council.

DBS 3/18/2021 Item No. 10

SECTION 3. Additional funding is contingent upon City Council approval of the Fiscal Year 2022 and subsequent budgets that fall within the contract terms of this ordinance.

SECTION 4. Payment is authorized to Hackberry Investors, Ltd. and should be encumbered with a purchase order.

SECTION 5. 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 6. This Ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED AND APPROVED this 18th day of March, 2021.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Tina J. Flores, City Clerk

Andrew Segovia, City Attorney

File Number: 21-1792



City of San Antonio

City Council
March 18, 2021

Item: 10

Enactment Number:

File Number: 21-1792

2021-03-18-0171

Ordinance amending a lease agreement with Hackberry Investors, Ltd., for office space located at 512 E. Highland Blvd., for the San Antonio Metropolitan Health District, for a five-year term, expanding their existing space by 8,290 S.F., for the additional rental amount of \$14,472.76 per month during the first year, increasing to \$14,970.36 per month during the fifth year. [Lori Houston, Assistant City Manager; John Jacks, Director, Center City Development and Operations].

Councilmember John Courage made a motion to approve. Councilmember Clayton H. Perry seconded the motion. The motion passed by the following vote:

Aye: 11 Nirenberg, Treviño, Andrews-Sullivan, Viagran, Rocha Garcia, Gonzales, Cabello Havrda, Sandoval, Pelaez, Courage and Perry

ATTACHMENT I 2nd Amendment

(512 E. Highland Blyd - Health)

This 2ndAmendment of Office Lease (Amendment) is entered into between Landlord and Tenant.

1. Identifying Information, Definitions.

Ordinance Authorizing 2nd Amendment:

Landlord:

Hackberry Investors, Ltd.

Landlord's Address: 8500 Village Drive, Suite 300, San Antonio, Texas 78217

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

1st Amendment

Additional Premises:

Approximately 1,662 RSF on the 2nd floor of the Highland Park Building located at 512 E. Highland Blvd., San Antonio.

Texas.

Ordinance Authorizing

1st Amendment Lease:

2019-01-31-0101

2nd Amendment Additional Premises:

Approximately 8,290 RSF on the first and second floors, comprised of Suite 120 (1,745 RSF), Suite 215 (1,594 RSF),

Suite 240 (3,774 RSF) and Suite 245 (1,177 RSF), in the

Highland Park Building located at 512 E. Highland Blvd., San Antonio, Texas as graphically depicted in Exhibit A-1 thru

A-4.

Upon commencement of the 2nd Amendment of Office Lease,

Leased Premises:

the Premises will be a total of 22,203 RSF

No. of Parking Spaces: A ratio of 5 parking spaces per 1,000 RSF or 41 additional

non-reserved parking spaces for the Additional Premises at no

cost.

Commencement Date: 5-year lease term commencing on the 1st of the month

following the date of issuance of the landlord-obtained Certificate of Occupancy, which cannot be more than 120 days after the Binding Date or the lease for the 2nd Amendment Additional Premises may be terminated by Tenant (CoSA), the actual Commencement 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: 5 years

Building Operating 7:00 a.m. to 7:00 p.m., Monday through Friday

Hours and Security: 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 Lease Term is 5-years, commencing on the 1st of the month following the date of issuance of the landlord-obtained Certificate of Occupancy, which cannot be more that 120 days after the Binding Date or the lease for the 2nd Amendment and Additional Premises may be terminated by Tenant (CoSA).
- 3.02. Tenant shall have the option to renew and extend the term of the lease for an additional 5-year term with 180 days' written notice to landlord, for the base rental amount of \$13.25 P.S.F. for the entire five-year term, for the entire leased premises, or any one of the individual suites.
- 3.03. The lease may only be terminated for the non-appropriation of funds, and any of the Suites may be terminated for the non-appropriation of funds only, independently of one another. The remaining provisions of this Lease remain in full force and effect.
- 3.04. This section 3. supersedes Section 3. Term, Renewal & Extension, Termination of the Original Lease Agreement and Amendment of Office Lease Agreement in their entirety.

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 Hamilton
	Original Premises (12,251 SF)	1st Amendment Additional Premises (1,662 SF)	2nd Amendment Additional Premises (8,290 SF)	Original & Additional Premises	Original Premises	Additional Premises (1st Amendment)	Additional Premises (2nd Amendment)	Total Monthly Rent
1-12	\$12.85	\$14.06	\$15.14	\$6.81	\$19,050.31	\$2,762.00	\$14,472.96	\$36,275.27
13-24	\$12.85	\$14.06	\$15.14	\$5.98	\$19,223.86	\$2,775.64	\$14,590.40	\$36,589.80
25-32	\$12.85	\$14.06	\$15.14	\$6.16	\$19,407.63	\$2,800.47	\$14,714.75	\$36,922.85
33-36	\$13.05	\$13.05	\$15.14	\$6.16	\$19,611.81	\$2,660.59	\$14,714.75	\$36,987.15
37-48	\$13.05	\$13.05	\$15.14	\$6.34	\$19,795.57	\$2,685.52	\$14,839.10	\$37,320.19
49-60	\$13.05	\$13.05	\$15.14	\$6.53	\$19,988.55	\$2,711.83	\$14,970.36	\$37,670.74

Prior to the Commencement Date, Tenant shall pay to Landlord rent as provided in the 1st Amendment 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. The landlord, at his sole cost and expense, must complete the Landlord's Work to the Additional Premises in accordance with floor plans and pricing notes reflected in the **Exhibit A1-A4**. The owner will provide Tenant a Finish-Out Allowance not to exceed \$254,342.83 (maximum allowance) for the Landlord's Work. The final cost of Landlord's Work will be memorialized by **Exhibit C**, Initial Cost Memorandum. In the event that the landlord's cost for the Landlord's Work is less than \$254,342.83, the difference between the actual cost of Landlord's Work and the maximum allowance will be credited to the Tenant (CoSA) and taken as a rent credit in equal installments over the next three months.

6.02. Landlord must, at Landlord's sole cost and expense 1.) install HVAC filters with a minimum rating of MERV 13 and provide for the minimum supply of 20% outside air, unless 20% outside air is not achievable without the total HVAC system replacement as stated by a licensed HVAC company, in which case, Landlord must supply as close to 20% outside air as possible with the existing HVAC system, but at no time may the outside air being supplied to the Premises be less than 10%, and 2.) modify all existing toilets, urinals, and sinks with touchless fixtures and/or flush valves, and 3.) install cypher locks on the 2nd floor hallway door outside Suite 245, and on the restroom entry doors. Tenant's Finish-Out

Allowance may not be used for the expenses listed in this paragraph 6.02.

7. Amendments, Premises, Parking.

7.01. *Premises*. The Original and 1st Amendment Lease are hereby amended to add the Additional Premises of 8,290 RSF of the Highland Park Building, increasing the total leased space to 22,203 RSF.

7.02. *Parking*. The Original and 1st Amendment Lease Parking are hereby revised to provide for 41 additional non-reserved parking spaces for the Additional Premises at no cost.

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.

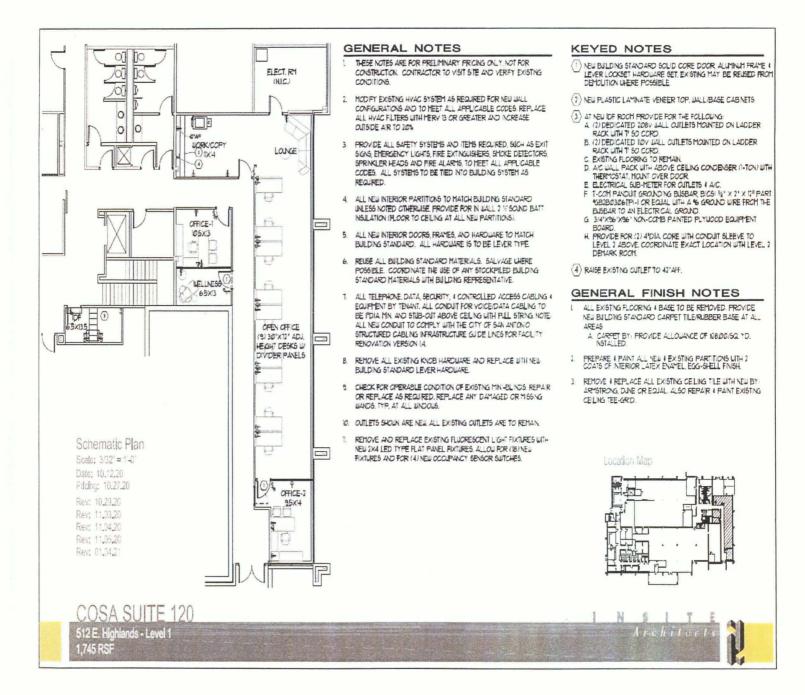
10. Public Information.

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.

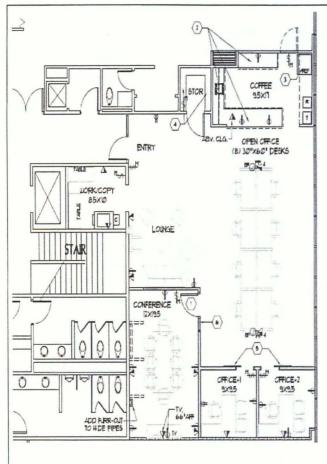
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In Witness Whereof, the parties have caused their representatives to set their hands.

Tenant	Landlord
City of San Antonio, a Texas municipal corporation	Hackberry Investors, Ltd., a Texas limited partnership by and through its General Partner,
By:	Partners Investors, LLC, a Texas limited
Printed	liability company
Name:	
Title:	By
Date:	Printed
Attest:	Name: Charles B. Brown, Manager
1 ALCON	Title: Manager
City Clerk	Date:
Approved as to Form:	
City Attorney	



9



Schematic Plan

Scale: 1/8" = 1'-0"

Date: 10.12.20 Pricing: 10.27.20

Rev: 11.03.20

Rev: 11,05,20

GENERAL NOTES

- I. THESE NOTES ARE FOR PRELIMINARY PRICING ONLY, NOT FOR CONSTRUCTION, CONTRACTOR TO VISIT SITE AND VERFY EXISTING CONDITIONS.
- MODEY EXISTING HYAC SYSTEM AS REQUIRED FOR NEW WALL CANEGURATIONS AND TO MEET ALL APPLICABLE CODES REPLACE ALL HYAC FILTERS WITH MERY IS OR GREATER AND NOREASE QUISIDE AR TO 20%
- PROVIDE ALL SAFETY SYSTEMS AND ITEMS REQUIRED, SUCH AS EXIT SIGNS, EMERGENCY LIGHTS, FIRE EXTINGUISHERS, SYCKE DETECTORS, SPRINCLER HEADS AND FRE ALARMS, TO MEET ALL AFFI ICABLE CODES. ALL SYSTEMS TO BE TIED NTO BUILDING SYSTEM AS REQUIRED.
- ALL NEW INTERIOR PARTITIONS TO MATCH EUILDING STANDARD UNLESS NOTED CITARRUSE, PROVIDE FOR IN ULL 1 % SOUND BATT INSULATION (FLCOR TO CELLING AT ALL NEW PARTITIONS).
- ALL NEW INTERIOR DOORS, FRAMES, AND HARDWARE TO MATCH BUILDING STANDARD. ALL HARDWARE IS TO BE LEVER TYPE.
- REJKE 4.L BUILDING STANDARD MATERIALS. SALVAGE UERE POSSIBLE COORDINATE THE USE OF ANY STOCKPLED BUILDING STANDARD MATERIALS WITH BUILDING REPRESENTATIVE.
- ALL TELEPHONE, DATA, SECURITY, 4 CONTROLLED ACCESS
 CABLING 4 EQUIPMENT BY TENANT, ALL CONDUTTOR
 YOKE/DATA CABLING TO BE IPDIA MN AND STUB-OUT
 ABOVE CIELING UTH PILL STRING NOTE: ALL NEU CONDUIT
 TO COMPLY UNIT THE CITY OF SAN ANTONIO STRUCTURED
 CABLING INFRASTRICTURE GUIDE LINES FOR FACILITY
 REMOYATION YERSON IA.
- REMOVE ALL EXISTING KNOB HARDWARE AND REPLACE WITH NEW BUILDING STANDARD LEVER HARDWARE
- CHECK FOR OPERABLE CONDITION OF EXISTING MINI-BLINDS REPAIR OR REPLACE AS REQUIRED, REPLACE ANY DAMAGED OR HISSING WANDS, TYP, AT ALL WINDOWS
- 10. OUTLETS SHOUN ARE NEW ALL EXISTING OUTLETS ARE TO REMAIN.
- REMOVE AND REPLACE EXISTING HUJGRESCENT LIGHT FIXTURES WITH NEW DYALLED TITTE FLAT PLANEL FIXTURES ALLOWFOR (16) NEW FIXTURES AND FOR (6) NEW COCUPANCY SENSOR SUTCHES.

KEYED NOTES

- (T) NEW BUILDING STANDARD SOLID CORE DOOR, ALIM'NIM FRAME I LEVER HARDWARE SET, NOTE: EXISTING MAY BE REUSED FROM DEMOLITION WHERE POSSIBLE.
- 1) NEW PLASTIC LAMINATE VENEER TOP, WALL-BASE CARINETS 4
 NEW STANLESS STEEL, ADA COMPLIANT TOP MOUNT KITCHEN
 SMK (SINGLE) BY EIKAT "READISTIC-BE" HITCH CEFET DRAINE
 FALCET BY MOEN "44, 197" "MESSESS WITH PALL-OUT SPRAYER,
 SPOT RESISTANT STAINLESS STEEL FINSH, PROVIDE
 TEMPERATURE SENSOR VALVES AND ABOVE CELLING HOT
 WATER WIT, 4,50 PROVIDE FOR GARBAGE DISPOSAL BY
 BADGER 5 NEINCERATIOR.
- (3) NEW TENANT PROVIDED REPRESENTOR PROVIDE 1/4*
 COPPER WATER LINE WITH SHUT-OFF VALVE FOR OPTIONAL ICE/LATER DISPENSER
- PREPARE (PANT EXISTING LOOD VENEER ADJUSTABLE SHELVES).
- (5) NEW SOLID CORE SLID NO BARN DOOR, RAIL & STILE WITH ALUMNIM CASING FRAME.
- (6) 1/41/2/4" TEMPERED GLASS SIDELIGHT IN ALIMINUM FRAME TO MATCH DOOR FRAMES.

GENERAL FINISH NOTES

- ALL EXISTING FLOORING I BASE TO BE REHOVED, PROVIDE NEW BULDING STANDARD CARPET TILE/RUBBER BASE AT ALL AREAS EXCEPT FOR COTTEE WHICH IS TO RECEIVE LYTELOORING.
 - A CARPET BY: PROVIDE ALLOHANCE OF 1/8 00/50, YD.
 - B. LUXURY VINYL THE BY: PROVIDE ALLOHANCE OF HIDDOGS FT. INSTALLED.
- FREPARE 4 PAINT ALL NEU 4 EXISTING PARTITIONS WITH 2 COATS OF INTERIOR LATEX ENAMEL, EGG-SHELL FINISH
- REMOVE I REPLACE ALL EXISTING CEILING THE WITH NEW BY: ARTISTRONG DUNE OR EQUAL ALSO REPAIR I PAINT EXISTING CEILING TEE-GRID.

Location Map

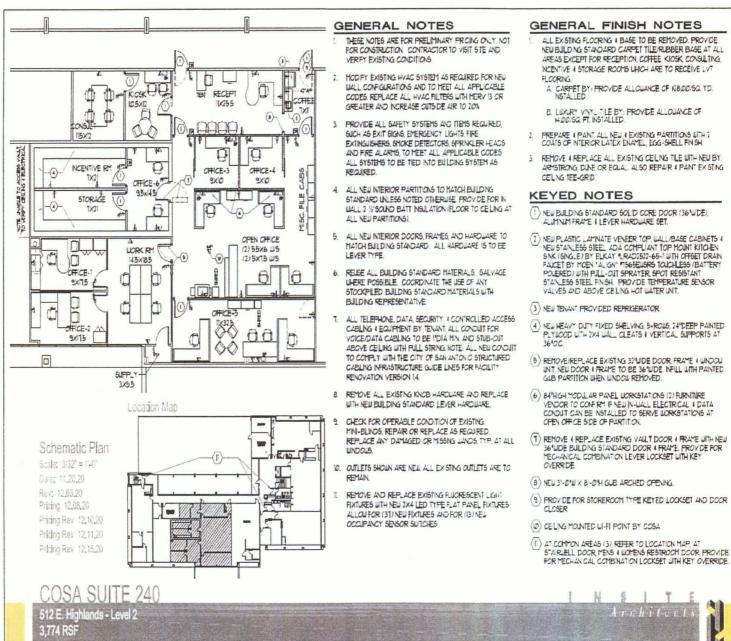


COSA SUITE 215

512 E. Highlands • Level 2 1,594 RSF



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6

Exhibit B: Commencement Memorandum

Hackberry Investors, Ltd., a Texas limited partnership

Landlord: by and through its General Partner,

Partners Investors, LLC, a Texas limited liability

company

Tenant: City of San Antonio, a Texas municipal corporation

Office Lease Agreement, as amended, between Landlord

and Tenant dated August 13, 2013, pertaining to

Lease: approximately 12,251 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:

Additional Premises:

Approximately 1,662 RSF on the 2nd floor of the Highland Park Building located at 512 E. Highland

Blvd., San Antonio, Texas.

Ordinance Authorizing 2019-01-31-0101

1st Amendment:

Approximately 8,290 RSF of the Highland Park Building located at 512 E. Highland Blvd., San Antonio, Texas as graphically depicted in **Exhibit A-1 thru A-4**.

Ordinance Authorizing 2nd 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.

Landlord and Tenant are parties to the 1st Amendment of 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.

2. Commencement Date.

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.

The 2nd Amendment of Office Lease term commences:

The Term for the Premises, as those term from to	rms are defined in the 2 nd Amendment of Office Lease is
4. Conflict of Terms. This instrument controls over anything	
Tenant	Landlord
City of San Antonio, a Texas municipal corporation	Hackberry Investors, Ltd., a Texas limited partnership by and through its General Partner,
By:	Partners Investors, LLC, a Texas limited liability company
Printed	
Name:	By:
Title:	Printed Name: Charles B. Brown
Date:	Name. Charles B. Brown
	Title: Manager
Attest:	Date:
City Clerk	
Approved as to Form:	
City Attorney	

Exhibit C: Initial Cost Memorandum

Hackberry Investors, Ltd., a Texas limited partnership by

Landlord: and through its General Partner,

Partners Investors, LLC, a Texas limited liability

company

Tenant: City of San Antonio

The original Lease Agreement, the 1st Amendment and the 2nd Amendment of Office Lease dated________, 2021

Lease:

between Landlord and Tenant, pertaining to approximately 22,203 RSF of the Highland Park Building located at 512 E. Highland Blvd., San Antonio, Texas and authorized by the Ordinance Authorizing 2nd Amendment of Office Lease.

Authorizing Ordinance:

Predicate Facts:

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

For their mutual benefit, the parties now wish to memorialize the actual costs of the Landlord's Work.

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. Landlord's Cost for Landlord's Work.

Landlord's total cost for Landlord's Work under the 2nd Amendment of Office Lease is:

3. No Default.

Landlord and Tenant represent to each other that:

- a. The Lease is in full force and effect according to its terms.
- b. Neither party is in default under the Lease.
- c. Neither party has any offset or claim against the other that would reduce or impair its obligations under the Lease.

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	Landiord
City of San Antonio, a Texas municipal corporation	Hackberry Investors, Ltd., a Texas limited partnership by and through its General Partner,
By:	Partners Investors, LLC, a Texas limited liability company
Printed	
Name:	By:
Title:	
	Printed
Date:	Name: Charles B. Brown
Attest:	Title: Manager
City Clerk	Date:
Approved as to Form:	
City Attorney	

ATTACHMENT II Map

SAMHD – 512 E. Highland Blvd. 2nd Amendment to Office Lease Agreement City Council District 3

