



City of San Antonio

Legislation Details (With Text)

File #: 17-3518

Type: Real Property Lease

In control: City Council A Session

On agenda: 8/31/2017

Title: 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]

Sponsors:

Indexes:

Code sections:

Attachments: , , , ,

Date	Ver.	Action By	Action	Result
8/31/2017	1	City Council A Session	adopted	Pass

DEPARTMENT: Center City Development Office

DEPARTMENT HEAD: John Jacks

COUNCIL DISTRICTS IMPACTED: 1

SUBJECT:

2nd Amendment and Extension of Lease Agreement: Fire Wellness, 215 S. San Saba, Ste. 107 & 111.

SUMMARY:

This ordinance authorizes the execution of a 2nd Amendment and Extension of Lease Agreement between the City of San Antonio and Burkhart, Shannon & Holmes, a Texas General Partnership, dba Washington Place to expand and continue use by the Fire Department of 11,622 square feet of office space located at 215 S. San Saba Street in District 1, for a term of five years at an initial monthly rental rate of \$18,486.10 during the first year of the lease increasing to \$19,880.74 in the final year.

BACKGROUND INFORMATION:

In 2010 the SAFD was given direction to implement a Health and Wellness Program for uniformed employees. Through coordination with the San Antonio Professional Firefighters Association (SAPFFA), the Human

Resources Department, Health Department and Office of Management and Budget, the SAFD determined that an in-house program was the most cost effective and efficient method to provide annual physicals for each firefighter. City Council approved a lease for this location which opened December 1, 2010 providing the SAFD the ability to establish a fitness center, personnel to promote wellness and provide medical evaluations on all uniformed personnel. This action will serve to amend the lease extending the term for a period of five years and adding 3,613 square feet to the leased space for a total of 11,622 square feet. The addition of the space will allow SAFD to more efficiently provide various health and wellness services to include fitness classes, strength training and injury treatment & rehabilitation to its uniformed employees. In addition, this lease will allow for the construction of separate men’s and women’s bathrooms and showers.

ISSUE:

The SAFD’s Health and Wellness Program needs additional space and separate men’s and women’s bathrooms and showers in order to more efficiently implement the functions of its Health and Wellness Program. The recommended course of action to amend and extend this lease will allow the SAFD to provide uninterrupted health and wellness services and continue to meet program objectives. This action is consistent with the City’s policy to support the mission and space needs of the San Antonio Fire Department.

ALTERNATIVES:

The alternative to amending and extending this lease would be to remain in the existing lease that terminates September 30, 2020 and have uniformed personnel find an alternative place to shower after completing fitness and strength training classes.

FISCAL IMPACT:

The changes to the existing lease are outlined in the chart below.

Item	Presently	Proposed	Net Change
Premises Size	8,009 SF	11,622 SF	3,613 SF
Term	Ends September 30, 2020	Ends September 30, 2022	2 year extension
Monthly Rent	\$11,379.65	\$18,486.10	\$7,106.45
Tenant Improvement Rent	\$0.00	\$1,517.98	\$1,517.98
Termination Right	Any time after September 30, 2018	Any time after 36 th month	Extended 2 years

During the extended term, monthly rent will be paid pursuant to the following schedule:

Term	Monthly Rent
Month 1 - 12	\$18,486.10
Month 13 - 24	\$18,825.08
Month 25 - 36	\$19,173.74
Month 37 - 48	\$19,522.40
Month 49 - 60	\$19,880.74

The extended term will begin upon the completion of improvements to the expanded premises; in the meantime rent will remain at the current rate. Upon completion of the improvements and acceptance of the space, the City has the option to terminate the lease at or any time after the 36th month upon 120 days' notice subject to reimbursement of any unamortized balance remaining on the initial investment made by landlord for the improvements.

This ordinance authorizes the execution of a 2nd Amendment and Extension of Lease Agreement between the City of San Antonio and Burkhart, Shannon & Holmes, a Texas General Partnership, dba Washington Place to expand and continue use by the Fire Department for a term of five years at an initial monthly rental rate of \$18,486.10. Funding is available in the Fire General Fund FY 2017 Budget.

RECOMMENDATION:

Staff recommends approval of this 2nd Amendment and Extension to the Lease Agreement with Burkhart, Shannon and Holmes, a Texas General Partnership, dba Washington Place for a five year term.