



City of San Antonio

Agenda Memorandum

File Number:13-984

Agenda Item Number: 15.

Agenda Date: 12/19/2013

In Control: City Council A Session

DEPARTMENT: Building and Equipment Services

DEPARTMENT HEAD: Jorge Perez

COUNCIL DISTRICTS IMPACTED: 1

SUBJECT:

Renewal and Extension of Lease Agreement for the continued use by the Central Stores Division of the Finance Department

SUMMARY:

This ordinance authorizes the execution of a Renewal and Extension of Lease Agreement with Penta Partners V, LLC, for the continued use by the Central Stores Division of the Finance Department, of approximately 5,900 square feet of space, located at 416 Dolorosa Street, in Council District 1, for a term of four months commencing January 15, 2014 and expiring May 14, 2014 with no increase in the monthly rent of \$6,640.50 and the right to terminate the lease with sixty-days notice to Landlord.

BACKGROUND INFORMATION:

Pursuant to Ordinance No. 2008-09-18-0816, dated September 18, 2008, the City has been a tenant at this property as a result of the City Hall Annex property redevelopment plan. The Finance Department now wishes to renew this Lease Agreement for up to four months while the terms of an alternative location for the Central Stores Division are finalized.

ISSUE:

This action is consistent with the City's policy to support the space needs of the Finance Department. As there is currently no viable City-owned facility available to move the Central Stores function, this Renewal and

Extension of Lease Agreement is recommended by staff.

ALTERNATIVES:

The alternative to entering into this Renewal and Extension of Lease Agreement is to continue the City's occupancy past the expiration date of the lease, which is not recommended as the current lease does not provide for the condition of a holdover.

FISCAL IMPACT:

Under the terms of the Renewal and Extension of Lease Agreement the City will continue to pay \$6,640.50 monthly rent for the entire four month renewal term. In the event that the City exercises its termination right prior to the expiration of the renewal term, but does not vacate the property by the date identified on the City's termination notice, then a daily penalty rent of \$250.00 will be assessed in addition to the regular daily rent. There is sufficient funding in the Finance FY 2014 budget to support this expenditure.

RECOMMENDATION:

Staff recommends approval of this ordinance authorizing the Renewal and Extension of Lease Agreement for leased space at 416 Dolorosa Street.