



# City of San Antonio

## Agenda Memorandum

**File Number:**21-1792

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**Agenda Item Number:** 10.

**Agenda Date:** 3/18/2021

**In Control:** City Council A Session

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**DEPARTMENT:** Center City Development & Operations

**DEPARTMENT HEAD:** John Jacks

**COUNCIL DISTRICTS IMPACTED:** 3

### **SUBJECT:**

2<sup>nd</sup> Amendment of Office Lease Agreement with Hackberry Investors, Ltd.

### **SUMMARY:**

An ordinance authorizing an 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.

### **BACKGROUND INFORMATION:**

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. 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. The expansion space will provide for the growth and improved efficiency of these programs and improve the education and health services to the community. The existing space is 13,913 square feet, and the amendment will bring the total space occupied to 22,203 square feet. The term of the amendment is five years.

### **ISSUE:**

The SAMHD has an immediate need for space in which to locate and expand various programs. This action will serve to resolve that need by timely providing space with favorable lease terms and ample parking.

**ALTERNATIVES:**

The City could choose not to amend the lease agreement as proposed, however, given the immediate need for space by the SAMHD, the favorable lease rates being offered to the City and the infrastructure savings realized by utilizing existing equipment within the building, it is highly unlikely that an alternative location, offering more favorable economic terms, could be timely identified.

**FISCAL IMPACT:**

In accordance with the 2<sup>nd</sup> Amendment of Office Lease, the SAMHD will pay monthly rent as follows:

Months	Monthly Rent		
	Current Rent	Additional Rent	Total Rent
1-12	\$21,802.31	\$14,472.96	\$36,275.27
13-24	\$21,999.40	\$14,590.40	\$36,589.80
25-32	\$22,208.10	\$14,714.75	\$36,922.85
33-36	\$22,272.40	\$14,714.75	\$36,987.15
37-48	\$22,481.09	\$14,839.10	\$37,320.19
49-60	\$22,700.38	\$14,970.36	\$37,670.74

The SAMHD has sufficient funds in their FY 2021 Adopted Budget for the expenses related to this lease amendment.

**RECOMMENDATION:**

Staff recommends approval of this ordinance authorizing the 2<sup>nd</sup> Amendment of Office Lease for the addition of space at 512 E. Highland Blvd, with Hackberry Investors, Ltd., for use by the Metropolitan Health District’s community outreach programs.