



# City of San Antonio

## Agenda Memorandum

**File Number:** 14-3129

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**Agenda Item Number:** 22B.

**Agenda Date:** 12/4/2014

**In Control:** City Council A Session

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**DEPARTMENT:** EastPoint & Real Estate Services

**DEPARTMENT HEAD:** Mike Etienne

**COUNCIL DISTRICTS IMPACTED:** 3

**SUBJECT:** Renewal of Lease Agreement with Brooks Development Authority for use of buildings located at City-Base

### **SUMMARY:**

Consideration of the following ordinances authorizing the renewal of two existing building leases at Brooks City-Base occupied by the Information Technology Services Department:

- A) An ordinance renewing a license agreement for 1,775 square feet of warehouse space with Brooks Development Authority located in Council District 3, at 8350 Laser Road for a term ending September 30, 2016 at the monthly rate of \$365.00 to serve as a warehouse for storage of equipment under the management of Information Technology Services Department.
- B) An ordinance renewing a lease agreement for 4,000 square feet of office and workshop space with Brooks Development Authority located in Council District 3, at 2712 Flight Nurse for a term commencing upon occupancy and ending September 30, 2017 at the monthly rate of \$1,666.67 to serve as a radio shop for the Information Technology Services Department.

### **BACKGROUND INFORMATION:**

- A) Since 2005, the Information Technology Service Department (ITSD) has used the property located at 8350 Laser Road for the storage of telephone equipment and materials. This equipment stored in this facility represents technology that has been removed from former City facilities, but still has a useful life and can be re-installed into other facilities as they come on line. ITSD staff have reviewed their options and decided that the continued use of this facility is both cost effective and necessary for the

purpose of managing and monitoring inventory as it is deployed into service.

- B) The Information Technology Services Department (ITSD) radio shop shared a leased facility at Brooks City-Base with Fleet on Lindberg Landing. When Fleet left that facility in October 2013, ITSD remained in occupancy and the rent was decreased to reflect only the portions of the building that ITSD was using. Brooks Development Authority has decided that they want to develop the Lindberg Landing property for other purposes and as an inducement for ITSD to relocate; they have offered an alternative facility for the Radio Shop at 2712 Flight Nurse. This ITSD function installs and supports radio communications equipment used by a variety of departments including Police and Transportation and Capital Improvements and the proposed location was previously used by the Air Force for radio repair purposes so it has features inherently beneficial to the City's use.

The warehouse and radio shop uses have been in leased facilities for a number of years and as there is presently no City-owned space that can adequately accommodate their needs, extending the occupancy in the case of the warehouse and relocating the radio shop to accommodate future development at City-Base is appropriate.

**ISSUE:**

- A) An ordinance approving a license agreement for 1,775 square feet of warehouse space with Brooks Development Authority located in Council District 3, at 8350 Laser Road for a term ending September 30, 2016 at the monthly rate of \$365.00 to serve as a warehouse for storage of equipment under the management of Information Technology Services Department. The existing license agreement has expired and in order for the occupancy to continue, a new license agreement must be entered into.
- B) An ordinance approving a lease agreement for 4,000 square feet of office and workshop space with Brooks Development Authority (BDA) located in Council District 3, at 2712 Flight Nurse for a term commencing upon occupancy and ending September 30, 2017 at the monthly rate of \$1,666.67 to serve as a radio shop for the Information Technology Services Department (ITSD). At the request of BDA the City will relocate into a standalone facility that had been previously setup by the Air Force as a radio equipment repair shop and can therefore be occupied with minimal disruption to ITSD's communications staff.

**ALTERNATIVES:**

For both of these uses the City could seek other space in the City or move into City-owned space. However, the rate for the warehouse is below market and represents the cost for Brooks Development Authority to provide utility and maintenance services to the property and in the case of the radio shop the space is already outfitted for the intended use, thereby minimizing the upfront costs for the City to locate in the radio shop building. Given that there is not any City-owned space that can accommodate these uses and for the previously cited factors related to the reduced cost for these spaces, the approach to use a lease to accommodate these needs is the most practical approach for the City.

**FISCAL IMPACT:**

- A) The chart below details the fiscal impact associated with extending this lease.

	Present License	As proposed	Net Change
Term	Has expired	Term ending Sept. 30, 2016	36 month extension

Rent	\$210.00 per month	\$365.00 per month	\$155 per month increase
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B) The chart below details the fiscal impact associated with the lease for 2712 flight Nurse.

	Present Lease	As Proposed	Net Change
Term	Has expired	Ends Sept. 30, 2016	36 month extension
Location	8220 Lindberg Landing	2712 Flight Nurse	Relocate to new facility
Size	3,725 sf	4,000 sf	275 sf increase
Rent	\$2,183.56 per month	\$1,667.67 per month	\$515.89 monthly decrease
HVAC	Maintained by Landlord	Maintained by City	City responsible
Janitorial	Maintained by Landlord	Maintained by City	City responsible

The adopted FY 2015 Budget includes sufficient funding to finance the occupancy for both agreements.

**RECOMMENDATION:**

- A) Staff recommends approval of a license with Brooks Development Authority for use of warehouse space located at 8350 Laser Drive at the monthly rate of \$365 for a term ending September 30, 2016.
- B) Staff recommends approval of a lease with Brooks Development Authority for use of space for a radio shop located at 2712 Flight Nurse at the monthly rate of \$1,667.67 for a term ending September 30, 2017.