



# City of San Antonio

## Agenda Memorandum

**File Number:**14-3508

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**Agenda Item Number:** 18.

**Agenda Date:** 2/12/2015

**In Control:** City Council A Session

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**DEPARTMENT:** Office of EastPoint & Real Estate Services

**DEPARTMENT HEAD:** Mike Etienne

**COUNCIL DISTRICTS IMPACTED:** 1

### **SUBJECT:**

Sublease Agreement: Convention Visitors Bureau Temporary Office Space

### **SUMMARY:**

Consideration of an ordinance authorizing the execution of a nine month sublease, while the City's Information Center offices undergo renovations, for 897 square feet of office space located at 321 Alamo Plaza, with Powers Brown Architecture of Texas, LLC in Council District 1, for a monthly rent of \$1,420.25 in the first two months of the term increasing to \$1,457.63 during the final seven months of the term.

The City has the right to terminate this agreement at or anytime after June 30, 2015 upon 30 days written notice without cause.

### **BACKGROUND INFORMATION:**

The Convention Visitors Bureau maintains the San Antonio Official Visitor Information Center on located at 317 Alamo Plaza that is leased through April 2033. The City's Information Center is a resource for visitors seeking information on sights and attractions within the City and for anyone seeking San Antonio centric memorabilia and merchandise.

During the course of the City's occupancy of this facility the retail space, or front of the house operation, has been renovated several times in an effort to portray the merchandise and the visitor experience in the best manner possible. However the back of the house which comprises about 30 percent of the total occupancy housing staff that manage the City Information Center and provides customer and informational services to

visitors has not been upgraded and suffers from several deferred maintenance issues.

The intent is to relocate staff assigned to the City Information Center's back of house operation to a temporary leased location through the sublease at 321 Alamo Plaza while the space is renovated which is expected to take about six months, then relocate them back upon completion of the renovations.

#### **ISSUE:**

Consideration of an ordinance authorizing the execution of a nine month sublease, while the City's Information Center offices undergo renovations, for 897 square feet of office space located at 321 Alamo Plaza, with Powers Brown Architecture of Texas, LLC in Council District 1, for a monthly rent of \$1,420.25 in the first two months of the term increasing to \$1,457.63 during the final seven months of the term.

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During the course of remodeling the office space portion of the City's Information Center facility employees assigned to this space need to be temporally relocated so that construction can proceed orderly and with the least impact possible to the retail operation conducted from this facility. The construction is expected to commence in February 2015 and take up to six months to complete. The sublease will allow for the relocation of employees during this six month period with the potential for extra time in the event the construction is delayed.

#### **ALTERNATIVES:**

Staff could remain in the space during renovation, but the contractor will be adversely affected as a result of having to work around staff along with the resulting decrease in productivity of staff as well as potential safety concerns due to construction activity do not make this a viable option. The temporary relocation of employees while construction is going on is the most cost effective means to implement this project.

#### **FISCAL IMPACT:**

Under the terms of the sublease the monthly rate paid by the City covers all costs related to the occupancy. The chart below identifies the costs associated with this lease during the term.

<b>Term</b>	<b>Monthly Rent</b>
February 1, 2015 - March 31, 2015	\$1,420.25
April 1, 2015 - October 31, 2015	\$1,457.63

Convention Visitors Bureau is funded through Hotel Occupancy Tax and has sufficient funding in their FY 15 Budget to fund the costs associated with this sublease. The City has the right to terminate this agreement at or anytime after June 30, 2015 upon 30 days written notice without cause.

**RECOMMENDATION:**

Staff recommends approval of this sublease authorizing the execution of a nine month sublease agreement with Powers Brown Architecture of Texas LLC.