



City of San Antonio

Agenda Memorandum

File Number: 15-2746

Agenda Item Number: 10.

Agenda Date: 6/4/2015

In Control: City Council A Session

DEPARTMENT: Office of Eastpoint and Real Estate Services

DEPARTMENT HEAD: Mike Etienne

COUNCIL DISTRICTS IMPACTED: 9

SUBJECT:

Lease Agreement: Transportation and Capital Improvements Department - DNT Construction, LLC

SUMMARY:

An Ordinance authorizing the execution of a Lease Agreement between the City of San Antonio as Landlord and DNT Construction, LLC, as Tenant for use of approximately 1,707 square feet of space in the property located at 1406 Knights Cross Drive, for the annual rental rate of \$21,142.00, for one-year term commencing June 1, 2015 and expiring May 31, 2016, with the conditional right to terminate after September 30, 2015.

BACKGROUND INFORMATION:

The voter-approved General Obligation Bond Program included funding for the Hardy Oak - Stone Oak Parkway to Knights Cross Drive project. Pursuant to Ordinance 2014-10-30-0826, dated October 30, 2014, DNT Construction, LLC (DNT) was awarded a construction contract for the construction of Hardy Oak Blvd. The construction contract requires DNT to provide an on-site space suitable for use by the City staff working on the project to conduct project oversight.

This lease agreement will allow DNT to fulfill its contractual obligation to the City of San Antonio by leasing the City-owned property located at 1406 Knights Cross Drive, for use by City staff through the duration of the construction project.

ISSUE:

An Ordinance authorizing the execution of a Lease Agreement between the City of San Antonio as Landlord

and DNT Construction, LLC, (DNT) as Tenant for use of approximately 1,707 square feet of space in the property located at 1406 Knights Cross Drive, for the annual rental rate of \$21,142.00, for one-year term commencing June 1, 2015 and expiring May 31, 2016, with the conditional right to terminate after September 30, 2015.

This lease agreement will allow DNT to fulfill its contractual obligation to the City of San Antonio by leasing the City-owned property located at 1406 Knights Cross Drive, for use by City staff through the duration of the construction project.

Approval of this ordinance will be a continuation of City Council policy to support the completion of previously approved 2012 Bond funded projects.

ALTERNATIVES:

An alternative to entering into this Lease Agreement with DNT Construction, LLC would be to seek an alternative location. However, this course of action would likely negatively impact the City's ability to efficiently oversee the construction project as the property to be leased is centrally located in the area of construction project. Approval of this action will eliminate the potential for less efficient management of the project and increase the potential for timely project completion.

FISCAL IMPACT:

The City will collect rent in the amount \$21,142.00 annually from DNT Construction, LLC for the use of the property located at 1406 Knights Cross. Funds will be deposited in the General Fund in accordance with the FY 2015 adopted budget.

RECOMMENDATION:

Staff recommends approval of Lease Agreement between the City of San Antonio and DNT Construction, LLC for the property located at 1406 Knights Cross Drive, for a one-year term, for the annual rental rate of \$21,142.00.