



City of San Antonio

Legislation Details (With Text)

File #: 18-3581

Type: Real Property Lease

In control: City Council A Session

On agenda: 6/21/2018

Title: Ordinance approving a lease agreement with RE Office-TX II, LLC for 3,120 square feet of office space located at 4606 Centerview Drive for seven years starting when the improvements to the space are completed at an initial annual rent of \$57,720.00 and increasing to an annual rent of \$62,400.00 during the final year. [Lori Houston, Assistant City Manager; John Jacks, Director, Center City Development and Operations]

Sponsors:

Indexes:

Code sections:

Attachments: 1. RE Office-TX LLC CDC, 2. 4606 2018-05-22 Lease, 3. 4606 Fiscal Impact Form 6-21-18, 4. Draft Ordinance, 5. Ordinance 2018-06-21-0478, 6. Staff Presentation

Date	Ver.	Action By	Action	Result
6/21/2018	1	City Council A Session	adopted	Pass

DEPARTMENT: Center City Development and Operations

DEPARTMENT HEAD: John Jacks

COUNCIL DISTRICTS IMPACTED: 7

SUBJECT:

A lease with RE Office-TX II, LLC for 3,120 square feet of office space located at 4606 Centerview Drive in Council District 7 for a seven year term.

SUMMARY:

This ordinance authorizes the lease of 3,120 square feet of office space in a building located at 4606 Centerview Drive in Council District 7 with RE Office-TX II, LLC for a term of seven years commencing upon completion of improvements to the space to accommodate the use by the San Antonio Police Department's (SAPD) Psychological Services Office. The initial annual rent will be \$57,720.00 increasing each year during the term with annual rent of \$62,400.00 during the final 12 months of the term.

BACKGROUND INFORMATION:

SAPD has long recognized the importance to ensure the mental and emotional health of officers that serve the

department including the many stresses placed on officers by the job they perform and the toll these stresses, if not addressed, can take on the officers and their families. To help decrease the impact of excessive stress, SAPD has a Psychological Services Office prepared to support the mental health needs of its officers and their families through evaluation, counseling and consultation. The office space provided by this lease will house the employees that perform these services and provide sufficient space to implement therapeutic services associated with the services provided.

ISSUE:

The City presently occupies space for this use under a lease that is on a month to month basis and the landlord has refused to renew that lease under terms satisfactory to the City, therefore renewing the existing lease is not an option. A search for alternative facilities resulted in the subject building being chosen due to its location in proximity to the clients served, ease of access and free parking for users of the service provided.

ALTERNATIVES:

Remaining at the current leased facility is not an option due to the existing landlord's refusal to consider lease terms favorable to the City. This fact coupled with the SAPD's continuing need to maintain the services that are being provided through this lease along with the necessity to preserve client confidentiality precludes sharing space with another City entity thereby requiring that a location appropriate for the services being offered be identified in a leased building. The subject property meets all of the SAPD's needs at a rate that is competitive in the marketplace.

FISCAL IMPACT:

Under the terms of the lease, the following chart summarizes the salient points in the lease:

Lease Terms	Existing Lease
Term Length	7 years
Square Feet Occupied	3,120 SF
Annual Rent Year 1	\$57,720.00
Annual Rent Year 7	\$62,400.00
Commencement	Upon completion of improvements, estimated Dec 1, 2018
Building Services	The quoted rent includes all costs associated with the use

Assuming that occupancy commences December 1, 2018 at which time the construction will be completed and the space ready for City use, the chart below represents the rent to be charged each fiscal year during the term:

Fiscal Year	Total Annual Rent
2018	\$0.00
2019	\$48,100.00
2020	\$58,370.00
2021	\$59,150.00
2022	\$59,930.00
2023	\$60,710.00

2024	\$61,490.00
2025	\$62,270.00
2026	\$10,400.00

This ordinance authorizes the lease of 3,120 square feet of office space in a building located at 4606 Centerview Drive in Council District 7 with RE Office-TX II, LLC for a term of seven years commencing upon completion of improvements to the space to accommodate the use by the San Antonio Police Department's (SAPD) Psychological Services Office. Beginning in FY 2019, the initial annual rent will be \$57,720.00 increasing each year during the term with annual rent of \$62,400.00 during the final 12 months of the term. This contract will not have an impact on the City's FY 2018 General Fund Budget.

RECOMMENDATION:

Staff recommends approval of this ordinance authorizing a seven year lease with RE Office-TX II, LLC for 3,120 square feet located at 4606 Centerview Drive commencing upon completion of construction of the space to suit the City's needs.