



# City of San Antonio

## Agenda Memorandum

**File Number:**16-5189

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**Agenda Item Number:** 10.

**Agenda Date:** 10/20/2016

**In Control:** City Council A Session

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**DEPARTMENT:** Center City Development & Operations

**DEPARTMENT HEAD:** John Jacks

**COUNCIL DISTRICTS IMPACTED:** 10

### **SUBJECT:**

1<sup>st</sup> Renewal of Lease Agreement - City Council District 10 Constituent Office

### **SUMMARY:**

An ordinance authorizing the 1<sup>st</sup> Renewal of Lease Agreement with Catholic Life Insurance, for a five-year term, for the continued use of office space located at 1635 NE Loop 410, Suite 510, in City Council District 10, for use as the City Council District 10 Constituent Office, for the initial monthly rental amount of \$1,600.00 escalating to \$1,650.00 during the last three years of the lease term. The City has the option to terminate the lease with thirty days' notice.

### **BACKGROUND INFORMATION:**

Pursuant to Ordinance 2011-10-20-0856, dated October 20, 2011, the City of San Antonio entered into a five-year Lease Agreement for office space located at 1635 NE Loop 410, to be utilized as the City Council District 10 Constituent Office, with an option to renew the lease for an additional five-year term. This action will serve to exercise the City's five-year renewal option commencing on November 1, 2016 and expiring on October 31, 2021.

### **ISSUE:**

The current lease term is expiring, and as such, this action will exercise the optional five-year renewal term established in the original Lease Agreement. Additionally, there is currently no available City-owned space in which to relocate the District 10 City Council Constituent Office.

This action is consistent with the City's policy to provide a constituent office within each City Council District for each Councilperson to conduct business and meet with constituents.

#### **ALTERNATIVES:**

The alternative to exercising this 1<sup>st</sup> Renewal and 2<sup>nd</sup> Amendment to Lease Agreement would be to search for a new lease space in the same geographic area which offers more favorable lease terms than the very favorable terms already secured. Additionally, the cost to relocate this office would likely negate any potential rent savings.

#### **FISCAL IMPACT:**

The monthly rent during the renewal term is as follows:

	Current Term	Renewal Term	Change
Term	Ends 10-31-16	Ends 10-31-2021	5 year extension
Monthly Rent	\$1,550.00	\$1,600.00 / \$1,650.00	\$50.00 / \$100.00

There are sufficient funds in the FY 2017 budget for the lease expenses.

#### **RECOMMENDATION:**

Staff recommends approval of this 1<sup>st</sup> Renewal of Lease Agreement with Catholic Life Insurance, for the continued use of the office space located at 1635 NE Loop 410.