



City of San Antonio

Agenda Memorandum

File Number: 19-1445

Agenda Item Number: 10.

Agenda Date: 1/31/2019

In Control: City Council A Session

DEPARTMENT: Center City Development & Operations

DEPARTMENT HEAD: John Jacks

COUNCIL DISTRICTS IMPACTED: 3

SUBJECT:

Amendment of Lease Agreement with Hackberry Investors, Ltd.

SUMMARY:

An Ordinance authorizing an Amendment of Office Lease between the City of San Antonio and Hackberry Investors, Ltd., for office space located at 512 E. Highland Blvd., for the expansion of space to be utilized by the Metropolitan Health District (SAMHD) for its Racial and Ethnic Approaches to Community Health (REACH) Program, for a term of five years, for the initial monthly rental amount of \$2,693.83 during the first year, escalating to \$2,788.00 during the fifth year, with the option to terminate the lease annually with 150 days' notice.

BACKGROUND INFORMATION:

The Metropolitan Health District (SAMHD) has been a tenant at 512 E. Highland Blvd. since February 2014, as a location for its Sexually Transmitted Disease Clinic. In September of 2018, the SAMHD was awarded up to five years of grant funding from the Centers for Disease Control and Prevention to implement the Racial and Ethnic Approaches to Community Health (REACH) Program and authorized 10 positions. The purpose of the REACH grant is to reduce the health disparities experienced by people of color in San Antonio, and strategies include tobacco prevention, improving food systems, and creating community-clinical linkages. In effort to accommodate the REACH Program Staff, the SAMHD would like to take advantage of the opportunity to locate the program in the building at 512 E. Highland Blvd., by amending their current lease agreement to add 1,662 square feet of office space to the existing 12,251 square foot leased premises, for a term of five years.

ISSUE:

The SAMHD has an immediate need for space in which to locate its REACH Program. This action will serve to resolve that need by timely providing space with favorable lease terms, ample parking and termination options.

ALTERNATIVES:

The City could choose not to amend the lease agreement as proposed, however, given the immediate need for space by the SAMHD, the favorable lease rates being offered to the City and the I.T. infrastructure saving realized by utilizing existing CoSA equipment within the building, it is highly unlikely that an alternative location, offering more favorable economic terms, could be timely identified and made ready for occupancy.

FISCAL IMPACT:

This ordinance amends a lease with Hackberry Investors, Ltd., for office space located at 512 E. Highland Blvd., for the expansion of space to be utilized by the Metropolitan Health District, for a term of five years. The amended portion of the lease, in the amount of, \$13,469.15 will be paid through the REACH Grant through ordinance 2018-06-21-0486.

RECOMMENDATION:

Staff recommends approval of this ordinance authorizing the Amendment of Office Lease for the addition of space at 512 E. Highland Blvd, with Hackberry Investors, Ltd., for use by the SAMHD's REACH Program.