



City of San Antonio

Agenda Memorandum

File Number:19-1669

Agenda Item Number: 12.

Agenda Date: 2/21/2019

In Control: City Council A Session

DEPARTMENT: Center City Development & Operations

DEPARTMENT HEAD: John Jacks

COUNCIL DISTRICTS IMPACTED: 9

SUBJECT:

Third Renewal and Amendment to Lease Agreement with Park Oaks, Ltd.

SUMMARY:

An ordinance authorizing the Third Renewal and Amendment to Lease Agreement with Park Oaks, Ltd. and the City of San Antonio, for the continued use of approximately 1,265 square feet of office space, located at 16500 San Pedro, Suites 290 and 292, in Council District 9, as a Constituent Office for the term of three years, effective March 1, 2019, for the reduced monthly rental amount of \$2,392.00 during the first year, escalating to \$2,496.00 monthly during the third year of the renewal term. The City will have the option to terminate this lease after the first year with thirty days notice.

BACKGROUND INFORMATION:

The City has been a tenant at this location since December, 2009, as the location for the City Council District 9 Constituent Office, for the purpose of conducting business and meeting with constituents. At this time, Councilman Courage wishes to renew this lease for a period of three years. The proposed negotiated terms of this action reflect a reduction in the annual rental rate from \$23.33 per square foot to \$22.69 per square foot with the right to terminate the lease without cause with thirty days notice after the first year of the renewal term.

ISSUE:

The existing lease term has expired and there is an immediate and continued need for the District 9 Constituent Office. This action is consistent with the City's policy to provide a constituent office within each Council District for each Councilperson to conduct business and meet with their constituents.

This action will serve to ensure no interruption in the ability for Councilman Courage and his staff to conveniently meet with District 9 constituents to conduct business and discuss important issues.

ALTERNATIVES:

An alternative to exercising the proposed Third Renewal and Amendment to Lease Agreement would be to search for a suitable replacement location. However, given the very favorable lease terms being offered and considering the one-time expenses associated with moving a Constituent Office, it is unlikely that terms as economically favorable as those being offered by this action will be achievable.

FISCAL IMPACT:

Under the terms of the proposed Third Renewal and Amendment of Lease Agreement, the new monthly rent is as follows:

Months	Monthly Rent
March 1, 2019 through February 29, 2020	\$2,392.00
March 1, 2020 through February 28, 2021	\$2,444.00
March 1, 2021 through February 28, 2022	\$2,496.00

Funding for FY 2019 is available in the FY 2019 General Fund Budget. Funding for subsequent fiscal years is subject to City Council approval of the annual budget and funds.

RECOMMENDATION:

Staff recommends approval of this ordinance authorizing the Third Renewal and Amendment to Lease Agreement for the continued use of office space located at 16500 San Pedro, with Park Oaks, Ltd., for the District 9 Constituent Office.