



# City of San Antonio

## Agenda Memorandum

**File Number:**19-8580

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**Agenda Item Number:** 23.

**Agenda Date:** 12/12/2019

**In Control:** City Council A Session

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**DEPARTMENT:** Center City Development & Operations

**DEPARTMENT HEAD:** John Jacks

**COUNCIL DISTRICTS IMPACTED:** 4

### **SUBJECT:**

Second Amendment and Extension to Lease Agreement for the Senior Center in City Council District 4 with Cronus Enterprises LLC

### **SUMMARY:**

An ordinance authorizing the Second Amendment and Extension to Lease Agreement with Cronus Enterprises LLC, and the City of San Antonio, for the continued use of 7,000 square feet of multi-use space located at 5512 SW Military Drive, in Council District 4, as a Senior Center for an additional term of ten years, expiring December 31, 2029, for the initial monthly rental of \$16,861.65 during the first year of the renewal term. The City will have the option to terminate this lease after the fourth year with 120 days' notice.

### **BACKGROUND INFORMATION:**

The Human Services Department has utilized this location since September 2009, as the location for the City Council District 4, Willie Cortez Senior Multi-Service Center. The Center provides congregate meals, computer classes, and exercise and health related services and programs. This center has been a great success over the last ten years, serving the estimated 17,472 seniors who reside in City Council District 4. The Center provides meals and services to approximately 110 seniors daily. This action will serve to extend the term of this lease agreement for an additional ten-year period, ensuring that the senior constituent population in City Council District 4 can continue to utilize the services provided at the Willie Cortez Senior Multi-Service Center with no interruption of service.

## ISSUE:

The existing lease term has expired and there is an immediate and continued need for the services provided by the Willie Cortez Senior Multi-Service Center. This action is consistent with the City/County's Joint Commission on Elderly Affairs, which recommended the establishment of multi-service centers in 2003.

## ALTERNATIVES:

An alternative to exercising the proposed Second Amendment and Extension to Lease Agreement would be to search for a suitable replacement location. However, given the very favorable renewal terms being offered, the convenient location with ample parking, and considering the costly one-time expenses associated with relocating the senior center, it is unlikely that a replacement location with lease terms as economically favorable as those being offered by this action, will be achievable.

## FISCAL IMPACT:

Under the terms of the proposed Second Amendment and Extension to Lease Agreement, the new monthly rent schedule is as follows:

Term	Monthly Rent
1-1-20 thru 12-31-20	\$16,861.65
1-1-21 thru 12-31-21	\$16,919.15
1-1-22 thru 12-31-22	\$16,978.09
1-1-23 thru 12-31-23	\$17,038.50
1-1-24 thru 12-31-24	\$17,100.42
1-1-25 thru 12-31-25	\$16,385.57
1-1-26 thru 12-31-26	\$16,450.63
1-1-27 thru 12-31-27	\$16,517.31
1-1-28 thru 12-31-28	\$16,585.66
1-1-29 thru 12-31-29	\$16,655.72

In addition to the monthly rent, the City will continue to be responsible for costs associated with utilities, janitorial and limited maintenance. The Human Services Department has sufficient funds in its General Fund FY 2020 Adopted Budget for all expenditures related to this lease.

## RECOMMENDATION:

Staff recommends approval of this ordinance authorizing the Second Amendment and Extension to Lease Agreement for the continued use of the multi-use space located at 5512 SW Military Drive, with Cronus Enterprises LLC, for the District 4 Senior Center.