TM
10/2/2014
Item No. 13.

AN ORDINANCE 2014-10-02-0737

AUTHORIZING THE EXECUTION OF A SECOND RENEWAL AND EXTENSION OF LEASE AGREEMENT FOR A PERIOD OF 5 YEARS BETWEEN THE CITY OF SAN ANTONIO AND GTM WASHINGTON SQUARE, LTD. FOR THE CONTINUED RENTAL OF 8,531 SQUARE FEET OF OFFICE SPACE LOCATED AT 800 DOLOROSA STREET, SUITE 401, BY THE SAN ANTONIO POLICE DEPARTMENT'S OFFICE OF INTERNAL AFFAIRS AT AN INITIAL RENTAL RATE OF $12,590.20 AND INCLUDING CITY'S OPTION TO TERMINATE AFTER THE SECOND YEAR WITH 120 DAYS WRITTEN NOTICE.

* * * * *

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Manager and her designee, severally, are authorized and directed to execute and deliver on behalf of the City a lease agreement substantially in the form of **Attachment I**, which is incorporated by reference for all purposes as if fully set forth. The City Manager and designee, severally, should take all other actions reasonably necessary or convenient to effectuate the transaction, including agreeing to non-material changes to the approved form and executing and delivering all ancillary instruments and agreements conducive to effectuating the transaction.

SECTION 2: Funding in the amount up to $151,082.40 for this ordinance is contingent upon approval of the Fiscal Year 2015's Budget for Fund 11001000, Cost Center 8002320004 and General Ledger 5206010.

SECTION 3: Future funding through the term of this lease agreement is contingent upon City Council approval of subsequent fiscal year budgets.

SECTION 4: If approved by council, payment not to exceed the budgeted amount is authorized to GTM Washington Square, Ltd. and should be encumbered with a purchase order.

SECTION 5: The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance, may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 6. This ordinance is effective immediately upon receipt of eight affirmative votes; otherwise, it is effective 10 days after passage.

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PASSED AND APPROVED this 2nd day of October, 2014.

M A Y O R
Ivy R. Taylor

Attest:

Leticia M. Vacek, City Clerk

Approved As To Form:

Robert F. Greenblum, City Attorney

Agenda Item:	**13 (in consent vote: 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33)**
Date:	10/02/2014
Time:	09:16:19 AM
Vote Type:	Motion to Approve
Description:	An Ordinance authorizing the execution of a Second Renewal and Extension of Lease Agreement between the City of San Antonio and GTM Washington Square, Ltd. for the continued rental of 8,531 square feet of office space located at 800 Dolorosa Street, Suite 401, by the San Antonio Police Department's Office of Internal Affairs commencing October 1, 2014 and expiring September 30, 2019, for the reduced monthly rental amount of $12,590.20 and the right to terminate the lease after the second year of occupancy with 120-days notice. [Peter Zanoni, Deputy City Manager; Mike Etienne, Director, EastPoint & Real Estate Services Office]
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ivy R. Taylor	Mayor		x				
Diego Bernal	District 1		x				
Keith Toney	District 2	x					
Rebecca Viagran	District 3		x				x
Rey Saldaña	District 4		x			x	
Shirley Gonzales	District 5		x				
Ray Lopez	District 6		x				
Mari Aguirre-Rodriguez	District 7		x				
Ron Nirenberg	District 8		x				
Joe Krier	District 9	x					
Michael Gallagher	District 10		x				

ATTACHMENT 1

2nd Renewal and Extension of Lease Agreement

(Washington Square/SAPD/Internal Affairs)

This 2nd Renewal and Extension of Lease Agreement is entered into between Landlord and Tenant.

1. Identifying Information.

Ordinance Authorizing 2nd Renewal:	
Commencement Date of 2nd Renewal Term:	October 1, 2014
Expiration Date of 2nd Renewal Term:	September 30, 2019
Landlord:	GTM Washington Square, Ltd., a Texas limited partnership
Landlord's Address:	GTM Washington Square, Ltd. 901 N. E. Loop 410, Suite 909 San Antonio, Texas 78209 and c/o Spencer Property Management, LLC, 5825 Callaghan Road, Suite 101 San Antonio, Texas 78228
Tenant:	City of San Antonio
Tenant's Address:	P.O. Box 839966, San Antonio, Texas 78283-3966 (Attention: Director, Transportation and Capital Improvements Department)
Lease:	Approximately 7,510 square feet of office space, designated as Suite 402, on the fourth floor of the Washington Square Office Building located on 800 Dolorosa, San Antonio, Texas 78207.
Ordinance Authorizing Original Lease:	100156, December 16, 2004
1st Renewal:	Renewal and Extension of Lease Agreement (800 Dolorosa / GTM Washington Square, Ltd) between Landlord and Tenant and authorized by the Ordinance

Authorizing 1st Renewal

Ordinance Authorizing 1st Renewal:	2010-01-14-0009
1st Amendment:	1st Amendment to Lease Agreement and 1st Renewal between Landlord and Tenant adding an additional 1,021 square feet of office space along with increased rent and authorized by the Ordinance Authorizing 1st Amendment
Ordinance Authorizing 1st Amendment:	2010-9-30-0841

2. Defined Terms.

All terms defined in the Lease and not otherwise defined in this amendment, when used in this amendment, have the meanings ascribed to them in the Lease. References to "Lease" in this amendment include both the original Lease and all previous amendments to it.

3. Renewal, Extension and Termination.

3.01. This instrument extends the Lease term to September 30, 2019, for a period of 5 years.

3.02. Tenant may cancel at any time after the second year of occupancy (September 30, 2016) without penalty with 120 days written notice to Landlord.

4. Monthly Rent.

Rent is set at the following rates for the applicable periods listed below:

Rent Period	*Total Monthly Rent*
Oct 1, 2014 - Sept 30, 2015	$12,590.20
Oct 1, 2015 - Sept 30, 2016	$12,842.00
Oct 1, 2016 - Sept 30, 2017	$13,098.84
Oct 1, 2017 - Sept 30, 2018	$13,360.82
Oct 1, 2018 - Sept 30, 2019	$13,628.03

5. Adjustment in Base Year.

Paragraph 3.3 of the Lease as amended by the 1st Amendment is amended to read as follows with underlines delineating alterations:

3.3 ESCALATION. EXCESS OF TAXES OVER BASE YEAR TAXES.

(a) As an additional charge to become due under the terms of this Lease, Tenant agrees to pay to Landlord annually on demand, subject to the appropriation provisions of ARTICLE VI, as follows:

(i) As to the 8,531 square feet of the Premises subject to the Lease, 16.5% of all real estate taxes and/or assessments levied against the entire property, in excess of the total real estate taxes and assessments levied against the entire property and paid for by Landlord for the tax year 2014 ("Base Year").

(b) If Tenant's occupancy of the Leased Premises extends for only part of any calendar year, excess taxes are prorated according to occupancy months of any partial calendar year.

6. Effective Date of Amendment

This Amendment is binding on the parties as of the effective date of the Authorizing Ordinance and performance is contingent on this date.

7. No Default.

Neither Landlord nor Tenant is in default under the Lease and neither party is aware of a cause of action against the other arising out of or relating to the period before the date of Landlord's signature on this amendment.

8. Same Terms and Conditions.

This amendment is a fully integrated expression of the changes the parties intend to make to the Lease, as previously amended. The parties acknowledge that, except as expressly set forth in this amendment, the Lease as previously amended remains in full force and effect according to its terms, and the parties reaffirm the obligations thereof. Both Landlord and Tenant are bound thereby. Neither party is in default under the Lease as amended. There have been no amendments or other modifications to the Lease except as expressly described in this amendment.

9. Public Information.

Landlord acknowledges that this instrument is public information within the meaning of Chapter 552 of the Texas Government Code and accordingly may be disclosed to the public.

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In Witness Whereof, the parties have caused their representatives to set their hands.

Tenant	**Landlord**
City of San Antonio, a Texas municipal corporation	**GTM Washington Square, Ltd.**, a Texas limited partnership, by and through its sole general partner **BTL, L.L.C.**, a Texas limited liability company
Signature:_____	Signature: Lukin Gilliland, Jr.
Printed Name:_____	Printed Name: LUKIN GILLILAND, JR.
Title:_____	Title: Independent Co-Executor of the Estate of Lukin Gilliland, Deceased
Date:_____	Date: September 3, 2014

Attest:

_____
City Clerk

Approved as to Form:

_____
City Attorney