

**CITY OF SAN ANTONIO
INTERDEPARTMENTAL MEMORANDUM
FINANCE DEPARTMENT**

TO: Mayor and City Council

FROM: Rebecca Waldman, Director, Department of Asset Management

THROUGH: Terry M. Brechtel, City Manager

COPIES: Erik J. Walsh, Assistant to the City Manager; City Attorney's Office; File

SUBJECT: Ordinance Authorizing a Renewal and Extension of Lease Agreement with Riverview Tower Partners, Ltd. for Office Space for the City Attorney's Office at 111 Soledad Street

DATE: June 24, 2004

SUMMARY AND RECOMMENDATIONS

An ordinance approving a Renewal and Extension of Lease Agreement between Riverview Tower Partners, Ltd., a Texas Limited Partnership, the present Landlord, and the City of San Antonio, as Tenant, renewing and extending the term of that certain Lease Agreement between Mack-Cali Texas Property, L.P., predecessor in title to the present Landlord, and Tenant, approved by Ordinance No. 95134 dated January 10, 2002, as amended by First Amendment to Lease Agreement (Parking Reduction), approved by Ordinance No. 96144 dated August 8, 2002, for the rental of approximately 14,920 gross square feet of office space described as Suite 1000 being used for the City Attorney's Office at the rent rate of \$14.50 per gross square foot per year, or \$18,028.33 per month, in a building located at 111 Soledad Street, known as the Riverview Office Building, located in City Council District 1, for one (1) year commencing on July 1, 2004, with the option to terminate without cause with 120 days written notice to Landlord.

Staff recommends the approval of this ordinance.

BACKGROUND

In January 2002, City Council approved a lease at Riverview Tower to provide office space for the City Attorney's Office for an initial term of twenty-seven months. The lease contained a provision that offered the City three optional one-year renewal periods at predetermined rent rates. Therefore, this item will exercise the first, one-year renewal period commencing July 1, 2004 and expiring June 30, 2005, with the option to terminate without cause with 120 days written notice to Landlord.

POLICY ANALYSIS

Approval of this ordinance is a continuation of City Council policy to support the office space needs of the Litigation Section of the City Attorney's Office and Risk Management Division of the Human Resources Department.

FINANCIAL IMPACT

Under the terms of the lease agreement, the City will pay an annual rent rate of \$14.50 per square foot for the 14,920 square feet of office space, for a monthly rental amount of \$18,028.33. In addition, the City will be responsible for the reimbursement to Landlord of its pro-rata share of all operating expenses (maintenance, insurance charges, janitorial charges, utilities, and taxes) for the renewal term, which are in excess of the actual operating expenses of the base year. The City Attorney's Office has sufficient funds in the FY 2005 budget for the lease expenses.

COORDINATION

This agenda item has been coordinated with the City Attorney's Office.

SUPPLEMENTARY COMMENTS

The required Discretionary Contracts Disclosure form is attached.



Rebecca Waldman, Director
Asset Management Department



Erik J. Walsh
Assistant to the City Manager

RENEWAL AND EXTENSION OF LEASE AGREEMENT

CITY ATTORNEY'S OFFICE PROJECT
Riverview Office Building

STATE OF TEXAS

§

§

KNOW ALL MEN BY THESE PRESENTS

COUNTY OF BEXAR

§

This Renewal and Extension of Lease Agreement is made and entered into by and between the entered into by and between **Riverview Tower Partners, Ltd.**, a Texas Limited Partnership, ("Landlord"), and the **City Of San Antonio**, a Texas Municipal Corporation, ("Tenant"), acting by and through its City Manager, or her designee, pursuant to Ordinance No. _____ dated _____ 2004, for the purpose of renewing and extending that certain Lease Agreement between Mack-Cali Texas Property, L.P., predecessor to the present Landlord, and Tenant, approved by Ordinance No. 95134 dated January 10, 2002 for the lease of 14,920 gross square feet of office space described as Suite 1000 ("Leased Premises"), in a building located at 111 Soledad Street, San Antonio, Bexar County, Texas, as amended by First Amendment to Lease Agreement (Parking Reduction), approved pursuant to Ordinance No. 96144 dated August 8, 2002, and is as follows:

I. RENEWAL AND EXTENSION/TERMINATION WITHOUT CAUSE

A. Tenant has timely notified Landlord in writing of Tenant's intent to renew and extend the terms of that certain Lease Agreement (hereafter "Lease"), subject to the approval of the City of San Antonio City Council, as evidenced by passage of the ordinance referenced above, such right to renew and extend having been granted by Landlord in **ARTICLE II. TERM/RENEWAL, Section 2.3 RENEWAL OPTION**, of the original Lease, the terms of which Lease are incorporated herein by reference for all purposes.

The parties hereby agree that the Primary Term of said Lease, as originally stated in **ARTICLE II. TERM/RENEWAL, Section 2.1**, is hereby extended for one (1) year ("Renewal Term"). In accordance therewith, **Section 2.1** is hereby amended to read as follows:

" **2.1 RENEWAL TERM**. The Renewal Term (also referenced herein as "Lease Term") of this Lease shall be for a period commencing on July 1, 2004 ("Commencement Date") and ending June 30, 2005, unless such Lease Term is sooner terminated as hereinafter provided."

B. Landlord and Tenant further agree that a new Section 2.4 **TERMINATION WITHOUT CAUSE**. Is added to the Lease to read as follows:

" **2.4 TERMINATION WITHOUT CAUSE**. Notwithstanding the termination with cause provisions in case of default hereof, this Lease may be terminated without cause by Tenant at its option, upon 120 days' prior written notice to Landlord, and without further liability to Tenant, upon such termination."

II. RENT.

The parties further agree that the "Base Rent", set forth in **ARTICLE V. RENT/TAXES, Section 5.1** is modified to read as follows:

"**5.1 Rent**. Tenant agrees to pay Landlord rent ("Base Rent") during the first Renewal Term as follows:

"Office rentable area of approximately 14,920 gross square feet at the rate of approximately \$1.208 per gross square foot per month (\$14.50 per gross square foot per year) or a total of \$18,028.33 per month. Payment of Base Rent will begin July 1, 2004.

"Base rent shall be due and payable in each instance, on or before the first day of each succeeding calendar month during the Lease Term and shall be sent to Landlord at the following address:

Riverview Tower Partners, Ltd.
c/o Primera Partners, L.L.C.
111 Soledad, Suite 1725 200
San Antonio, Texas 78205

"Such address shall replace the address set forth in ARTICLE XXXII. of the Lease."

Landlord and Tenant agree that all references in Section 5.1 Rent. of the Lease which set forth what is included in the Base Rent and also the Base Rent rates for the second Renewal Term and third Renewal Term shall remain as originally stated in said Lease.

III. BROKER.

Landlord and Tenant further agree that the Real Estate Broker's Commissions, as referenced in ARTICLE XXVII. REAL ESTATE BROKER'S COMMISSIONS, Section 27.1 of the Lease is modified to read as follows:

"27.1 Any commissions to be paid to Primera Partners, L.L.C. and Providence Commercial Real Estate Services/ The Weitzman Group, Joint Venture, licensed Texas Real Estate Brokers, in connection with this Renewal and Extension of Lease Agreement shall be as determined by Landlord, pursuant to a new separate agreement or agreements with either or both brokers. Otherwise, Tenant has not retained, contracted or otherwise dealt with any other real estate broker, salesperson or finder in connection with this Renewal and Extension of Lease Agreement."

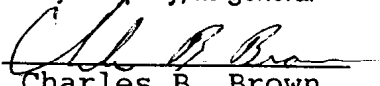
IV. SAME TERMS AND CONDITIONS.

All other covenants, terms, conditions and obligations contained in the original Lease Agreement, as amended, shall remain in full force and effect except as modified by this Renewal and Extension of Lease Agreement.

V. EFFECTIVE DATE.

The Effective Date herein shall be ten (10) days after the date of passage of the 2004 Ordinance referenced above.

LANDLORD:

Riverview Tower Partners, Ltd.,
a Texas Limited Partnership
By: Riverview Tower GP, LLC, a Texas
limited liability company, its general
partner
By: 
Name: Charles B. Brown
Title: Manager
Date: 4/28/04

TENANT:

CITY OF SAN ANTONIO,
a Texas Municipal Corporation

By: _____
Name: _____
Title: _____ City Manager
Date: _____

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

City of San Antonio

Discretionary Contracts Disclosure*

For use of this form, see City of San Antonio Ethics Code, Part D, Sections 1&2
Attach additional sheets if space provided is not sufficient.
State "Not Applicable" for questions that do not apply.

* This form is required to be supplemented in the event there is any change in the information under (1), (2), or (3) below, before the discretionary contract is the subject of council action, and no later than five (5) business days after any change about which information is required to be filed.

Disclosure of Parties, Owners, and Closely Related Persons

For the purpose of assisting the City in the enforcement of provisions contained in the City Charter and the Code of Ethics, an individual or business entity seeking a discretionary contract from the City is required to disclose in connection with a proposal for a discretionary contract:

(1) the identity of any **individual** who would be a party to the discretionary contract:

NONE

(2) the identity of any **business entity**¹ that would be a party to the discretionary contract:

NONE

and the name of:

(A) any individual or business entity that would be a **subcontractor** on the discretionary contract;

NONE

and the name of:

(B) any individual or business entity that is known to be a **partner**, or a **parent** or **subsidiary** business entity, of any individual or business entity who would be a party to the discretionary contract;

NONE

¹ A *business entity* means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law.

(3) the identity of any lobbyist or public relations firm employed for purposes relating to the discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract.

NONE


Political Contributions

Any individual or business entity seeking a discretionary contract from the city must disclose in connection with a proposal for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made directly or indirectly to any current or former member of City Council, any candidate for City Council, or to any political action committee that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an individual include, but are not limited to, contributions made by the individual's spouse, whether statutory or common-law. Indirect contributions by an entity include, but are not limited to, contributions made through the officers, owners, attorneys, or registered lobbyists of the entity.

To Whom Made:	Amount:	Date of Contribution:
NONE		

Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city shall disclose any known facts which, reasonably understood, raise a question² as to whether any city official or employee would violate Section J of Part B, Improper Economic Benefit, by participating in official action relating to the discretionary contract.

NONE		
Signature: 	Title: Manager Company: Riverview Tower Partners, Ltd.	Date: 4/28/04

² For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.