

**DEPARTMENT OF ASSET MANAGEMENT  
INTERDEPARTMENTAL CORRESPONDENCE**

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**TO:** Mayor and City Council

**FROM:** Rebecca Waldman, Director, Department of Asset Management

**THROUGH:** Terry M. Brechtel, City Manager

**COPIES:** Erik J. Walsh; Beth Costello; Laurel Jensen

**DATE:** July 29, 2004

**SUBJECT:** Ordinance approving an Amendment to Lease Agreement-International Center Suites ("Casa Use" – Coahuila Trade Office")

**SUMMARY AND RECOMMENDATIONS**

An Ordinance approving an Amendment to Lease Agreement-International Center Suites ("Casa Use" – "Coahuila Trade Office"), amending Ordinance No. 97508, passed and approved on April 24, 2003, for the original lease of approximately 705 square feet of office space designated as the "Coahuila Trade Office", in order to add an additional approximately 481 square feet of Leased Premises for a total of approximately 1,186 square feet of Leased Premises, and to include former Joint Use Areas all in a newly designated Suite 140, Leased Premises, on the first floor of the International Center located at 203 South St. Mary's Street, in Council District 1, for the balance of a two (2) year term, the term for the new portion to have commenced on May 1, 2004 and to end on April 30, 2005 at a rent of \$9.60 per square foot, or \$948.80 per month.

Staff recommends approval of this Ordinance.

**BACKGROUND INFORMATION**

The Coahuila Trade Office works to build alliances between the United States and the Government of Coahuila, Mexico for the purpose of promoting economic development, tourism, and cultural exchange. The Coahuila Trade Office has been a tenant of the International Center since May 1, 2003. This Amendment to Lease Agreement-International Center Suites provides, effective May 1, 2004, for the addition of approximately 481 square feet to the existing 705 square feet currently being leased by the Coahuila Trade Office, for a total of 1,186 square feet of Leased Premises, for the remainder of the original lease term which began May 1, 2003 and will expire April 30, 2005, with an option to renew for an additional period of two years with terms being

subject to renegotiation. In order to accommodate the desire of this tenant to occupy additional space in the International Center, which enhanced their ability to work collaboratively with San Antonio, the effective date of this Agreement is May 1, 2004. The need to send the Amendment to Coahuila, Mexico for execution resulted in this item not being presented for City Council approval earlier.

### **FISCAL IMPACT**

Under the terms of the Amendment to Lease Agreement-International Center Suites, the rental rate of the additional 481 square feet of Leased Premises is \$9.60 per square foot per year (which is the same rate being charged for the original 705 square feet of Leased Premises) for an annual total of \$4,617.60, which covers the cost of utilities, janitorial services, and common area costs associated with this Leased Premises. The total annual rent of the entire 1,186 square feet of Leased Premises is \$11,385.60 or \$948.80 monthly.

### **POLICY ANALYSIS**

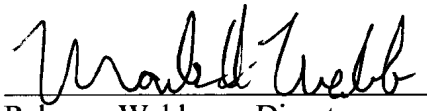
This action is consistent with the City's policy to support international trade and business and generate revenue through the leasing of City-owned properties.

### **COORDINATION**

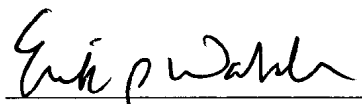
This item has been coordinated with the City Attorney's Office and International Affairs Office.

### **SUPPLEMENTARY COMMENTS**

No Discretionary Contracts Disclosure Form is required as this tenant represents the Government of Coahuila, Mexico.

  
for Rebecca Waldman, Director  
Department of Asset Management

Approved:

  
Erik J. Walsh  
Assistant to the City Manager

**AMENDMENT TO LEASE AGREEMENT -INTERNATIONAL CENTER SUITES  
("CASA USE"- "Coahuila Trade Office")**

THIS AMENDMENT TO LEASE AGREEMENT ("Amendment") is entered into by and between the CITY OF SAN ANTONIO, a Texas Municipal Corporation, acting by and through its City Manager or her designee, pursuant to Ordinance No. \_\_\_\_\_ passed and approved on \_\_\_\_\_, 2004, ("**LANDLORD**"), and STATE OF COAHUILA, MEXICO, acting by and through its duly authorized representative, ("**TENANT**"), in accordance with the following terms as evidenced by the execution of this Amendment:

**WHEREAS**, pursuant to Ordinance No. 97508, passed and approved on April 24, 2003, **LANDLORD** and **TENANT** entered into an Lease Agreement – International Center Suites ("Casa Use"- "Coahuila Trade Office") (hereafter "Lease") for the lease of approximately 705 square feet of office space designated as the "COAHUILA TRADE OFFICE" (hereafter and in the Lease referred to as the "Premises" or "Leased Premises"), described as Suites 114D and 118D, plus a proportionate amount of the shared area within the International Center ("Add-on") on the First Floor of the International Center located at 203 South St. Mary's Street, San Antonio, Bexar County, Texas, as legally described and shown on the **EXHIBIT A** to the Lease for a two (2)-year term beginning May 1, 2003 and ending April 30, 2005; and

**WHEREAS**, **TENANT** has requested that **LANDLORD** enlarge the size of **TENANT's** Leased Premises to include an additional approximately 481 square feet of office space previously known as Suite 117D, also located on the First Floor of the International Center, such space being formerly occupied by SOFESA ("Canary Islands"), being the tenant with which **TENANT** was to share the Joint Use Area, which included Suites 115D, 116D, and 119D, hence negating the need for any further reference to either "Add-on" or "Joint Use Area" and thus increasing the size of the Premises to 1,186 square feet at an increased total rent, with the total 1,186 square feet to be designated as Suite 140 and to include the sole use of the former Joint Use Area Suites; and **LANDLORD** and **TENANT** are willing to amend the Lease to reflect such change; **NOW THEREFORE**:

**LANDLORD** and **TENANT** agree to amend the Lease as follows:

**ARTICLE I. CONSIDERATION/USE**, Section 1.1 is modified to read as follows:

"**1.1** In consideration of **TENANT's** intention to continue use of a representative office for the State of Coahuila, Mexico in the City of San Antonio, Texas, for the purpose of promoting economic development, tourism and cultural exchange, designated as the "COAHUILA TRADE OFFICE", **LANDLORD** hereby leases and delivers to **TENANT** Suite 114D, 117 D, and 118D and the sole use of former Suites 115D, 116D, and 119D, collectively designated as "Suite 140" (the "Premises" or "Leased Premises"), measuring approximately 1,186 square feet on the First Floor of the International Center ("Building"), located at 203 South St. Mary's Street, and legally described as Lot 1 thru 4, New City Block 107 and Lots, 1, 2, and A-6, New City Block 146, plus a closed portion of Dolorosa Street right-of-way and Yturria Street right-of-way, in the CITY OF SAN ANTONIO, Bexar County, Texas, as shown on **EXHIBIT A** attached hereto and incorporated herein, to be used solely for the office space purposes set forth herein and no other use without the prior written approval of **LANDLORD**."

**ARTICLE II. TERM/RENEWAL** is modified by adding the following additional sentence:

"The Initial Term of this Lease as to the additional approximately 481 square feet of office space originally designated as Suite 117D, but now incorporated with the original 705 square feet of Suites 114 D and 118D Leased Premises and the former Joint Use Area Suites 115D, 116D, and 119D into Suite 140, shall commence on May 1, 2004 and shall run co-terminate with the Initial Term for Suites 114D and 118D, with an Expiration Date for the Initial Term for all of the Leased Premises of April 30, 2005, unless earlier terminated under the terms hereof."

ARTICLE III. RENT/UTILITIES/FURNITURE, is renamed "ARTICLE III. RENT/EQUIPMENT/TELEPHONE" and Section 3.1 RENT/COOPERATIVE EFFORTS/FURNITURE/EQUIPMENT. is renamed and modified to read as follows:

"3.1 RENT. TENANT agrees to pay to LANDLORD rent associated with TENANT's sole use of International Center Suite No. 140 which is approximately 1,186 square feet, at the annual rate of \$9.60 per square foot, or \$948.80 per month in United States ("U. S.") Dollars foot per month. Payments may be made in person or mailed by the first day of each month of the Initial Term and Renewal Term to the CITY OF SAN ANTONIO Finance Department, Revenue and Taxation Division, 506 Dolorosa Street, San Antonio, Texas 78205. If rent is not received by LANDLORD by the tenth day of any month of the Initial Term and Renewal Term hereof, TENANT agrees to pay a late fee of \$15.00 in U.S. Dollars."

LANDLORD and TENANT acknowledge that Section 3.2 did not exist, however the original Sections 3.3, 3.4 and 3.5 are deleted in full, it being understood and agreed to by LANDLORD that TENANT's sole use of Suite 140 herein negates any references to the Joint Use Areas in the original Lease.

Section 3.6 is modified by renaming it "3.6 TELEPHONE USAGE."

Further, LANDLORD and TENANT agree that any and all references to "Add-on" and "Joint Use Area" are deleted in full.

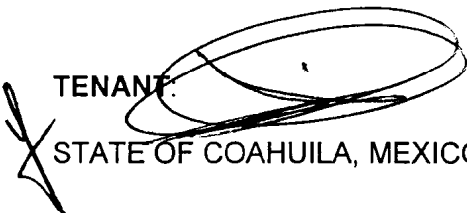
LANDLORD and TENANT still further agree and understand that, except as modified herein, all terms and conditions contained in the Lease Agreement entered into under the authority of Ordinance No. 97508, shall remain in full force and effect.

EXECUTED to be EFFECTIVE May 1, 2004.

LANDLORD:

CITY OF SAN ANTONIO, a Texas  
Municipal corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_ City Manager  
Date: \_\_\_\_\_

TENANT:  
  
STATE OF COAHUILA, MEXICO

By: \_\_\_\_\_  
Name: JAVIER GUERRERO GARCIA  
Title: Secretary of Finance  
Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

ATTACHMENT: EXHIBIT A

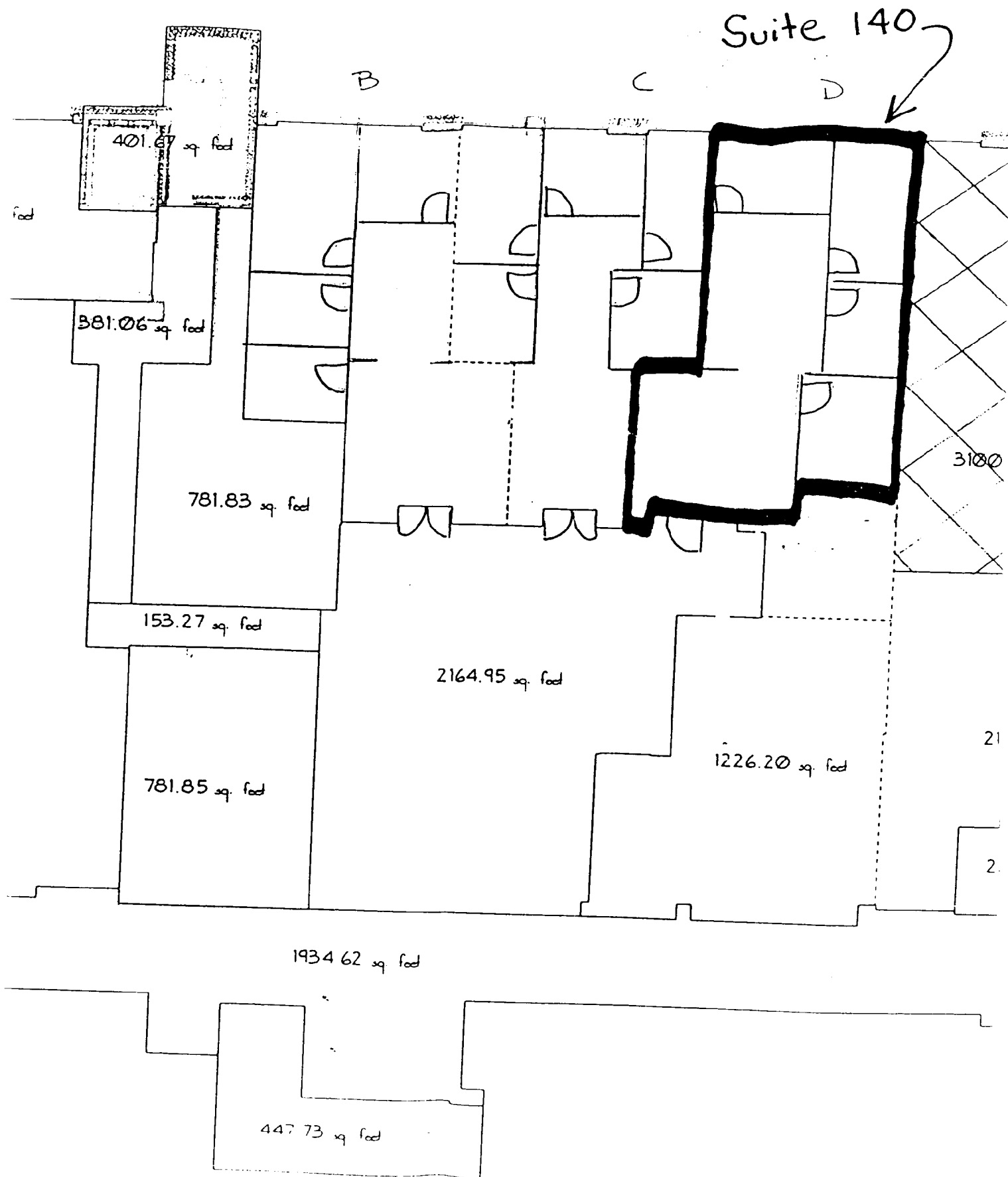


EXHIBIT A