

**CITY OF SAN ANTONIO
DEPARTMENT OF ASSET MANAGEMENT
CITY COUNCIL AGENDA MEMORANDUM**

TO: Mayor and City Council

FROM: Rebecca Waldman, Director, Department of Asset Management

SUBJECT: Ordinance approving a Renewal and Extension of Lease Agreement with the Canary Islands Office at the International Center

DATE: April 21, 2005

SUMMARY AND RECOMMENDATIONS

An Ordinance approving a Renewal and Extension of Lease Agreement by and between the City of San Antonio, as Landlord, and the University of Las Palmas De Gran Canaria, acting by and through Fundación Canaria Universitaria De Las Palmas (Canary Islands Office), as Tenant, for the continued use of approximately 1,165 square feet of office space known as Suite 160 at the International Center, 203 South St. Mary's Street, in Council District 1, for an additional one-year term commencing May 1, 2005 and expiring April 30, 2006, at a rent of \$13.20 per square foot annually, plus Common Area Maintenance (CAM) costs which are subject to annual adjustment.

Staff recommends approval of this Ordinance.

BACKGROUND INFORMATION

A Sister City since 1975, the Canary Islands have worked to build alliances between San Antonio and the people and government of the Canary Islands for the purpose of promoting economic development, tourism and cultural exchange. Additionally, the Canary Islands has recently formed a collaborative effort with The University of Las Palmas De Gran Canaria to further advance its relationship with the City of San Antonio. The Canary Islands have been a tenant of the International Center since January 1999. In July 2004, City Council approved the most recent lease with the Canary Islands with an initial term of one-year, which will end April 30, 2005. The lease contained a provision that offered the Canary Islands two, one-year renewal terms with an established rental rate for both renewal terms. Therefore, this item will exercise the first, one-year renewal term commencing May 1, 2005 and expiring April 30, 2006.

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.

FISCAL IMPACT

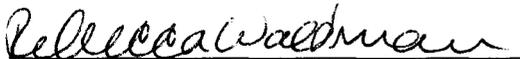
Under the terms of the lease agreement, the University of Las Palmas De Gran Canaria will pay rent at the rate of \$13.20 per square foot annually, for a total annual rent of \$15,378.00 (\$1,281.50 monthly). In addition, the University of Las Palmas De Gran Canaria will reimburse the City for their proportionate share of the Common Area Maintenance (CAM) expenses in the amount of approximately \$2.88 per square foot annually, for a total of \$3,402.36 annually (\$283.53 monthly), subject to annual adjustments. The total anticipated revenue to the City for the one-year renewal term is \$18,780.36. Rent for the second one-year renewal term, if exercised, will be \$15.00 per square foot annually (\$1,456.25 monthly, plus CAM).

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 the Canary Islands.



Rebecca Waldman, Director
Department of Asset Management



Erik J. Walsh
Assistant to the City Manager

Renewal and Extension of Lease Agreement (Canary Islands)

This Renewal and Extension of Lease Agreement is entered into between the City of San Antonio, a Texas Municipal Corporation, acting by and through its City Manager (Landlord), pursuant to the Ordinance Authorizing Renewal and Extension, and Tenant.

1. Identifying Information.

Tenant: The University of Las Palmas de Gran Canaria, acting by and through Fundación Canaria Universitaria de Las Palmas

Tenant's Address: Fundación Canaria Universitaria de Las Palmas
C/ Juan de Quesada, 30
35001 Las Palmas de Gran Canaria
The Canary Islands
Spain

Lease: Lease dated May 1, 2004 between the City of San Antonio as landlord and The University of Las Palmas de Gran Canaria, acting by and through Fundación Canaria Universitaria de Las Palmas relating to Suite 160 consisting of 1,165 square feet of the International Center of the City of San Antonio

Ordinance Authorizing Original Lease and Date: No. 99491 dated July 29, 2004

Ordinance Authorizing Renewal and Extension and Date:

Monthly Rent during Renewal Term: \$1,281.50

Beginning of Renewal Term May 1, 2005

Expiration of Renewal Term April 30, 2006

2. Defined Terms.

All terms defined in the Lease and not otherwise defined in this renewal and extension, when used in this renewal and extension, have the meanings ascribed to them in the Lease.

3. Renewal and Extension

The term of the lease is extended from the Beginning of the Renewal Term through and including the Expiration of the Renewal Term.

4. Rent.

From the Beginning of the Renewal Term to the Expiration of the Renewal Term, Tenant must pay Rent to Landlord. Rent must be paid at the place, at the intervals, and in the manner described in the Lease for the payment of Rent.

5. 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 renewal.

6. Same Terms and Conditions.

This renewal and extension instrument is a fully integrated statement of the modifications to the Lease. Except as expressly modified by this renewal and extension, the Lease remains a comprehensive statement of the rights and obligations of Landlord and Tenant. Landlord and Tenant reaffirm the Lease.

Landlord

Tenant

City of San Antonio, a Texas municipal corporation

The University of Las Palmas de Gran Canaria, acting by and through Fundación Canaria Universitaria de Las Palmas

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

By: _____
Jorge Estrella Linañana, Director
Date: _____

Attest:

City Clerk

Approved:

City Attorney

Address: City of San Antonio
Attn: City Clerk
City Hall, 2nd Floor
P.O. Box 839966
San Antonio, Texas 78283-3966