

CONSENT AGENDA
ITEM NO. 16

**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: Second Renewal and Extension of Lease Agreement with Riverview Tower Partners, Ltd. for the continued use of office space by the Enterprise Resource Management Project at 111 Soledad Street

DATE: May 26, 2005

SUMMARY AND RECOMMENDATIONS

An ordinance approving the Second Renewal and Extension of Lease Agreement between Riverview Tower Partners, Ltd., a Texas Limited Partnership, as Landlord, and the City of San Antonio, as Tenant, for the rental of approximately 14,928 gross square feet of office space for use by the Enterprise Resource Management (ERM) Project at the rent rate of \$14.50 per gross square foot per year, or \$18,038.00 per month, in a building located at 111 Soledad Street, known as the Riverview Office Building, located in City Council District 1, for six (6) months commencing on June 1, 2005.

Staff recommends approval of this Ordinance.

BACKGROUND INFORMATION

Ordinance No. 95657 dated April 25, 2002 authorized a lease for office space on the 9th floor of Riverview Tower located at 111 Soledad for the ERM Project with an initial lease term of twenty-five (25) months. The lease contained a provision that offered the City three optional six-month renewal periods at predetermined rent rates. Ordinance No. 99119 dated April 29th, 2004, authorized the Renewal and Extension of Lease Agreement for the period June 1, 2004 through November 30, 2004. For the period December 1, 2004 through May 31, 2005 the City exercised its six-month Permissible Holdover option as authorized by the original Lease Agreement. Therefore, this item will exercise the Second Renewal and Extension of Lease Agreement, commencing June 1, 2005 and expiring November 30, 2005.

POLICY ANALYSIS

Approval of this ordinance is a continuation of City Council policy to support the office space needs of the ERM Project.

FISCAL IMPACT

Under the terms of the Lease Agreement, the City will pay an annual rent rate of \$14.50 per square foot for the 14,928 square feet of office space, for a monthly rental amount of \$18,038 for both the first and second renewal terms. If the third renewal term is exercised, the rent will increase to \$15.00 per square foot. In addition, the Landlord will be responsible for all operating expenses (maintenance, insurance charges, janitorial charges, utilities, and taxes) for the lease term subject to escalation after the base year of the term. The ERM Project has sufficient funds in the FY 2006 budget for the lease expenses.

COORDINATION

This item has been coordinated with the ERM Project and the City Attorney's Office.

SUPPLEMENTARY COMMENTS

The required Discretionary Contracts Disclosure form is attached.



Rebecca Waldman, Director
Department of Asset Management



Erik J. Walsh
Assistant to the City Manager

Second Renewal and Extension of Lease Agreement (ERM Project, Riverview Office Building)

This Second 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.

Original Landlord: Mack-Cali Texas Property, L.P.

Successor Landlord: Riverview Tower Partners, Ltd.

**Landlord's Address
(as stated in original lease):** 111 Soledad, San Antonio, Texas 78205

Lease: Lease Agreement (ERM Project, Riverview Office Building) dated May 14, 2002 between Mack-Cali Texas Property, L.P. as Landlord and the City of San Antonio as Tenant relating to 14,928 square feet, more or less, at 111 Soledad, San Antonio, Texas 78205

**Ordinance Authorizing
Original Lease (No. and
Date):** 95657, dated April 25, 2002

1st Renewal: Renewal and Extension of Lease Agreement (ERM Project Riverview Office Building) between Riverview Tower Partners, Ltd. as Landlord and City of San Antonio as Tenant relating to 14,928 square feet, more or less, at 111 Soledad, San Antonio, Texas 78205.

**Ordinance Authorizing 1st
Renewal (No. & Date):** 99119, dated April 29, 2004

**Ordinance Authorizing 2nd
Renewal (No. & Date):**

**Beginning of 2nd Renewal
Term:** June 1, 2005

**Expiration of 2nd Renewal
Term:** November 30, 2005

**2nd Renewal Term Base
Rent:** \$216,456 per annum.

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, over the Renewal Term, pay to Landlord the Renewal Term Base Rent 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, as amended and renewed only as described above, remains a comprehensive statement of the rights and obligations of Landlord and Tenant. Landlord and Tenant reaffirm the Lease.

Landlord

Riverview Tower Partners, Ltd., a Texas limited partnership, by and through its sole general partner

Riverview Tower GP, LLC, a Texas limited liability company

Signature: Charles B. Brown

Printed Name: Charles B. Brown

Title: Manager

Date: 4-20-05

Tenant

City of San Antonio, a Texas municipal corporation

Signature: _____

Printed Name: _____

Title: _____

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

City of San Antonio
Discretionary Contracts Disclosure

*For use of this form, see Section 2-59 through 2-61 of the City Code (Ethics Code)
Attach additional sheets if space provided is not sufficient.*

(1) Identify any individual or business entity¹ that is a **party** to the discretionary contract:

RIVERVIEW TOWER PARTNERS, LTD.

(2) Identify any individual or business entity which is a **partner, parent** or **subsidiary** business entity, of any individual or business entity identified above in Box (1):

☒ **No partner, parent or subsidiary; or**

List partner, parent or subsidiary of each party to the contract and identify the corresponding party:

(3) Identify any individual or business entity that would be a **subcontractor** on the discretionary contract.

☒ **No subcontractor(s); or**

List subcontractors:

(4) Identify any **lobbyist** or **public relations firm** employed by any party to the discretionary contract for purposes related to seeking the discretionary contract.

☒ **No lobbyist or public relations firm employed; or**

List lobbyists or public relations firms:

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. A sole proprietor should list the name of the individual and the d/b/a, if any.

(5) Political Contributions

List all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made 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 Box (1), (2), (3) or (4) above, or by the officers, owners of any business entity listed in Box (1), (2) or (3):

☒ No contributions made; If contributions made, list below:

By Whom Made:	To Whom Made:	Amount:	Date of Contribution:

(6) Disclosures in Proposals

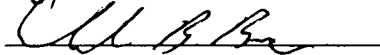
Any individual or business entity seeking a discretionary contract with the city must disclose any known facts which, reasonably understood, raise a question² as to whether any city official or employee would violate Section 2-43 of the City Code (Ethics Code), ("conflicts of interest") by participating in official action relating to the discretionary contract.

☒ Party not aware of facts which would raise a "conflicts-of-interest" issue under Section 2-43 of the City Code; or

Party aware of the following facts:

This form is required to be supplemented in the event there is any change in the information 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, whichever occurs first.

Signature:



Charles B. Brown

Title:
Manager

Company or D/B/A:
Riverview Tower Partners, Ltd.

Date:
4-19-05

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.