

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

**TO:** Sheryl Sculley, City Manager

**FROM:** Shawn P. Eddy, Interim Director, Department of Asset Management

**SUBJECT:** Ordinance authorizing a Lease Agreement with Trade Commission of Mexico (BancoMext) at the International Center.

**DATE:** February 16, 2006

**SUMMARY AND RECOMMENDATIONS**

An Ordinance authorizing a Lease Agreement with the Trade Commission of Mexico (BancoMext), for the use of 204 square feet of office space at the International Center, located at 203 S. St. Mary's Street, for a three-year term commencing January 30, 2006 and ending January 31, 2009, with the option to renew for two additional three-year terms.

Staff recommends approval of this Ordinance.

**BACKGROUND INFORMATION**

BancoMext is the promotional arm of the Mexico government agency that finances the majority of the exports from Mexico. The San Antonio Office of BancoMext works to build alliances between U.S. and Mexican businesses for the purposes of facilitating import/export.

City Council approved a lease with BancoMext for a term beginning March 1, 1998 and ending January 29, 2003, with the option to renew for one additional three-year term. Pursuant to a subsequent City Council approved Amendment to Lease Agreement, BancoMext reduced the size and location of the leased premise within the International Center, with a term commencing May 1, 2002 and ending January 29, 2004, with one, two-year renewal option. Pursuant to a subsequent City Council approved Renewal and Extension of Lease Agreement, BancoMext exercised its two-year renewal option with a term commencing January 30, 2004 and ending January 29, 2006. This current action authorizes a new lease agreement for a term of three-years.

**POLICY ANALYSIS**

Approval of this agreement is consistent with the policy relative to the International Center to house City Departments and governmental agencies working together to facilitate international trade.

**FISCAL IMPACT**

Under the terms of the Office Lease Agreement, BancoMext will pay rent at the rate of \$10.39 per square foot annually (\$176.63 per month for the first 18 months of the lease term), and \$13.20 per

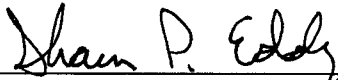
square foot annually (\$224.00 per month for months 19 through 36 of the lease term). The total anticipated revenue to the City for the three-year lease term is \$7,218.548. In addition, BancoMext will reimburse the City for its proportionate share of the Common Area Maintenance (CAM) expenses in the amount of approximately \$2.88 per square foot annually, for a total of \$587.52 annually (\$48.96 monthly), subject to annual adjustments. Rent for the first three-year renewal term, if exercised, will be \$15.00 per square foot annually (\$255.00 monthly plus CAM) and \$17.00 per square foot annually (\$289.00 monthly plus CAM) for the second renewal term, if exercised. This revenue is included in the FY06 Adopted Budget for the International Center Special Revenue Fund.

### **COORDINATION**

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

### **SUPPLEMENTARY COMMENTS**

A Discretionary Contracts Disclosure Form is not required as BancoMext is an agency of the Mexican Government.

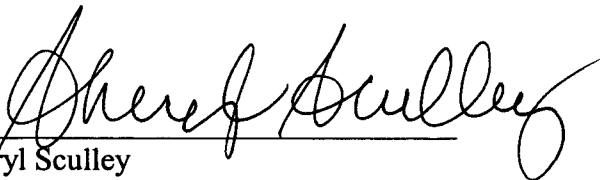


Shawn P. Eddy, Interim Director  
Department of Asset Management



Erik J. Walsh  
Assistant City Manager

Approved for Council Consideration:



Sheryl Sculley  
City Manager