



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 10/20/2020

District B

Item Creation Date: 9/28/2020

25CF81 Lease Agreement of Deluxe Theater between City of Houston (Landlord) and Fifth Ward Community Redevelopment Corp (Tenant)

Agenda Item#: 9.

Background:

RECOMMENDATION: Approve and authorize a Lease Agreement between City of Houston (Landlord) and Fifth Ward Community Redevelopment Corporation (Tenant) for building and adjacent parking at 3301, 3303 and 3305 Lyons Avenue, Houston, Harris County, Texas 77020, for the Housing and Community Development Department.

SPECIFIC EXPLANATION: The General Services Department recommends approval of a Lease Agreement with Fifth Ward Community Redevelopment Corporation (Tenant) for approximately 11,000 square feet of office, retail, theater, and storage space and adjacent parking at 3301, 3303 and 3305 Lyons Avenue. Fifth Ward Community Redevelopment Corporation currently occupies the building under a lease that commenced on November 5, 2015 and will expire on November 4, 2020 and uses the space for community functions and/or retail space.

The proposed Lease Agreement provides for an initial term of three-years, with two consecutive three-year renewal options at the then current market rental rate. The new lease term will commence on the date of countersignature by the City Controller at the following rental payments:

Year	Price per Sq. Ft.	Annual Total	Monthly Payment
1	\$15.00	\$165,000.00	\$13,750.00
2	\$15.25	\$167,750.00	\$13,979.17
3	\$15.50	\$170,500.00	\$14,208.33

Fifth Ward Community Redevelopment Corporation will be permitted to offset its monthly rent by the value of the community services and neighborhood amenities which may include retail space that materially benefits the community. The City recognizes these services to be a legitimate public or municipal purpose that is in the best interest of the citizens of Houston.

The City may terminate the Lease, without cause, at any time during the term. Further, the City may terminate the Lease if Fifth Ward Community Redevelopment Corporation fails to utilize the leased premises to provide outreach to the community, by providing 60 days prior written notice.

Fifth Ward Community Redevelopment Corporation accepts the leased premises in its current configuration and build out as-is where-is condition and shall be responsible for maintenance and repairs and all operating expenses.

DIRECTOR'S SIGNATURE/DATE:

DocuSigned by:
C. J. Messiah, Jr. 10/5/2020
1574AD77D5841F...

C. J. Messiah, Jr.
General Services Department

DocuSigned by:
Tom McCasland
Tom McCasland 3B4670F4BF...

Housing and Community Development Department

Amount of Funding:

Revenue

Contact Information:

Jacquelyn L. Nisby

Council Liaison

Phone: 832.393.8023

DS
JLN