



**CITY OF HOUSTON - CITY COUNCIL**

Meeting Date: 12/15/2020

District I

Item Creation Date: 10/14/2020

25CF82 Lease renewal for ARA Parking Management at 2020 McKinney

Agenda Item#: 40.

**Summary:**

ORDINANCE approving and authorizing the first amendment to lease agreement between **ORANGESTONE MCKINNEY, LLC**, as landlord, and the City of Houston, Texas, as tenant, for the property located at 2020 McKinney, Houston, Harris County, Texas, for use by the Parking Management Division of the Administration and Regulatory Affairs Department - **DISTRICT I - GALLEGOS**

**Background:**

**RECOMMENDATION:** Approve and authorize a First Amendment to Lease Agreement between OrangeStone McKinney, LLC, as successor in interest to Levan Properties, L.P., (Landlord) and the City of Houston (Tenant) at 2020 McKinney Street, Houston, Texas, for the Parking Management Division of the Administration and Regulatory Affairs Department.

**SPECIFIC EXPLANATION:** The General Services Department recommends approval of a First Amendment to Lease Agreement with OrangeStone McKinney, LLC for approximately 11,411 square feet of office space and all surface parking at 2020 McKinney Street for the Parking Management Division. Parking Management uses the lease space for Administration and Customer Service, Parking Compliance, Parking Programs, and Meter Operations Divisions responsible for regulating on-street parking.

The original Lease Agreement provides for a ten-year base term, with an option to renew the lease up to ten years at the current market rate. The lease commenced on March 9, 2011 and will terminate on March 8, 2021. The leased property will soon be acquired by the Texas Department of Transportation; therefore, the parties desire to amend the lease to extend the base term for an additional twelve-month period with one renewal term of twelve months. The extended base term will expire on March 8, 2022. The monthly payment shall remain the same at \$19,969.25 (\$239,631.00 per annum) plus taxes and insurance estimated at \$38,000, totaling \$277,631.00 per annum. The rental rate during the renewal term shall be equal to the rental rate for the extended base term.

All other terms and conditions of the original lease remain the same.

**Estimated Spending Authority:**

	<b>FY2021</b>	<b>Out-Year</b>	<b>Total</b>
<b>Rent</b>	\$ 79,877.00	\$159,754.00	\$239,631.00
<b>One-time</b> (estimated taxes and insurance)		\$ 38,000.00	\$ 38,000.00
<b>TOTAL</b>	\$ 79,877.00	\$197,754.00	\$277,631.00

**FISCAL NOTE:** Funding for this item is included in the FY2021 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

**DIRECTOR'S SIGNATURE/DATE:**

DocuSigned by:  
*C. J. Messiah, Jr* 12/7/2020  
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C. J. Messiah, Jr.  
General Services Department

DocuSigned by:  
*Tina Paez* 12/7/2020  
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Tina Paez

**Prior Council Action:**

Ordinance No. 2010-0734; September 22, 2010

**Amount of Funding:**

**\$277,631.00**

ParkHouston Special Revenue Fund  
Fund 8700

**FUNDING SUMMARY:**

\$ 79,877.00 - 3/9/21-4/8/21; 4/9/21-5/8/21; 5/9/21-6/8/21; 6/9/21-7/8/21; 4 months FY21 at \$19,969.25

\$159,754.00 - Out-going year

**\$239,631.00 Total Rent**

\$ 38,000.00 One-time (estimated taxes and insurance)

**\$277,631.00 TOTAL**

**Contact Information:**

Calvin Curtis

**Phone:** 832.393.8024

**ATTACHMENTS:**

<b>Description</b>	<b>Type</b>
Signed coversheet	Signed Cover sheet
SAP - RX	Financial Information
1st Lease Amendment	Contract/Exhibit
Prev Lease Agreement	Backup Material
Prev Ordinance	Backup Material
Prev RCA	Backup Material
Ordinance	Ordinance/Resolution/Motion