



## CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 10/3/2023

District B

Item Creation Date:

25CF127 Second Amendment to Lease Agreement between City of Houston (Landlord)  
and Fifth Ward Community Redevelopment Corporation (Tenant)

Agenda Item#: 6.

### **Background:**

**RECOMMENDATION:** Approve and authorize a Second Amendment to Lease Agreement between the 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 Second Amendment to the Lease Agreement with Fifth Ward Community Redevelopment Corporation for approximately 11,000 square feet of space at 3301, 3303, and 3305 Lyons Avenue (the DeLUXE Theatre) to renew the lease term for an additional three years ("First Renewal Term") and increase the monthly rent.

The original Lease Agreement commenced on November 2, 2020, and provided an initial term of three years, with two consecutive three-year renewal options. The Initial Term will expire on November 1, 2023. The First Renewal Term will commence on November 2, 2023, and expire on November 1, 2026.

All other terms, conditions, and provisions of the Lease remain unchanged and in full force and effect.

Year	Price per Sq. Ft.	Annual Total	Monthly Payment
1	\$15.75	\$173,250.00	\$14,437.50
2	\$16.00	\$176,000.00	\$14,666.67
3	\$16.25	\$178,750.00	\$14,895.83

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.

**PROPERTY LOCATION:** 3301, 3303, and 3305 Lyons Avenue, Houston, TX 77020

**FISCAL NOTE:** Funding for this item is included in the FY2024 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

Estimated Revenue	
Department	Current FY
General Services Department	\$ 0

**DIRECTOR'S SIGNATURE/DATE:**

*C. J. Messiah, Jr* 9/19/2023

C. J. Messiah, Jr.  
General Services Department

**Prior Council Action:**

Ordinance No. 2020-921, November 3, 2020.  
Ordinance No. 2021-356, May 11, 2021.

**Amount and Source of Funding:**

REVENUE  
General Fund (1000)

**Contact Information:**

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Council Liaison  
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**ATTACHMENTS:**

Description	Type
<u>Ord 2020-921</u>	Backup Material