



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 8/13/2024

District J

Item Creation Date: 7/15/2024

25CF151 Lease First Amendment 10039 Bissonnet for HHD

Agenda Item#: 45.

Summary:

NOT A REAL CAPTION

ORDINANCE approving and authorizing first amendment to Lease Agreement between **10039 BISSONNET, LP, Landlord**, and City of Houston, Texas, as Tenant, for approximately 2,562 sq. ft. of office space located at 10039 Bissonnet, Houston, Texas 77036, for occupancy by the Houston Health Department - 10 Years with two five-year renewal options - **DISTRICT J - POLLARD**

Background:

RECOMMENDATION: Approve and authorize First Amendment to Lease Agreement between 10039 Bissonnet, L.P., Landlord, and City of Houston, Tenant, for the lease space at 10039 Bissonnet, Houston, Harris County, Texas 77036 for the Women, Infants and Children Program of the Houston Health Department (HHD).

SPECIFIC EXPLANATION: The General Services Department recommends approval of a First Amendment to the Lease Agreement with 10039 Bissonnet, L.P, Landlord, for 3,880 square feet of office space, consisting of 2,216 square feet located in Suite 120 and 1,664 square feet located in Suite 115 at the beginning monthly rental of \$4,850.00 (\$15/SF) for HHD to operate a Women, Infants and Children (WIC) Nutrition Program.

Currently, HHD operates out of 2,562 square feet of lease space; 2,216 square feet located in Suite 120 and 346 square feet located in Suite 105) at a monthly rental of \$3,202.60 (\$15/RSF). HHD will improve client services and increase capacity by moving from Suite 105 into Suite 115, The Landlord will provide the Tenant with a tenant improvement allowance of up to \$8,610.50 according to the plans and specifications agreed upon. The Tenant will pay the Landlord up front for all tenant improvements that exceed the Landlord allowance, at an estimated cost of \$84,379.24 or \$21.75 per rentable square foot or the Tenant may exercise an option for an additional allowance up to \$20.00 per rentable square foot to be included in the rental rate over the term at ten percent interest.

The initial Lease term is May 1, 2020, through June 30, 2030. The Amended Lease term will be September 1, 2024, through June 30, 2030.

The Landlord will provide furniture up to \$50,000.00, to be reimbursed by the Tenant. If there is any excess left in the \$8,610.50 tenant improvement allowance paid by the Landlord, it shall be applied to reduce the amount owed for the furniture. The Tenant may reimburse the furniture cost in full at any time without penalty or may reimburse monthly. If the Tenant reimburses monthly, the total rent and furniture breakdown is as follows:

The total rent breakdown is as follows:


From	To	Months	\$/SF-YR	Monthly	Cumulative
9/1/2024	6/30/2025	10	\$ 15.00	\$ 4,850.00	\$ 48,500.00
7/1/2025	6/30/2026	12	\$ 15.50	\$ 5,011.67	\$ 60,140.04
7/1/2026	6/30/2027	12	\$ 16.00	\$ 5,173.33	\$ 62,079.96
7/1/2027	6/30/2028	12	\$ 16.50	\$ 5,335.00	\$ 64,020.00
7/1/2028	6/30/2029	12	\$ 17.00	\$ 5,496.67	\$ 65,960.04
7/1/2029	6/30/2030	12	\$ 17.50	\$ 5,658.33	\$ 67,899.96


The Landlord is responsible for maintenance, taxes, insurance, and the operating expenses of the leased premises, including utilities, janitorial, and security services.

PROPERTY LOCATION: 10039 Bissonnet, Houston, Harris County, Texas 77036.

FISCAL NOTE: No fiscal note is required on grant items.

DIRECTOR'S SIGNATURE/DATE:

DocuSigned by:
 8/6/2024
FOA4199CD3100489
 C. J. Messiah, Jr.
 General Services Department

DocuSigned by:
 8/12/2024
FOA4199CD3100489
 Stephen Williams, M. Ed., M.P.A.
 Houston Health Department **DA**

FUNDING SUMMARY:

\$ 48,500.00 (rent 10 months FY 2025)
 \$320,100.00 (rent out years)
 \$ 50,000.00 (one-time furniture FY2025)
 \$ 84,379.24 (one-time tenant improvement including 20% contingency FY25)
 \$502,979.24 Total Rent, Furniture, and Tenant Improvements

ESTIMATED SPENDING AUTHORITY

Department	FY2025	Out-Years	Total
Houston Health Department			
Rent	\$48,500.00	\$320,100.00	\$368,600.00
Furniture	\$50,000.00		\$50,000.00
Tenant Improvements	\$84,379.24		\$84,379.24
TOTAL	\$182,879.24	\$320,100.00	\$502,979.24


Prior Council Action:

Ordinance No. 2020-0052, January 16, 2020

Amount and Source of Funding:

\$ 502,979.24 Federal State Local – Pass Through Fund (5030)

Contact Information:


 Enid M. Howard
 Council Liaison
 Phone: 832.393.8023

ATTACHMENTS:

Description	Type
RCA Map	Signed Cover sheet
RCA REVIEW CHECKLIST Lease First Amdt Bissonnet HHD 7-15-24	Backup Material
ORD 2020-52	Backup Material
BISSONNET LL SIGNED AMDT W EXH ATTACHED 7-26-24	Backup Material