

TO: Mayor via City Secretary

REQUEST FOR COUNCIL ACTION

<b>SUBJECT:</b> Second Amendment to Lease Agreement with McDonald's Corporation at 808 Dallas Street for the Houston Police Department		<b>Page</b> 1 of 1	<b>Agenda Item</b>
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<b>FROM (Department or other point of origin):</b> General Services Department	<b>Origination Date</b> 4/28/16	<b>Agenda Date</b>
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<b>DIRECTOR'S SIGNATURE:</b> Scott Minnix <i>Scott Minnix</i> #5114	<b>Council District affected:</b> 1
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<b>For additional information contact:</b> Jacquelyn L. Nisby <i>JLN</i> Phone: 832-393-8023	<b>Date and identification of prior authorizing Council action:</b> Ordinance No. 2001-0415, May 9, 2001 Ordinance No. 2011-0353, May 18, 2011
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**RECOMMENDATION:** Approve and authorize Second Amendment to Lease Agreement between McDonald's Corporation (Tenant), and City of Houston for the lease space at 808 Dallas Street for the Houston Police Department (HPD).

<b>Amount and Source Of Funding:</b> Revenue	<b>Finance Budget:</b>
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**SPECIFIC EXPLANATION:** On May 9, 2001, by Ordinance No. 2001-0415, City Council approved a lease agreement with McDonald's Corporation, for approximately 5,250 square feet of lease space at 808 Dallas Street (HPD's Headquarters Building/1200 Travis Street) to operate a fast food restaurant. The original lease commenced on May 18, 2001, for an initial five-year term with one five-year renewal option. On May 18, 2011, by Ordinance No. 2011-0353, City Council approved a first amendment, which extended the first five-year renewal term for an additional five-years, at a monthly rental of \$6,693.75, that will expire on May 31, 2016; and provided for a third five-year renewal term, effective June 1, 2016 – May 31, 2021, at the then current fair market value rate.

The proposed Second Amendment will amend the lease agreement for McDonald's to formally exercise its third five-year renewal option under the Lease and will change the rental amount for 5,250 square feet (3,750 square feet of first floor retail lease space, upon which the rental rate is based, plus 1,500 square feet of basement storage space) to reflect the current fair market value of \$6,827.58 per month.

- June 1, 2016 – May 31, 2021 - \$6,827.58 (\$21.85 per square foot per year).

McDonald's is responsible for all expenses associated with operating its business in the lease space, including utilities, maintenance, and janitorial services.

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

Therefore, the General Services Department recommends approval of a Second Amendment to the Lease Agreement with McDonald's Corporation.

SM:HB:JLN:CF:cf  
xc: Marta Crinejo, Anna Russell, Jacquelyn L. Nisby

**REQUIRED AUTHORIZATION** CUIC ID# 25 CF 24

<b>General Services Department:</b>  <i>Humberto Bautista</i> Humberto Bautista, P.E. Assistant Director	<b>Houston Police Department</b> <i>Martha Montalvo</i> Martha Montalvo Acting Chief
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