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| <b>SUBJECT:</b> Third Amendment to Lease Agreement at 1415 North Loop West with 1415 NLW, LLC for the Internal Affairs Division of the Houston Police Department. |  | <b>Page</b><br>1 of 1 | <b>Agenda</b><br>Item |
|---|--|-----------------------|-----------------------|

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| <b>FROM (Department or other point of origin):</b><br>General Services Department | <b>Origination Date</b> | <b>Agenda Date</b> |
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| <b>DIRECTOR'S SIGNATURE</b><br>Scott Minnix  10-25-16 | <b>Council District(s) affected:</b> A |
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| <b>For additional information contact:</b><br>Jacquelyn L. Nisby  Phone: 832-393-8023 | <b>Date and identification of prior authorizing Council action:</b><br>Ordinance No. 2004-0283; 04/14/04<br>Ordinance No. 2006-1190; 12/06/06<br>Ordinance No. 2011-0868; 10/12/11 |
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**RECOMMENDATION:** Approve and authorize a Third Amendment to Lease Agreement between 1415 NLW, LLC, (Landlord) and City of Houston (Tenant) for the lease space at 1415 North Loop West, Houston, Texas, for the Houston Police Department.

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| <b>Amount and Source of Funding:</b><br><b>General Fund (1000):</b><br>\$ 31,657.68 (8 months) FY17<br>\$218,784.60 Out-going years<br><b>\$250,442.28 TOTAL</b> | <b>Finance Budget:</b> |
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**SPECIFIC EXPLANATION:** The General Services Department recommends approval of a Third Amendment to the Lease Agreement with 1415 NLW, LLC, (Landlord) for 2,602 square feet of office space on the ninth floor at 1415 North Loop West for the Internal Affairs Division of the Houston Police Department (HPD), consisting of eleven employees.

HPD has utilized the facility for general office space since 1997. The Internal Affairs Division is responsible for internal investigations within HPD. Due to the sensitivity of internal investigations, HPD determined that this function should be isolated from the City and other HPD functions and services. City owned space is not available for the Division. Other third party lease options were considered, however, the Division prefers continued occupancy at this location.

The proposed Third Amendment will further amend the Lease for a five-year base term at market rate, and modify the rent payment schedule as follows:

| From      | To         | Annual Rate per SF | Months | Monthly Rental | Annual Rental |
|-----------|------------|--------------------|--------|----------------|---------------|
| 11/1/2016 | 10/31/2017 | \$18.25            | 1-12   | \$3,957.21     | \$47,486.52   |
| 11/1/2017 | 10/31/2018 | \$18.75            | 13-24  | \$4,065.63     | \$48,787.56   |
| 11/1/2018 | 10/31/2019 | \$19.25            | 25-36  | \$4,174.01     | \$50,088.12   |
| 11/1/2019 | 10/31/2020 | \$19.75            | 37-48  | \$4,282.46     | \$51,389.52   |
| 11/1/2020 | 10/31/2021 | \$20.25            | 49-60  | \$4,390.88     | \$52,690.56   |


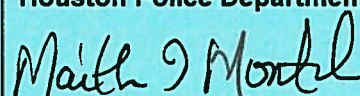
The Second Amendment extended the lease term through October 31, 2016, at a monthly rental of \$3,957.21. The amended lease term will commence November 1, 2016 and expire October 31, 2021.

Landlord shall, at Landlord's expense, install a wall and door in the front reception area, paint all previously painted walls in the Leased Premises, and shampoo the existing carpet. All other terms and conditions of the prior amended lease remain the same.

**OPERATING BUDGET FISCAL NOTE:** Funding for this item is included in the FY 2017 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policy Ordinance No. 2014-1078.

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

**REQUIRED AUTHORIZATION** CUIC ID# 25 CF 30

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