

TO: Mayor via City Secretary**REQUEST FOR COUNCIL ACTION**

SUBJECT: First Amendment to Lease Agreement between North Houston, LP. (Landlord) and the City of Houston (Tenant) at 12941 North Freeway, Suite 635, Houston, Texas 77060 for the Psychological Services Division of the Houston Police Department.

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1 of 1**Agenda Item****FROM (Department or other point of origin):**

General Services Department

Origination Date**Agenda Date****DIRECTOR'S SIGNATURE:**

C. J. Messiah, Jr.

Council District affected: B**For additional information contact:**

Jacquelyn L. Nisby

Phone: 832-393-8023**Date and identification of prior authorizing Council action:**

Ordinance No. 2012-776, August 29, 2012

RECOMMENDATION: Approve and authorize a First Amendment to Lease Agreement between North Houston, LP (Landlord), and the City of Houston (Tenant) at 12941 North Freeway, Houston, Texas for the Psychological Services Division of the Houston Police Department.

Amount and Source of Funding:**General Fund (1000):**

\$ 56,348.39 (7 months) FY18

\$453,102.86 Out-going years**\$509,451.25****Finance Budget:**

SPECIFIC EXPLANATION: The General Services Department recommends approval of a First Amendment to Lease Agreement between North Houston, LP (Landlord) and the City of Houston (Tenant) for approximately 5,293 square feet of lease space at 12941 North Freeway for the Psychological Services Division of the Houston Police Department (HPD). HPD fully utilizes this space for general office purposes. The space is occupied by seven doctors and two administrative staff. The Psychological Services Division is responsible for psychological services within HPD. Due to the sensitivity of these services, 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 current lease term expires on November 30, 2017. The proposed First Amendment provides for a sixty month term with one five-year renewal option at the then prevailing market rate. The new lease term will commence on December 1, 2017 and expire on November 30, 2022. Rent will begin at \$18.25/SF/YR and end at \$20.25/SF/YR which is lower than today's \$20.50/SF/YR rate. This is a full service lease, covering all operating expenses, taxes, and insurance.

The total monthly rental breakdown is as follows:

From	To	Annual Rate PSF	Months	Monthly Rental	Annual Rental
12/1/2017	11/30/2018	\$18.25	1-12	\$8,049.77	\$96,597.25
12/1/2018	11/30/2019	\$18.75	13-24	\$8,270.31	\$99,243.75
12/1/2019	11/30/2020	\$19.25	25-36	\$8,490.85	\$101,890.25
12/1/2020	11/30/2021	\$19.75	37-48	\$8,711.40	\$104,536.75
12/1/2021	11/30/2022	\$20.25	49-60	\$8,931.94	\$107,183.25
					\$509,451.25

The Landlord will install new carpet, repaint the leased premises, and provide two new reserved parking spaces. All other terms and conditions of the original lease remain the same.

OPERATING BUDGET FISCAL NOTE: Funding for this item is included in the FY 2018 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policy Ordinance No. 2014-1078.

CJM:RAV:JLN:CF:cf

xc: Marta Crinejo, Anna Russell, Jacquelyn L. Nisby, Larry Jaskolka

REQUIRED AUTHORIZATION

CUIC ID# 25 CF 39

General Services Department:Richard A. Vella
Assistant Director
Real Estate, Design & Construction Division**Houston Police Department:**Art Acevedo
Chief of Police