

October 7, 2024

Item No. 7.12.

Third Amendment to 2611 Texas Avenue Lease Agreement

Sponsor: Michael Ostrowski, Chief Development Officer

Reviewed By CBC: N/A

Agenda Caption: Presentation, discussion, and possible action on a third amendment to the lease of 3.1 acres including an approximately 28,949 square foot building at 2611 Texas Avenue South to International American Education Federation, Inc., d/b/a International Leadership of Texas, for an additional 1-year renewal for a total contract amount of approximately \$2,198,103.

Relationship to Strategic Goals:

- Good Governance
- Financial Sustainability

Recommendation(s): Staff recommends approval of the lease amendment.

Summary: This item is an amendment to the lease agreement with the International Leadership of Texas (ILT) School to extend the current lease for an additional one-year period as the organization continues to work toward a permanent high school facility.

The initial three-year agreement in the amount of approximately \$1,015,580 was executed in May 2020 to coincide with the construction of the new Police Department building and the resulting vacancy of 2611 Texas Avenue. An amendment to extend the agreement through September 2025 was approved by Council in July 2023 to increase the total overall contract to approximately \$1,771,952. A second amendment was executed December 2023 for the inclusion of a portable building at the site.

Budget & Financial Summary: The lease rate for the additional year would increase 10% from the 2025 rate, or \$35,512.61 per month or \$426,151.32 for the October 1, 2025 – September 30, 2026 term.

Attachments:

1. ILT Lease Renewal - Contract 20300455 Amendment 3

**THIRD LEASE AMENDMENT
LEASE AGREEMENT FOR 2611 TEXAS AVENUE SOUTH**

This Third Lease Amendment is by and between **The City of College Station**, a Texas Home Rule Municipal Corporation, (with its successors, called "Landlord"), and **International American Education Federation, Inc., d/b/a International Leadership of Texas, a Texas Domestic Nonprofit Corporation** (with its successors, called "Tenant"), in consideration of their mutual covenants and agreements in this Third Lease Amendment, the parties agree as follows:

WHEREAS, Landlord and Tenant entered into a Lease Agreement for 2611 Texas Avenue South, College Station, Texas dated May 28, 2020 with contract number 20300455 (collectively hereinafter referred to as the "Lease"), for certain real property containing approximately 28,949 square feet located at 2611 Texas Avenue South, College Station, Texas 77840; and

WHEREAS, Landlord and Tenant entered into a First Amendment to the Lease for 2611 Texas Avenue South, College Station, Texas dated July 14, 2023 ("First Amendment"), in which Landlord and Tenant agreed to renew the Lease for two additional 1-year renewal periods and adjust the Base Rent for the renewal periods; and

WHEREAS, Landlord and Tenant entered into a Second Amendment to the Lease for 2611 Texas Avenue South, College Station, Texas dated December 12, 2023 ("Second Amendment"), in which Landlord allowed Tenant to place one Portable Classroom Building in the parking lot of the Leased Premises; and

WHEREAS, Landlord and Tenant desire to renew the Lease for one additional 1-year renewal period, and

WHEREAS, Landlord and Tenant desire to adjust the Base Rent for the renewal period,

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and promises set forth below, Landlord and Tenant agree to amend the Lease as follows:

1. Section 1.01. Definitions.

"**Lease Term**" means the period commencing on August 1, 2020, and terminating at midnight on September 30, 2026 unless the Lease Term shall sooner terminate as set forth in this Lease.

2. Section 2.04. Base Rent. Base Rent may be calculated on an annual basis but prorated as a monthly rate and paid on a monthly basis. Rent for the initial Lease Term (August 1, 2020 – September 30, 2023) and three 1-year renewal periods (October 1, 2023 – September 30, 2026) shall be as follows:

August 1, 2020 through July 31, 2021:

August 1 – September 30: \$0/mo.
October 1 – July 31: \$26,870.30/mo.

August 1, 2021 through July 31, 2022:

August 1 – July 31: \$28,076.51/mo.

August 1, 2022 through September 30, 2023:

August 1 – September 30: \$29,282.71/mo.

October 1, 2023 through September 30, 2024:

October 1 – September 30: \$30,746.85/mo.

October 1, 2024 through September 30, 2025:

October 1 – September 30: \$32,284.19/mo.

October 1, 2025 through September 30, 2026:

October 1 – September 30: \$35,512.61/mo.

In the event the Lease Term is renewed in accordance with the provisions of this Lease, the Base Rent for each additional term this Lease is in effect shall be adjusted to reflect any upward change in the market rate as determined by the Consumer Price Index for Housing or upward as may be mutually agreed upon in writing by the parties. The Base Rent shall be paid monthly with the first payment due and payable within ten (10) days of the execution of this Lease, and with the due date to fall thereafter on the first of the month. Failure to timely pay the Base Rent to Landlord shall be considered a breach and may result in termination of this Lease by Landlord pursuant to the termination provisions herein.

3. All other terms, covenants and conditions of the Lease shall remain in full force and effect.

[Signatures Follow on Next Page]

IN WITNESS WHEREOF, this Third Lease Amendment is hereby executed in multiple originals as of the date approved by the Landlord.

**INTERNATIONAL AMERICAN
EDUCATION FEDERATION, INC. d/b/a
INTERNATIONAL LEADERSHIP OF
TEXAS,
TENANT**

By: Edward G. Conger

Name: Edward G. Conger

Title: CEO-Superintendent

Date: 9/20/2024

**CITY OF COLLEGE STATION,
LANDLORD**

By: _____

City Manager

Date: _____

APPROVED:

Haron Longoria

City Attorney

Date: 9/24/2024

JM Castro

Assistant City Manager/CFO

Date: 9/24/2024

**Contract# 20300455 and Amendment 3
International Leadership of Texas (ILT) Recap**

Contract# 20300455

Term: 8/1/2020 - 9/30/2023

Dates	Monthly Rent	No. Months	Year Total	Deposit Paid
August 1, 2020 - September 30, 2020	n/a	n/a		\$30,155.20
October 1 - July 31, 2021	\$26,870.30	10	\$268,703.00	
August 1, 2021 - July 31, 2022	\$28,076.51	12	\$336,918.12	
August 1, 2022 - September 30, 2023	\$29,282.71	14	\$409,957.94	
	Original Contract Value		\$1,015,579.06	

Contract #20300455 Amd 1

Term: 10/1/2023 - 9/30/2025

Dates	Monthly Rent	No. Months	Year Total
October 1, 2023 - September 30, 2024	\$30,746.85	12	\$368,962.20
October 1, 2024 - September 30, 2025	\$32,284.19	12	\$387,410.28
	Amendment 1 Value		\$756,372.48

Contract #20300455 Amd 3

Term: 10/1/2025 - 9/30/2026

Dates	Monthly Rent	No. Months	Year Total
October 1, 2025 - September 30, 2026	\$35,512.61	12	\$426,151.32
	Amendment 3 Value		\$426,151.32

Revised Total C#20300455: \$2,198,102.86