

Action Sheet

MEETING DATE: August 3, 2022

AGENDA ITEM: Discuss and Consider Approval of Warehouse Lease Agreement with ANICO

GISD has been leasing warehouse space from American National Insurance Company (ANICO) for the past 10 years for \$1.00 per year; the original lease agreement was dated March 31, 2012. Currently, according to the terms of the lease, Section 2.03 – Holding Over, GISD is in occupancy on a month-to-month basis. With the purchase of ANICO by Brookfield Asset Management Reinsurance Partners Ltd. in May 2022, ANICO has proposed a new lease with ANICO as Landlord, and Galveston Independent School District, as Tenant, for that certain warehouse space consisting of approximately 24,400 SF and other improvements located at 4302 Avenue Q, Galveston, TX, upon the same terms and conditions, save and except:

Lease Term: 10 years, commencing on the first day of the month immediately following the mutual execution of said renewal and ending July 31, 2032.

Termination Right: Both Landlord and Tenant shall have the right to terminate during the term of the lease for any reason upon 120 days written notice to the other party.

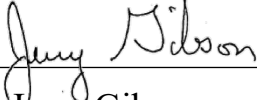
Property Taxes: Tenant shall pay annual property taxes assessed on the leased premises.

Roof Maintenance: Tenant shall maintain roof at its sole cost and expense. If Tenant replaces roof and thereafter Landlord exercises its right to terminate, Landlord shall reimburse Tenant for the unamortized cost of the roof based on the average life/warranty of said roof as indicated by the manufacturer.


First Right of Refusal: If Landlord elects to sell the subject property along with any portion of the adjoining property owned by Landlord, Tenant shall have the first right of refusal to purchase the property at the asking price.

All other terms and conditions of the Lease dated March 31, 2012 remain the same. The above terms and conditions are subject to final approval of and execution of a formal document by both American National Insurance Company and Galveston Independent School District. The District requests the board authorize Dr. Gibson to sign the final contract based on terms noted herein.

RECOMMENDATION: I move that the Board of Trustees approve the renewal of the warehouse lease with ANICO, with terms as presented, giving the superintendent the authority to sign and execute the final lease agreement.



Dr. Jerry Gibson
Superintendent



Connie Morgenroth
Assistant Superintendent of Business & Operations