

AN ORDINANCE 2014 - 08 - 14 - 0574

**AUTHORIZING AN EXTENSION AGREEMENT AND FIRST AMENDMENT TO THE LEASE AGREEMENT WITH SAN ANTONIO SPORTS, EXERCISING THE AVAILABLE FIVE YEAR RENEWAL OPTION BEGINNING OCTOBER 1, 2014, AMENDING RENTAL FEE TERMS AND CONDITIONS, AND PROVIDING FOR THE RELOCATION OF THE SAN ANTONIO SPORTS HALL OF FAME, WITH ESTIMATED CITY REVENUE OF \$306,056.00 DURING THE RENEWAL PERIOD.**

\* \* \* \* \*

**WHEREAS**, Ordinance No. 99705, dated September 16, 2004, authorized the original Lease Agreement (“Agreement”) with San Antonio Sports for an initial term of 10 years, through September 30, 2014, with a five-year extension option; and

**WHEREAS**, the City and San Antonio Sports desire to exercise the available extension and amend the Agreement to modify rental fee terms and conditions and provide for the relocation of the San Antonio Sports Hall of Fame; **NOW THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** The terms and conditions of the Extension Agreement and First Amendment to the Lease Agreement with San Antonio Sports are authorized and approved. The City Manager, or her designee, is authorized to execute Extension Agreement and First Amendment, a copy of which, previously executed by San Antonio Sports, is attached to this Ordinance as **Exhibit I**.

**SECTION 2.** Funds generated by this Ordinance will be deposited as per the table below:

Amount	General Ledger	Internal Order	Fund
\$30,881.88	4407952	245000000030	29016000
\$30,329.28	4407707	245000000030	29016000
Total Amt \$61,211.16			

**SECTION 3.** The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance, may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

LB  
08/14/14  
Item No. 10

**SECTION 4.** This Ordinance shall take effect immediately upon the receipt of eight affirmative votes; otherwise it shall be effective ten days after its passage.

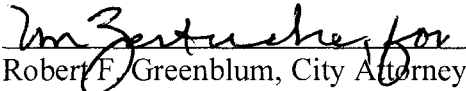
**PASSED AND APPROVED** this 14<sup>th</sup> day of August, 2014.

  
M A Y O R  
Ivy R. Taylor

**ATTEST:**

  
Leticia M. Vacek, City Clerk

**APPROVED AS TO FORM:**

  
Robert F. Greenblum, City Attorney

<b>Agenda Item:</b>	<b>10 ( in consent vote: 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18 )</b>
<b>Date:</b>	08/14/2014
<b>Time:</b>	11:53:42 AM
<b>Vote Type:</b>	Motion to Approve
<b>Description:</b>	An Ordinance authorizing an Extension Agreement and First Amendment to the Lease Agreement with San Antonio Sports, exercising the available five year renewal option, amending rental fee terms and conditions, and providing for the relocation of the San Antonio Sports Hall of Fame, with estimated City revenue of \$306,056.00 during the renewal period. [Ed Belmares, Assistant City Manager; Michael Sawaya, Director, Convention Sports and Entertainment Facilities]
<b>Result:</b>	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ivy Taylor	Mayor		x				
Diego Bernal	District 1		x			x	
Keith Toney	District 2		x				
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4		x				x
Shirley Gonzales	District 5		x				
Ray Lopez	District 6		x				
Mari Aguirre-Rodriguez	District 7		x				
Ron Nirenberg	District 8		x				
Joe Krier	District 9		x				
Michael Gallagher	District 10		x				

# **EXHIBIT I**

**EXTENSION AGREEMENT AND FIRST AMENDMENT  
TO  
LEASE AGREEMENT**

**FOR VALUE RECEIVED**, the receipt and sufficiency of which is hereby acknowledged, this Extension Agreement and Amendment to the Lease Agreement (“First Amendment”) is entered into by the City of San Antonio, a Texas Municipal corporation (“LANDLORD”), acting by and through its City Manager and San Antonio Sports, (“TENANT”), a not for profit/501(c)(3) corporation chartered under the laws of the State of Texas, acting by and through its duly authorized designated officer.

**RECITALS**

- A. LANDLORD and TENANT are parties to that certain Lease Agreement (“Lease”) entered into pursuant to City Ordinance No. 99705, passed and approved on September 16, 2004.
- B. Section 3.2 of the Agreement provides an additional five (5) year renewal term, subject to City Council approval.
- C. LANDLORD AND TENANT desire to exercise the renewal term and extend the Agreement through September 30, 2019.
- D. The Parties desire to amend the terms and conditions of the Agreement as set forth in this First Amendment, as further described below.
  - 1. **TENANT shall relocate the San Antonio Sports Hall of Fame exhibit in its entirety, currently located on the south Plaza Level, to the Club Level of the Building, with specific location to be approved by LANDLORD. TENANT shall be responsible for costs of relocation, including removal, reinstallation, electrical, etc., and restoring the Plaza Level area, up to a maximum of \$2,500.00. TENANT shall also be responsible for the cost of design, production and installation of a Club Level advertising graphic promoting the Hall of Fame and associated Club Level restaurant rebranding, up to a maximum of \$5,000.00. TENANT shall coordinate with and obtain the prior approval of LANDLORD for all relocation, and advertising design, production and installation activities.**
  - 2. All references to San Antonio Sports Foundation shall be changed to San Antonio Sports.
  - 3. **Section 5.1 is deleted in its entirety and replaced with the following:**

“TENANT, in consideration of said demise, does hereby covenant and agree with LANDLORD to pay to LANDLORD without notice or demand, both of which are expressly waived herein, all Rents as may be set forth hereafter, during the Initial Term and the Renewal Term, if any, for the use and occupancy of the Leased Premises, as follows:

A. Utilities Rent	Sq.Ft.	<sup>1</sup> Amount/ Sq.Ft/Mo.	Total Amount/Mo.
i. Electricity	6,650	\$0.254046	\$1,689.41
ii. HVAC	6,650	\$0.132945	\$884.08
<b>TOTAL UTILITIES RENT</b>			<b>\$2,573.49</b>

B. Telecommunications Rent	Lines	<sup>2</sup> Amount/ Line/Mo.	<sup>3</sup> Total Amount/Mo.
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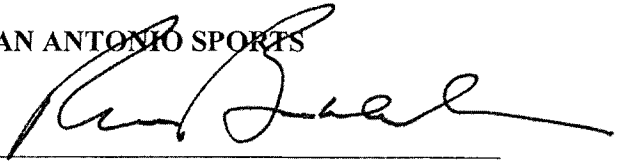
i. Digital	32	\$37.67	\$1,205.44
ii. Network	27	\$30.00	\$810.00
iii. Internet	2	\$125.00	\$250.00
iv. Voice Mail	33	\$5.00	\$165.00
v. Analog	5	\$19.40	\$97.00
<b>TOTAL TELECOM RENT</b>			<b>\$2,527.44</b>

Except as otherwise expressly modified hereby, all terms and provisions of the Lease are ratified and confirmed and shall remain in full force and effect, enforceable in accordance with their terms.

EXECUTED AND SIGNED this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

**CITY OF SAN ANTONIO**

**SAN ANTONIO SPORTS**



\_\_\_\_\_  
Sheryl L. Sculley  
City Manager

\_\_\_\_\_  
Russ Bookbinder  
President & CEO

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Robert F. Greenblum  
City Attorney

**ATTEST:**

\_\_\_\_\_  
Leticia M. Vacek  
City Clerk

<sup>1</sup> LANDLORD reserves the right to increase said fees based on changes in the Consumer Price Index ("CPI"), as follows: The sum of \$2,573.49 per Lease month ("Base Rental for Utilities") for the Lease Year October 1, 2013, through September 30, 2014, shall be paid by TENANT to LANDLORD during the Renewal Term. Beginning with the Lease Year October 1, 2014, through September 30, 2015, of the Renewal Term and continuing throughout the Renewal Term, the Base Rental for Utilities is subject to annual increases in the CPI of not less than two percent (2%) and not more than five percent (5%), calculated by multiplying the Base Rental for Utilities by the percentage increase in the CPI from July of the current Lease Year to July of the previous Lease Year. CPI shall mean the CPI for All Urban Consumers, U.S. City Average, published by the U.S. Department of Labor, Bureau of Labor Statistics. If the CPI should cease to be published during the Initial Term or the Renewal Term, if any, the CPI shall be computed by using an economic index selected by LANDLORD of generally recognized standing that reflects the increase or decrease in the purchasing power of the U.S. dollar.

<sup>2</sup> LANDLORD reserves the right to increase said fees based on changes in charges to LANDLORD.

<sup>3</sup> These amounts do not include installation, long distance charges, or taxes.