

THIS IS A PROPOSED DRAFT AND WILL BE REPLACED BY THE FINAL, SIGNED ORDINANCE OR RESOLUTION ADOPTED BY THE CITY COUNCIL.

AN ORDINANCE

AUTHORIZING AMENDMENT NO. 1 TO THE RIVER WALK LEASE AGREEMENT BETWEEN THE CITY OF SAN ANTONIO AND PALACIO DEL RIO, INC. D/B/A HILTON PALACIO DEL RIO TO EXTEND THE LEASE AGREEMENT TERM THROUGH JUNE 30, 2039 AND PROVIDING FOR AN OPTION TO RENEW FOR AN ADDITIONAL TWENTY-FIVE YEAR PERIOD THEREAFTER.

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WHEREAS, Ordinance #2009-06-25-0578 authorized a River Walk Lease Agreement with Hilton Palacio Del Rio for use of 902.43 square feet of outdoor patio space along the River Walk that will expire June 30, 2014; and

WHEREAS, Hilton Palacio Del Rio requested that the Agreement's term be extended through June 30, 2039 in order to secure capital financing for planned improvements and renovations; and

WHEREAS, this ordinance will authorize Amendment No. 1 to extend the Agreement through June 30, 2039 with an option to renew for an additional twenty-five year period thereafter; and

WHEREAS, Hilton Palacio Del Rio will pay a rate of \$2.63 per square foot per month for the first year of the extended term with an annual increase of 3.00%; and

WHEREAS, market adjustments to this rate through the extended term may occur at five year intervals; and

WHEREAS, should Hilton Palacio Del Rio sell the adjacent hotel property to an entity other than a parent, subsidiary or similarly affiliated entity, the Agreement shall automatically terminate;
NOW THEREFORE:

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

SECTION 1. The City Manager or her designee or the Director of the Center City Development Office or his designee, is authorized to execute Amendment No.1 to the River Walk Lease Agreement between the City of San Antonio and Palacio Del Rio, Inc. d/b/a Hilton Palacio Del Rio to extend the lease agreement term through June 30, 2039 and providing for an option to renew for an additional twenty-five year period thereafter. A copy of the amendment in substantially final form is attached hereto and incorporated herein for all purposes as **Attachment I.**

SECTION 2. Funds generated by this ordinance will be deposited into Fund 29093000, WBS Element OR-00001-01-01-01 and General Ledger 4407711.

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.

SECTION 4. This ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED AND APPROVED this _____ day of _____.

M A Y O R
Julián Castro

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek, City Clerk

Robert F. Greenblum, City Attorney