



City of San Antonio

Legislation Details (With Text)

File #: 15-1135

Type: Real Property Lease

In control: City Council A Session

On agenda: 2/19/2015

Title: An Ordinance approving three River Walk Patio Lease Agreements with AmREIT Riverwalk, LP, each with a five year term, for continued use of a total of 764 square feet of River Walk patio space and consenting to the sublease of those spaces to the County Line, Paesano's, and Hard Rock Cafe. [Carlos Contreras, Assistant City Manager; Lori Houston, Director; Center City Development and Operations]

Sponsors:

Indexes: River Walk Lease

Code sections:

Attachments: 1. Partially Executed AmREIT County Line, 2. Partially Executed AmREIT Hard Rock Cafe, 3. Partially Executed AmREIT Paesano's, 4. 2015 Contracts Disclosure Form, 5. Draft Ordinance, 6. Ordinance 2015-02-19-0110

Date	Ver.	Action By	Action	Result
2/19/2015	1	City Council A Session	adopted	Pass

DEPARTMENT: Center City Development & Operations Department

DEPARTMENT HEAD: Lori Houston

COUNCIL DISTRICTS IMPACTED: 1

SUBJECT:

River Walk Patio Lease Agreements with AmREIT Riverwalk, LP, a Texas limited partnership

SUMMARY:

This ordinance authorizes three, 5 year River Walk Patio Lease Agreements with AmREIT Riverwalk, LP, a Texas limited partnership for continued use of 329 square feet, 112 square feet, and 323 square feet of River Walk patio space and consent to the sublease of said spaces to the County Line, Paesano's, and Hard Rock Café respectively.

BACKGROUND INFORMATION:

Ordinance #81429 passed on January 5, 1995 authorized three, 5 year River Walk Patio Lease Agreements with

Hixon Development Company for use of 329 square feet, 112 square feet, and 323 square feet of River Walk patio space. The ordinance also consented to the sublease of these spaces to The County Line, Paesano's, and Hard Rock Café.

Ordinance #82328 passed on June 8, 1995 authorized amendment to the agreements to provide for three, 5 year renewal options through February 28, 2015 and granted the City the right to increase the base rental rate up to 15% at least once during the renewal periods if supported by a rental study. In September 2005 Hixon Development Company assigned the agreements to AmREIT Riverwalk, LP, a Texas limited partnership (AmREIT).

This ordinance authorizes three, new 5 year agreements (Agreements) with AmREIT for continued use of the River Walk Patio spaces identified above and consent to their sublease. Under the terms of the Agreements, the monthly rate per square foot will be \$2.35 the first year and will increase annually by 3.00% for each of the three leases. The Agreements also provide for three five-year renewal options. Rates during the renewal options will increase by 3.00% annually with the City having one opportunity to increase the rate up to 15% if supported by a rental study. The Agreements' initial lease period commences March 1, 2015 and expires February 29, 2020.

ISSUE:

Approval of this ordinance is consistent with the City's policy of leasing City-owned property and supporting economic development in the downtown area.

ALTERNATIVES:

The City may elect not to enter into the Agreements, which would result in AmREIT's tenancy becoming month-to-month or terminating.

FISCAL IMPACT:

AmREIT will pay an initial rate of \$2.35 per square foot per month for each property beginning March 1, 2015. The rental rate will increase by 3.00% annually. The total amounts to be paid during the initial lease period are as follows:

Lease Period	Month Rate	The County Line 329 sq. ft.	Paesano's 112 sq. ft.	Hard Rock Café 323 sq. ft.	Annual Total
3/1/2015 - 2/29/2016	\$2.35	\$773.15	\$263.20	\$759.05	\$21,544.80
3/1/2016 - 2/28/2017	\$2.42	\$796.18	\$271.04	\$781.66	\$22,186.56
3/1/2017 - 2/28/2018	\$2.49	\$819.21	\$278.88	\$804.27	\$22,828.32
3/1/2018 - 2/28/2019	\$2.56	\$842.24	\$286.72	\$826.88	\$23,470.08
3/1/2019 - 2/29/2020	\$2.64	\$868.56	\$295.68	\$852.72	\$24,203.52
Totals					\$114,233.28

All revenue generated from the AmREIT Agreements will be deposited into the River Walk Capital Improvements Fund.

RECOMMENDATION:

Staff recommends approval of the three, 5 year River Walk Patio Lease Agreements with AmREIT Riverwalk, LP, a Texas limited partnership for continued use of 329 square feet, 112 square feet, and 323 square feet of River Walk patio space and consent to the sublease of said spaces to the County Line, Paesano's, and Hard Rock Café respectively.