



City of San Antonio

Legislation Details (With Text)

File #: 14-1460

Type: Real Property Lease

In control: City Council A Session

On agenda: 8/14/2014

Title: 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]

Sponsors:

Indexes: Alamodome, San Antonio Sports

Code sections:

Attachments: 1. SAS Lease Agreement, 2. Discretionary Contracts Disclosure SAS 7.23.14, 3. Draft Ordinance, 4. Ordinance 2014-08-14-0574

Date	Ver.	Action By	Action	Result
8/14/2014	1	City Council A Session	adopted	Pass

DEPARTMENT: Convention & Sports Facilities

DEPARTMENT HEAD: Michael J. Sawaya

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

Extension Agreement and First Amendment to the Lease Agreement with San Antonio Sports

SUMMARY:

This ordinance authorizes an Extension Agreement and First Amendment to the Lease Agreement (“Lease”) with San Antonio Sports, exercising the available five year renewal option from October 1, 2014, through September 30, 2019, 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.

BACKGROUND INFORMATION:

Ordinance No. 99705, dated September 16, 2004, authorized the original Lease with San Antonio Sports for approximately 6,650 sq. ft. of office space at the Alamodome and 15 parking spaces for an initial term of 10 years, October 1, 2004, through September 30, 2014, with a five-year extension option. The initial monthly

rental fee was \$4,046.30 for utilities and telecommunications (not including long distance), which has since increased to approximately \$5,100.93 with the Consumer Price Index and changes to the telecommunications charges to San Antonio Sports.

San Antonio Sports started 29 years ago and has helped to lure and host some of San Antonio's premier events, including NCAA Championships and Rock 'n' Roll San Antonio Marathon, which have put San Antonio on the global stage and delivered more than \$446M in local economic impact. The location of San Antonio Sports offices in the Alamodome facilitates the collaboration of San Antonio Sports, the City, and others on development of event bids, event coordination meetings, etc. San Antonio Sports is also in 290 local elementary schools with sports and fitness training programs to promote children and their families to live active and healthy lives.

San Antonio Sports also partners with the City of San Antonio and the San Antonio Express-News on the San Antonio Sports Hall of Fame, currently located on the south Plaza Level of the Alamodome. As part of this action, the City and San Antonio Sports have agreed to move the Hall of Fame to the Club Level of the Alamodome to locate it in a more prominent and appropriate location.

ISSUE:

The initial term of the Lease with San Antonio Sports is slated to expire September 30, 2014, and has a five-year extension option. Both parties desire to exercise the extension option and have proposed an Extension and First Amendment that continues the key terms and conditions of the Lease.

ALTERNATIVES:

Alternatives include not authorizing the Extension Agreement and First Amendment with San Antonio Sports, and/or directing staff to revise the terms and conditions of the Extension Agreement and First Amendment.

The original term of the Lease with San Antonio Sports expires September 30, 2014. If the City does not extend the Lease with San Antonio Sports, San Antonio Sports would likely require a short-term extension in order to find and move to new office space. Also, if the Lease were not extended, the City would lose approximately \$61,211.00 in annual utility and telecommunications rental fees.

FISCAL IMPACT:

If approved, this action is expected to generate approximately \$61,211.16 in City revenue annually, and approximately \$306,055.80 over the renewal term. This is based on current utilities rent of \$2,573.49 per month and telecommunications rent of \$2,527.44.

This revenue is budgeted in the Adopted Budget for the Community and Visitor Facilities Fund.

RECOMMENDATION:

Staff recommends approval of the Extension Agreement and First Amendment to the Lease Agreement with San Antonio Sports.

