



# City of San Antonio

## Legislation Details (With Text)

**File #:** 19-1710

**Type:** Real Property Lease

**In control:** City Council A Session

**On agenda:** 2/21/2019

**Title:** Ordinance approving a Lease agreement with Rio Rio Corporation, d/b/a Rio Rio Cantina for the use of 171.46 square feet of River Walk patio space for food and beverage service. Revenue generated from this lease agreement will be deposited into the River Walk Capital Improvement Fund. [Lori Houston, Assistant City Manager; John Jacks, Director, Center City Development & Operations]

**Sponsors:**

**Indexes:** Lease, Leases, River Walk Lease

**Code sections:**

**Attachments:** 1. 2019 Partially Executed Rio Rio Agreement, 2. 2019 Contracts Disclosure Form, 3. Draft Ordinance, 4. Ordinance 2019-02-21-0139

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

**DEPARTMENT:** Center City Development and Operations Department

**DEPARTMENT HEAD:** John Jacks

**COUNCIL DISTRICTS IMPACTED:** 1

**SUBJECT:**

River Walk Lease Agreement

**SUMMARY:**

This ordinance authorizes a new five-year lease with Rio Rio Corporation, d/b/a Rio Rio Cantina for the use of 171.46 square feet of River Walk patio space for food and beverage service. The lease rate, for year one, is \$2.96 per square foot per month for a total of \$6,090. This rate will increase 2.5% annually. Revenue generated from this lease agreement will be deposited into the River Walk Capital Improvement Fund.

**BACKGROUND INFORMATION:**

Ordinance 2009-11-19-0938 authorized a lease with Rio Rio Corporation, d/b/a Rio Rio Cantina for use of 171.46 square feet of River Walk patio space. The agreement expired on February 28, 2014 and was renewed for additional five-year term through Ordinance 2014-02-20-0101. This renewal period will expire on February

28, 2019.

This ordinance will authorize a new five-year lease with Rio Rio effective March 1, 2019 and includes a five-year renewal option. The lease rate, for year one, is \$2.96 per square foot per month for a total of \$6,090. This rate will increase 2.5% annually.

**ISSUE:**

Approval of this ordinance is consistent with the City’s policy of leasing River Walk patio space to adjacent businesses for outdoor dining alongside the San Antonio River.

**ALTERNATIVES:**

The City may elect not to lease to Rio Rio, however, the River Walk patio space will then be vacant and underutilized.

**FISCAL IMPACT:**

This ordinance authorizes a new five-year lease with Rio Rio Corporation, d/b/a Rio Rio Cantina for the use of 171.46 square feet of River Walk patio space for food and beverage service. The lease rate, for year one, is \$2.96 per square foot per month for a total of \$6,090. This rate will increase 2.5% annually. The total amount to be received by Rio Rio for the proposed lease period is summarized below:

| Year         | Lease Payment      |
|--------------|--------------------|
| 1            | \$6,090.24         |
| 2            | \$6,234.24         |
| 3            | \$6,398.88         |
| 4            | \$6,563.52         |
| 5            | \$6,728.04         |
| <b>Total</b> | <b>\$32,014.92</b> |

Revenue generated from this lease agreement will be deposited into the River Walk Capital Improvement Fund.

**RECOMMENDATION:**

Staff recommends approval of the lease with Rio Rio Corporation, d/b/a Rio Rio Cantina for use of 171.46 square feet of River Walk patio space for food and beverage service.