



City of San Antonio

Agenda Memorandum

File Number:15-6016

Agenda Item Number: 13.

Agenda Date: 12/17/2015

In Control: City Council A Session

DEPARTMENT: Center City Development & Operations

DEPARTMENT HEAD: John Jacks

COUNCIL DISTRICTS IMPACTED: 1

SUBJECT:

Five year, restaurant lease with DBHO, Inc. dba Guadalajara Grill in La Villita

SUMMARY:

This ordinance authorizes a new, restaurant lease with DBHO, Inc. dba Guadalajara Grill in La Villita's Building 16, effective July 1, 2016, which will generate \$397,721.88 in lease payments to the City over the five year term.

BACKGROUND INFORMATION:

Since 1994, Guadalajara Grill has operated a successful restaurant in Building 16 within the La Villita Historic Arts Village. Their lease with the City includes 4,096 square feet of interior restaurant and special event space and 700 square feet of outdoor patio space in front of the building, which faces South Alamo Street. On October 20, 2011, City Council approved Ordinance 2011-10-20-0858, which extended the lease term through June 30, 2016.

The proposed, five year lease with Guadalajara Grill will include the existing interior and exterior spaces and will establish an initial monthly rental rate of \$6,285.35, which includes utilities and a common area maintenance fee.

Guadalajara Grill is a tenant in good standing.

ISSUE:

Approval of this ordinance is consistent with the City’s policy to lease City-owned property in support of economic development in downtown.

ALTERNATIVES:

The City may elect not to lease to Guadalajara Grill and seek an alternate lessee.

FISCAL IMPACT:

Guadalajara Grill’s lease payments from July 1, 2016 through June 30, 2021 are identified below:

	Monthly	Annual
7/1/2016-6/30/2017	\$6,285.35	\$75,424.20
7/1/2017-6/30/2018	\$6,437.84	\$77,254.08
7/1/2018-6/30/2019	\$6,638.29	\$79,659.48
7/1/2019-6/30/2020	\$6,790.78	\$81,489.36
7/1/2020-6/30/2021	\$6,991.23	\$83,894.76
Total		\$397,721.88

All payments received as a result of this lease will be deposited into the General Fund.

RECOMMENDATION:

Staff recommends approval of this ordinance to authorize a new, five year restaurant lease with DHBO, Inc. dba Guadalajara Grill, effective July 1, 2016 - June 30, 2021.