



# City of San Antonio

## Agenda Memorandum

**File Number:** 18-1008

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**Agenda Item Number:** 15.

**Agenda Date:** 3/29/2018

**In Control:** City Council A Session

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**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 lease with BGSCR Riverwalk LLC d/b/a Bubba Gump Shrimp for 787 square feet of River Walk patio space for food and beverage service adjacent to their interior space.

### **BACKGROUND INFORMATION:**

On October 1, 2017, Bubba Gump Shrimp became the lessee of the Nix Hospital's basement space located at 406 Navarro Street. Bubba Gump Shrimp now is seeking to lease 787 square feet of City-owned River Walk patio space adjacent to their interior space for food and beverage service.

The proposed operating term shall be five years with one five-year renewal option. The lease term will begin on July 1, 2018 or the first date of commercial operations. The initial lease rate is \$2.71 per square foot per month or \$2,132.77.

### **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 Bubba Gump Shrimp; however, the space will then be vacant and underutilized.

**FISCAL IMPACT:**

Under the proposed lease, Bubba Gump Shrimp will pay a rate of \$2.71 per square foot per month effective November 1, 2018 or the first date of commercial operations. The total amount to be received by Bubba Gump Shrimp for the initial five-year term is summarized below:

<b>Lease Year</b>	<b>Rate</b>	<b>Monthly</b>	<b>Annual</b>
July 1, 2018 - June 30, 2019	\$2.71	\$2,132.77	\$25,593.24
July 1, 2019 - June 30, 2020	\$2.78	\$2,187.86	\$26,254.32
July 1, 2020 - June 30, 2021	\$2.85	\$2,242.95	\$26,915.40
July 1, 2021 - June 30, 2022	\$2.92	\$2,298.04	\$27,576.48
July 1, 2022 - June 30, 2023	\$2.99	\$2,353.13	\$28,237.56
<b>Total</b>			<b>\$134,577.00</b>

All funds received will be deposited into the River Walk Capital Improvement Fund.

**RECOMMENDATION:**

Staff recommends approval of the proposed lease with BGSCR Riverwalk, LLC d/b/a Bubba Gump Shrimp for use of 787 square feet of River Walk patio space for food and beverage service adjacent to their interior space.