



# City of San Antonio

## Agenda Memorandum

**File Number:** 18-2320

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**Agenda Item Number:** 15.

**Agenda Date:** 5/10/2018

**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:**

GO RIO SAN ANTONIO, LLC Lease Agreement

### **SUMMARY:**

This ordinance authorizes a lease agreement between the City of San Antonio and GO RIO SAN ANTONIO, LLC for use of 807 E. Riverwalk in order to enhance services available to river barge patrons.

### **BACKGROUND INFORMATION:**

GO RIO operates the river barge concession on the San Antonio River. The term of the agreements is from October 1, 2017 through September 30, 2027. In order to enhance services available to its customers, GO RIO requested to lease the City-owned property at 807 E. Riverwalk, which is located adjacent to GO RIO's existing ticket booth at 809 E. Riverwalk and near the Shops at Rivercenter. GO RIO plans to utilize the space for merchandise sales, extensive beverage service, and to provide information regarding river barge tours, charters, and shuttles.

### **ISSUE:**

This ordinance will authorize a lease with GO RIO for the use of 807 E. Riverwalk to enhance service for river barge customers. Approval of this ordinance is consistent with the City's policy of leasing City-owned property in support of downtown economic development.

The lease term is proposed to coincide with the river barge concession agreement and will be valid through September 30, 2027. The proposed monthly rent of \$2,550.00 is based on a market rate study and the rent shall increase October 1 each year throughout the term. The lease provides a rent credit of up to \$100,000.00 for permanent improvements to the lease space. This funding will be recouped over the lease term through the 15% commission that the City will receive from the sales of merchandise, food, and beverages.

**ALTERNATIVES:**

The City may elect not to lease 807 E. Riverwalk to GO RIO and instead seek an alternate lessee through direct negotiation or a competitive solicitation.

**FISCAL IMPACT:**

The proposed lease authorizes a rate consistent with a market study completed in October 2017. In FY 2018, the projected revenue to the City from this lease will be \$7,650.00. Monthly lease rates through the lease term are shown below:

Year	Annual Amount
Year 1	\$7,650.00
Year 2	\$31,375.20
Year 3	\$32,150.40
Year 4	\$32,925.60
Year 5	\$33,741.60
Year 6	\$34,598.40
Year 7	\$35,455.20
Year 8	\$36,352.80
Year 9	\$37,250.40
Year 10	\$38,188.80

Revenues from this lease will be deposited into the Community Development Block Grant (CDBG) funds as improvements to this area were funded through CDBG.

**RECOMMENDATION:**

Staff recommends approval of lease agreement with GO RIO SAN ANTONIO, LLC for use of 807 E. Riverwalk.