



City of San Antonio

Agenda Memorandum

File Number: 18-2415

Agenda Item Number: 11.

Agenda Date: 4/19/2018

In Control: City Council A Session

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 MD Riverwalk, LLC d/b/a On the Bend Oyster Bar & Lounge for use of 698.24 square feet of River Walk patio space and 599.83 square feet of elevated River Walk patio space for food and beverage service.

BACKGROUND INFORMATION:

In October 2017, MD Riverwalk LLC d/b/a On the Bend Oyster Bar & Lounge (MD Riverwalk) became the lessee of 123 Losoya, located at river level within the Hyatt Regency Hotel. To provide MD Riverwalk with immediate access to the adjacent River Walk patio and elevated River Walk patio spaces for the purpose of making improvements and starting operations, a six-month temporary use agreement was executed. The temporary agreement included a three-month construction period and a three-month operations period, which will expire on April 30, 2018.

This ordinance will authorize a formal River Walk lease agreement with MD Riverwalk. The term of the agreement shall be for five years, effective May 1, 2018 and includes a five-year renewal option. The initial lease rates will be set at is \$2.75 per square foot per month for the River Walk patio space and \$2.17 per square foot per month for the elevated River Walk patio space. These rates will increase annually at 2.5%.

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 MD Riverwalk; however, the River Walk patio and elevated River Walk patio spaces will be vacant and underutilized.

FISCAL IMPACT:

The total amount to be received by MD Riverwalk for the initial five-year term is summarized below:

Lease Term	Total
May 1, 2018 - April 30, 2019	\$38,658
May 1, 2019 - April 30, 2020	\$39,624
May 1, 2020 - April 30, 2021	\$40,615
May 1, 2021 - April 30, 2022	\$41,630
May 1, 2022 - April 30, 2023	\$42,671
Total	\$203,198

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

RECOMMENDATION:

Staff recommends approval of the lease with MD Riverwalk, LLC d/b/a On the Bend Oyster Bar & Lounge for use of 698.24 square feet of River Walk patio space and 599.83 square feet of elevated River Walk patio space for food and beverage service.