



City of San Antonio

Agenda Memorandum

File Number: 18-3547

Agenda Item Number: 15.

Agenda Date: 6/14/2018

In Control: City Council A Session

DEPARTMENT: Center City Development and Operations Department

DEPARTMENT HEAD: John Jacks

COUNCIL DISTRICTS IMPACTED: 1

SUBJECT:

Dolorosa St. Parking Lot Lease Agreement Extension

SUMMARY:

This ordinance authorizes the execution of Amendment #2 to the Dolorosa St. Parking Lot lease agreement with Market Square Parking, LLC to extend the terms of the lease for five (5) years until June 30, 2023 with an option to extend for an additional five (5) years.

BACKGROUND INFORMATION:

Beginning July 1, 2003, Market Square Parking, LLC (MSP) has leased from the City of San Antonio approximately 14,615 square feet of space located south of La Margarita Restaurant, east of Concho Plaza, north of Dolorosa St. and west of the Mogul building. Market Square Parking, LLC uses the leased space to provide parking to Market Square patrons and tenants. The current lease expires June 30, 2018. At the request of MSP to extend agreement, the City of San Antonio is offering to extend the lease for five (5) years until June 30, 2023 with an option to renew for an additional five (5) years until June 30, 2028.

ISSUE:

Approval of this ordinance is consistent with the City's policy of leasing City-owned property in support of downtown operations. Execution of this amendment to extend the lease agreement requires City Council approval.

ALTERNATIVES:

The City may elect not to extend lease to Market Square Parking, LLC and instead seek an alternate lessee through direct negotiation or a competitive solicitation. In doing so, City may jeopardize having a reliable Market Square parking lot operator.

FISCAL IMPACT:

The proposed lease authorizes a lease rate consistent with the current Market Square Parking, LLCC lease. Annual lease rates through the lease term are shown below:

Year	Annual Amount
Year 1	\$59,629.20
Year 2	\$61,383.00
Year 3	\$63,136.80
Year 4	\$64,890.60
Year 5	\$66,644.40
Year 6	\$66,644.40
Year 7	\$68,398.20
Year 8	\$70,152.00
Year 9	\$71,905.80
Year 10	\$73,659.60

Revenues from this lease will be deposited into the Market Square Improvement Fund.

RECOMMENDATION:

Staff recommends approval of the extension of lease agreement with Market Square Parking, LLC for the use of City-owned property for parking for Market Square patrons and tenants.