



# City of San Antonio

## Agenda Memorandum

**File Number:** 19-1710

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**Agenda Item Number:** 13.

**Agenda Date:** 2/21/2019

**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 new five-year lease with Rio Rio Corporation, d/b/a Rio Rio Cantina for the use of 171.46 square feet of River Walk patio space for food and beverage service. The lease rate, for year one, is \$2.96 per square foot per month for a total of \$6,090. This rate will increase 2.5% annually. Revenue generated from this lease agreement will be deposited into the River Walk Capital Improvement Fund.

### **BACKGROUND INFORMATION:**

Ordinance 2009-11-19-0938 authorized a lease with Rio Rio Corporation, d/b/a Rio Rio Cantina for use of 171.46 square feet of River Walk patio space. The agreement expired on February 28, 2014 and was renewed for additional five-year term through Ordinance 2014-02-20-0101. This renewal period will expire on February 28, 2019.

This ordinance will authorize a new five-year lease with Rio Rio effective March 1, 2019 and includes a five-year renewal option. The lease rate, for year one, is \$2.96 per square foot per month for a total of \$6,090. This rate will increase 2.5% annually.

### **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 Rio Rio, however, the River Walk patio space will then be vacant and underutilized.

**FISCAL IMPACT:**

This ordinance authorizes a new five-year lease with Rio Rio Corporation, d/b/a Rio Rio Cantina for the use of 171.46 square feet of River Walk patio space for food and beverage service. The lease rate, for year one, is \$2.96 per square foot per month for a total of \$6,090. This rate will increase 2.5% annually. The total amount to be received by Rio Rio for the proposed lease period is summarized below:

<b>Year</b>	<b>Lease Payment</b>
1	\$6,090.24
2	\$6,234.24
3	\$6,398.88
4	\$6,563.52
5	\$6,728.04
<b>Total</b>	<b>\$32,014.92</b>

Revenue generated from this lease agreement will be deposited into the River Walk Capital Improvement Fund.

**RECOMMENDATION:**

Staff recommends approval of the lease with Rio Rio Corporation, d/b/a Rio Rio Cantina for use of 171.46 square feet of River Walk patio space for food and beverage service.