



City of San Antonio

Agenda Memorandum

File Number: 19-2317

Agenda Item Number: 17.

Agenda Date: 3/21/2019

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 new five-year lease with FSI Restaurant Development, Ltd., d/b/a Saltgrass Steakhouse, a Texas Corporation for use of 512.50 square feet of River Walk patio space for food and beverage service commencing on March 26, 2019.

BACKGROUND INFORMATION:

Ordinance 2013-02-14-0113 authorized a lease with Saltgrass Steakhouse for use of 512.50 square feet of River Walk patio space through February 29, 2018. The agreement was extended through March 25, 2019, to account for the leased premises being closed during completion of the Crockett Street Bridge Rehabilitation Project.

This ordinance will authorize a new five-year lease with Saltgrass Steakhouse effective March 26, 2019, and includes a five-year renewal option. The lease rate starts at \$2.83 per square foot per month for a total of \$17,404.56 in year one and will increase 2.5% annually. The total projected revenue for the initial lease period is \$91,389.12.

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 Saltgrass Steakhouse, however, the River Walk patio space will then be vacant and underutilized.

FISCAL IMPACT:

The ordinance authorizes a new five-year lease with Saltgrass Steakhouse for use of 512.50 square feet of River Walk patio space for food and beverage service. The lease rate, for year one, is \$2.83 per square foot per month for a total of \$17,404.56. This rate will increase 2.5% annually. The total amount to be received by Saltgrass Steakhouse for the proposed lease period is summarized below:

Lease Year	Annual
1	\$17,404.56
2	\$17,835.00
3	\$18,265.56
4	\$18,696.00
5	\$19,188.00
Total	\$91,389.12

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

RECOMMENDATION:

Staff recommends approval of the lease with FSI Restaurant Development, Ltd., d/b/a Saltgrass Steakhouse, a Texas Corporation for use of 512.50 square feet of River Walk patio space for food and beverage service.