



City of San Antonio

Agenda Memorandum

File Number:20-5104

Agenda Item Number: 12.

Agenda Date: 9/17/2020

In Control: City Council A Session

DEPARTMENT: Center City Development and Operations Department

DEPARTMENT HEAD: John Jacks

COUNCIL DISTRICTS IMPACTED: 1

SUBJECT:

Third Amendment to River Walk Lease Agreement with Riverton Suites, Ltd., d/b/a Hotel Contessa

SUMMARY:

This ordinance authorizes the Third Amendment to the River Walk Lease Agreement (Agreement) between the City of San Antonio and Riverton Suites, Ltd., d/b/a Hotel Contessa (Hotel Contessa), to extend the lease term through November 30, 2025. Revenues from the lease agreement are deposited in the River Walk Capital Improvements Fund.

BACKGROUND INFORMATION:

In 2005, City Council approved an Agreement with the Hotel Contessa for use of 562 square feet of River Walk Patio Space for an initial five-year term. The Agreement provided for three five-year renewal options, each subject to City Council approval. The first renewal option extended the Agreement's term through November 30, 2015. The second renewal option extended the Agreement's term through November 30, 2020.

This ordinance will authorize the third Amendment, which will extend the Agreement's term through November 30, 2025. The lease rates for the renewal period will remain flat at \$1.83 per square foot per month for years 1-2 and will increase by 1.5% annually for years 3-5.

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 amend and extend the Agreement, which would result in the Hotel Contessa's occupancy becoming at will or terminating.

FISCAL IMPACT:

The Hotel Contessa will pay its current rate of \$1.83 per square foot per month for the first two years of the renewal term. At the commencement of year 3 and each year thereafter, the rate will increase by 1.5%. The total amount to be collected in FY 2021 is \$12,341.52. Revenues from the lease agreement are deposited in the River Walk Capital Improvements Fund.

RECOMMENDATION:

Staff recommends approval of the Third Amendment to the River Walk Lease Agreement between the City of San Antonio and Riverton Suites, Ltd., d/b/a Hotel Contessa, to extend the lease term through November 30, 2025.