



City of San Antonio

Agenda Memorandum

File Number:21-2935

Agenda Item Number: 14.

Agenda Date: 5/20/2021

In Control: City Council A Session

DEPARTMENT: Center City Development and Operations Department

DEPARTMENT HEAD: John Jacks

COUNCIL DISTRICTS IMPACTED: City Council District 1

SUBJECT:

River Walk Patio Lease Agreements

SUMMARY:

This ordinance authorizes two, five-year lease agreements with Rainforest Café Inc. for continued use of 196 square feet of River Walk patio space and LNY Losoya Restaurant, LLC d/b/a Brenner's Steakhouse for 903.24 square feet of River Walk patio and balcony space. Each lease will be used for food and beverage service.

BACKGROUND INFORMATION:

Ordinance 2006-01-05-39 authorized a lease agreement with Rainforest Café Inc. (Rainforest Café) for use of 196 square feet of River Walk patio space effective January 15, 2006 through January 14, 2011. City Council authorized two extensions to this agreement in 2011 and 2015. The most recent extension expired on January 14, 2021. Since this period, the Rainforest Café has been a month-to-month lessee due to difficulties operating during the pandemic.

LNY Losoya Restaurant, LLC d/b/a Brenner's Steakhouse (Brenner's Steakhouse) will be located at 215 Losoya St. The lease agreement will provide for use of 699.59 square feet of River Walk level space and 203.65 of Balcony Level space. This new addition to the River Walk is scheduled to be open by June 1, 2021.

This ordinance will authorize two, five-year lease agreements with Rainforest Café and Brenner's Steakhouse. The effective dates for each agreement are May 1, 2021 through April 30, 2026. The lease rate for River Walk Level space will begin at \$2.53/psf and \$1.90/psf for River Walk Balcony space (Brenner's Steakhouse). These

lease rates will increase by 1.6% annually.

Lastly, each lease agreement provides for one, five-year renewal option.

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 Rainforest Café and Brenner’s Steakhouse; however, the patio spaces will then be vacant and underutilized. Each entity leases the adjacent interior space from private entities.

FISCAL IMPACT:

The total amount to be received by the Rainforest Café for the proposed lease period is summarized below:

Lease Period	Total
May 1, 2021 - April 30, 2022	\$5,950.56
May 1, 2022 - April 30, 2023	6,044.64
May 1, 2023 - April 30, 2024	6,138.72
May 1, 2024 - April 30, 2025	6,232.80
May 1, 2026 - April 30, 2026	6,326.88
Total	\$30,693.60

The total amount to be received by Brenner’s Steakhouse for the proposed lease period is summarized below:

Lease Period	Total
May 1, 2021 - April 30, 2022	\$25,882.80
May 1, 2022 - April 30, 2023	26,291.88
May 1, 2023 - April 30, 2024	26,700.96
May 1, 2024 - April 30, 2025	27,110.04
May 1, 2026 - April 30, 2026	27,519.24
Total	\$133,504.92

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

RECOMMENDATION:

Staff recommends approval of the two lease agreements with Rainforest Café Inc. for use of 196 square feet of River Walk patio space and LNY Losoya Restaurant, LLC d/b/a Brenner’s Steakhouse for use of 903.24 square feet of River Walk patio and balcony space for food and beverage service.

