



City of San Antonio

Agenda Memorandum

File Number: 15-1146

Agenda Item Number: 10.

Agenda Date: 2/19/2015

In Control: City Council A Session

DEPARTMENT: Center City Development & Operations Department

DEPARTMENT HEAD: Lori Houston

COUNCIL DISTRICTS IMPACTED: 1

SUBJECT:

Instituto de Mexico Lease Extension

SUMMARY:

This ordinance authorizes a six year extension of the Instituto de Mexico's lease of the building at 600 HemisFair Park through February 28, 2021 and revises the termination notice provision from 270 days to 365 days.

BACKGROUND INFORMATION:

Since 1968, the City of San Antonio has leased one or more buildings in HemisFair Park to the Mexican Government's Instituto de Mexico (IDM), formerly known as the Mexican Cultural Institute. IDM promotes cultural exchange between Mexico and the United States of America through art exhibitions, theater performances, and educational classes in HemisFair Park.

On March 3, 2005, City Council approved the existing lease for the building at 600 HemisFair Park via Ordinance 100488 for a 10 year term. IDM's annual rent is \$1 per year, but they are responsible for utilities, maintenance and repair of the building's interior, and maintenance of the outside areas immediately adjoining the premises, including adjacent sidewalks. Per the lease, either party may terminate with a 270 day written notice. The lease expires February 28, 2015.

This ordinance authorizes a six year lease extension through February 28, 2021 and amends the termination notice requirement from 270 days to 365 days. All other lease provisions remain unchanged.

The HemisFair Park Area Redevelopment Corporation supports the lease extension.

ISSUE:

Approval of this ordinance is consistent with the City's policy of leasing City-owned property within HemisFair Park in support of cultural and economic development.

ALTERNATIVES:

The City may elect not to extend the lease, which would result in IDM's tenancy becoming month-to-month at a fair market rental rate or terminating.

FISCAL IMPACT:

Revenue from this lease will be deposited in the General Fund.

RECOMMENDATION:

Staff recommends approval of a six year extension to the Instituto de Mexico's lease of the building at 600 HemisFair Park through February 28, 2021 and revising the termination notice provision from 270 days to 365 days.