



City of San Antonio

Agenda Memorandum

File Number: 15-3243

Agenda Item Number: 54.

Agenda Date: 6/18/2015

In Control: City Council A Session

DEPARTMENT: Parks & Recreation

DEPARTMENT HEAD: Janet Martin, Acting Director

COUNCIL DISTRICTS IMPACTED: 10

SUBJECT:

License Agreement for use of Salado Creek Greenway Property located on Ira Lee Road

SUMMARY:

This Ordinance authorizes a three (3) year License Agreement with two (2) administrative one-year renewal options with Northeast Golf Center, LLC for use of Salado Creek Greenway property at 450 Ira Lee Road located in Council District 10 for the operation of a golf driving range and related activities consistent with parkland use.

BACKGROUND INFORMATION:

In 2006, the City accepted a donation of property from Oakwell Holdings, LLC as part of the Salado Creek Greenway development. The donation of the land included the assignment of a lease for the Northeast Golf Center, which sits entirely upon a former landfill of approximately twenty-one (21) acres. At the time of assignment to the City, rent was established at \$31,000.00 annually and allowed for an adjustment based on market rate. This agreement ended January 31, 2015.

Though the previous ground lease was market driven, local conditions such as prolonged road construction in the immediate area; San Antonio Water System sewer development along Ira Lee Road; and a heavy equipment staging area adjacent to the property, the operator has determined business is no longer viable under the same operating terms. Due to property use constraints, existing compatible public recreational opportunities, and benefit of sustaining an ongoing presence on this isolated segment of the greenway, a revised rental rate methodology is recommended.

The term of the proposed new License Agreement is for three (3) years with two (2) administrative one-year renewal options effective February 1, 2015, through January 31, 2018. This includes annual rent in the amount of \$7,800.00, full maintenance responsibility for the Northeast Golf Center, and a minimum of \$2,000.00 annually in capital improvements or repairs to the facility.

ISSUE:

This Ordinance authorizes a three (3) year License Agreement with two (2) administrative one-year renewal options effective February 2, 2015, for the use of Salado Creek Greenway property. This action maintains the practice of a third-party operator of the assigned lease to the City as part of the land donation for the Salado Creek Greenway development. It also sustains the existing recreational opportunity in the area as outlined in the adopted park system plan, and is appropriate use for the former landfill site which poses restricted development and has limited use and purpose.

ALTERNATIVES:

The City could elect not to approve the License Agreement for the operation and maintenance of the Salado Creek Greenway property and take on the responsibility of maintaining this segment of parkland. However, this would result in increased General Fund operating costs in lieu of revenue. The City could also proceed on a month-to-month basis until such time a different tenant is identified at the risk of the current proposed tenant losing interest during the process still resulting in the City maintaining the property.

FISCAL IMPACT:

The proposed new License Agreement requires the tenant to pay annual rent of \$7,800.00, and the tenant will make capital improvements or repairs to the property of \$2,000.00 annually. Additionally, according to terms of the proposed license, the tenant will be responsible for the full maintenance of the property including mowing which is estimated at \$25,800.00 based on the City's current annual contract price for a fourteen (14) day mowing cycle.

RECOMMENDATION:

Staff recommends approval of the License Agreement for the use of Salado Creek Greenway property at 450 Ira Lee Road located in Council District 10 for the operation of a golf driving range and related activities consistent with parkland use.