



City of San Antonio

Legislation Details (With Text)

File #: 15-5128

Type: Real Property Lease

In control: City Council A Session

On agenda: 10/15/2015

Title: An Ordinance authorizing the Second Amendment to the River Walk Lease Agreement with Riverton Suites, Ltd., d/b/a Hotel Contessa to extend the lease agreement term through November 31, 2020 and revise the lease rate calculation. [Lori Houston, Assistant City Manager and Acting Director; Center City Development & Operations]

Sponsors:

Indexes: River Walk Lease

Code sections:

Attachments: 1. Hotel Contessa 2nd Amendment of Riverwalk Lease Agreement (Exec by Riverton Suites), 2. Contessa 2015 Disclosure Form, 3. _Authorizing a 2nd Amendment to the Riverwalk Lease Agreement _15-5128_DRAFT, 4. Ordinance 2015-10-15-0872

Date	Ver.	Action By	Action	Result
10/15/2015	1	City Council A Session	adopted	Pass

DEPARTMENT: Center City Development and Operations Department

DEPARTMENT HEAD: Lori Houston

COUNCIL DISTRICTS IMPACTED: 1

SUBJECT:

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

SUMMARY:

This ordinance authorizes a Second 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, revise the lease rate calculation, and include a late fee provision.

BACKGROUND INFORMATION:

Ordinance 98951 authorized an amended and restated Agreement with Hotel Contessa for use of 562 square feet of River Walk Patio Space for a five-year term commencing December 1, 2005. The Agreement also provided for three five-year renewal options, each subject to City Council approval. The first renewal option, authorized by Ordinance 2010-11-18-0984, extended the Agreement's term through November 31, 2015. In

July 2015, the Hotel Contessa notified the City of its intent to exercise its second renewal option.

This ordinance will authorize the Second Amendment to the Agreement with Hotel Contessa, which will extend the Agreement's term through November 31, 2020. Additionally, the Second Amendment will revise the Agreement's lease rate calculation from an annual CPI adjustment to a fixed annual increase. The Hotel Contessa will pay a rate of \$1.67 per square foot per month for the first year of the renewal term with the rate increasing 2.5% annually. Lastly, the Second Amendment adds a late fee provision of \$50.00 to the Agreement.

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 an initial rate of \$1.67 per square foot per month beginning on December 1, 2015 and will increase 2.5% annually. The total amount to be received by the Hotel Contessa through the renewal term is shown below.

Lease Year	Rate	Monthly	Annual
December 1, 2015 - November 31, 2016	\$1.67	\$938.54	\$11,262.48
December 1, 2016 - November 31, 2017	\$1.71	\$961.02	\$11,532.24
December 1, 2017 - November 31, 2018	\$1.75	\$983.50	\$11,802.00
December 1, 2018 - November 31, 2019	\$1.79	\$1,005.98	\$12,071.76
December 1, 2019 - November 31, 2020	\$1.83	\$1,028.46	\$12,341.52
Total			\$59,010.00

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

RECOMMENDATION:

Staff recommends approval of the Second 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, revise the lease rate calculation, and include a late fee provision.