



# City of San Antonio

## Legislation Details (With Text)

**File #:** 18-3549

**Type:** Real Property Lease

**In control:** City Council A Session

**On agenda:** 6/14/2018

**Title:** Ordinance approving the assignment of Rofo's Inc. d/b/a Paloma Riverwalk Parrilla Grill's River Walk Lease agreement to Gourdough's Riverwalk, LLC. and authorizing a Second Amendment to the River Walk Lease agreement to extend the agreement through August 31, 2023. [Lori Houston, Assistant City Manager; John Jacks, Director, Center City Development & Operations]

**Sponsors:**

**Indexes:** River Walk Lease

**Code sections:**

**Attachments:** 1. 2018 Gourdoughs Contracts Disclosure Form, 2. 2018 Partially Executed Lease Assignment, 3. 2018 Partially Executed Amendment wGourdoughs (former La Paloma), 4. Draft Ordinance, 5. Ordinance 2018-06-14-0441, 6. Staff Presentation

Date	Ver.	Action By	Action	Result
6/14/2018	1	City Council A Session	adopted	Pass

**DEPARTMENT:** Center City Development and Operations Department

**DEPARTMENT HEAD:** John Jacks

**COUNCIL DISTRICTS IMPACTED:** 1

**SUBJECT:**

Approval of a River Walk Lease agreement assignment and authorizing a Second Amendment to the River Walk Lease Agreement

**SUMMARY:**

This ordinance will approve the assignment of Rofo's Inc. d/b/a Paloma Riverwalk Parrilla Grill's (Paloma) River Walk Lease agreement to Gourdough's Riverwalk, LLC. (Gourdough's) and authorize a Second Amendment to the Riverwalk Lease agreement to extend the agreement through August 31, 2023.

**BACKGROUND INFORMATION:**

Ordinance 2013-08-15-0529 authorized the extension of Paloma's River Walk Lease agreement through August 31, 2018. After over 25 years of being in business, Paloma will end operations and lease their interior restaurant space, located 215 Losoya St., to Gourdough's.

This ordinance will approve the assignment of Paloma's River Walk Lease agreement of 699.56 square feet of adjacent River Walk patio space and 203.65 square feet of balcony space to Gourdough's. Lastly, this Ordinance will authorize the extension of the River Walk lease agreement with Gourdough's through August 31, 2023. Gourdough's is based in Austin, Texas where they have one restaurant on S. Lamar and operate two food trucks.

#### **ISSUE:**

Approval of this ordinance is consistent with the City's practice of approving lease assignments from one viable business to another, as well as leasing River Walk patio space to adjacent businesses for outdoor dining alongside the San Antonio River.

#### **ALTERNATIVES:**

The City may elect not to approve or extend the River Walk Lease agreement assignment and extension to Gourdough's; however this high traffic River Walk space will then be vacant and underutilized.

#### **FISCAL IMPACT:**

In consideration of the assignment, Gourdough's will pay a one-time assignment fee of \$1,500.00. Under the extension, Gourdough's will pay a rate of \$2.77 per square foot per month for the River Walk patio space and \$2.19 for the balcony space effective September 1, 2018. These rates will increase by 2.5% annually. The total amounts to be received by Gourdough's, under this extension, are summarized by fiscal year below:

<b>Fiscal Year</b>	<b>Total Rent</b>
2018	\$4,766.62
2019	\$28,718.88
2020	\$29,436.82
2021	\$30,172.72
2022	\$30,927.06
2023	\$26,307.30

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

#### **RECOMMENDATION:**

Staff recommends approval of the Riverwalk Lease agreement assignment between Rofo's, Inc. d/b/a Paloma Riverwalk Parrilla Grill and Gourdough's Riverwalk, LLC. and authorization of a Second Amendment to the Riverwalk Lease agreement to extend the agreement through August 31, 2023.

