



City of San Antonio

Agenda Memorandum

File Number:15-6039

Agenda Item Number: 14.

Agenda Date: 12/17/2015

In Control: City Council A Session

DEPARTMENT: Center City Development & Operations

DEPARTMENT HEAD: John Jacks

COUNCIL DISTRICTS IMPACTED: 1

SUBJECT:

River Walk Lease Extension for Rainforest Café, Inc.

SUMMARY:

This ordinance authorizes an extension of the River Walk Lease Agreement between the City of San Antonio and Rainforest Café, Inc to extend the lease term through January 14, 2021.

BACKGROUND INFORMATION:

Ordinance 2006-01-05-39 authorized a River Walk Lease Agreement with Rainforest Café, Inc. for the use of 196 square feet of River Walk patio space. The term of the agreement was for five years, commencing January 15, 2006 through January 14, 2011. Ordinance 2010-12-09-1021 authorized an extension through January 14, 2016.

This ordinance will authorize the second extension through January 14, 2021. Rainforest Café will pay a rate of \$2.25 per square foot per month with an annual increase of 3.0%. This rate was established through a market rate study completed by Valbridge Property Advisors - Dugger, Canaday, Grafe, Inc. in November 2015.

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 extend the Agreement, which would result in the Rainforest Café's occupancy becoming at will or terminating.

FISCAL IMPACT:

Rainforest Café will pay a rate of \$2.25 per square foot per month with an annual increase of 3.0%. The total amount to be received by Rainforest Café through January 14, 2021 is shown below.

Lease Year	Rate	Monthly	Annual
January 15, 2016 - January 14, 2017	\$2.25	\$441.00	\$5,292.00
January 15, 2017 - January 14, 2018	\$2.32	\$454.72	\$5,456.64
January 15, 2018 - January 14, 2019	\$2.39	\$468.44	\$5,621.28
January 15, 2019 - January 14, 2020	\$2.46	\$482.16	\$5,785.92
January 15, 2020 - January 14, 2021	\$2.53	\$495.88	\$5,950.56
Total			\$28,106.40

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

RECOMMENDATION:

Staff recommends approval of the amendment to Rainforest Café's River Walk Lease Agreement, extending the lease term through January 14, 2021.