



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 26

Agenda Date: January 30, 2025

In Control: City Council A Session

DEPARTMENT: Center City Development & Operations

DEPARTMENT HEAD: John Jacks

COUNCIL DISTRICTS IMPACTED: District 1

SUBJECT:

River Walk Lease Agreement with Tiendas del Rio.

SUMMARY:

This ordinance authorizes a River Walk Lease Agreement with Tiendas del Rio and the City of San Antonio, for the continued use of 1,172.9 square feet of retail space located at 802 E. River Walk. Tiendas del Rio's retail sales include jewelry, arts, housewares, leather goods, gifts and other seasonal souvenirs. The term of the agreement includes a five year base term commencing January 1, 2025, and expiring December 31, 2029, with one additional five year renewal option.

BACKGROUND INFORMATION:

In July of 1984, the city was awarded an Urban Development Action Grant (UDAG) for the construction of the River Walk Extension, which facilitated significant private investment and connected the river walk to the renovated River Center Mall. In 1987 and 1988, the City also received Community Development Block Grant funds to buildout four retail spaces under the Commerce St. Bridge adjacent to the River Walk. The City then leased those retail spaces with the intention of creating a vibrant retail connection between the extension and the existing River Walk loop.

On November 30, 2006, City Council approved a five year River Walk Lease Agreement with Tiendas del Rio for use of 1,172.9 square feet for one of the retail storefronts. The lease was subsequently extended and the business has been assigned to a new operator. the lease expired on December 31, 2021. The City and the tenant remain in a holdover period during which the tenant paid outstanding rent consistent with an agreed upon repayment plan. The tenant has met the terms of the repayment plan and is now current and staff recommend an extension of the lease.

The proposed new lease agreement will commence on January 1, 2025, and will expire on December 31, 2029. The lease agreement will include one additional five (5) year renewal option.

ISSUE:

The lease agreement between the City of San Antonio and Tiendas del Rio is being submitted to Council for approval. Approval of this ordinance is consistent with the City’s policy of leasing retail space alongside the San Antonio River.

ALTERNATIVES:

The City may elect not to approve the Lease Agreement, which would result in occupancy becoming at will or terminating.

FISCAL IMPACT:

This ordinance authorizes a River Walk Lease Agreement with Tiendas del Rio and the City of San Antonio, for a five (5) year term commencing January 1, 2025, and expiring December 31, 2029. The total amount to be received by the City of San Antonio over the initial five years in the Community Development Block Grant (CDBG) fund is \$525,834.53 as summarized below.: Revenues related to this lease space are deposited into the CDBG fund as grant funds were used to construct the original improvements.

| Term | Monthly Amount | Annual Amount |
|-----------------------|-----------------------|----------------------|
| 1/1/2025 – 12/31/2025 | \$8,503.53 | \$102,042.30 |
| 1/1/2026 – 12/31/2026 | \$8,503.53 | \$102,042.30 |
| 1/1/2027 – 12/31/2027 | \$8,714.65 | \$104,575.76 |
| 1/1/2028 – 12/31/2028 | \$8,937.50 | \$107,249.98 |
| 1/1/2029 – 12/31/2029 | \$9,160.35 | \$109,924.19 |

RECOMMENDATION:

Staff recommends approval of the River Walk Lease Agreement with Tiendas del Rio.