

**THIS IS A PROPOSED DRAFT AND WILL BE REPLACED BY THE FINAL,
SIGNED ORDINANCE OR RESOLUTION ADOPTED BY THE CITY COUNCIL.**

ORDINANCE

**AUTHORIZING A SECOND AMENDMENT TO THE AGREEMENT
WITH OMNI LA MANSION DEL RIO, INC. FOR PARKING SPACES
IN THE HOUSTON STREET GARAGE TO ADJUST THE LEASE
RATES AND THE NUMBER OF PARKING SPACES. REVENUE
FROM THIS AMENDMENT WILL BE DEPOSITED IN THE
PARKING OPERATING AND MAINTENANCE FUND.**

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WHEREAS, on February 12, 2004, the City entered into a 25-year lease agreement with La Mansion del Rio, Inc. for 125 parking spaces in the Houston Street Garage to provide valet parking for Mokara Hotel patrons and for other needs of the hotel; and

WHEREAS, the monthly rate outlined in the current agreement escalates when year-over-year revenue increases at the Houston Street Garage. There is also a charge to offset City staffing costs related to operating the garage. During the pandemic, many businesses closed or reduced services and many workers were allowed to work from home; and

WHEREAS, this reduced revenue generated at the garage; however, the contract stipulated that the rate would never decrease – even as revenues for the garage decreased dramatically. As a result, the annual rate as outlined in the agreement remained constant during the pandemic and then escalated by approximately 78% between contract years 2021 and 2024, as revenues from the garage began to recover; and

WHEREAS, this large rate increase was inconsistent with the spirit and intent of the agreement. Staff recognized this inconsistency and billed an annual escalation of roughly 4.75% during this period, while understanding that the contract would require a future amendment to reflect this change; and

WHEREAS, an amendment in 2020 stipulated that the number of spaces would decrease to 100 spaces from 125 spaces for a one-year period and then then revert back to 125 on October 21, 2021. The hotel did not require this return to 125 contracted spaces and City staff accommodated a request to remain at 100 spaces.

WHEREAS, the amendment will set the number of spaces under contract at 100 from October 2021 through the end of the agreement and reflects the amount actually billed to Mokara and sets future annual escalations on a fixed schedule for the remainder of the term.

NOW THEREFORE:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Manager or designee, or the Director of the Center City Development and Operations Department or designee is authorized to execute a second amendment to the agreement with Omni La Mansion del Rio, Inc. for parking spaces in the Houston Street Garage to adjust the lease rates and the number of parking spaces. Revenue from this amendment will be deposited in the Parking Operating and Maintenance Fund. A copy of the Amendment is attached hereto and incorporated herein for all purposes as **Exhibit I**.

SECTION 2. Funds received for this ordinance will be deposited in Fund 53001000, Internal Order 219000000130 and General Ledger Account 4401180.

SECTION 3. The financial allocations in this Ordinance are subject to approval by the Deputy Chief Financial Officer, City of San Antonio. The Deputy Chief Financial Officer may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 4. This Ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED AND APPROVED this 30th day of January, 2025.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Debbie Racca-Sittre, City Clerk

Andrew Segovia, City Attorney

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