

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

**DEPARTMENT HEAD:** John Jacks

**COUNCIL DISTRICTS IMPACTED:** 1

**SUBJECT:**

Amendment # 2 to the River Walk Lease Agreement with Tacoland Studios LLC.

**POSTING LANGUAGE:**

This Ordinance Authorizes a second amendment to the River Walk Lease Agreement between the City of San Antonio and Tacoland Studios LLC to continue utilizing the current River Walk patio space for an additional term of five (5) years, commencing on November 1, 2022, and expiring on October 31, 2027. [Lori Houston, Assistant City Manager; John Jacks, Director, Center City Development and Operations Department]

**SUMMARY:**

This ordinance authorizes a second amendment to the River Walk Lease Agreement between the City of San Antonio and Tacoland Studios LLC to continue utilizing the current River Walk patio space for an additional term of five (5) years, commencing on November 1, 2022, and expiring on October 31, 2027.

**BACKGROUND INFORMATION:**

Ordinance 2012-11-01-0844 authorized a five (5) year Agreement with Tacoland Studios LLC for use of 180 square feet of River Walk air space with a patio balcony. The term of the agreement began on November 1, 2012 and was set to expire on October 31, 2017.

On October 19, 2017, through Ordinance 2017-10-19-0807, the City approved Amendment # 1 to the Lease Agreement with Tacoland Studios LLC to extend the Agreement's term from November 1, 2017, through October 31, 2022.

This ordinance authorizes a second amendment to the Lease Agreement with Tacoland Studios LLC to extend the term for an additional five (5) year period, beginning November 1, 2022, and ending October 31, 2027; and to update the rental rate to \$1.81 per square foot or \$325.80 per month with a 2.5% annual increase.

**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 the Agreement, which would result in the Tacoland Studios LLC occupancy becoming at will or terminating.

**FISCAL IMPACT:**

Under this Amendment, Tacoland Studios LLC will pay a rate of \$1.81 per square foot per month effective November 1, 2022 and will increase 2.5% annually. The total amount to be received by Tacoland Studios LLC for the entire 5-year period is \$20,550.14 as summarized below:

<b>Year</b>	<b>Term</b>	<b>Monthly Amount</b>	<b>Annual Amount</b>
1	11/1/2022 - 10/31/2023	\$325.80	\$3,909.60
2	11/1/2023 - 10/31/2024	\$333.95	\$4,007.34
3	11/1/2024 - 10/31/2025	\$342.29	\$4,107.52
4	11/1/2025 - 10/31/2026	\$350.85	\$4,210.21
5	11/1/2026 - 10/31/2027	\$359.62	\$4,315.47

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

**RECOMMENDATION:**

Staff recommends approval of the Amendment #2 to the River Walk Lease Agreement between the City of San Antonio and Tacoland Studios LLC to extend the license term for an additional five (5) year period, beginning November 1, 2022, and ending October 31, 2027.