

ORDINANCE 2022-12-15-0965

AUTHORIZING THE SECOND AMENDMENT TO THE AMENDMENT AND RESTATEMENT OF THE HENRY B. GONZALEZ CONVENTION CENTER (BUSINESS CENTER) LEASE AGREEMENT WITH TEXAS BADGER DEVELOPMENTS-1, LLC (D/B/A THE UPS STORE) EXTENDING THE LEASE OF SPACE AT THE HENRY B. GONZALEZ CONVENTION CENTER FROM JANUARY 1, 2023 THROUGH DECEMBER 31, 2023 AND MODIFYING THE MONTHLY BASE RENT.

* * * * *

WHEREAS, City Council originally authorized a Lease Agreement for space at the Henry B. Gonzalez Convention Center with Texas Badger Developments-1, LLC (d/b/a The UPS Store) through the passage of Ordinance No. 94484 on September 6, 2001; and

WHEREAS, City Council authorized the Amendment and Restatement of the Henry B. Gonzalez Convention Center (Business Center) Lease Agreement (“Agreement”) pursuant to Ordinance No. 2013-11-21-0787, which provided for a renewal period through December 31, 2017, and the Agreement was amended and extended by the First Amendment and Extension to the Amendment and Restatement of the Henry B. Gonzalez Convention Center (Business Center) Lease Agreement, pursuant to Ordinance No. 2017-11-09-0888; and

WHEREAS, the City will conduct a solicitation to select a new contractor to operate the Business Center “New Lease Agreement”); and

WHEREAS, the Parties desire to amend the Agreement to extend it through the effective date of the New Lease Agreement or December 31, 2023, whichever is sooner, and modify the Monthly Base Rent to 5% of gross sales; **NOW THEREFORE:**

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

SECTION 1. The terms and conditions of the Second Amendment to the Amendment and Restatement of the Henry B. Gonzalez Convention Center (Business Center) Lease Agreement (“Second Amendment”) are authorized and approved. The City Manager is authorized to execute the First Amendment. A copy of the Second Amendment, previously executed by Texas Badger Developments-1, LLC, is attached to this Ordinance as **Exhibit I**.

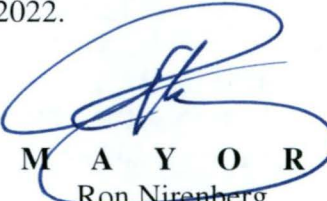
SECTION 2. Funds generated by this Ordinance for Lease Agreement fees will be deposited in Fund 29006000, Internal Order 242000000273 and General Ledger 4401110.

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 Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

LB
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SECTION 4. This Ordinance shall take effect immediately upon the receipt of eight affirmative votes; otherwise it shall be effective ten days after its passage.

PASSED AND APPROVED this 15th day of December, 2022.




M A Y O R
Ron Nirenberg

ATTEST:



Debbie Racca-Sittre, City Clerk

APPROVED AS TO FORM:



Andrew Segovia, City Attorney



City of San Antonio

City Council Meeting December 15, 2022

23.

2022-12-15-0965

Ordinance amending the Henry B. Gonzalez Convention Center (Business Center) Lease Agreement with Texas Badger Developments-1, LLC (d/b/a The UPS Store) by extending the lease of space at the Henry B. Gonzalez Convention Center from January 1, 2023 through December 31, 2023 and modifying the monthly base rent. Annual rent in the estimated amount of \$6,000 will be deposited in the Community & Visitor Facilities Fund. [Alejandra Lopez, Assistant City Manager; Patricia Muzquiz Cantor, Director, Convention & Sports Facilities]

Councilmember Rocha Garcia moved to Approve on the Consent Agenda. Councilmember Castillo seconded the motion. The motion carried by the following vote:

Aye: Nirenberg, Bravo, McKee-Rodriguez, Viagran, Rocha Garcia, Castillo, Cabello Havrda, Sandoval, Pelaez, Courage, Gallagher

LB
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Item No. 23

EXHIBIT I

**SECOND AMENDMENT TO THE
AMENDMENT AND RESTATEMENT OF THE HENRY B. GONZALEZ
CONVENTION CENTER(BUSINESS CENTER) LEASE AGREEMENT**

BETWEEN THE CITY OF SAN ANTONIO AND THE UPS STORE, INC.

This Second Amendment ("Second Amendment") to the Amendment and Restatement of the Henry B. Gonzalez Convention Center (Business Center) Lease Agreement is entered into, pursuant to Ordinance Number 2022 – __ – __ – ____, passed and approved on ____, 2022, by and between the CITY OF SAN ANTONIO ("City") and TEXAS BADGER DEVELOPMENTS-1, L.L.C., d/b/a "The UPS Store, Inc.," ("Tenant") together referred to as the "Parties."

RECITALS

- A. City and Tenant entered into the Amendment and Restatement of the Henry B. Gonzalez Convention Center (Business Center) Lease Agreement pursuant to Ordinance 2013-11-21-0787, passed and approved on November 21, 2013, as amended by the First Amendment and Extension to the Amendment and Restatement of the Henry B. Gonzalez Convention Center ("Business Center) Lease Agreement (collectively "Agreement").
- B. City is currently in the process of issuing a solicitation for a new lease agreement for the Business Center ("New Lease Agreement").
- C. The Parties desire to extend the Agreement and amend the terms and conditions of the Agreement, as further described below.

AMENDMENT

NOW THEREFORE, in consideration of the mutual covenants and agreements contained in the Agreement, the receipt and adequacy of which are acknowledged, the Parties agree as follows:

- 1. **Section 3.2** shall be amended to extend the current Renewal Term of the Agreement through the effective date of the New Lease Agreement or December 31, 2023, whichever is sooner.
- 2. **Section 6.1** shall be deleted in its entirety and replaced with the following:
"Effective January 1, 2023, Tenant shall pay a monthly base rent of 5% of all Gross Sales at the Business Center. ("Monthly Base Rent") no later than the twentieth (20th) calendar day of the month following the preceding month's activity."
- 3. The second sentence of **Section 6.2** shall be deleted in its entirety.
- 4. **Sections 6.3 and 6.7** shall be deleted in their entirety and the remaining Sections of **Article VI** shall be renumbered accordingly.


5. No Other Changes. Except as specifically set forth in this Second Amendment, all of the terms and conditions of the Agreement shall remain the same and are ratified and confirmed.

IN WITNESS HEREOF, the Parties have executed in duplicate originals this Second Amendment on the 1st day of December 2022.

CITY OF SAN ANTONIO
a municipal corporation

**TEXAS BADGER DEVELOPMENTS-1,
L.L.C.**
a Texas corporation

Patricia Muzquiz-Cantor
Director, Convention & Sports Facilities


Richard L. Schoff
Owner

APPROVED AS TO FORM:

City Attorney