

ORDINANCE 2023-01-12-0005

**AUTHORIZING A FIVE-YEAR LEASE EXTENSION WITH
GALLERY VENTURES LIMITED L.L.C, OPERATING UNDER THE
NAME OF GALLERY VETRO, FOR A SPACE AT THE HOUSTON
STREET PARKING GARAGE LOCATED AT 250 EAST HOUSTON.**

* * * * *

WHEREAS, the Houston Street Garage has several retail storefronts including Gallery Vetro, which operates an art glass sales business in 2,187 square feet of space at 250 East Houston Street Gallery; and

WHEREAS, Gallery Vetro has been a longtime contributor to the vibrancy of the downtown retail sector having expanded and relocated their business to the Houston Street garage location in 2014; and

WHEREAS, terms of the five-year Lease Extension First Amendment in **Attachment I**, provides for an extension through October 31, 2027 at a rental rate of \$22.79 annually per square foot increasing to \$27.24 per square foot during the final year of the lease; and

WHEREAS, the lease amendment is in line with comparable rates in the downtown area when adjusted for the fact that Gallery Vetro pays for its own utilities and maintenance costs associated with the occupancy; and

WHEREAS, this amendment will allow Gallery Vetro to continue selling unique glass and ceramic objects of art that contributes to the eclectic business' visitors to downtown San Antonio expect making the Houston Street shopping area unique and enjoyable for tourists and residents alike; **NOW THEREFORE:**

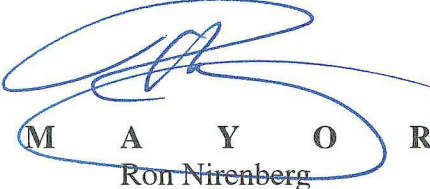
BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

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 five-year lease extension with Gallery Ventures Limited L.L.C., operating under the name of Gallery Vetro, for a space at the Houston Street Parking Garage located at 250 East Houston.

SECTION 2. 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 3. This Ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.


PASSED AND APPROVED this 12th day of January, 2023.


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 January 12, 2023

8.

2023-01-12-0005

Ordinance approving a five-year lease extension with Gallery Ventures Limited, L.L.C. for space at the Houston Street Garage Building for an annual rent of \$49,838.52. This extension waives holdover and late fees and abates 5 months rent all from the prior term. Revenue generated from this lease will be deposited into the City's Parking Operations and Maintenance Fund. [Lori Houston, Assistant City Manager; John Jacks, Director, Center City Development & Operations]

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

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

CEH
1/12/2023
Item No. 8

ATTACHMENT I

First Amendment to Gallery Ventures Limited, L.L.C. Lease Agreement

(Gallery Vetro)

This First Amendment to the Gallery Ventures Limited, L.L.C. d/b/a Gallery Vetro! Creative Art Glass Retail Lease (Agreement) is between Gallery Ventures Limited, L.L.C. ("Tenant") and the City of San Antonio ("Landlord"), pursuant to the Ordinance Authorizing the First Amendment.

1. Identifying Information

Retail Lease	Lease agreement executed by Landlord on September 10, 2014 as authorized by the Authorizing Ordinance
Tenant:	Gallery Ventures Limited, L.L.C.
Tenant's Address:	250 East Houston Street, San Antonio Texas 78205
Premises:	Approximately 2,187 square feet of floor area as depicted on Exhibit A which is incorporated into this Agreement and located in a building situated on a parcel of land described as the east five feet of Lot 5 and all of Lots 6,7 and 8, Block 21, New City Block 406 in San Antonio, Bexar County, Texas.
Ordinance Authorizing Retail Lease:	2014-08-9-0158
Ordinance Authorizing First Amendment:	
Beginning of Renewal Term:	November 1, 2022
Expiration of Renewal Term:	October 31, 2027

2. Defined Terms

All terms used in this instrument and not otherwise defined herein but defined in the Agreement to it have the meanings previously ascribed to them.

3. Essential Services

The concept of Essential Services is deleted from the Retail Lease and in substitution thereof is inserted the Section 6 language as provided in this Amendment.

4. Term

4.1. The Initial Term of this Retail Lease is extended to end October 31, 2022.

4.2. The Renewal Term as provided in Section 4.2 of the Retail Lease will commence November 1, 2022 and terminate October 31, 2027. There are no further rights to renew the Retail Lease.

4.3. Effective October 31, 2025, Tenant shall have the one-time right to terminate this Agreement and Retail Lease with not less than one hundred and twenty (120) day prior written notice to Landlord.

5. Monthly Rent

Section 6.2 of the Agreement is amended as follows:

Monthly Base Rent is as follows:

Term	Monthly Rent
September 1, 2019 – March 31, 2020	\$4,282.88
April 1, 2020 – May 31, 2020	\$0.00
June 1, 2020 – July 31, 2020	\$4,282.88
August 1, 2020 – May 31, 2021	\$0.00
June 1, 2021 – October 31, 2022	\$4,282.88
November 1, 2022 – October 31, 2023	\$4,153.21
November 1, 2023 – October 31, 2024	\$4,285.55
November 1, 2024 – October 31, 2025	\$4,422.26
November 1, 2025 – October 31, 2026	\$4,820.42
November 1, 2026 – October 31, 2027	\$4,965.03

Per Ordinance 2020-06-04-0345 and 2021-05-20-0361, a 100% rent abatement was approved for April and May 2020 and from August 2020 to December 2020 respectively equal to seven months abated rent. Furthermore rent shall be abated for an additional five months from January 2021 to May 2021. The chart above reflects these abatement periods.

The terms and conditions outlined in Section 3.6 of the Retail Lease have been satisfied and this Section is hereby deleted.

6. Landlords Affirmative Promises

Section 8 is hereby amended to delete subsections 8.3 and 8.4 and in substitution thereof new section 8.6 is inserted as follows:

8.6 Landlord and Tenant each must repair, maintain, and replace, if necessary, any building component or service allocated to it in the table below:

<i>Item</i>	<i>Tenant Responsibility</i>	<i>Landlord Responsibility</i>
Janitorial Services to Common Areas	No	Yes

Utility Services	Yes	No
Common Area Maintenance	No	Yes

<i>Item</i>	<i>Tenant Responsibility</i>	<i>Landlord Responsibility</i>
Exposed Electrical Systems	Yes	No
Light bulbs and tubes	Yes	No
Concealed Electrical Systems	No	Yes
Exposed Plumbing Systems	Yes	No
Concealed Plumbing Systems including under floor drain lines *	No	Yes
HVAC Systems	Yes	No
Pest Control	Yes	No
Interior walls, doors, finishes and improvements	Yes	No
Roof, foundation and structural soundness of exterior walls	No	Yes
Glass frames, glass storefront and exterior doors	Yes	No

- Tenant shall be responsible for clearing any clogged drain lines, if the clogged line is due to a broken pipe within the wall or below the floor, then Tenant shall first clear the clog and Landlord will repair or replace the broken pipe in the wall or under the floor.

7. No Default

7.1. Neither Landlord nor Tenant is in default under the Retail Lease, and neither party is aware of a cause of action against the other arising out of or relating to the period before the execution of this Agreement by Landlord.

8. Same Terms and Conditions

8.1. This Agreement instrument is a fully integrated statement of the modifications to the Retail Lease. Except as expressly modified by this renewal, the Agreement remains a comprehensive statement of the rights and obligations of Landlord and Tenant. Landlord and Tenant reaffirm the Retail Lease as modified by this Agreement and represent to each other that, except as expressly stated in this

instrument, no written right or obligation of either party has been waived such that it would impair exercise of the right or enforcement of the obligation on a future occasion.

9. Public Information

9.1. Tenant acknowledges that this instrument is public information within the meaning of Chapter 552 of the Texas Government Code and accordingly may be disclosed to the public. Nothing in this instrument waives an otherwise applicable exception to disclosure.

In Witness Whereof, the parties have caused their representatives to set their hands.

Landlord

City of San Antonio, a Texas municipal corporation

By: _____

Printed
Name: _____

Title: _____

Date: _____

Tenant

Gallery Ventures Limited, L.L.C, a Texas Limited liability corporation

Phillip Shrank

By: _____

Printed
Name: Phillip Shrank

Title: Member

Date: November 10, 2022

Approved as to Form:

City Attorney

Exhibit A: Description of Premises

250 East Houston

