



City of San Antonio

Agenda Memorandum

File Number:
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Agenda Item Number: {{item.number}}

Agenda Date: March 13, 2024

In Control: Planning Commission Meeting

DEPARTMENT: Center City Development & Operations

DEPARTMENT HEAD: John Jacks

COUNCIL DISTRICTS IMPACTED: District 1

SUBJECT:

Real estate exchange contract with Hyatt Hotels related to the Hyatt Regency San Antonio River Walk Hotel.

SUMMARY:

A resolution recommending the City declare as surplus and convey real property located within the Hyatt Regency San Antonio River Walk Hotel (“Hyatt Regency”), as well as an access easement located adjacent to the hotel.

BACKGROUND INFORMATION:

The City of San Antonio acquired the property on which the Hyatt Regency was built in 1978. The acquisition of the land and the construction of the hotel was part of a broader public-private partnership to increase the number of high-quality hotel rooms downtown while building a pedestrian linkage between Alamo Plaza and the River Walk; that link was called the Paseo del

Alamo and featured stairs and stepped fountains that originated adjacent to Alamo Plaza and flowed through the lower lobby of the hotel.

This public private partnership was supported by a long-term lease of the hotel atrium or lower lobby, with the current lease extending until 2065. The 0.2393 acres to be conveyed by the City lie within the privately owned hotel. At the outset of the private-public partnership, the City sold the air rights for the tract to an entity associated with Hyatt Hotels to facilitate the development of the hotel above it. The City maintains an access/egress easement through the hotel to facilitate public access from the River Walk to the Alamo Plaza.

ISSUE:

Hyatt Hotels approached the City with the intent to purchase the City-owned land within their hotel and eliminate the current easement. This will allow the Hyatt greater certainty and control as they approach future renovations of the atrium area, and it will relieve the City of maintenance obligations included in the existing lease.

The “upper” Paseo del Alamo fountain section extends from Alamo Plaza to the Hyatt Regency’s façade, and it will be demolished as part of the ongoing Alamo Plaza Renovation Project. The result being that the Hyatt Regency’s fountain will now be a standalone interior water feature that does not reflect the future design of the public space. Now that the fountain is not a continuous feature matching the surrounding area, Hyatt Hotels would like flexibility to consider interior modifications, which may include future removal or modification of the interior fountain. Through this transaction, Hyatt Hotels has agreed to grant City a reasonable public access easement through the atrium space. The linkage between the river walk and the Alamo Plaza will continue, subject to reasonable closures to facilitate construction.

This resolution recommends the City of San Antonio declare as surplus and convey approximately 0.2393 acres located within the Hyatt Regency San Antonio River Walk Hotel, as well as access easements of approximately 0.02649 acres adjacent to the hotel to Hyatt Hotels. The property to convey is generally located at 123 Losoya St in Council District 1. Hyatt will also convey or release the City from two non-disturbance designations totaling approximately 0.2573 acres adjacent to their hotel.

ALTERNATIVES:

The Planning Commission could choose not to approve this request; however, the City of San Antonio and Hyatt Hotels will be unable to sell and exchange the parcels of land. The existing lease would remain in effect.

RECOMMENDATION:

Staff recommends that Planning Commission approve this resolution to declare these parcels as surplus and recommend conveyance to Hyatt Hotels, or an affiliated entity.