



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 17

**Agenda Date:** November 10, 2022

**In Control:** City Council A Session

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**DEPARTMENT:** Center City Development & Operations

**DEPARTMENT HEAD:** John Jacks

**COUNCIL DISTRICTS IMPACTED:** District 1

**SUBJECT:**

3rd Amendment to Briscoe Museum Lease

**SUMMARY:**

This Ordinance authorizes a 3rd amendment to the lease agreement with the Briscoe Museum that will provide a 16 year extension to the lease which will facilitate philanthropy for the improvements to the Jack Guenther Pavilion.

**BACKGROUND INFORMATION:**

In 2006, the City, SAWS and the Library Department entered into a lease agreement with the National Western Art Foundation (NWAf) for development of the Briscoe Art Museum (Briscoe) at 210 W. Market Street, the former main library. The lease agreement was amended in 2009 to reflect the City's funding commitment to the project and was amended again in 2010 so the project could pursue New Market Tax Credits. The Briscoe Western Art Museum opened in 2013.

Since opening, the Briscoe has welcomed over 900,000 visitors and the Jack Guenther Pavilion has become a popular event venue. The museum is one of the leading western art museums in the nation and their annual event, Night of Artists, is the second largest grossing western art sale in the country.

Due to the popularity of the event space, the Board of Directors for the Briscoe Western Art Museum would like to expand the Jack Guenther Pavilion. They have outgrown the venue's capacity and would like to expand the seating to a 500-seat occupancy. They also would like to construct restrooms on the first floor of the pavilion. Currently, guests must use the restrooms on the 2nd floor. The Board of Directors for the Briscoe will initiate a capital campaign for the improvements and have requested an extension of the current 40-year lease agreement with the city. The request is to add 16 years to the term of the lease, effectively renewing it for 40 years in 2022.

**ISSUE:**

The Board of Directors for the Briscoe is requesting a 16-year extension to the term of their lease. This will be the 3rd amendment to the lease. The extension would facilitate their philanthropic and financing efforts of the proposed expansion of the Jack Guenther Pavilion. The expansion will increase the seating capacity of the Pavilion and increase its revenue opportunity.

**ALTERNATIVES:**

Approval of this ordinance would assist the Briscoe in their philanthropic and financing efforts for the expansion. If the lease extension is not approved, the Briscoe may have challenges with fundraising as donors do not like to fund capital improvements for leased facilities. A 40-year term provides donors with the assurance that the City is supportive of the Briscoe and that the improvements will be depreciated prior to the lease's termination.

**FISCAL IMPACT:**

There is not a fiscal impact for this item as the Briscoe is funding the improvements through philanthropic efforts.

**RECOMMENDATION:**

Staff recommends approval of the extension to the agreement. The Library Board of Trustees approved this request on October 26, 2022.