

AN ORDINANCE

2008-05-08-0380

AUTHORIZING EXECUTION OF THE FIRST AMENDMENT TO THE LEASE AGREEMENT WITH AUDIO VISUAL SERVICES GROUP, INC. d/b/a PSAV EVENT SERVICES DIVISION.

* * * * *

WHEREAS, Audiovisual Visual Services Group, Inc. d/b/a/ PSAV Event Services Division (“PSAV”), under a Professional Service Agreement authorized by City Ordinance No. 101049, passed and approved on June 16, 2005, operates as the City’s designated preferred audio/visual service provider for the Henry B. Gonzalez Convention Center, Lila Cockrell Theatre and Municipal Auditorium (together referred to the “Convention Facilities”); and

WHEREAS, under a separate Lease Agreement between the City and PSAV authorized by City Ordinance No. 101520, passed and approved on October 6, 2005, PSAV also occupies approximately 3,224 square feet of space in Building 277 of Hemisphere Park where it stores audio and video equipment used in conjunction with its service to the Convention Facilities; and

WHEREAS, locating PSAV’s equipment in close proximity to the Convention Facilities serves the City’s licensees in an efficient and beneficial manner by providing PSAV with quick access to a wide variety of equipment; and

WHEREAS, the City and PSAV intend to exercise a two-year renewal option of the Professional Service Agreement and desire to amend the terms of the Lease Agreement to run concurrently with the Professional Service Agreement and to provide for an increase in the lease payment to the City; **NOW THEREFORE:**

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

SECTION 1. The terms and conditions of the First Amendment to the Lease Agreement between the City of San Antonio and Audio Visual Services Group, Inc. d/b/a PSAV Event Services Division for the use of approximately 3,224 square feet of space located in Building 277 of Hemisphere Park in City Council District 1 are hereby approved. A copy of the First Amendment substantially in its final form is attached as “EXHIBIT A” and made a part of this ordinance. A final copy of the Agreement will be attached when executed.

SECTION 2. The City Manager or her designee is hereby authorized to execute the First Amendment to the Lease Agreement with Audio Visual Services Group, Inc. d/b/a PSAV Event Services Division for the use of 3,224 square feet of space located in Building 277 of Hemisphere Park.

SECTION 3. The proceeds of the Agreement shall be deposited into Fund 29006000, entitled "Hotel Motel Tax Fund," Cost Center 4201010001, Internal Order 242000000401, and the General Ledger Account 4407231, entitled "Facility Rental Income."

SECTION 4. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance 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 5. This ordinance shall be effective on and after the tenth (10th) day after passage.

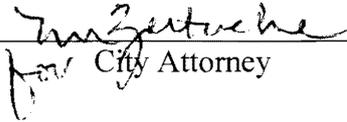
PASSED AND APPROVED this 8th day of MAY 2008.


M A Y O R
PHIL HARDBERGER

ATTEST:

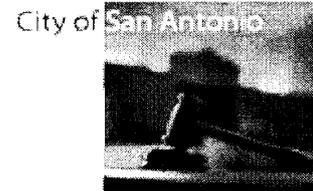

City Clerk

APPROVED AS TO FORM: _____


City Attorney



Request for
COUNCIL
ACTION



Agenda Voting Results - 17B

Name:	6, 7, 8, 9, 10, 11A, 11B, 12, 13, 14, 16, 17A, 17B, 20
Date:	05/08/2008
Time:	11:40:58 AM
Vote Type:	Motion to Approve
Description:	An Ordinance authorizing execution of the First Amendment to the Lease Agreement with Audio Visual Services Group, Inc. d/b/a PSAV Event Services Division.
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Phil Hardberger	Mayor		x				
Mary Alice P. Cisneros	District 1		x				
Sheila D. McNeil	District 2	x					
Jennifer V. Ramos	District 3	x					
Philip A. Cortez	District 4		x				
Lourdes Galvan	District 5		x				
Delicia Herrera	District 6		x			x	
Justin Rodriguez	District 7	x					
Diane G. Cibrian	District 8		x				
Louis E. Rowe	District 9		x				
John G. Clamp	District 10		x				x



CMS or Ordinance Number: CN0040001104

TSLGRS File Code:1000-25

Document Title:

CONT - Lease with AVHQ for 3,224 square feet of space in Building 277 of Hemisfair Park. Renewal starting July 1, 2008 and ending on June 30,

Commencement Date:

7/1/2008

Expiration Date:

6/30/2010

FIRST AMENDMENT TO THE LEASE AGREEMENT

**BETWEEN THE CITY OF SAN ANTONIO AND AUDIO VISUAL SERVICES GROUP,
INC. D/B/A PSAV EVENT SERVICES DIVISION**

This FIRST AMENDMENT to the LEASE AGREEMENT (this "AMENDMENT") is entered into by and between the CITY OF SAN ANTONIO ("City") and AUDIO VISUAL SERVICES GROUP, INC. d/b/a PSAV EVENT SERVICES DIVISION ("Tenant") together referred to as "the Parties."

RECITALS

- A. City and Tenant are parties to that certain LEASE AGREEMENT authorized by City of San Antonio Ordinance No. 101520, passed and approved on October 6, 2005 (the "LEASE").
- B. Prior to the effectiveness of this AMENDMENT, the LEASE terminates at midnight central time on October 19, 2008.
- D. City and Tenant, in accordance with Sections 2.2 and 2.3 of the LEASE, desire to amend the term of the LEASE to run concurrently with Tenant's Agreement for Audio/Visual Services.
- E. All other provisions of the LEASE shall remain in full force and effect.

AMENDMENT

NOW THEREFORE, City and Tenant hereby agree and amend as follows:

- 1. Definitions. All capitalized terms used in this AMENDMENT without definition herein shall have the meanings assigned to such terms in the LEASE.
- 2. Amendment. The Parties hereby agree to amend the AGREEMENT as follows:
 - (a) "Tenant" in the AGREEMENT shall be defined as Audio Visual Services Group, Inc., a Delaware corporation, d/b/a PSAV Event Services Division.
 - (b) Section 1.1 shall be amended by increasing the square footage amount to approximately three thousand three hundred eighty five (3,385 sq. ft.)
 - (c) Section 2.2 shall be deleted in its entirety and replaced with the following:

2.2 The term of this LEASE shall be concurrent with the term of the Agreement for Audio/Visual Services between the Parties. It is anticipated that the Agreement for Audio/Visual Services shall terminate on June 30, 2010.

(d) Article XXII Notice shall be deleted in its entirety and replaced with the following:

Landlord: City Clerk
P.O. Box 839966
San Antonio, Texas 78283-3966

and

Convention, Sports, and Entertainment Facilities Department
Attn: Director
P.O. Box 1809
San Antonio, TX 78296-1809

Tenant: AVSC Legal Department
Attn: Whit Markowitz, General Counsel
111 W. Ocean Blvd., Ste. 1110
Long Beach, CA 90802-4688

(e) Exhibit A is hereby replaced with the attached Exhibit A.

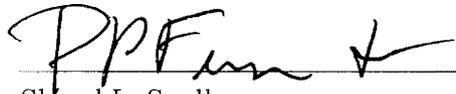
3. Effective Date. This AMENDMENT shall be effective July 1, 2008.
4. No Other Changes. Except as specifically set forth in this AMENDMENT, all of the terms and conditions of the LEASE shall remain the same and are hereby ratified and confirmed. The LEASE shall continue in full force and effect and with this AMENDMENT shall be read and construed as one instrument.
5. Choice of Law. This AMENDMENT shall be construed in accordance with and governed by the laws of the State of Texas.
6. Counterparts. This AMENDMENT may be executed in any number of counterparts, but all such counterparts shall together constitute but one instrument. In making proof of this AMENDMENT it shall not be necessary to produce or account for more than one counterpart signed by each party hereto by and against which enforcement hereof is sought.

IN WITNESS HEREOF, the parties hereto have executed in triplicate originals this AMENDMENT on the 23rd day of May 2008.

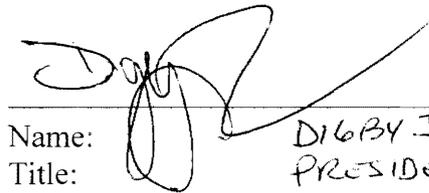
CITY OF SAN ANTONIO

**AUDIO VISUAL SERVICES GROUP,
INC., a Delaware corporation, d/b/a
PSAV EVENT SERVICES DIVISION**

a municipal corporation

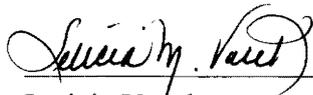


Sheryl L. Sculley
City Manager



Name: Digby J. Davies
Title: PRESIDENT & CEO

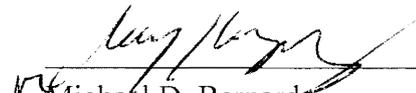
ATTEST:



Leticia Vacek
City Clerk

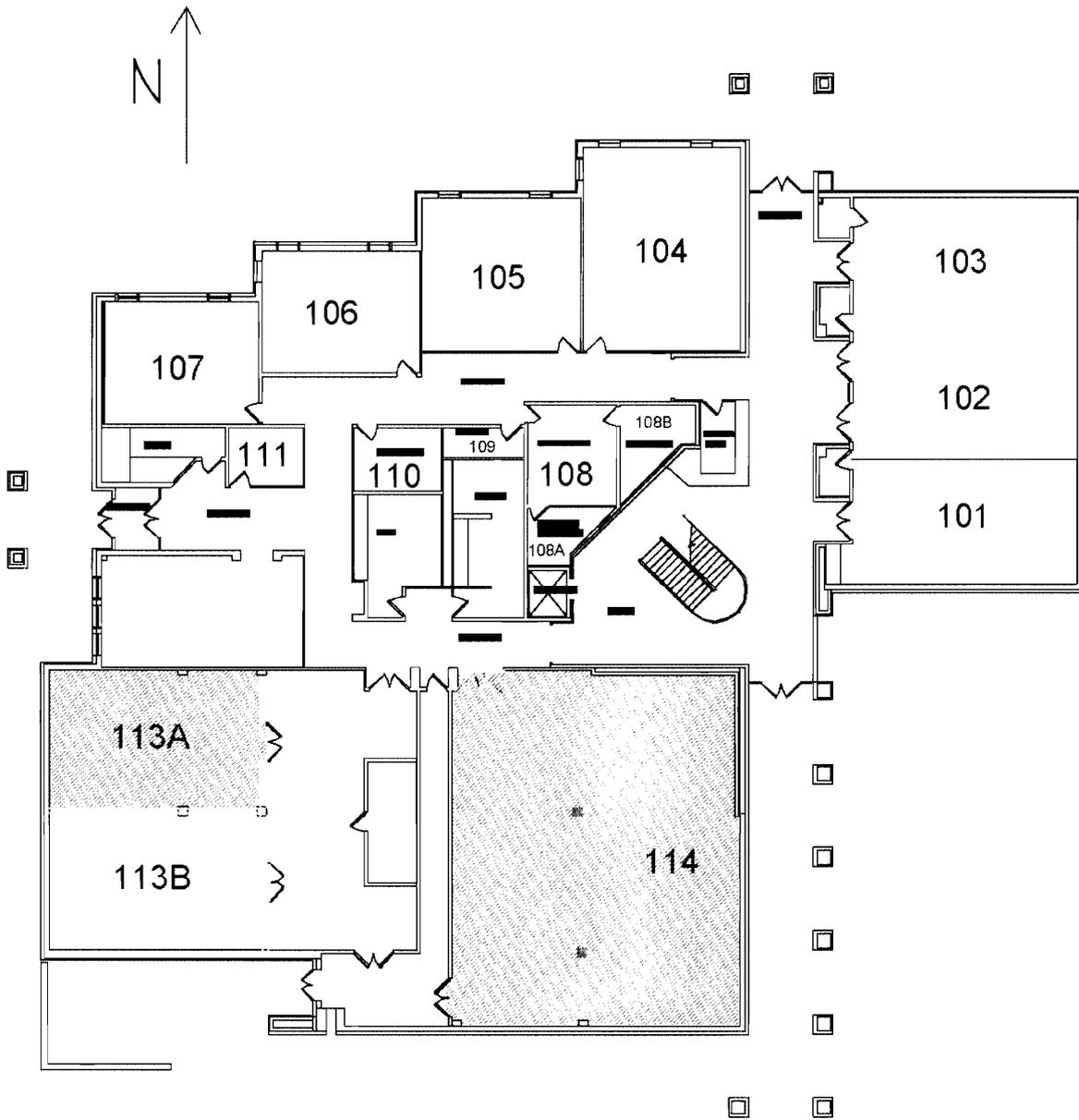


APPROVED AS TO FORM:



Michael D. Bernard
City Attorney

Exhibit A



Hemisfair Park

City of San Antonio



INTERDEPARTMENTAL MEMORANDUM

TO: Sheryl L. Sculley, City Manager

FROM: Michael J. Sawaya, CHA, Director

SUBJECT: Magna Carta for Contract and Lease Renewal and Amendments

CONTRACT: 1. Agreement for Audio/Visual Services with Audio Visual Services Group, Inc. d/b/a PSAV Event Services Division ("A/V Agreement")

2. Lease Agreement with Audio Visual Services Group, Inc. d/b/a PSAV Event Services Division ("Lease Agreement")

ORD. NO./DATE: 2008-05-08-0379 (A/V Agreement) and 2008-05-08-0380 (Lease Agreement) / May 8, 2008

COPIES: File

DATE: May 14, 2008

MAJOR PROVISIONS OF THE CONTRACT

Ord. No. 2008-05-08-0379 and 2008-05-08-0380 respectively, dated May 8, 2008, authorized the execution of a First Renewal and Amendment to the A/V Agreement and a First Amendment to the Lease Agreement, both with Audio Visual Services Group, Inc. d/b/a PSAV Event Services Division. Audio Visual Services Group provides audio/visual services to event clients of the Convention Center, Lila Cockrell Theatre and Municipal Auditorium on a preferred (non-exclusive) basis. They were secured after a Request for Proposals (RFP) process in February 2005 in which they were the only respondent.

The A/V Agreement is slated to expire on June 30, 2008. This First Renewal and Amendment to that agreement exercises an available two (2)-year renewal option, extending the expiration date to June 30, 2010. In addition, this First Renewal and Amendment increases the commission payable to the City from 20% to 27%, per the contract, and establishes a Minimum Annual Guarantee (MAG) \$110,000 for both years of the renewal. The First Renewal and Amendment also amends the contractor's legal name and more accurately delineates the space assigned to the contractor for their operations.

The Lease Agreement is slated to expire on October 19, 2008. This First Amendment to that agreement adjusts and extends the expiration date to coincide with the expiration date of June 30, 2010, for the A/V Agreement. In addition, this First Amendment amends the contractor's legal name and corrects the square footage leased.

POLICY ANALYSIS

The A/V Agreement with Audio Visual Services Group is slated to expire on June 30, 2008, and provides for one (1) two (2)-year renewal option. This First Renewal and Amendment primarily exercises the renewal option extending the expiration to June 30, 2010, increases the City commission, and establishes a MAG for each year of the renewal. This A/V Agreement represented a new revenue stream for the Convention, Sports, and Entertainment Facilities Department when it was executed in July 2005 and has proven to be fairly lucrative to the City.

The Lease Agreement with Audio Visual Services Group is slated to expire on October 19, 2008. This First Amendment primarily extends the expiration date to June 30, 2010, to coincide with the expiration of the A/V Agreement. The Lease Agreement is integral to the A/V Agreement because Audio Visual Services Group requires equipment inventory space adjacent to the facilities in order to adequately service event clients.

The department contracts for many services within its venues, including catering, concessions, telecommunications, and temporary utility services. Although the department has exclusive providers for the provision of some services, the department has endeavored to instill competition and afford customers a choice in the provision of audio/visual services.

FINANCIAL IMPACT

Since June 2005 the A/V Agreement has resulted in total gross sales of over \$3.5M with City commissions of approximately \$356,000. Based on average gross sales and with the increase in the City commission from 20% to 27% under this First Renewal and Amendment projected annual City commissions are \$321K.

The Lease Agreement generates \$2,092 monthly to the City, or \$25,104 annually.

Revenue from these agreements is credited to the Community and Visitor Facilities Fund.

There is no General Fund impact.

CONTRACT FORMAT

Attached are a First Renewal and Amendment to an Agreement for Audio/Visual Services and a First Amendment to a Lease Agreement, both with Audio Visual Services Group.

The two types of documents are fairly typical renewal and amendment type documents the City utilizes to extend and amend existing agreements.

MANAGEMENT OF CONTRACT

The Convention, Sports, and Entertainment Facilities Department is responsible for the management of these agreements.

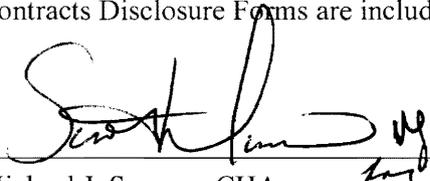
COORDINATION

This item has been coordinated with the City Attorney's Office, Office of Management and Budget, and Finance Department.

ATTACHMENTS

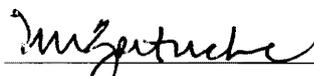
Three (3) originals of both the First Renewal and Amendment to the Audio/Visual Services Agreement and First Amendment to the Lease Agreement, both with Audio Visual Services Group, totaling six (6),

are attached for execution. Additionally, copies of the ordinances, ordinance detail and Discretionary Contracts Disclosure Forms are included for your reference.



Michael J. Sawaya, CHA
Director

APPROVED



for Michael D. Bernard
City Attorney



Penny Post oak-Ferguson
Assistant City Manager



CMS or Ordinance Number: OR00000200805080380

TSLGRS File Code: 1000-05

Document Title:

ORD - Lease with AVHQ for 3,224 square feet of space in Building 277 of Hemisfair Park. Renewal starting July 1, 2008 and ending on June 30,

Ordinance Date:
5/8/2008