

AN ORDINANCE 2013 - 05 - 30 - 0361

AUTHORIZING AN AMENDMENT WITH INTERNATIONAL DUTY FREE STORES/UETA AT THE SAN ANTONIO INTERNATIONAL AIRPORT TO EXERCISE A THREE YEAR TERM EXTENSION AND ADDING 606 SQUARE FEET OF SPACE.

* * * * *

WHEREAS, the parties desire to exercise a three year extension through May 31, 2017 to a concession agreement between the City and International Duty Free Stores/UETA entered into in February 2009; and

WHEREAS, UETA desires to expand their current concessions space in Terminal A by an additional 606 square feet, and agrees to invest a minimum of \$500,000.00 in improvements to the new space and increase the Minimum Annual Guarantee to \$500,000.00; and

WHEREAS, this Ordinance authorizes the execution of an amendment with International Duty Free Stores/UETA to extend the terms of concessions agreement, add additional square footage to the agreement, and increase the Minimum Annual Guarantee; **NOW THEREFORE**,

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

SECTION 1. The City Manager or her designee is hereby authorized to execute an amendment with International Duty Free Stores/UETA to extend the term of the agreement through May 31, 2017, and incorporate an additional 606 square feet into the concessions agreement at San Antonio International Airport, a copy of which is set out in **Exhibit 1**.

SECTION 2. Funds generated by this Ordinance will be deposited into Fund 51001000, Internal Order 233000000032 and General Ledger 4409043.

SECTION 3. 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 4. This Ordinance shall take effect immediately upon receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

KRH
05/30/13
Item No. 12

PASSED and APPROVED this 30th day of May, 2013.



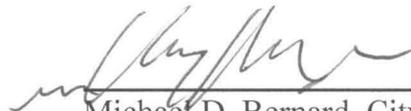
M A Y O R
Julián Castro

ATTEST:

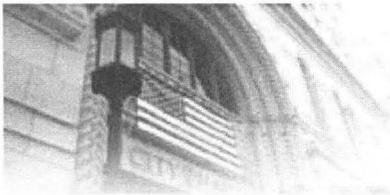


Leticia M. Vacek, City Clerk

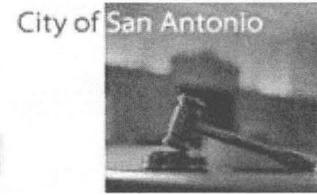
APPROVED AS TO FORM:



Michael D. Bernard, City Attorney



Request for
**COUNCIL
ACTION**



Agenda Voting Results - 12

Name:	6, 7, 8, 9A, 9B, 11, 12, 13, 14, 15A, 15B, 16A, 16B, 16C, 17, 18, 20A, 20B, 20C, 21, 22, 25, 26, 27, 28, 29A, 29B, 30A, 30B						
Date:	05/30/2013						
Time:	10:49:32 AM						
Vote Type:	Motion to Approve						
Description:	An Ordinance authorizing an amendment to the concession agreement to extend the term for three additional years and increase the premises an additional 606 square feet with International Duty Free Stores/UETA at San Antonio International Airport. [Ed Belmares, Assistant City Manager; Frank Miller, Director, Aviation]						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Julián Castro	Mayor		x				
Diego Bernal	District 1		x				
Ivy R. Taylor	District 2		x				
Leticia Ozuna	District 3		x				
Rey Saldaña	District 4		x				x
David Medina Jr.	District 5		x				
Ray Lopez	District 6		x				
Cris Medina	District 7		x				
W. Reed Williams	District 8		x			x	
Elisa Chan	District 9		x				
Carlton Soules	District 10	x					

EXHIBIT 1

FIRST AMENDMENT
TO CONCESSION AGREEMENT
AT SAN ANTONIO INTERNATIONAL AIRPORT

THIS AMENDMENT TO CONCESSION AGREEMENT (“Amendment”) is made and entered into by and between the **CITY OF SAN ANTONIO** (“City”), a Texas municipal corporation acting by and through its City Manager, pursuant to Ordinance No. _____ and **INTERNATIONAL DUTY FREE STORES/UETA LLC** (“Concessionaire”), acting by and through its authorized duly authorized representative (City and Concessionaire collectively hereinafter referred to as “parties”).

WHEREAS, the parties entered into a Concession Agreement for operation of a duty free and duty paid retail store at San Antonio International Airport as authorized by Ordinance No. 2009-02-19-0135 (“Agreement”); and

WHEREAS, the Agreement provides that City shall have the option to extend the term of the Agreement for a period of up to three (3) years; and the parties have negotiated mutually satisfactory terms in connection with such an extension, NOW THEREFORE,

In consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties hereby agree to amend the Agreement as follows:

1. Term. The term is hereby extended for a three-year period that shall end on May 31, 2017. No other options or extensions remain under the Agreement.

2. Premises. An area of 606 square feet is hereby incorporated into the Premises (the area is hereinafter referred to as “additional premises”). The Area is depicted in the attached **Exhibit A3** and such exhibit is incorporated into this Agreement.

3. Improvements. Concessionaire shall have the duty to improve the additional premises subject of this Amendment and expend no less than \$500,000.00 in capital improvements to the same. All improvements shall be performed in full compliance with the terms of the Agreement, including but not limited to Section 5.01, and must be fully coordinated with City's Terminal A Renovations Project. Within 30 days of the effective date of this Amendment, Concessionaire shall deliver a preliminary design and construction schedule that would allow for the newly incorporated premises to open to the public by January 1, 2014. Upon approval of such schedule by the Aviation Director or his designee, the schedule shall become part of this Amendment.

4. Rent. On the first day of beneficial occupancy of the additional premises or January 1, 2014, whichever is earlier, and thereafter the Minimum Annual Guarantee shall increase to \$500,000.00 and be payable in monthly installments of \$41,666.67.

5. Performance Guarantee. Within 10 days of the date that the new MAG is triggered pursuant to paragraph 4 above, the Performance Guarantee shall be increased to \$250,000.00.

6. Failure to Construct. In the event that Concessionaire shall fail to initiate construction of improvements on the additional premises by December 1, 2013, this Amendment shall be null and void in its entirety except for Concessionaire's obligation to restore the additional premises to their original condition.

7. This Amendment sets forth the entire agreement between the parties. Except as amended herein, all of the terms and provisions of the Agreement between the parties shall remain in full force and effect.

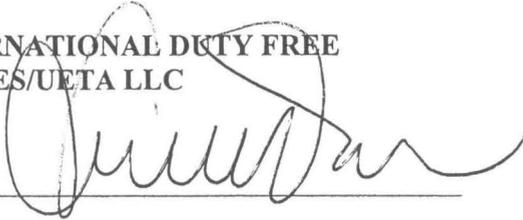
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8. The Amendment shall be effective on such date as the City Council of San Antonio passes an Ordinance approving this Amendment.

IN WITNESS WHEREOF, the parties, personally or by their duly authorized agents, have executed this Amendment on the dates below indicated.

INTERNATIONAL DUTY FREE
STORES/UETA LLC

By: _____



Simon Falic

Print Name

Its: Chief Operating Officer

Date: 5/2/13

CITY OF SAN ANTONIO

By: _____

Sheryl L. Sculley, City Manager

Date: _____

APPROVED:

City Attorney