SW/vv
10/15/15
Item #10

AN ORDINANCE 2015-10-15-0872

AUTHORIZING THE SECOND AMENDMENT TO THE RIVER WALK LEASE AGREEMENT WITH RIVERTON SUITES, LTD., D/B/A HOTEL CONTESSA TO EXTEND THE LEASE AGREEMENT TERM THROUGH NOVEMBER 31, 2020 AND REVISE THE LEASE RATE CALCULATION.

* * * * *

WHEREAS, Ordinance 98951 authorized an amended and restated agreement with Hotel Contessa for use of 562 square feet of River Walk patio space for a five-year term commencing December 1, 2005; and

WHEREAS, the agreement also provided for three five-year renewal options, each subject to City Council approval; and

WHEREAS, the first renewal option, authorized by Ordinance 2010-11-18-0984, extended the agreement's term through November 31, 2015; and

WHEREAS, in July 2015, the Hotel Contessa notified the City of its intent to exercise its second renewal option; and

WHEREAS, this ordinance will authorize the second amendment to the agreement with Hotel Contessa, which will extend the agreement's term through November 31, 2020; and

WHEREAS, additionally, the second amendment will revise the agreement's lease rate calculation from an annual CPI adjustment to a fixed annual increase; and

WHEREAS, the Hotel Contessa will pay a rate of $1.67 per square foot per month for the first year of the renewal term with the rate increasing 2.5% annually; and

WHEREAS, lastly, the second amendment adds a late fee provision of $50.00 to the agreement; **NOW THEREFORE:**

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

SECTION 1. The City Manager or her designee, or the Director of the Center City Development and Operations Department or her designee, is authorized to execute a second amendment to the River Walk Lease Agreement with Riverton Suites, Ltd., d/b/a Hotel Contessa to extend the lease agreement term through November 31, 2020 and revise the lease rate calculation. A copy of the second amendment to the lease agreement, in substantially final form, is attached hereto and incorporated herein for all purposes as **Attachment I.**

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SECTION 2. Funds generated by this ordinance will be deposited into Fund 29093000, WBS Element OR-00001-01-01-01 and General Ledger 4407711.

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 is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED AND APPROVED this 15th day of October, 2015.

M A Y O R
Ivy R. Taylor

ATTEST:

Leticia M. Vacek, City Clerk

APPROVED AS TO FORM:

for Martha G. Sepeda, Acting City Attorney

Agenda Item:	**10 (in consent vote: 5, 6, 8, 9, 10, 11A, 11B, 12, 13, 15, 16, 17, 19, 20, 22A, 22B)**
Date:	10/15/2015
Time:	10:05:50 AM
Vote Type:	Motion to Approve
Description:	An Ordinance authorizing the Second Amendment to the River Walk Lease Agreement with Riverton Suites, Ltd., d/b/a Hotel Contessa to extend the lease agreement term through November 31, 2020 and revise the lease rate calculation. [Lori Houston, Assistant City Manager and Acting Director; Center City Development & Operations]
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ivy R. Taylor	Mayor		x				
Roberto C. Treviño	District 1		x				x
Alan Warrick	District 2		x				
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4	x					
Shirley Gonzales	District 5	x					
Ray Lopez	District 6		x				
Cris Medina	District 7		x				
Ron Nirenberg	District 8		x				
Joe Krier	District 9		x				
Michael Gallagher	District 10		x			x	

Agenda Item:	**10 (in consent vote: 5, 6, 8, 9, 10, 11A, 11B, 12, 13, 15, 16, 17, 19, 20, 22A, 22B)**
Date:	10/15/2015
Time:	10:50:31 AM
Vote Type:	Motion to Reconsider
Description:	An Ordinance authorizing the Second Amendment to the River Walk Lease Agreement with Riverton Suites, Ltd., d/b/a Hotel Contessa to extend the lease agreement term through November 31, 2020 and revise the lease rate calculation. [Lori Houston, Assistant City Manager and Acting Director; Center City Development & Operations]
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ivy R. Taylor	Mayor		x				
Roberto C. Treviño	District 1		x				
Alan Warrick	District 2		x				
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4	x					
Shirley Gonzales	District 5	x					
Ray Lopez	District 6		x				x
Cris Medina	District 7		x				
Ron Nirenberg	District 8		x				
Joe Krier	District 9		x				
Michael Gallagher	District 10		x			x	

Agenda Item:	**10 (in consent vote: 5, 6, 8, 9, 10, 11A, 11B, 12, 15, 16, 17, 18, 19, 20, 22A, 22B)**
Date:	10/15/2015
Time:	10:51:02 AM
Vote Type:	Motion to Approve
Description:	An Ordinance authorizing the Second Amendment to the River Walk Lease Agreement with Riverton Suites, Ltd., d/b/a Hotel Contessa to extend the lease agreement term through November 31, 2020 and revise the lease rate calculation. [Lori Houston, Assistant City Manager and Acting Director; Center City Development & Operations]
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ivy R. Taylor	Mayor		x				
Roberto C. Treviño	District 1		x				x
Alan Warrick	District 2		x			x	
Rebecca Viagran	District 3	x					
Rey Saldaña	District 4	x					
Shirley Gonzales	District 5	x					
Ray Lopez	District 6		x				
Cris Medina	District 7		x				
Ron Nirenberg	District 8		x				
Joe Krier	District 9		x				
Michael Gallagher	District 10		x				

Second Amendment of Riverwalk Lease Agreement

(Riverton Suites, Management, LLC, d/b/a Hotel Contessa)

This Second Amendment of the Riverwalk Lease Agreement is between Lessee and the City of San Antonio ("Lessor"), pursuant to the Ordinance Authorizing Renewal.

1. Identifying Information.

Lessee:	Riverton Suites, Ltd., d/b/a Hotel Contessa
Lessee's Address:	315 East Commerce, San Antonio, Texas, 78205
Lease:	River Walk Patio Lease between Lessor and Tenant pertaining to 562 square feet of patio space adjacent the San Antonio River.
Ordinance Authorizing Original Lease:	98951
Ordinance Authorizing First Renewal:	2010-11-18-0984
Ordinance Authorizing Second Renewal:	
Beginning of Second Renewal Term:	December 1, 2015
Expiration of Second Renewal Term:	November 30, 2020

2. Defined Terms.

2.1 All terms used in this instrument and not otherwise defined herein but defined in the Lease or any previous amendment to it have the meanings previously ascribed to them.

3. Term.

3.1 The term of the lease is extended from the Beginning of Renewal Term through and including the Expiration of Renewal Term.

4. Rental.

Sections 4.1 - 4.2 of the lease are deleted in their entirety and replaced with the following:

4.1 The monthly rental shall be $1.67 per square foot per month for first lease year of the Renewal Term, and shall increase by a rate of two and a half percent (2.50%) per square foot per year, commencing upon the anniversary date of each remaining lease year. The rental may be paid in one lump sum in advance or in

monthly installments in advance on the first day of each month in accordance with the following payment schedule:

4.1.1 12/01/2015 – 11/30/2016 ($1.67 per square foot per month): $11,262.48 payable in one lump sum in advance or $938.54 per month.

4.1.2 12/01/2016 – 11/30/2017 ($1.71 per square foot per month): $11,532.24 payable in one lump sum in advance or $961.02 per month.

4.1.3 12/01/2017 – 11/30/2018 ($1.75 per square foot per month): $11,802.00 payable in one lump sum in advance or $983.50 per month.

4.1.4 12/01/2018 – 11/30/2019 ($1.79 per square foot per month): $12,071.76 payable in one lump sum in advance or $1,005.98 per month.

4.1.5 12/01/2019 – 11/30/2020 ($1.83 per square foot per month): $12,341.52 payable in one lump sum in advance or $1,028.46 per month.

4.2 From the Beginning of the Renewal Term to the Expiration of the Renewal Term, Lessee must Rent pay to Lessor at the place, at the intervals, and in the manner described in the Lease for the payment of rent.

4.3 A fifty dollar ($50.00) late charge will be assessed on any Rent payment received on the eleventh (11th) day of the applicable month or any day thereafter.

5. No Default.

5.1 Neither Lessor nor Lessee is in default under the Lease, and neither party is aware of a cause of action against the other arising out of or relating to the period before this renewal.

6. Same Terms and Conditions.

6.1 This renewal instrument is a fully integrated statement of the modifications to the Lease. Except as expressly modified by this renewal, the Lease remains a comprehensive statement of the rights and obligations of Lessor and Lessee. Lessor and Lessee reaffirm the 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.

7. Public Information.

7.1 Lessee 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 agreement waives an otherwise applicable exception to disclosure.

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

Lessor	**Lessee**
City of San Antonio, a Texas municipal corporation	**Riverton Suites, Ltd. d/b/a Hotel Contessa** **By: Riverton Suites Management, L.L.C., its general partner**
By:_____	TEO By:_____
Printed Name:_____	Printed Name and Title: JACK J. SPECTER PRESIDENT
Title:_____	
Date:_____	Date: Sept. 16 2015

Attest:

_____
City Clerk

Approved as to Form:

_____
City Attorney