

**CITY OF SAN ANTONIO
INTERNATIONAL AFFAIRS DEPARTMENT
INTERDEPARTMENTAL CORRESPONDENCE**

TO: Mayor and City Council

FROM: J. Rolando Bono, Interim Director, International Affairs/Deputy City Manager

THROUGH: Terry M. Brechtel, City Manager

COPIES: Andrew Martin, City Attorney; Lou Lendman, Office of Management & Budget; Milo D. Nitschke, Finance; Rebecca Waldman, Asset Management

SUBJECT: Lease Agreement for Office Space in Guadalajara, Mexico

DATE: October 24, 2002

SUMMARY AND RECOMMENDATION

This ordinance authorizes the City Manager to execute a one (1) year contract of lease for rental ("lease") commencing October 1, 2002, with IMEF, A.C., as LESSOR, for approximately 1,613 square feet of office space at 3422 Lazaro Cardenas Ave., Suite 604, in Guadalajara, Jalisco, Mexico for Casa San Antonio in Guadalajara at a monthly rental rate of \$ 11,500 pesos (Eleven thousand five hundred and 00/100 pesos, MXP.), which is currently equivalent to \$1,150.00 U.S. dollars (One thousand one hundred and fifty and 00/100 U.S. dollars), which includes the fifteen percent value-added tax, and providing for payment.

Staff recommends approval of this ordinance.

BACKGROUND INFORMATION

City Council previously authorized the establishment of an office in Guadalajara, Mexico for the purpose of promoting economic development and tourism between Mexico and San Antonio. On October 8, 1991 Casa San Antonio was opened.

Two years ago, Casa San Antonio moved to the said location, which is located in a modern office building positioned in a major intersection that provides high visibility and convenience for clients and visitors.

Over the last year, the three offices in Mexico have assisted over 500 clients, answered over 1,800 technical assistance calls, and created over \$16 million in trade between San Antonio and Mexico. San Antonio is profiting from an assertive effort in Mexico.

POLICY ANALYSIS

Approval of this ordinance is a continuation of existing City Council policy to promote economic development in San Antonio. As Mexican market opportunities continue to grow for local businesses, San Antonio continues to position itself to develop permanent trading relationships. The office will continue to promote economic development and tourism, and facilitate two-way trade between San Antonio and the Guadalajara area.

FISCAL ANALYSIS

The City will pay \$11,500.00 Mexican pesos per month for rent which is currently equivalent to \$1,150.00 U.S. dollars, which includes the fifteen percent value-added tax. Because of Mexican Peso exchange rate fluctuations, actual dollar amounts may vary throughout the year. The rental fee is approximately \$.63 per square foot, and maintenance is estimated at \$187.00 per month. Based on rent in the immediate area, this continues to be an excellent rental rate. The rental costs were appropriated in this fiscal year's hotel/motel fund budget.

SUPPLEMENTARY COMMENTS

The provisions of the City Ethics Ordinance do not apply.

COORDINATION

This item has been coordinated with the following departments: City Attorney's Office, Office of Management & Budget, Finance and Asset Management.



J. Rolando Bono
Interim Director/Deputy City Manager

Approved:



Terry M. Brechtel
City Manager