

CITY OF SAN ANTONIO  
INTERDEPARTMENTAL MEMORANDUM  
PARKS AND RECREATION DEPARTMENT

ITEM NO. 10

**TO:** Mayor and City Council

**FROM:** Malcolm Matthews, Director, Parks and Recreation Department

**THROUGH:** Terry M. Brechtel, City Manager

**COPIES:** Melissa B. Vossmer; Finance; Management and Budget; Legal; File

**SUBJECT:** Ordinance Authorizing a Lease Agreement for Restaurant Space in the City's La Villita with Guadalajara Grill Inc.

**DATE:** February 27, 2003

**SUMMARY AND RECOMMENDATIONS**

This ordinance authorizes the execution of a lease agreement with DHBO, Inc. d/b/a/ Guadalajara Grill for restaurant space at Building Number 16, located at 301 S. Alamo Street, in the City's La Villita in City Council District 1 for the lease amount of \$20,770.60 in year one, \$21,157.17 in year two, \$21,450.56 in year three, \$21,653.98 in year four and \$10,675.94 in year five (six months).

Staff recommends approval of this ordinance.

**BACKGROUND INFORMATION**

Guadalajara Grill has requested a new lease agreement for their continued use of restaurant space in La Villita, located at 301 S. Alamo Street in Building Number 16. City staff has developed a standard form La Villita Restaurant Lease Agreement to continue the current tenant's use of space in La Villita with updated insurance requirements, lease rates and other operating provisions. This agreement will extend Guadalajara Grill's use of approximately 2,261 square feet of restaurant space for a four and one-half year term, from January 1, 2003 through June 30, 2007. (This term will be concurrent with other lease agreements in effect in the area.) In consideration for use of this public property, Guadalajara Grill will pay a monthly rental rate of \$1,745.89 in the first year, increasing to \$1,846.42 in the last year. In addition, Guadalajara Grill will be required to continue to pay a percentage of metered utility costs, to abide by use clauses and minimum hours of operation, to provide for all improvements and maintenance of the leased space, and to provide insurance levels specified by the City's Risk Manager.

**POLICY ANALYSIS**

It is the long-standing policy of the City of San Antonio to lease public property in the La Villita for art, cultural and retail sales purposes.

**FISCAL IMPACT**

Guadalajara Grill has been current on their monthly rental payments established under their prior lease agreement. The new lease rate was based upon a market lease rate determined by the real estate appraisal firm of Dugger, Canaday, Grafe & Noelfel, Inc. A seven-year rate schedule was developed for all of the La Villita properties based upon square footage, location, and purpose of use. The rate schedule includes a 50% reduction in the rent for the month of April, due to the annual Night in Old San Antonio event. We are presently in year four of the rate schedule, which will be applied to Lease Year One for the Guadalajara Grill. The City will receive the following rental income from this lease agreement:

Lease Year One:	\$20,770.60/annual
Lease Year Two:	\$21,157.17/annual
Lease Year Three:	\$21,450.56/annual
Lease Year Four:	\$21,653.98/annual
Lease Year Five:	\$10,675.94/six months


These rental fees are deposited into the City's General Fund.


**COORDINATION**

The City Attorney's Office and Asset Management have reviewed and approved this standard lease agreement.

**SUPPLEMENTARY COMMENTS**

The Discretionary Contracts Disclosure Form completed by DHBO, Inc. d/b/a/ Guadalajara Grill is attached.

  
\_\_\_\_\_  
Malcolm Matthews,  
Director of Parks and Recreation

  
\_\_\_\_\_  
Melissa B. Vossmer,  
Assistant City Manager

Approved:

  
\_\_\_\_\_  
Terry M. Brechtel  
City Manager

**City of San Antonio**  
**Discretionary Contracts Disclosure\***

*For use of this form, see City of San Antonio Ethics Code, Part D, Sections 1&2  
Attach additional sheets if space provided is not sufficient.  
State Not Applicable for questions that do not apply.*

*\* This form is required to be supplemented in the event there is any change in the information under (1), (2), or (3) below, before the discretionary contract is the subject of council action, and no later than five (5) business days after any change about which information is required to be filed.*

**Disclosure of Parties, Owners, and Closely Related Persons**

For the purpose of assisting the city in the enforcement of provisions contained in the City Charter and the code of ethics, an individual or business entity seeking a discretionary contract from the city is required to disclose in connection with a proposal for a discretionary contract:

(1) the identity of any individual who would be a party to the discretionary contract;

Melvin W. O'Bryant	President
Jose D. Hinojosa	Executive Vice-President

(2) the identity of any business entity that would be a party to the discretionary contract:

DHBO, Inc. dba Guadalajara Grill

and the name of:

(A) any individual or business entity that would be a *subcontractor* on the discretionary contract;

NA

(B) any individual or business entity that is known to be a *partner*, or a *parent* or *subsidiary business* entity, of any individual or business entity who would be a party to the discretionary contract;

NA

(3) the identity of any lobbyist or *public relations firm* employed for purposes relating to the discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract.

NA


### Political Contributions

Any individual or business entity seeking a discretionary contract from the city must disclose in connection with a proposal for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made directly or indirectly to any current or former member of City Council, any candidate for City Council, or to any political action committee that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an individual include, but are not limited to, contributions made by the individual's spouse, whether statutory or common-law. Indirect contributions by an entity include, but are not limited to, contributions made through the officers, owners, attorneys, or registered lobbyists of the entity.

To Whom Made:	Amount:	Date of Contribution:
NONE		

### Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city shall disclose any known facts which, reasonably understood, raise a question<sup>1</sup> as to whether any city official or employee would violate Section 1 of Part B, Improper Economic Benefit, by participating in official action relating to the discretionary contract.

<b>Signature:</b>  Jose D. Hinojosa	<b>Title:</b> Executive Vice-President <b>Company:</b> DHBO, Inc. dba Guadalajara Grill	<b>Date:</b> 12-26-2002

<sup>1</sup> For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.