

CITY OF SAN ANTONIO
INTERDEPARTMENTAL MEMORANDUM

TO: Mayor and City Council

FROM: Michael Abington, Director, Alamodome

THROUGH: Terry M. Brechtel, City Manager

COPIES: Roland A. Lozano, Assistant to the City Manager; Lisa Biediger, City Attorney's Office; File

SUBJECT: Ordinance Authorizing the Execution of a Lease Agreement with the San Antonio Sports Foundation for Office Space and Parking Spaces at the Alamodome

DATE: September 16, 2004

SUMMARY AND RECOMMENDATION

This ordinance authorizes the City Manager or her designee to execute a lease agreement between the City of San Antonio and the San Antonio Sports Foundation for 6,650 square feet of office space at the Alamodome and fifteen (15) parking spaces for a period of ten (10) years commencing October 1, 2004, and expiring September 30, 2014, with one (1) additional five- (5) year renewal option, for a monthly payment to the City of \$4,046.30, adjusted annually based on the Consumer Price Index (CPI).

Staff recommends approval.

BACKGROUND

The San Antonio Sports Foundation, a not for profit corporation, was founded in 1984 to create sports opportunities for the community and its youth through: 1) targeting sports as a growth industry by bringing sporting events with a positive economic impact to the city; 2) developing fitness programs for all ages, especially disadvantaged youth, and; 3) supporting the development of quality athletic facilities.

The Sports Foundation is supported financially from event sponsors, individual and corporate donors, grants from corporations and private foundations, and the City of San Antonio. The City's contribution is from the Community and Visitor Facilities Fund in the amount of \$500,000 annually for reimbursement of expenses associated with bidding for and hosting major amateur athletic events for FY 2004.

POLICY ANALYSIS

With the Sports Foundation located in the Alamodome the two entities can better facilitate their collaborative efforts to lure and host sporting events such as the NCAA Final Four basketball tournament.

This action is consistent with the City's overall initiatives to lease unused portions of City facilities to increase revenues and to co-locate similar functions and entities.

FINANCIAL IMPACT

The San Antonio Sports Foundation will pay the City \$4,046.30 monthly (\$48,556 annually) for reimbursement of utilities and telecommunications which represents a total of \$485,560 over the ten-year initial term and \$242,780 over the optional five-year renewal term. The City has provided a reduction in monthly rental fees which represent a value to the San Antonio Sports Foundation of \$7,831.50, or \$93,978 annually. Beginning in year two of the term payments are adjusted annually by the City based on the Consumer Price Index (CPI). The San Antonio Sports Foundation is responsible for all other operation and maintenance costs, including any interior remodeling.

In an effort to continue the strong working relationship with the Sports Foundation and enhance their ability to work collaboratively with City staff, temporary occupancy of the space was permitted beginning July 1, 2003. During the temporary occupancy period, the Sports Foundation paid for the reimbursement of utilities and telecommunications expenses.

There is no General Fund impact.

COORDINATION

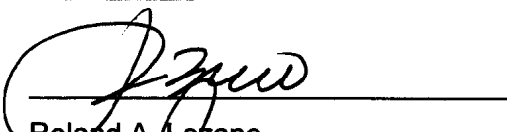
This item has been coordinated with the City Attorney's Office and Asset Management Department.

SIGNATURES



Michael Abington, Director
Alamodome

APPROVED



Roland A. Lozano
Assistant to the City Manager



Terry M. Brechtel
City Manager