

CITY COUNCIL AGENDA
ITEM NO. **40**

**CITY OF SAN ANTONIO
DEPARTMENT OF ASSET MANAGEMENT
CITY COUNCIL AGENDA MEMORANDUM**

TO: Mayor and City Council

FROM: Rebecca P. Waldman, Director of Asset Management

SUBJECT: Ordinance authorizing lease agreements with Clear Channel Radio, Inc.; San Antonio Express-News; and Infinity Broadcasting Corporation; for office space on the 2nd floor mezzanine at City Hall

DATE: December 15, 2005

SUMMARY AND RECOMMENDATIONS

This ordinance authorizes the approval of lease agreements with Clear Channel Radio, Inc. (WOAI); San Antonio Express-News; and Texas Infinity Broadcasting, L.P. (KTSA); for the use of office space located on the 2nd floor mezzanine at City Hall, each with 2 year terms commencing on January 1, 2006 and terminating on December 31, 2007, for a rental rate of \$16.85 per square foot and provides a three year renewal for each lease at market rates for the years beginning January 1, 2008 and ending December 31, 2010.

Staff recommends approval of this ordinance.

BACKGROUND INFORMATION

Since 1992, the City has leased space on the 2nd floor mezzanine of City Hall to Clear Channel Radio, Inc. (WOAI), the Hearst Corporation, now San Antonio Express-News, and Waterman Broadcasting Corporation, now Texas Infinity Broadcasting L.P. (KTSA). The leases will be expiring in December 2005. The Tenants have all expressed the desire to execute new leases with the City of San Antonio.

All three leases have a 2-year term commencing January 1, 2006 through December 31, 2007 with a 3-year renewal at market rent rates for years 2008 through 2010.

The lease allows the Landlord with a thirty (30) day written notice to designate different space in City Hall to serve as the Premises. However, alternative space must be approximately the same size and the rent will be the same amount per square foot as the original space. Tenant will have the choice of terminating the lease or accepting the "new premises" within 30 days of such notice.

The business points specific to each lease are attached as Exhibit "B". A floor plan of City Hall's 2nd floor Mezzanine is attached as Exhibit "C".

POLICY ANALYSIS

This ordinance is consistent with the City's policy to generate revenue through the leasing of City owned properties.

FISCAL IMPACT

The rental rate is \$16.85 per square foot per year payable in advance at the beginning of each lease year for the first two years. The total rent from all three leases to the City for the first two years will be approximately \$12,098. The Tenant will have the option to renew the leases at current market rates for another three years. If rent rates were to remain the same throughout the five years, the total rent generated for the leased space would be approximately \$30,246.

Clear Channel Radio, Inc. is leasing 71 square feet and will pay \$1,199 rent per year. Texas Infinity Broadcasting, L.P. is leasing 110 square feet and will pay \$1,854 rent per year. The San Antonio Express-News is leasing 178 square feet, and will pay \$2,999 rent per year.

COORDINATION

This request for ordinance has been coordinated with the City Attorney's Office.

SUPPLEMENTARY COMMENTS

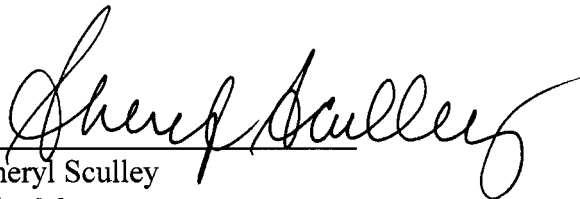
The Discretionary Contracts Disclosure Form required by the Ethics Ordinance is attached as Exhibit "A".



Rebecca P. Waldman
Director of Asset Management



Erik J. Walsh
Assistant to the City Manager



Sheryl Sculley
City Manager

City of San Antonio
Discretionary Contracts Disclosure

For use of this form, see Section 2-50 through 2-61 of the City Code (Ethics Code).
Attach additional sheets if space provided is not sufficient.

(1) Identify any individual or business entity that is a **party** to the discretionary contract.

Clear Channel Broadcasting, Inc.

(2) Identify any individual or business entity which is a **partner, parent** or **subsidiary** business entity, of any individual or business entity identified above in Box (1):

☐ No partner, parent or subsidiary; or

List partner, parent or subsidiary of each party to the contract and identify the corresponding party:

See Attachment A

(3) Identify any individual or business entity that would be a **subcontractor** on the discretionary contract.

☒ No subcontractor(s); or

List subcontractors:

(4) Identify any **lobbyist** or **public relations firm** employed by any party to the discretionary contract for purposes related to seeking the discretionary contract.

☒ No lobbyist or public relations firm employed; or

List lobbyists or public relations firms:

A *business entity* means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law. A sole proprietor should list the name of the individual and the title, if any.

CCSA Form 1050-33-2 (09/12-02, revised 04/02/05)

(5) Political Contributions

List all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made 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 Box (1), (2), (3) or (4) above, or by the officers, owners of any business entity listed in Box (1), (2) or (3).



No contributions made: If contributions made, list below:

By Whom Made:	To Whom Made:	Amount:	Date of Contribution:

(6) Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city must disclose any known facts which, reasonably understood, raise a question² as to whether any city official or employee would violate Section 2-43 of the City Code (Ethics Code), ("conflicts of interest") by participating in official action relating to the discretionary contract.

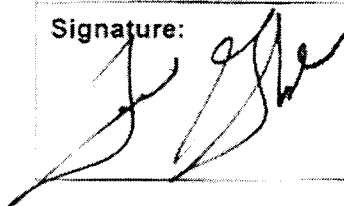


Party not aware of facts which would raise a "conflicts-of-interest" issue under Section 2-43 of the City Code; or

Party aware of the following facts:

This form is required to be supplemented in the event there is any change in the information 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, whichever occurs first.

Signature:



Title: VP/MM

Date:

Company or D/B/A:

11/28/05

Clear Channel
Broadcasting

² For purposes of this rule, facts are "reasonably understood" to raise a question about the appropriateness of a transaction if a disinterested person would conclude that the facts, if true, might require careful consideration of whether a conflict of interest is required.

Attachment A

Parent of Clear Channel Broadcasting, Inc.:

Clear Channel Broadcasting Licenses, Inc.

Subsidiaries of Clear Channel Broadcasting, Inc.:

Clearmart, Inc.

Bel Meade Broadcasting Company, Inc.

Clear Channel Wireless, Inc.

CC ARN, LLC – sole member

Terrestrial RF Licensing, Inc.

Clear Channel Company Store, Inc.

SEVAH, LLC – sole member

CCBL FCC Holdings, Inc.

CCBL GP, LLC – sole member

City of San Antonio
Discretionary Contracts Disclosure

*For use of this form, see Section 2-59 through 2-61 of the City Code (Ethics Code)
Attach additional sheets if space provided is not sufficient.*

(1) Identify any individual or business entity¹ that is a **party** to the discretionary contract:

not applicable

(2) Identify any individual or business entity which is a **partner, parent or subsidiary** business entity, of any individual or business entity identified above in Box (1):

☐ No partner, parent or subsidiary; or

List partner, parent or subsidiary of each party to the contract and identify the corresponding party:

not applicable

(3) Identify any individual or business entity that would be a **subcontractor** on the discretionary contract:

☐ No subcontractor(s); or

List subcontractors:

not applicable

(4) Identify any **lobbyist or public relations firm** employed by any party to the discretionary contract for purposes related to seeking the discretionary contract.

☐ No lobbyist or public relations firm employed; or

List lobbyists or public relations firms:

not applicable

¹ A *business entity* means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law. A sole proprietor should list the name of the individual and the d/b/a, if any.

(5) Political Contributions

List all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made 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 Box (1), (2), (3) or (4) above, or by the officers, owners of any business entity listed in Box (1), (2) or (3):

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none			

(6) Disclosures in Proposals

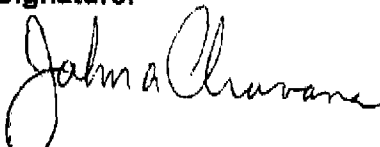
Any individual or business entity seeking a discretionary contract with the city must disclose any known facts which, reasonably understood, raise a question² as to whether any city official or employee would violate Section 2-43 of the City Code (Ethics Code). ("conflicts of interest") by participating in official action relating to the discretionary contract.

☐ Party not aware of facts which would raise a "conflicts-of-Interest" issue under Section 2-43 of the City Code; or

Party aware of the following facts:

not applicable

This form is required to be supplemented in the event there is any change in the information 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, whichever occurs first.

Signature: 	Title: Director of Finance Company or D/B/A: San Antonio Express-News	Date: 11-18-05
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² 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.

City of San Antonio

Discretionary Contracts Disclosure

For use of this form, see Section 2-59 through 2-61 of the City Code (Ethics Code)
Attach additional sheets if space provided is not sufficient.

(1) Identify any individual or business entity¹ that is a **party** to the discretionary contract:

KTSA/KSRX

(2) Identify any individual or business entity which is a **partner, parent** or **subsidiary** business entity, of any individual or business entity identified above in Box (1):



No partner, parent or subsidiary; or

List partner, parent or subsidiary of each party to the contract and identify the corresponding party:

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No subcontractor(s); or

List subcontractors:

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Party not aware of facts which would raise a "conflicts-of-interest" issue under Section 2-43 of the City Code; or

Party aware of the following facts:

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Signature: 	Title: VP/Market Manager Company or D/B/A: KTSA	Date: November 28, 2005
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² 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.

Summary - Media Leases

Clear Channel Radio (WOAI), Texas Infinity Broadcasting L.P. (KTSA), and the San Antonio Express-News

TERM

- 2 year Lease commencing January 1, 2006 through December 31, 2007

RENT

- Rent will remain the same for the first two years of initial lease
- Rent is due annually on January 1st

OPTIONS

- Landlord will have the right to relocate Tenant with like-kind space
- Landlord and Tenant will have the right to terminate with 30 day notice
- Tenant will have the right to renew for 3 years (January 1, 2008 – December 31, 2010) at market rate

Clear Channel Radio (WOAI) (Room E)

- January 1, 2006 through December 31, 2007
- 71 square feet of leased space
- \$16.85 per square foot per year/\$1.40 per foot per month
- \$1,199.22 rent per year

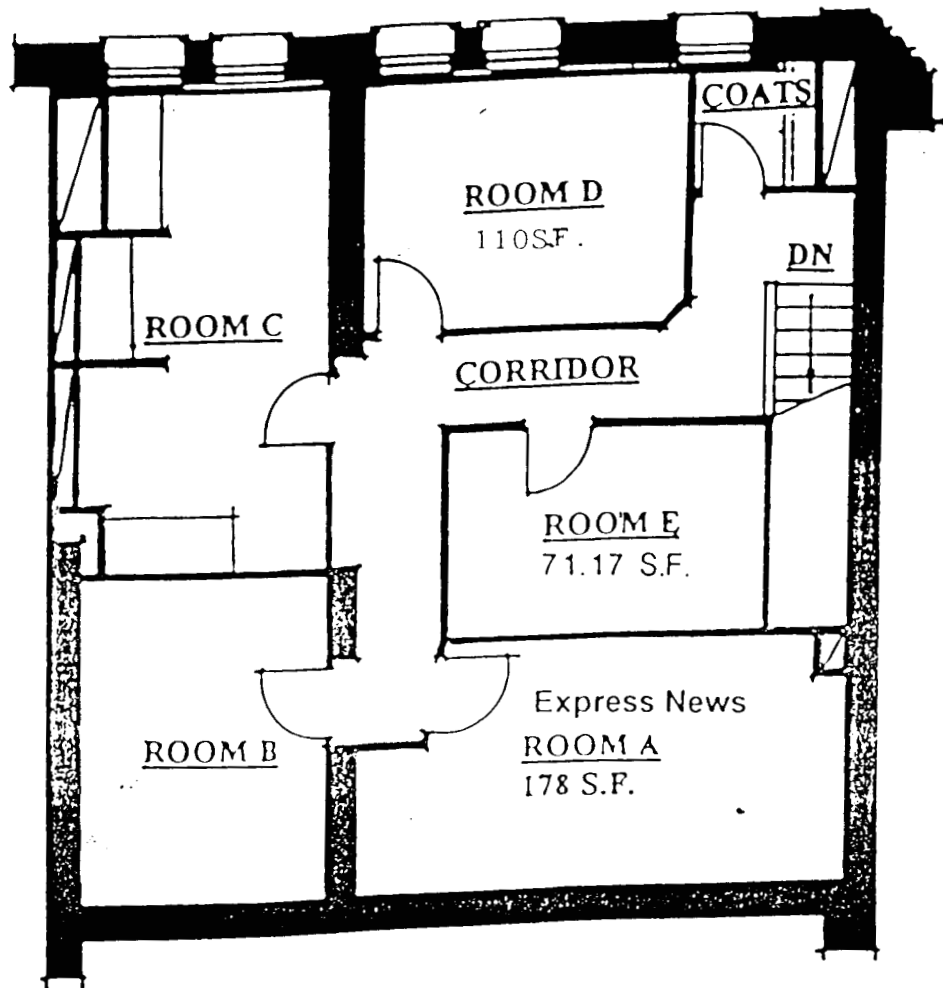
Texas Infinity Broadcasting L.P. (KTSA) (Room D)

- January 1, 2006 through December 31, 2007
- 110 square feet of leased space
- \$16.85 per square foot per year/\$1.40 per foot per month
- \$1,853.50 rent per year

San Antonio Express News (Room A)

- January 1, 2006 through December 31, 2007
- 178 square feet of leased space
- \$16.85 per square foot per year/\$1.40 per foot per month
- \$2,999.30 rent per year

Exhibit "B"



CITY HALL - SECOND FLOOR MEZZANINE
PRESS ROOMS

SCALE: 1/8" = 1'-0"

Exhibit "C "