



# City of San Antonio

## Agenda Memorandum

**File Number:** 15-5707

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**Agenda Item Number:** 10.

**Agenda Date:** 11/19/2015

**In Control:** City Council A Session

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**DEPARTMENT:** Center City Development & Operations Department

**DEPARTMENT HEAD:** John Jacks

**COUNCIL DISTRICTS IMPACTED:** 1

### **SUBJECT:**

Five-year lease agreement with Eye Candy Boutique, LLC.

### **SUMMARY:**

This ordinance authorizes a five-year lease agreement with Eye Candy Boutique, LLC to operate a retail establishment from 531 Navarro, located at street level within the Houston Street Parking Garage effective December 1, 2015, which will generate \$81,000.00 in lease payments to the City over the five-year term.

### **BACKGROUND INFORMATION:**

The City of San Antonio owns and operates the Houston Street Parking Garage (Garage), located at the southwest corner of Houston and Navarro Streets. The Garage houses several retail establishments at street level to include Eye Candy Boutique, LLC, (Eye Candy) which is operating in 531 Navarro as a temporary pop-up shop through the City's OPEN initiative. Since 2013, the OPEN initiative has activated vacant public and private properties by introducing new, creative, and temporary retail ventures to serve as a catalyst for downtown development opportunities. For example, the space Eye Candy activated had been vacant for three years and was formerly occupied by the San Antonio Police Department's Downtown Bike Patrol unit. Having established itself as a thriving downtown retail establishment, staff entered into negotiations with Eye Candy to remain a permanent tenant of the Garage.

The lease with Eye Candy will be for 720 square feet, with an initial term of five years commencing December 1, 2015 through November 30, 2020. The agreement provides for one five-year renewal option. Eye Candy will pay an initial annual lease rate of \$20.00 per square foot as well as \$1.26 per square foot annually in

Common Area Maintenance (CAM) fees.

**ISSUE:**

Approval of this ordinance is consistent with the City’s policy to lease City-owned property and support downtown economic development.

**ALTERNATIVES:**

The City may elect to not lease space to Eye Candy and seek an alternate lessee.

**FISCAL IMPACT:**

Eye Candy will pay an initial annual lease rate of \$20.00 per square foot, which will escalate 3.00% annually. In addition, Eye Candy will pay \$1.26 per square foot annually in CAM fees. Lease totals for the agreement’s initial five-year term are outlined below:

<b>Term</b>	<b>Lease Rate/p (Annual)</b>	<b>CAM/psf (Annual)</b>	<b>Annual/Monthly Totals Due</b>
12/1/2015 - 11/30/2016	\$20.00	\$1.26	\$15,307.20/\$1,275.60
12/1/2016 - 11/30/2017	\$20.60	\$1.26	\$15,739.20/\$1,311.60
12/1/2017 - 11/30/2018	\$21.22	\$1.26	\$16,185.60/\$1,348.80
12/1/2018 - 11/30/2019	\$21.86	\$1.26	\$16,646.40/\$1,387.20
12/1/2019 - 11/30/2020	\$22.52	\$1.26	\$17,121.60/\$1,426.80

All funds received through this agreement will be deposited into the City’s Parking Fund.

**RECOMMENDATION:**

Staff recommends approval of this ordinance authorizing a five-year agreement with Eye Candy Boutique, LLC to lease 720 square feet at 531 Navarro, located at street-level within the Houston Street Parking Garage.