



# City of San Antonio

## Agenda Memorandum

**File Number:**20-2595

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**Agenda Item Number:** 7.

**Agenda Date:** 4/16/2020

**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 ATR Foods, LLC for space in the Houston St. Parking Garage

### **SUMMARY:**

This ordinance authorizes a five-year lease agreement between the City of San Antonio and ATR Foods, LLC for 720 square feet of space located at 531 Navarro Street, on the street level within the Houston Street Parking Garage, commencing May 1, 2020, for use as a limited menu restaurant, which will generate \$100,322.40 in revenue for the City over the initial five-year lease term, with the option to renew the lease for an additional 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 and restaurant establishments at street level. The City's former tenant of 531 Navarro St. has moved-out, which has provided the City the opportunity to lease the space to ATR Foods, LLC. The restaurant will be a grab and go style, Italian-themed ice cream shop offering a limited menu, including sandwiches, gelato and pastries.

### **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 ATR Foods, LLC and seek an alternate lessee.

**FISCAL IMPACT:**

Rental payments have been structured so that rent for the first four months is abated with the full rent being charged starting in September 2020 as follows:

TERM	MONTHLY RENT	ANNUAL RENT
May 1, 2020 - August 31, 2020	\$0.00	\$0.00
Sept 1, 2020 - April 30, 2021	\$1,680.00	\$13,440.00
May 1, 2021 - April 30, 2022	\$1,730.40	\$20,764.80
May 1, 2022 - April 30, 2023	\$1,782.60	\$21,391.20
May 1, 2023 - April 30, 2024	\$1,836.00	\$22,032.00
May 1, 2024 - April 30, 2025	\$1,891.20	\$22,694.40
Five-Year Total Rent		\$100,322.40

The abated rent has a value of \$6,720.00 as a concession for the expected investment by the operator of an estimated \$15,000.00 in improvements to the property to outfit it for food service use. 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 lease agreement with ATR Foods, LLC for the property located at 531 Navarro, within the Houston Street Parking Garage.