



City of San Antonio

Agenda Memorandum

File Number:20-2837

Agenda Item Number: 24.

Agenda Date: 6/4/2020

In Control: City Council A Session

DEPARTMENT: Aviation

DEPARTMENT HEAD: Jesus H. Saenz, Jr., AIP

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Lease Agreement with Paradies Lagadere @SAT, LLC at the San Antonio International Airport

SUMMARY:

This ordinance approves a seven-year lease agreement with Paradies Lagadere @SAT, LLC (Paradies) for 467 square feet of office space in Terminal A of the San Antonio International Airport. The lease agreement will generate \$46,186.30 in annual revenue which will be deposited into the Airport Operating & Maintenance Fund. This rental rate will be adjusted every October 1st, in accordance with the Airport Rates and Charges.

BACKGROUND INFORMATION:

Paradies was awarded a prime concessionaire agreement for food, beverage and retail concepts in Terminal A in March 2019. The firm had leased 154 square feet of office space in Terminal A through a short-term lease agreement which expires on June 30, 2020. This Ordinance will authorize a long-term lease agreement and provide additional space needed by Paradies to support its stores.

ISSUE:

Paradies requires 467 square feet of office space in Terminal A to support its 10 concepts. As of April 30, 2020, four of its concepts have completed construction and one continues construction. Three of those locations opened but due to the steep decrease in passengers, only Merit Coffee remains open with reduced hours and the fourth concept, Smoke Shack, will open when the passenger levels strengthen.

The lease agreement will commence on July 1, 2020 for a term of seven years. The Aviation Director may adjust the expiration date of the lease agreement in order to align the term of the agreement with Paradies' Food, Beverage and Retail Concession Agreement.

ALTERNATIVES:

City Council could choose not approve this agreement, which would result in Paradies not having office space in Terminal A to support its concessionaires and identifying office space in another location, which may not be on Airport property.

FISCAL IMPACT:

Under the terms of the lease agreement, \$46,186.30 in revenue will be generated annually, which will be deposited in the Airport Operating and Maintenance Fund. This rental rate is the current Non-Airline Terminal Rental Rate and will be adjusted every October 1st, in accordance with the Airport Rates and Charges.

Leased Premises	Square Feet	Annual Rate/ Square Foot	Annual Rental
Office	467	\$98.90	\$46,186.30

RECOMMENDATION:

Staff recommends the approval of a seven-year lease agreement with Paradies Lagadere @SAT, LLC at the San Antonio International Airport.