



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 25

Agenda Date: March 7, 2024

In Control: City Council A Session

DEPARTMENT: Building & Equipment Services

DEPARTMENT HEAD: Jorge Perez

COUNCIL DISTRICTS IMPACTED: District 1

SUBJECT:

Extension of Lease Agreement with Riverbend Garage LLC

SUMMARY:

This ordinance authorizes the execution of a five-year agreement with Riverbend Garage LLC for 2,056 square feet of storefront space located at 412 East Commerce Street on the street level of the Riverbend Garage, for use as the Centro Info Center in Council District 1, for the annual rental amount of \$10,284.00, plus reimbursement of operating expenses associated with the occupancy estimated to be \$16,440.00 annually, with the right to terminate at any time with 120 days' notice. Funding in the amount of \$22,270.00 for 10 months of the annual expenses is available from the General Fund FY 2024 Adopted budget.

BACKGROUND INFORMATION:

The Centro Info Center has operated from this facility for over 15 years and serves as a resource for persons in the downtown area to use the public restrooms or obtain information related to activities occurring in the region that may be of interest to tourists and travelers.

Extending the lease for an additional five-years will allow the City to maintain the services offered and forego the cost of constructing public restrooms to replace those offered in this location.

ISSUE:

The lease term has ended but the City has the right to extend the occupancy for an additional five-year term ending November 30, 2028. This action is consistent with the City's policy to provide services that benefit the downtown experience providing comfort facilities along with information beneficial to tourists and travelers.

ALTERNATIVES:

An alternative to entering into this agreement would be to close the facilities or replace them by constructing public restrooms near this location. However, the cost to build replacement facilities is prohibitive and until such time that additional restroom facilities, either publicly or privately constructed, become available, there is a need for this use downtown.

FISCAL IMPACT:

The monthly rent for the entire term is \$857.00 per month or \$51,420.00 over the five-year term. Additionally, the City is responsible for reimbursing operating expenses related to our occupancy including water, taxes and building insurance which are estimated at \$1,370.00 per month or \$82,200.00 over the five-year term. The operating expenses are subject to adjustment annually based on landlord's actual cost of operation. Funding is available from the FY 2024 Adopted General Fund Budget for 10 months of the annual expenses related to this lease agreement. Funding for subsequent fiscal years is subject to City council approval of the annual budget.

RECOMMENDATION:

Staff recommends approval of this ordinance authorizing the execution of an Extension to Lease Agreement with Riverbend Garage, LLC for a term ending November 30, 2028.