



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 6

Agenda Date: May 15, 2025

In Control: City Council A Session

DEPARTMENT: Building & Equipment Services

DEPARTMENT HEAD: Jorge Perez

COUNCIL DISTRICTS IMPACTED: District 1

SUBJECT:

Lease extension and renewal for Alfredo's Gelato Pizza Cannoli & Caffé restaurant space located at 531 Navarro Street.

SUMMARY:

Ordinance authorizing extension and renewal of the lease in the City-owned Houston Street Parking Garage located at 531 Navarro Street for a five-year term ending April 30, 2030, with ATR Foods, LLC dba Alfredo's Gelato Pizza Cannoli & Caffé. Revenue generated from this lease agreement will be deposited into the Parking Operating and Maintenance Fund.

BACKGROUND INFORMATION:

The Houston Street Garage has several retail storefronts along Houston and Navarro Streets with ATR Foods operating a restaurant in 720 square feet of space located at 531 Navarro Street. ATR Foods has been a good standing tenant at this Houston Street garage location since 2020.

Terms of the lease amendment provide for an extension through April 30, 2030, at a rental rate of \$32.47 per square foot for the first 30-months (\$23,378.40 Annually) then increasing to \$33.44 per square foot for the last 30-months (\$24,076.80 Annually) of the lease term which is in line

with comparable rates in the downtown area when adjusted for the fact that ATR Foods pays for its own utilities and maintenance costs associated with the occupancy.

ISSUE:

The lease provides an option to renew for an additional five-year term. The lease is expiring and ATR Foods timely notified City of its intent to renew the lease.

ALTERNATIVES:

ATR Foods, LLC has the right to extend per the terms of the lease. Given that ATR Foods, to date, has met the obligations of the lease, an extension of the lease would be seen as a continued contribution to the surrounding community in concurrence with its terms.

Approval of this lease renewal is consistent with City policy to lease City-owned property that is not needed for City's use and support the vibrancy of a variety of options for people in the downtown area.

FISCAL IMPACT:

Monthly Rent during the first 30-months of the extension term will be \$1,948.20 increasing by 3% to \$2,006.40 per month in the final 30-months of the term. Total revenue collected over the five-year term will be \$118,638.00. Revenue generated from this lease agreement will be deposited into the Parking Operating and Maintenance Fund.

RECOMMENDATION:

Staff recommends the approval of a lease renewal amendment with ATR Foods, LLC to extend the lease term through April 30, 2030.