

Lease Extension - Subway Restaurant



**City Council A Session – Item #11
April 4, 2024**

**Presented by: Alexander Martinez, Deputy Director
Building and Equipment Services Department**

Background



- Lease for street level retail space in the City-owned Houston Street Parking Garage at 240 East Houston Street
- Subway has operated from this location for over 11 years augmenting the dining options for people in the downtown area
- The extension is in accordance with terms of the existing lease contract between City and Tenant



Lease Terms

- The lease will be extended through December 31, 2028
- Monthly revenue during the first year of the extension term will be \$4,332.12 increasing 3% annually with the monthly revenue being \$4,875.84 in the final 12 months of the term
- Total revenue collected over term will be \$275,997.76 for 1,870 square feet of storefront retail space
- Broker's commission of \$9,659.92 for the renewal will be paid as provided in the lease



Recommendation



Staff recommends approval authorizing the execution of the lease renewal agreement for the Subway Restaurant located at 240 East Houston Street for a term that will end December 31, 2028.



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