# City of Austin

## Recommendation for Action

**File #:** 26-2161, **Agenda Item #:** 49. 8/27/2026

### Posting Language

Authorize negotiation and execution of a lease agreement with Slice Padel Co., LLC, on behalf of Austin Convention Center department, for an initial term of three years, plus two one-year extension options, for approximately 42,654 square feet of space on the top level of the City-owned parking garage located at 601 East 5th Street, Austin, Texas 78701, including approximately 118 parking spaces. Funding: This item is projected to result in additional revenue of $3,000 in the Fiscal Year 2025-2026 Operating Budget and $33,000 in the Fiscal Year 2026-2027 Operating Budget of the Austin Convention Center department.

### Lead Department

Austin Financial Services.

### Fiscal Note

This item is projected to result in additional revenue of $3,000 in the Fiscal Year 2025-2026 Operating Budget and $33,000 in the Fiscal Year 2026-2027 Operating Budget of the Austin Convention Center department.

### For More Information:

Brandon Williamson, Austin Financial Services, 512-974-5666; Michael Gates, Austin Financial Services, 512-974-5639; Hays Thompson, Austin Convention Center, 512-404-4262.

### Additional Backup Information:

The proposed lease agreement is for approximately 42,654 square feet of currently underutilized rooftop parking spaces, consisting of approximately 118 parking spaces, for use as a racquet sports facility. The tenant will accept the premises in its existing “as-is” condition and will be solely responsible for all costs associated with the design, construction, operation, maintenance, and improvement of the rooftop space. The tenant’s investment is estimated at $500,000. The proposed use is temporary, and the lease term aligns with the redevelopment schedule of the Austin Convention Center. During the redevelopment of the Austin Convention Center, the proposed agreement will create an opportunity for the City to generate revenue from an otherwise underutilized City asset and provide a recreational facility.

Slice Padel Co., LLC will operate a premier recreational facility featuring state-of-the-art racquet sports courts and a range of supporting amenities, such as a pro shop and beverage service. This facility will enhance public access to the rooftop during the Austin Convention Center’s redevelopment, offering a unique recreational experience. Padel, a dynamic racquet sport blending elements of tennis and squash, is rapidly gaining popularity.

The proposed rent is $3,000 per month and will increase by three percent (3%) annually. The lease includes two one-year extension options.

This agreement offers the City both a meaningful community benefit and a new revenue stream by utilizing property that would otherwise remain idle during the Austin Convention Center construction. Additionally, the tenant will fund all improvements at its own expense, creating a publicly accessible recreational amenity without requiring any City capital investment.

By approving this item, Council finds that the lease serves a public purpose and benefits the City by generating revenue and revitalizing an underutilized asset during the Austin Convention Center's redevelopment. The lease will also create new opportunities for recreational activities in the heart of downtown Austin.

A pricing analysis was conducted by evaluating the combined financial impact of proposed rent, tax revenue, and private capital investment. The findings show that the monthly benefit, including both rental income and community benefits, will surpass the monthly revenue that the City would otherwise receive from rooftop parking, which would likely generate greater revenue than continuing to make these parking spaces available for public parking during redevelopment. As a result, the interim income and community benefits justify a short-term lease, with full parking operations resuming once the Austin Convention Center's redevelopment is complete.

The following table summarizes the proposed rent:

| Term | Monthly Rent | Annual Rent |
|---|---|---|
| Months 1-12 | $3,000 | $36,000 |
| Months 13-24 | $3,090 | $37,080 |
| Months 25-36 | $3,183 | $38,196 |
| **Total:** | | **$111,276** |

The Strategic Facilities Governance Team has reviewed and approved the proposed lease agreement.