



and

STAFF REPORT

AGENDA NO: 9g

MEETING DATE: July 6, 2026

To: Honorable Mayor and City Council

Date: July 6, 2026

From: Margaret Glomstad, Parks and Recreation Director – (650) 558-7307

Subject: Adoption of a Resolution Authorizing the City Manager to Execute a Lease Agreement with Gigi’s Café, LLC, for the Lease of the Greyhound Bus Depot for an Initial Term of Five Years, with Two Additional Five-Year Options, for a Maximum of 15 Years

RECOMMENDATION

Staff recommends that the City Council adopt a Resolution authorizing the City Manager to execute a Lease Agreement (“Agreement”) with Gigi’s Café, LLC, for the lease of the Greyhound Bus Depot (“Depot”). The initial term of the Agreement is five years, with two additional five-year options, for a maximum term of 15 years.

BACKGROUND

The City-owned Depot complex, which is located at 1080 Howard Avenue, includes the Depot structure and an adjacent landscaped area. For many years, the City leased the Depot to a sandwich shop owner. More recently, City staff has used the building as office space. Since City staff no longer needs the space, the City wishes to lease the Depot to generate revenue.

In October 2025, staff reopened the Request for Proposals (RFP) submission period for the lease of the Depot. The RFP provided specific instructions to prospective tenants on the minimum information required in any response, including response formatting, as well as pertinent data about the Depot facility.

The RFP submission period closed on December 18, 2025, and the City received one complete submission by the deadline. A staff committee comprising City Manager Goldman, City Attorney Guina, and P&R Director Glomstad reviewed the proposals.

DISCUSSION

Staff interviewed the representatives of Gigi’s Café on January 22, 2026, and contacted the provided references and current landlord for Gigi’s Café. All references provided excellent reviews of Gigi’s Café, located on the Bayfront, and its owner, Teresa Gee.

Gigi’s at the Depot would be a satellite operation to the existing Gigi’s Café. Gigi’s at the Depot would be a deli and café focused on accessibility, consistency, affordability, and community value.

Gigi's would preserve the Depot's historic character while offering fresh sandwiches, salads, seasonal specials, and beverages for commuters, families, students, and downtown visitors. Gigi's would operate as a grab-and-go café and would be a no-tipping establishment, providing transparent, all-in pricing with no added service charges or hidden fees.

The lease would include the Depot structure and a small area outside for Recology trash pickup. There is no dedicated parking in the Agreement, given that the operation is a to-go, takeout model. The Depot is taken in "as-is" condition, and the City is not responsible for any improvements of the premises.

Gigi's will be responsible for maintenance and repair of the interior of the Depot building, as well as the landscaping. The City is responsible for maintaining the exterior of the building, including the roof and foundation.

The initial term of the Agreement is five years, with two options to extend, each for a five-year term, for a maximum term of 15 years.

FISCAL IMPACT

The Depot lease is estimated to generate \$28,800 in annual rent after the first year, with annual Consumer Price Index increases thereafter. For the first three months of the lease, a nominal rent of \$200 per month will allow Gigi's at the Depot time to apply for permits and make the necessary renovations. If the permitting process exceeds three months, then months four through six will be \$400 per month. At any time during the first six months of the lease, if a certificate of occupancy is issued, the rent amount goes to \$2,100 per month until the end of the first lease year, after which the rent shall be \$2,400 per month, or \$28,800 annually.

Exhibits:

- Resolution
- Lease Agreement