

**THIS IS A PROPOSED DRAFT AND WILL BE REPLACED BY THE FINAL, SIGNED ORDINANCE OR RESOLUTION ADOPTED BY THE CITY COUNCIL.**

**ORDINANCE**

**APPROVING THE EXTENSION OF FARMERS MARKET AND EL MERCADO LEASES IN MARKET SQUARE TO JUNE 30, 2023 WITH SCHEDULED 2% LEASE RATE INCREASES IN YEAR 3, WITH THE RIGHT OF FIRST REFUSAL TO ENTER INTO A 4-YEAR LEASE EXTENSION, SALES REPORTING REQUIREMENTS, PROHIBITING FUTURE LEASE ASSIGNMENTS, AND ADJUSTING HOURS OF OPERATION.**

\* \* \* \* \*

**WHEREAS**, the City of San Antonio owns and manages Market Square, a historic and culturally significant place in San Antonio; and

**WHEREAS**, Market Square, with a retail history dating back to the nineteenth century, provides a unique and authentic Mexican Market experience, offering retail sales, holiday celebrations, and year-round entertainment; and

**WHEREAS**, there are 56 businesses in the Farmers Market, 33 in El Mercado and 14 in Market Square Plaza, ranging from cafes to shops specializing in local, regional and international products; and

**WHEREAS**, on June 23, 2011, City Council passed Ordinance No. 2011-06-23-0571, which authorized extensions to all Farmers Market and El Mercado leases until June 30, 2014; and

**WHEREAS**, the ordinance also provided the City the option to renew all the Farmers Market and El Mercado leases for an additional three-year period until June 30, 2017 and a subsequent two-year period until June 30, 2019; and

**WHEREAS**, the City has exercised its options to extend the Farmers Market and El Mercado agreements until June 30, 2019; and

**WHEREAS**, to preserve Market Square's legacy, the City of San Antonio, in partnership with Centro San Antonio, is committed to creating a collaborative vision for Market Square that incorporates the voices of area stakeholders and preserves the rich, cultural heritage and authentic San Antonio experience that makes it a vibrant destination for residents and visitors; and

**WHEREAS**, to allow for the visioning process and planned developments to come to fruition, the City is seeking to extend the current Farmers Market and El Mercado leases through June 2023; and

**WHEREAS**, at the end of the lease period, and to ensure small enterprises are preserved, Farmers Market and El Mercado tenants will have the right of first refusal to enter into a 4-year lease within Market Square subject to terms proposed by the City that may be developed as part of the visioning process; and

**WHEREAS**, this right of first refusal will not guarantee tenants a right to the space they are currently occupying, only the right to enter into a 4-year lease agreement for an available space within the Market Square complex. There is no guarantee as to the allowable uses or the lease rate to be paid; and

**WHEREAS**, the City is also seeking amendments to the current lease agreement to include sales reporting requirements, prohibiting future lease assignments, and adjusting hours of operation; and

**WHEREAS**, the summer hours of operation for Farmers Market and El Mercado stores will be altered as follows: In June through mid-August, store hours on Monday through Saturday will be 10:00 am to 7:00 pm; store hours on Sundays will be 10:00 am to 6:00 pm. From mid-August through May store hours will be 10:00 am to 6:00 pm. Tenants are allowed to request extended hours of operation for special events; **NOW THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** The City Manager or designee, or the Director of the Center City Development and Operations Department or designee, is authorized to execute the extension of Farmer's Market and El Mercado leases in Market Square from July 1, 2019 to June 30, 2023 with 2% lease rate increase in years 3. Copies of the Lease Agreement, in substantially final form, are attached hereto and incorporated herein for all purposes as **Attachment I**.

**SECTION 2.** No Fiscal Language Available.

**SECTION 3.** The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

**SECTION 4.** This ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

**PASSED AND APPROVED** this \_\_\_\_\_ day of \_\_\_\_\_.

**M A Y O R**  
Ron Nirenberg

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Leticia M. Vacek, City Clerk

\_\_\_\_\_  
Andrew Segovia, City Attorney

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Item #19-4379

# ATTACHMENT I

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# **ATTACHMENT II**

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