

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

ORDINANCE

**APPROVING LEASE AGREEMENTS WITH FARMERS MARKET
AND EL MERCADO LESSEES IN MARKET SQUARE,
EXTENDING TO MAY 31, 2025 WITH SCHEDULED 2% LEASE
RATE INCREASES IN YEAR 3 AND 5.**

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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 all current leases are operating on a month-to-month basis; and

WHEREAS, lease rates will remain the same for the first two years of the agreements and will increase by 2% at the beginning of years 3 and 5: and

WHEREAS, lease agreements with Farmers Market and El Mercado lessees will include requiring sales reporting, adjusting provisions for future lease assignments, and changing hours of operation; and

WHEREAS, many businesses at Farmers Market and El Mercado have been in operation for at least 20 years and owned by one or multiple generations of the same family. Under the terms of the lease agreements, these “Legacy Businesses” will be able to assign the lease to a family member under the same terms subject to a \$1,500 assignment fee. All other lease assignments will require an assignment fee of \$3,000 and be subject to an adjusted lease rate based on market conditions; 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 revised 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 lease agreements of Farmer’s Market and El Mercado lessees in Market Square to May 31, 2025 with 2% lease rate increase in years 3 and 5. The lease agreements require City Council approval, and a list of tenants is attached. Copies of the Lease Agreement, in substantially final form, are attached hereto and incorporated herein for all purposes as **Attachment I**. A list of tenants is attached. **Attachment II**.

SECTION 2. Reserved for Fiscal Language.

SECTION 3. Reserved for Fiscal Language.

SECTION 4. 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 5. 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:

Tina Flores, Acting City Clerk

Andrew Segovia, City Attorney

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ATTACHMENT I

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ATTACHMENT II

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