

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

AN ORDINANCE

AUTHORIZING A FUNDING AGREEMENT WITH ESPERANZA PEACE AND JUSTICE CENTER IN AN AMOUNT NOT TO EXCEED \$500,000.00 FOR STABILIZATION OF THE FORMER LERMA BUILDING LOCATED AT 1612 NORTH ZARZAMORA, INCLUDING ARCHITECTURAL AND ENGINEERING DESIGN FOR NECESSARY MECHANICAL, ELECTRICAL, AND PLUMBING REPAIRS; AND AUTHORIZING A 20 YEAR LEASE FOR THE SAME BUILDING FROM THE ESPERANZA PEACE AND JUSTICE CENTER, FOR A TOTAL OF \$10.00, AND A 20 YEAR LEASE-BACK OF THE PROPERTY TO THE ESPERANZA PEACE AND JUSTICE CENTER, FOR A TOTAL OF \$10.00, LOCATED IN COUNCIL DISTRICT 1.

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WHEREAS, the former Lerma's Nite Club ("Lerma's"), located at 1612 North Zarzamora, was constructed in 1948 and served as one of the oldest live conjunto music venues in central and south Texas and after the Esperanza Peace and Justice Center took ownership of the building, it was saved from demolition; and

WHEREAS, on October 21, 2010, City Council approved Landmark Designation for the building, in 2011 Lerma's was listed on the National Register of Historic Places and later it was listed on Preservation Texas 2014 Texas' Most Endangered Places; and

WHEREAS, despite its cultural significance and landmark status, the building is currently deemed a dangerous structure and efforts are underway by the Esperanza Peace and Justice Center to restore the building for public use, primarily as a Conjunto Musical Heritage Center; and

WHEREAS, under the proposed Agreements, the City will provide \$500,000.00 in funding for restoration efforts and for the entire term of the Funding Agreement, the City will lease the Lerma Building from the Esperanza Peace and Justice Center for \$10.00 and the Esperanza will lease it back for \$10.00; and

WHEREAS, the City Council finds that it is in the best interest of the City, its residents and visitors to authorize the execution of the Funding Agreement and the Lease and Leaseback;
NOW THEREFORE:

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

SECTION 1. The terms and conditions of the Funding Agreement with the Esperanza Peace and Justice Center, for an amount not to exceed \$500,000.00, subject to the availability of funds,

and the twenty-year Lease and Leaseback of the property located at 1612 North Zarzamora, San Antonio, Texas, 78201, are authorized and approved. The City Manager, or her designee, is authorized to execute these Agreements, copies of which are attached to this Ordinance as Exhibits I, II and III, respectively.

SECTION 2. Payment in the amount not to exceed \$500,000.00 in SAP Fund 40099000, Other Capital Projects, SAP Project Definition 28-00003, Lerma Building Improvements, is authorized to be encumbered and made payable to Esperanza Peace and Justice Center, for stabilization of the building and architectural and engineering design for necessary mechanical, electrical and plumbing repairs. Payments for services are contingent upon the availability of funds and the sale of future City of San Antonio, Certificates of Obligation in accordance with the adopted capital budget. Payment is limited to the amounts budgeted in the Operating and/or Capital Budget funding sources identified. All expenditures will comply with approved operating and/or capital budgets for current and future fiscal years.

SECTION 3. The amount of \$10.00 will be encumbered upon issuance of a purchase order, and payment is authorized to Esperanza Peace and Justice Center. All expenditures will be in accordance with the Fiscal Year 2016 and subsequent budgets that fall within the term period of this Lease approved by City Council.

SECTION 4. Funds generated by this Ordinance will be deposited into Fund 29028000, Internal Order 223000000251 and General Ledger 4407725.

SECTION 5. 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 6. This Ordinance shall take effect immediately upon the receipt of eight affirmative votes; otherwise it shall be effective ten days after its passage.

ASSESSED AND APPROVED this 7st day of April, 2016.

M A Y O R
Ivy R. Taylor

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek

Martha G. Sepeda

LB
04/07/16
Item No. _____

City Clerk

Acting City Attorney

DRAFT