



City of San Antonio

Agenda Memorandum

File Number: 16-4060

Agenda Item Number: 10.

Agenda Date: 8/18/2016

In Control: City Council A Session

DEPARTMENT: Center City Operations & Development Department

DEPARTMENT HEAD: John Jacks

COUNCIL DISTRICTS IMPACTED: 1

SUBJECT:

Market Square Amendments

SUMMARY:

Consideration of an ordinance related to leases at El Mercado in Market Square, authorizing the following actions:

- A. Execution of a lease amendment with Karlos Imports to assign lease agreement to Maria Trinidad Traylor dba Little Bit Of Texas #2.
- B. Execution of a lease amendment with Texas Star to assign lease agreement to Jose Robledo dba Memories of Mexico.

BACKGROUND INFORMATION:

The City of San Antonio owns and manages Market Square, a unique and historic public market place that plays a vital role in the life, culture and economy of San Antonio. 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. 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 Latin American products.

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. 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. The City has exercised its first option to extend the Farmers Market and El Mercado agreements until June 30, 2017.

Carlos Ferreyro dba Karlos Imports currently operates a store in El Mercado specializing in Mexican products made from onyx. Mr. Ferreyro now wishes to assign his lease to Ms. Traylor, who has successfully operated a Mexican imports and regional products store in Farmers Market since 2001. Al and Mary Alice Medina dba Texas Star currently operate a jewelry store in El Mercado. Al and Mary Alice Medina now wish to assign store to Julio Robledo; Mr. Robledo comes from a family that has operated a Mexican imports shop in El Mercado since 2000. The Municipal Code provides authority for the City to assign leases when businesses are sold and establish an assignment fee of \$1,500.00.

This proposed ordinance will authorize amendments to the lease agreement with Karlos Imports and Texas Star, effectively assigning the lease agreements.

ISSUE:

Approval of this ordinance is consistent with City of San Antonio policy to lease public property in Market Square for retail purposes under regulations established in Chapter 32, Article II of the City's Municipal Code. Amending the lease agreements require passage by City Council.

ALTERNATIVES:

City Council could choose not to allow for the lease assignment of Karlos Imports and Texas Star, thus jeopardizing the continued operation of established Mexican imports shops in El Mercado.

FISCAL IMPACT:

The fiscal impact to FY 2016 would be an increase of \$3,000. The stated lease assignment fee is \$1,500 per assignment. Revenue from this lease assignment will be deposited in the City's Market Square Improvement Fund.

RECOMMENDATION:

Staff recommends approval of this ordinance authorizing the amendment to the lease agreements with Karlos Imports and Texas Star.