



# City of San Antonio

## Agenda Memorandum

**File Number:** 16-6244

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**Agenda Item Number:** 8.

**Agenda Date:** 1/19/2017

**In Control:** City Council A Session

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**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 in Market Square, authorizing the following actions:

- A. Execution of a lease amendment with International Market to assign lease agreement to Adrian Gallegos Vaca dba Apparel & Hats #2.
- B. Execution of a lease amendment with La Condesa to assign lease agreement to Roberto Delgado Rivera dba Maya's Imports.

**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.

Alice Perez dba International Market has operated a store in Farmers Market specializing in papier mache products and Mexican imports for over twenty years. Adrian Gallegos Vaca has operated a Mexican imports store in Farmers Market since 2012. Randy Gallegos dba La Condesa has operated a Mexican Imports store in El Mercado since 2013, while Mr. Delgado's family has sold Mexican imports in El Mercado since 2010. 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 agreements with International Market and La Condesa, 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 International Market and La Condesa, thus jeopardizing the continued operation of established Mexican imports shops in Farmers Market and El Mercado.

#### **FISCAL IMPACT:**

The fiscal impact to FY 2017 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 International Market and La Condesa.