



# City of San Antonio

## Agenda Memorandum

**File Number:**13-624

---

**Agenda Item Number:** 8.

**Agenda Date:** 10/17/2013

**In Control:** City Council A Session

---

**DEPARTMENT:** Department for Culture and Creative Development

**DEPARTMENT HEAD:** Felix Padron

**COUNCIL DISTRICTS IMPACTED:** 1

**SUBJECT:**

Market Square Leases

**SUMMARY:**

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

- A. Initiate a long-term agreement with Ana Corona dba Marmalade and Spice. The effective term for Marmalade and Spice lease, located in Farmers Market, will be retroactive to September 1, 2013 and continue until June 30, 2014.
- B. Execute an amendment to the La Condesa lease, located in El Mercado, to assign ownership from Josephine Valdivia, Leonor Valdivia and Herminia Watkins to Randy Gallegos.
- C. Execute an amendment to Budweiser Souvenirs lease located in El Mercado to assign ownership from Roger Hernandez to Tania F. Squadrito.

**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 stores in the Farmers Market and 33 in El Mercado, ranging from cafes to shops specializing in local, regional and Latin American products.

Ana Corona began operating Marmalade and Spice in the Farmers Market with a temporary lease in March

2013. After operating her business for six months, Ms. Corona decided to pursue a long-term lease for her Marmalade and Spice store.

In June 2013, Josephine Valdivia, Leonor Valdivia and Herminia Watkins requested to sell their La Condesa store to Randy Gallegos after several successful years in El Mercado.

In June 2013, Roger Hernandez requested to sell his Budweiser Souvenirs store in Farmers Market to Tania F. Squadrito.

On June 23, 2011, City Council passed ordinance # 2011-06-23-0571 authorizing three year extensions to all Farmers Market and El Mercado leases, including La Condesa and Budweiser Souvenirs. The leases for Marmalade and Spice, La Condesa and Budweiser Souvenirs will expire on June 30, 2014. The City will then have the option to renew all the Farmers Market and El Mercado leases for a three-year period and subsequently a two-year period.

The proposed ordinance will authorize the following actions:

- A. Initiate a long-term agreement with Ana Corona dba Marmalade and Spice. The term for Marmalade and Spice lease, located in Farmers Market, will be retroactive from September 1, 2013 to June 30, 2014.
- B. Execute amendment to La Condesa lease, located in El Mercado, to assign ownership from Josephine Valdivia, Leonor Valdivia and Herminia Watkins to Randy Gallegos.
- C. Execute amendment to Budweiser Souvenirs lease located in El Mercado to assign ownership from Roger Hernandez to Tania F. Squadrito.

#### **ISSUE:**

Approval of this ordinance is consistent with City of San Antonio policy to lease public property in Farmers Market for retail purposes under regulations established in Chapter 32, Article II of the City Code of the City of San Antonio. City Council approval is required to initiate and amend leases.

#### **ALTERNATIVES:**

City Council can choose not to pursue a long term lease with Ana Corona and issue an RFP to attempt to find another tenant for the remaining 8 month period, until all leases end on June 30, 2014. This would result in a loss or rent and utility payments until a new tenant was procured.

City Council can also elect not to allow for the assignment for either or both of the leases of La Condesa and Budweiser Souvenirs, potentially jeopardizing the continued operation of a long-term business(s) in Market Square

#### **FISCAL IMPACT:**

The fiscal impact to FY 2013 would be an increase of \$3,000.00, comprised of two lease assignment fees of \$1,500.00 each. Revenues from these leases will be deposited in the City's Market Square

**RECOMMENDATION:**

Staff recommends approval of this ordinance authorizing the initiation of a lease agreement with Ana Corona dba Marmalade and Spice and the lease assignments for the stores, La Condesa and Budweiser Souvenirs.