



City of San Antonio

Agenda Memorandum

File Number: 17-3473

Agenda Item Number: 9.

Agenda Date: 6/15/2017

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 in Market Square, authorizing the following actions:

- A. Execution of a lease amendment with Chulerias to assign lease agreement to Juan Buendia dba Ilucion.
- B. Execution of a lease amendment with Little Bit of Texas #2 to assign lease agreement to Maria Rivera Bustos dba Turqueza #2.

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.

Delia Martinez, Walter Martinez and Rosemary Martinez have operated a store in Farmers Market specializing in women's apparel and other Mexican imports for over twenty years. Juan Buendia has operated a Mexican imports store in Farmers Market since 2015. Maria Trini Traylor dba Little Bit of Texas #2 has operated a regional products and Mexican Imports store in Farmers Market for over ten years, while Ms. Rivera's family has operated 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 per lease assignment.

This proposed ordinance will authorize amendments to the lease agreements with Chulerias and Little Bit of Texas #2, 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 Chulerias and Little Bit of Texas #2, thus jeopardizing the continued operation of established regional products and Mexican imports shops in Farmers Market and El Mercado.

FISCAL IMPACT:

Authorized by Ord. 2011-06-23-0571, the City charges a lease assignment fee of \$1,500 per lease assignment when businesses are sold and/or established. This ordinance authorizes the assignment of two leases for a total of \$3,000 to realized in FY 2017 and deposited into the Market Square Fund.

RECOMMENDATION:

Staff recommends approval of this ordinance authorizing the amendment to the lease agreements with Chulerias and Little Bit of Texas #2.