



# City of San Antonio

## Agenda Memorandum

**File Number:** 17-6275

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**Agenda Item Number:** 11.

**Agenda Date:** 12/7/2017

**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 Lease Assignments

**SUMMARY:**

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

- A. Execution of a lease amendment with J. Anthony Leather Goods to assign lease agreement to Alfonso Ramos dba Woody's Bazaar.
- B. Execution of a lease amendment with La Plaza Imports to assign lease agreement to Jose Velazquez dba Galleria Taxco II.

**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, and subsequently exercised the second option to further extend agreements until June 30, 2019.

Irene Castaneda dba J. Anthony's Leather Goods has operated a store in Farmers Market specializing in leather goods since 2014, while Alfonso Ramos's family has successfully operated in Farmers Market for over ten (10) years. Jules LeBlanc and Minerva Guerra dba La Plaza Imports have operated a regional products and Mexican Imports store in Farmers Market for three (3) years. Mr. Velazquez has operated a Mexican imports shop in El Mercado since 2012. 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 J. Anthony Leather Goods and La Plaza Imports, 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 J. Anthony Leather Goods and La Plaza Imports, thus jeopardizing the continued operation of established regional products and Mexican imports shops in Farmers Market.

#### **FISCAL IMPACT:**

The fiscal impact to FY 2018 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 J. Anthony Leather Goods and La Plaza Imports.