



# City of San Antonio

## Agenda Memorandum

**File Number:** 18-2264

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**Agenda Item Number:** 16.

**Agenda Date:** 3/29/2018

**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 at Farmers Market in Market Square, authorizing the following actions:

- A. Execution of a lease amendment with Fiesta Cutouts to assign lease agreement to Jose A. Delgado dba Shainy Designs II.
- B. Execution of a lease amendment with More Plants to assign lease agreement to Ricardo Campuzano dba Manos Magicas.

**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 and second option to extend the Farmers Market and El Mercado agreements until June 30, 2019.

Hugo and Cristina Matta dba Fiesta Cutouts have operated stores in Farmers Market specializing in regional and Central American products since 2009. Mr. Delgado's family has operated Mexican imports stores in Market Square since 2010. Micaela Leon dba More Plants has operated Mexican Imports stores in Farmers Market since 2001. The Municipal Code provides authority for the City to assign leases when businesses are sold and establishes an assignment fee of \$1,500.00, which will be deposited into the Market Square Improvement Fund.

This proposed ordinance will authorize amendments to the lease agreements with Fiesta Cutouts and More Plants, 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 Fiesta Cutouts and More Plants, thus jeopardizing the continued operation of established Mexican, Central American and regional imports shops in Farmers Market.

#### **FISCAL IMPACT:**

The fiscal impact would be an increase of \$3,000 in Revenue to the FY 2018 Market Square Fund. The stated lease assignment fee is \$1,500 per assignment, and this ordinance authorizes two assignments. Revenue from this lease assignment will be recognized as Revenue in the City's FY2018 Market Square Fund.

#### **RECOMMENDATION:**

Staff recommends approval of this ordinance authorizing the assignments of Fiesta Cutouts to Jose A. Delgado dba Shainy Designs II, and More Plants to Ricardo Campuzano dba Manos Magicas lease agreements.