



City of San Antonio

Agenda Memorandum

File Number: 18-2993

Agenda Item Number: 16.

Agenda Date: 5/10/2018

In Control: City Council A Session

DEPARTMENT: Center City Operations & Development Department

DEPARTMENT HEAD: John Jacks

COUNCIL DISTRICTS IMPACTED: 1

SUBJECT:

Market Square Amendment

SUMMARY:

Consideration of an ordinance authorizing an amendment to a lease at El Mercado in Market Square, assigning Leather Creations lease agreement to Roberto Delgado dba Mexico en la Piel.

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.

Ruben Castaneda, Edward Castaneda and Irene Castaneda dba Leather Creations have operated stores in

Market Square specializing in leather and regional products for over fifteen years. The Castaneda family now wishes to assign the business to Roberto Delgado, who has operated a Mexican Imports shop in El Mercado since 2010. The Municipal Code provides authority for the City to assign leases when businesses are sold and establishes an assignment fee of \$1,500.00.

This proposed ordinance will authorize an amendment to the lease agreement with Leather Creations, effectively assigning the lease agreement.

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 Leather Creations, thus jeopardizing the continued operation of an established Mexican and regional imports shop in El Mercado.

FISCAL IMPACT:

The fiscal impact to FY 2018 would be an increase of \$1,500. The stated lease assignment fee is \$1,500 per assignment. Revenue from this lease assignment will be deposited in the Market Square Fund.

RECOMMENDATION:

Staff recommends approval of this ordinance authorizing the amendment to the lease agreement with Leather Creations.