



# City of San Antonio

## Agenda Memorandum

**File Number:**20-3716

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**Agenda Item Number:** 13A.

**Agenda Date:** 6/18/2020

**In Control:** City Council A Session

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**DEPARTMENT:** Center City Development and Operations Department

**DEPARTMENT HEAD:** John Jacks

**COUNCIL DISTRICTS IMPACTED:** 1

### **SUBJECT:**

Lease Agreements in Historic La Villita

### **SUMMARY:**

This ordinance authorizes the renewal of 14 existing lease agreements within La Villita and the approval of a new lease agreement with Yolanda C. Luna d/b/a Yolix Luna to occupy Building 17.

### **BACKGROUND INFORMATION:**

In July 2014, the City of San Antonio released an RFP for several buildings within La Villita. The intent of the RFP was to seek tenants that would enhance cultural tourism opportunities, promote greater community use, and highlight the artistic and historic aspects of La Villita. The lease agreement provided for two, two-year renewal options with the exception of La Villita Café, which has one, two-year renewal option remaining.

City Council also authorized lease agreements with Liz Leatherbury d/b/a Bird & Pear for Building 10 in June 2017, and Karla Benavides d/b/a Huipil Market for Building 7 in June 2019; those leases expire on June 30, 2020, with two, one-year renewal options.

The following table identifies the leases to be renewed under this ordinance, and the corresponding extension of the lease term.

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<b>Lessee</b>	<b>City Council Approval</b>	<b>Expiration Date</b>	<b>1st Extension (requires City Council approval)</b>	<b>2<sup>nd</sup> Extension (requires City Council approval)</b>
Karla Benavides d/b/a Huipil Market for Building, Bldg. 7	June 20, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Liz Leatherbury d/b/a Bird & Pear, Bldg. 10	June 6, 2017	June 30, 2020	June 30, 2021	June 30, 2022
Jean Pace d/b/a Angelita's, Bldg. 2	April 2, 2015	July 31, 2020	July 31, 2022	July 31, 2024
Alejandro Sifuentes d/b/a Equinox, Bldg. 4	April 2, 2015	July 31, 2020	July 31, 2022	July 31, 2024
Alejandro Sifuentes d/b/a Equinox, Bldg. 5	April 2, 2015	July 31, 2020	July 31, 2022	July 31, 2024
Tanya and Barry Clark d/b/a La Villita Café, Bldg. 9	June 18, 2015	July 31, 2020	July 31, 2022	None
Casa Clasal, Bldg. 11	April 2, 2015	July 31, 2020	July 31, 2022	July 31, 2024
River Art Group, Bldg. 14	April 2, 2015	July 31, 2020	July 31, 2022	July 31, 2024
Plaza Taxco, Bldg.16B	April 2, 2015	July 31, 2020	July 31, 2022	July 31, 2024
Noahmaya Candles Inc. d/b/a Scentchips, Bldg. 21A	June 18, 2015	July 31, 2020	July 31, 2022	July 31, 2024
Noahmaya Candles Inc. d/b/a Scentchips, Bldg. 21B	June 18, 2015	July 31, 2020	July 31, 2022	July 31, 2024
Little Studio Gallery, Bldg. 23	April 2, 2015	July 31, 2020	July 31, 2022	July 31, 2024
Patty Henry d/b/a Casa Manos Alegres	May 7, 2015	July 31, 2020	July 31, 2022	July 31, 2024
Marisol Deluna, Bldg. 22	October 29, 2015	October 31, 2020	October 31, 2022	October 31, 2024

On October 23, 2019, a Request for Proposals (RFP) was issued seeking qualified respondents interested in leasing building 17 in La Villita. The RFP was advertised in the San Antonio Express-News, City's Bidding and Contracting opportunities website, TVSA, and outreach notices were sent notifying potential respondents of the RFP and how to apply. The City held two pre-submittal conferences and site visits on October 29, 2019 and November 14, 2019. On December 18, 2019, two proposals were received in response to the RFP. On February 4, 2020, the proposals received were evaluated by a five-member Evaluation Committee composed of representatives from the City of San Antonio's Center City Development and Operations Department, City Manager's Office, Convention and Sports Facilities Department, Hemisfair Park and the San Antonio Conservation Society. The Committee recommended awarding Yolix Luna a lease for building 17.

**ISSUE:**

The renewal provisions of the La Villita Lease Agreement's require City Council approval. Renewing lease extensions with the existing tenants will further the ongoing success and vibrancy of La Villita, which continues to be a destination for visitors and local residents.

While evaluating vendors for building 17, the evaluation committee considered the respondent’s experience, background and qualifications (25 points), proposed plan (40 points), and price schedule (10 points). The evaluation was based on a total of 100 points as described in the attached RFP Score Matrix. This included the application of 10 points for the Small Business Economic Development Advocacy Program (SBEDA), 10 points for the Local Preference Program (LPP) and 5 points for the Veteran-Owned Small Business Preference Program (VOSB). The agreement will be awarded in compliance with the Small Business Economic Development Advocacy Program (SBEDA). In accordance with the Local Preference Program, the recommended respondent received 10 points for being headquartered within the incorporated San Antonio city limits. There were no proposals submitted from veteran-owned small business respondents for this contract; therefore, the Veteran-Owned Small Business Program was not applied.

Approval of this ordinance is consistent with the City’s practice of leasing City-owned property in support of downtown retail activity.

**ALTERNATIVES:**

The City may elect not to approve the lease renewals, which would result in tenants becoming month-to-month or vacating. Additionally, the City may elect not to approve the lease agreement with Yolix Luna resulting in building 17 remaining vacant or requiring an additional competitive process.

**FISCAL IMPACT:**

A. In consideration of the economic uncertainty created by the COVID-19 pandemic, staff recommends maintaining the current rent, common area maintenance (CAM), and utilities’ rates for the first year of the renewal term. Rates for year two of the renewals (if applicable) will increase 2% for rent and 2.5% for CAM and utilities, provided however, the Center City Development and Operations Director has authority to waive the rate increases should the economic outlook for retail and tourism in San Antonio remain unfavorable.

B.

The total amount to be received by the renewals and deposited in the General Fund is summarized below:

Fiscal Year	Total
2020	\$44,283.42
2021	\$252,457.56
2022	\$191,094.44

C. The proposed lease agreement with Yolix Luna is for one, four-year term effective July 1, 2020 through June 30, 2024 and provides for one, one-year renewal option.

The total amount to be received by the lease agreement and deposited into the General Fund is summarized below:

Fiscal Year	Total
2020	\$1,613.70
2021	\$6,276.59

2022	\$6,427.85
2023	\$6,579.11
2024	\$4,960.20

**RECOMMENDATION:**

Staff recommends the approval of the lease renewals and agreements within La Villita.

The contract was procured by means of Request for Proposals and the Contracts Disclosure form is attached.