



City of San Antonio

Agenda Memorandum

File Number: 15-2687

Agenda Item Number: 12.

Agenda Date: 5/7/2015

In Control: City Council A Session

DEPARTMENT: Department of Culture and Creative Development

DEPARTMENT HEAD: Felix N. Padron

COUNCIL DISTRICTS IMPACTED: 1

SUBJECT:

Execution of La Villita Lease Agreements

SUMMARY:

This ordinance authorizes execution of the remaining lease agreements with companies for tenancy at La Villita, a historic arts village.

BACKGROUND INFORMATION:

On July 9, 2014, a Request for Proposal (RFP) was issued to seek proposals from qualified respondents interested in operations a Gallery, Working Artist Studio Gallery, and Retail establishment in the Historic La Villita District. A second RFP was issued on July 23, 2014 seeking proposals to operate a restaurant concept. The goal of the RFPs was to re-structure the retail mix and enhance the visitor experience to align La Villita with best practices and continue to advance towards the objectives of the 1939 La Villita Ordinance and the 1981 La Villita Resolution. All current tenants were eligible to respond.

The Gallery, Working Artist Studio Gallery, and Retail Shop RFP closed on November 12, 2014 at which time twenty-two (22) proposals were submitted for twenty-one (21) spaces; three available spaces did not receive proposals for tenancy. Of the proposals submitted, fifteen were from current tenants and seven were from non-tenants; four current tenants did not submit proposals. Proposals

submitted included:

The Restaurant RFP closed on December 5, 2014, at which time two (2) proposals were submitted. However prior to evaluation, one respondent withdrew from the process.

After the review by four (4) Evaluation Panels comprised of experts and staff, the panels recommended executing leases with fifteen (15) respondents for Retail Shops, Galleries and Working Artist Studios and one (1) lease with the Restaurant respondent.

On April 2, 2015, City Council authorized the award of 9 new La Villita lease agreement by approving Ordinance 2015-04-02-0025. The final leases are being brought forth for City Council consideration and approval.

ISSUE:

This item is a follow up to Ordinance 2015-04-02-0025. Approval of remaining La Villita lease agreements is consistent with City policy to lease City-owned property and support the development of downtown. Leases will further the mission of La Villita as an arts and crafts village.

ALTERNATIVES:

City Council could direct staff to re-issue a formal RFP for all spaces. This action will result in a delay of revenue to the City.

If City Council does not approve the agreements, the spaces will become vacant after the current leases expire on July 31, 2015. This action will result in a loss of revenue to the City.

FISCAL IMPACT:

	8/1/15-7/31/16	8/1/16-7/31/17	8/1/17-7/31/18	8/1/18-7/31/19	8/1/19-7/31/20
Annual Rental	\$90,584.40	\$92,396.09	\$94,244.01	\$96,128.89	\$98,051.47
Annual Utilities	\$17,274.84	\$17,706.71	\$18,168.63	\$18,630.54	\$19,092.45
Annual CAM	\$9,012.96	\$9,238.28	\$9,469.24	\$9,700.20	\$9,931.16
Total	\$116,872.20	\$119,341.08	\$121,881.88	\$124,459.63	\$127,075.08

Revenue will be deposited in the General Fund.

RECOMMENDATION:

Staff recommends approval to authorize the award of the remaining lease agreements in La Villita.