



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 3.

Agenda Date: 1/22/2016

In Control: Neighborhoods and Livability Committee

DEPARTMENT: Center City Development & Operations

DEPARTMENT HEAD: John Jacks

COUNCIL DISTRICTS IMPACTED: Council District 1

SUBJECT:

RFP for Available Buildings at La Villita

SUMMARY:

This item is a briefing on a proposed Request for Proposals for Retail Shops, Galleries, Working Artist Studios and Restaurants for four buildings located within historic La Villita.

BACKGROUND INFORMATION:

La Villita is a historic, City-owned facility on the banks of the San Antonio River located in downtown within the Inner City Reinvestment Infill Policy Area (ICRIP) and the Inner City TIRZ #11. Currently, 19 of the available 25 spaces are leased as a result of a Request for Proposals (RFP) process the Department for Culture and Creative Development (DCCD) initiated.

In 2012, the City reviewed recommendations of previous studies with tenants and public and private stakeholders. Based on this review and analysis, the City developed a strategy to redevelop the facility and support downtown development goals. This included re-structuring La Villita's retail mix through issuance of a Request for Proposals for tenant selection. This RFP process was based upon the Retail Management Study recommendations completed in 2010, which cited the need to create a more diverse, unique retail offering, careful management of retailer mix and products with a specialization by artists and/or craft persons, and stronger controls over leasing management.

The City hosted a public meeting and presented recommendations to twelve stakeholder groups in order to

gather feedback. This feedback resulted in recommendations to solicit a diverse, innovative, and unique retail mix centered on Art and Craft for specialized businesses in the following categories:

- **Working Artist Studio Galleries:** sale of art and/or crafts made on the premises
- **Galleries:** sale of works of art and/or crafts produced off premises
- **Retail Shops** - sale of unique, well designed goods, products, and objects
- **Restaurants** - sale of food and beverage

On July 9, 2014, the City issued a RFP to seek proposals from qualified respondents interested in operating a Gallery, Working Artist Studio Gallery and Retail Shops for twenty-one spaces in La Villita. The City also issued a separate Restaurant RFP to seek proposals from qualified respondents interested in operating a restaurant in two spaces in La Villita. It was determined that the two spaces which were leased would be excluded from the RFP process.

Twenty-two proposals were submitted for twenty-one spaces. Three available spaces did not receive proposals for tenancy. Proposals submitted included:

- **Working Artist Studios:** six proposals were submitted for nine available spaces;
- **Galleries:** eight proposals were submitted for eight available spaces; and
- **Retail Shops:** eight proposals were submitted for five available spaces.

Two proposals were submitted for the Restaurant RFP, however, one respondent withdrew from the process prior to evaluation.

Four Evaluation Panels comprised of experts in each area and staff evaluated and scored proposals based on published criteria, which included: experience, background and qualifications, proposed plan, proposed return to city, the SBEDA Program's small, minority and women owned business preference points, Local Preference Program criteria, and Veteran Preference Program criteria. After initial review of proposals, the Retail Shops, Galleries and Working Artist Studios, and Restaurants panels interviewed all respondents individually.

After their review, the panels recommended executing leases with fifteen respondents for Retail Shops, Galleries and Working Artist Studios and one lease with the Restaurant respondent.

Of the 23 retail spaces offered in the initial RFP process, six remained unoccupied and to fill the remaining spaces another RFP was issued in June 2015. A total of six proposals were received and two leases were executed in October 2015.

While, the RFP process developed a more diversified quality retail store and product mix, five spaces remained vacant. These spaces have been activated on a temporary 90 day basis with Pop-Up Shops. The City has also expanded programming, implemented infrastructure improvements, and developed a comprehensive marketing and rebranding strategy for the facility. The recent expansion of the Convention Center, the addition of new housing and commercial opportunities, and expanded park amenities within Hemisfair adjacent to La Villita have also created new demand for additional retail services within this historic facility. As a result, there has been interest in several of the available buildings and it is recommended that an RFP process is the best way to analyze and evaluate multiple proposals.

The City is also recommending a simultaneous Request for Information process to identify a Culinary Concept or Operator for Maverick Plaza to include Buildings 25 and 15 due to their adjacency to the Plaza. Staff is also

recommending that the four remaining spaces (Building 7, 8, 14 and 20) be offered through an RFP process similar to the three previous solicitations. It is recommended that an RFP be issued for 30 days for these four spaces and proposals for a Gallery, Working Artist Studio Gallery, Retail Shop will be considered for Buildings 7, 8 and 14 and proposals for a Restaurant will be considered for Building 20.

The City envisions these new retail opportunities will encourage investment and energize the facility while drawing both locals and visitors by creating a consistently vibrant and active space. It is anticipated that the entire process will be completed to include Council consideration of lease agreements by late spring of 2016. Any vacancies at La Villita in these four buildings will continue to be activated with Pop Up Shops until a permanent tenant is identified.

ISSUE:

This item provides a briefing on the proposed Request for Proposals.

ALTERNATIVES:

This item is primarily for briefing purposes, however, the Neighborhoods and Livability Committee may elect to recommend staff not proceed with the proposed Request for Proposals.

FISCAL IMPACT:

This item is a briefing on a proposed Request for Proposals and there is no anticipated fiscal impact to the City's General Fund at this time.

RECOMMENDATION:

This item is a briefing for informational purposes.