



City of San Antonio

Agenda Memorandum

File Number: 16-3979

Agenda Item Number: 16.

Agenda Date: 8/4/2016

In Control: City Council A Session

DEPARTMENT: Center City Development and Operations Department

DEPARTMENT HEAD: John Jacks

COUNCIL DISTRICTS IMPACTED: 1

SUBJECT:

La Villita Lease Agreements

SUMMARY:

This ordinance authorizes two La Villita lease agreements with Alamodeus LLC d/b/a Capistrano Soap Company and Bobby J. and Claudia I. Brown d/b/a Villa Tesoros effective August 15, 2016 through June 30, 2021.

BACKGROUND INFORMATION:

On February 9, 2016, a Request for Proposals (RFP) was issued seeking proposals from qualified respondents interested in operating a retail establishment in buildings 7, 8, or 14B located in the La Villita Historic Arts Village (La Villita). On March 9, 2016, six proposals were received in response to the RFP. A six-member Evaluation Committee (Committee) made up of representatives from the retail, real estate, arts, and destination management community, as well as City staff met on March 18, 2016 to review proposals. The Committee recommended awarding leases to Alamodeus LLC d/b/a Capistrano Soap Company (Capistrano Soap Company) and Bobby J. and Claudia I. Brown d/b/a Villa Tesoros (Villa Tesoros). Capistrano Soap Company has been a successful temporary tenant in La Villita since November 2015, while the owners of Villa Tesoros own and operate B&C Leather Designs, a working artist studio in La Villita specializing in the creation and sale of leather accessories. Each proposed lessee brings a concept that enhances the retail mix of La Villita for San Antonio residents and visitors.

The Capistrano Soap Company will lease building 7 which totals 659.41 square feet. The agreement provides

for one five-year term effective August 15, 2016 and includes two, two-year renewal options. Capistrano Soap Company will pay a monthly base rental rate of \$1.15 per square foot for building space designated as retail, \$1.00 per square foot for building space designated as workshop/classroom, and \$0.43 per square foot for building space designated as manufacturing. Additionally, Capistrano Soap Company will be assessed monthly Common Area Maintenance (CAM) fees and utility fees equal to \$0.12 and \$0.24 per square foot respectively.

Villa Tesoros will lease building 8 which totals 1,547 square feet. The agreement provides for one five year term effective August 15, 2016 and includes two, two-year renewal options. Villa Tesoros will a pay a monthly base rental rate of \$1.29 per square foot, \$0.12 per square foot per month for CAM, and \$0.24 per square foot per month for utilities.

ISSUE:

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

This contract will be awarded in compliance with the Small Business Economic Development Advocacy (SBEDA) Program, which requires contracts be reviewed by a Goal Setting Committee to establish a requirement and/or incentive unique to the particular contract in an effort to maximize the amount of small, minority, and women-owned business participation on the contract. The Goal Setting Committee applied the Small Business Enterprise Prime Contract Program with ten (10) evaluation preference points awarded to Capistrano Soap Company, as they are certified firm located within the San Antonio Metropolitan Statistical Area.

ALTERNATIVES:

The City may elect not to approve these lease agreements, which would result in Capistrano Soap Company and Villa Tesoros either remaining as month to month tenants or buildings 7 and 8 becoming vacant.

FISCAL IMPACT:

The total amounts to be paid by Capistrano Soap Company and Villa Tesoros for the initial lease term are summarized below.

Capistrano Soap Company				
Lease Year	Monthly Base Rent	Monthly Utilities & CAM	Monthly Total	Yearly Total¹
August 15, 2016	\$654.93	\$237.39	\$892.32	\$7,138.56
July 1, 2017 - Jul	\$666.99	\$243.99	\$910.98	\$10,620.45
July 1, 2018 - Jul	\$679.05	\$250.58	\$929.63	\$10,838.62
July 1, 2019 - Jul	\$691.10	\$257.17	\$948.28	\$11,056.79
July 1, 2020 - Jul	\$703.16	\$263.77	\$966.92	\$11,274.95
Total				\$50,929.37

¹ Yearly total reflects rental abatement provided in April due to NIOSA.

Villa Tesoros

Lease Year	Monthly Base Rent	Monthly Utilities & CAM	Monthly Total	Yearly Total¹
August 15, 2016	\$1,995.63	\$556.92	\$2,552.55	\$20,420.40
July 1, 2017 - Jun	\$2,042.04	\$572.39	\$2,614.43	\$30,420.21
July 1, 2018 - Jun	\$2,088.45	\$587.86	\$2,676.31	\$31,141.11
July 1, 2019 - Jun	\$2,134.86	\$603.33	\$2,738.19	\$31,862.01
July 1, 2020 - Jun	\$2,181.27	\$618.80	\$2,800.07	\$32,582.91
Total				\$146,426.64

¹ Yearly total reflects rental abatement provided in April due to NIOSA.

All funds received will be deposited into the General Fund.

RECOMMENDATION:

Staff recommends approval of the two La Villita lease agreements with Alamodeus LLC d/b/a Capistrano Soap Company and Bobby J. and Claudia I. Brown d/b/a Villa Tesoros, effective August 15, 2016 through June 30, 2021.

These contracts were procured by means of Request for Proposals and the Contracts Disclosure Forms are attached.