



# City of San Antonio

## Agenda Memorandum

**File Number:**19-1376

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**Agenda Item Number:** 16.

**Agenda Date:** 1/31/2019

**In Control:** City Council A Session

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

**DEPARTMENT HEAD:** John Jacks

**COUNCIL DISTRICTS IMPACTED:** 1

### **SUBJECT:**

Fiesta Event at Market Square

### **SUMMARY:**

This ordinance authorizes an amendment to the Fiesta Event at Market Square License Agreement with El Consejo Real de Reyes Feos Anteriores dba Rey Feo Consejo Educational Foundation to extend the agreement for ten years from 2021 - 2030.

### **BACKGROUND INFORMATION:**

On December 9, 2010, City Council approved Ordinance 2010-12-09-1035 to award a license agreement to the Rey Feo Consejo Educational Foundation to conduct the ten day Fiesta event at Market Square for the years 2011-2015. On March 6, 2014, City Council approved Ordinance 2014-03-06-0135, which amended the agreement to eliminate April 18, 2014 from the originally approved event schedule in order to avoid conflict with Good Friday and to extend the agreement term for five years.

On December 11, 2014, City Council approved Ordinance 2014-12-11-1023, which increased the City's annual license fee to \$145,000 and clarified operating hours of City-owned buildings in Market Square during Fiesta. Per the terms of the agreement, the City is responsible for providing event security while the Licensee is responsible for all event planning, set-up, clean-up, and payment to the City for use of Market Square. The Licensee pays the City an annual license fee of \$145,000. In addition, the City will receive \$0.75 for each alcoholic beverage sold and \$0.25 for each non-alcoholic beverage sold, plus 50% of net revenue over \$270,000. The City requires this event charge no admission.

The Rey Feo Consejo Educational Foundation awards annual scholarships to San Antonio students attending college. \$2,000 scholarships are provided to each student and the scholarships are renewable annually for a possible total scholarship value of \$8,000. Students must maintain a minimum grade point average of 3.0 in order to renew their annual \$2,000 scholarship award. In the first year of its agreement with the City in 2011, the Foundation granted \$50,000 in scholarships. In 2018, the Foundation granted \$100,000 in scholarships to 50 students, which included students from each San Antonio City Council district.

#### **ISSUE:**

The term of the Foundation's agreement to operate the Fiesta event at Market Square expires after Fiesta 2020, but City Council may approve extending the term.

#### **ALTERNATIVES:**

The City may allow the license agreement to conduct the Market Square Fiesta event to expire after Fiesta 2020.

#### **FISCAL IMPACT:**

This ordinance authorizes an amendment to the Fiesta Event at Market Square License Agreement with El Consejo Real de Reyes Feos Anteriores dba Rey Feo Consejo Educational Foundation to extend the agreement for ten years from 2021 - 2030.

The annual license fee due to the City will be \$145,000. Projected revenue including the annual license fee, beverage sales and 50% of net revenue over \$270,000 per the contract term is projected to be \$310,000 in FY 2019. Revenue generated from this agreement will be deposited into the Market Square Fund.

#### **RECOMMENDATION:**

Staff recommends approval of the proposed ordinance to extend the Market Square Fiesta event license agreement through Fiesta 2030.