



City of San Antonio

Agenda Memorandum

File Number: 19-1748

Agenda Item Number: 15.

Agenda Date: 2/21/2019

In Control: City Council A Session

DEPARTMENT: Center City Operations & Development Department

DEPARTMENT HEAD: John Jacks

COUNCIL DISTRICTS IMPACTED: 1

SUBJECT:

Market Square Lease Amendments

SUMMARY:

Consideration of an ordinance related to leases at Farmers Market in Market Square, authorizing the following actions:

- A. Execution of a lease amendment with House of Mexico Imports to assign lease agreement to Victor Dominguez dba House of Mexico Imports.
- B. Execution of a lease amendment with Olmeca Imports to assign lease agreement to Paulino Velazquez dba Casa Azul.

Revenue generated from these lease amendments will total \$3,000 and will be deposited in the Market Square Fund.

BACKGROUND INFORMATION:

The City of San Antonio owns and manages Market Square, a unique and historic public market place that plays a vital role in the life, culture and economy of San Antonio. Market Square, with a retail history dating back to the nineteenth century, provides a unique and authentic Mexican Market experience, offering retail sales, holiday celebrations, and year round entertainment. There are 56 businesses in the Farmers Market, 33 in El Mercado and 14 in Market Square Plaza, ranging from cafes to shops specializing in local, regional and Latin American products.

On June 23, 2011, City Council passed Ordinance No. 2011-06-23-0571, which authorized extensions to all

Farmers Market and El Mercado leases until June 30, 2014. The ordinance also provided the City the option to renew all the Farmers Market and El Mercado leases for an additional three-year period until June 30, 2017 and a subsequent two-year period until June 30, 2019. The City has exercised its first and second option to extend the Farmers Market and El Mercado agreements until June 30, 2019.

The Dominguez family has operated a store in Market Square specializing in regional products and Mexican imports for over ten years. Omar Dominguez wishes to assign House of Mexico Imports to his brother, Victor Dominguez. Michaela Leon, along with her husband, Phillip Leon (deceased) have operated Mexican imports stores in Farmers Market for over fifteen years. Ms. Leon now wishes to assign her business to Paulino Velasquez. The Municipal Code provides authority for the City to assign leases when businesses are sold and establish a fee of \$1,500.00 per assignment.

This proposed ordinance will authorize amendments to the lease agreements with House of Mexico Imports and Olmeca Imports, effectively assigning the lease agreements

ISSUE:

Approval of this ordinance is consistent with City of San Antonio policy to lease public property in Market Square for retail purposes under regulations established in Chapter 32, Article II of the City's Municipal Code. Amending the lease agreements require passage by City Council.

ALTERNATIVES:

City Council could choose not to allow for the lease assignment of House of Mexico Imports and Olmeca Imports, thus jeopardizing the continued operation of established Mexican and regional imports shops in Farmers Market.

FISCAL IMPACT:

This ordinance authorizes the execution of a lease amendment with House of Mexico Imports to assign lease agreement to Victor Dominguez dba House of Mexico Imports and execution of a lease amendment with Olmeca Imports to assign lease agreement to Paulino Velazquez dba Casa Azul.

Revenue generated from these lease amendments will be \$1,500 each for a total of \$3,000. Revenues will be deposited in the Market Square Fund.

RECOMMENDATION:

Staff recommends approval of this ordinance authorizing the amendment to the lease agreements with House of Mexico Imports and Olmeca Imports.