



City of San Antonio

Agenda Memorandum

File Number:15-2066

Agenda Item Number: 24.

Agenda Date: 4/2/2015

In Control: City Council A Session

DEPARTMENT: Department for Culture and Creative Development

DEPARTMENT HEAD: Felix Padron

COUNCIL DISTRICTS IMPACTED: 1

SUBJECT:

Market Square License Agreement

SUMMARY:

This ordinance authorizes the approval of a License Agreement with MTC Real Estate, LLC to utilize patio space adjacent to:

1. 102 S. Concho
2. 105 S. Concho
3. 107 S. Concho
4. 109 S. Concho
5. 111 S. Concho and 901 Dolorosa
6. 102 Produce Row
7. 106 Produce Row
8. 202 Produce Row
9. 206 Produce Row

The License Agreement will begin April 1, 2015 and continue through December 31, 2024.

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 currently 56 businesses in the Farmers

Market, 33 in El Mercado and 13 in Market Square Plaza, ranging from cafes to shops specializing in local, regional and Latin American products.

MTC licenses 6,519 square feet of patio space for dining adjacent to Mi Tierra and La Margarita restaurants and leases 14,615 square feet of City property for the purpose of operating the Dolorosa Street Parking Lot. For the use of these spaces, MTC pays the City \$142,877 per year.

In an effort to activate more Market Square patio space, MTC is introducing four new businesses in previously vacant buildings. Fruteria Cano is operating in 202 Produce Row, Viriana's Mexican Imports in 206 Produce Row and Fiesta Winery in 102 S. Concho. In the near future, MTC will begin operating Viva Villa Taqueria at the corner of 111 S. Concho and 901 Dolorosa.

MTC and the City are now proposing to create a license agreement to utilize 4,116 square feet of patio space adjacent to the nine properties listed above. For 2015, MTC will pay \$1.11 per square foot per month or \$4,568 per month. The rental rate will increase 2.5% annually. By utilizing these patio spaces, MTC will activate the licensed premises as well as enhance the operations of multiple businesses.

ISSUE:

Approval of this ordinance is consistent with City of San Antonio policy to license public property in Market Square for retail purposes under regulations established in Chapter 32, Article II of the City's Municipal Code. This license agreement requires City Council approval.

ALTERNATIVES:

City Council could choose not to license additional public property in Market Square, which would cause the City to forego additional revenue and would leave vacant spaces in the Market Square Plaza.

FISCAL IMPACT:

The fiscal impact will be as follows:

FY 2015	\$27,412.56
FY 2016	\$55,936.44
FY 2017	\$57,418.20
FY 2018	\$58,529.52
FY 2019	\$59,887.80
FY 2020	\$61,369.56
FY 2021	\$63,221.76
FY 2022	\$64,827.00
FY 2023	\$66,308.76
FY 2024	\$68,160.96
FY 2025	\$17,163.72

Total	\$600,236.28
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Revenue from this License Agreement will be deposited in the City's Market Square Improvement Fund.

RECOMMENDATION:

Staff recommends approval of this ordinance authorizing the ratification of the license agreement with MTC Real Estate, LLC.