



# City of San Antonio

## Agenda Memorandum

**File Number:**15-5397

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**Agenda Item Number:** 11.

**Agenda Date:** 10/29/2015

**In Control:** City Council A Session

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

**DEPARTMENT HEAD:** John Jacks

**COUNCIL DISTRICT(S) IMPACTED:** 1

**SUBJECT:**

Approval of La Villita Lease Agreements

**SUMMARY:**

This ordinance approves two agreements with Art on Main and with Marisol Deluna New York, LLC for five year leases in La Villita, effective November 1, 2015.

**BACKGROUND INFORMATION:**

On July 9, 2014, a Request for Proposals (RFP) was issued seeking proposals from qualified respondents interested in operating a Gallery, a Working Artist Studio Gallery, or a Retail establishment in the La Villita Historic Arts Village. On July 23, 2014, a second RFP was issued seeking proposals to operate a restaurant in La Villita.

The goal of the RFPs was to re-structure the retail mix and enhance the visitor experience to align La Villita with best practices and continue to advance toward the objectives of the 1939 La Villita Ordinance and the 1981 La Villita Resolution. All current La Villita tenants were eligible to respond.

The RFP issued July 9, 2014 resulted in a total of 15 leases awarded in La Villita (14 Retail & 1 Restaurant). City Council authorized nine (9) leases with the passage of Ordinance 2015-04-02-0025 on April 2, 2015, three (3) leases with the passage of Ordinance 2015-05-07-0369 on May 7, 2015, and three (3) leases with the passage of Ordinance 2015-06-18-0557 on June 18, 2015.

In an effort to fill the remaining retail spaces, a La Villita Retail RFP was issued June 7, 2015 and six (6) proposals were received. An Evaluation Team reviewed and scored the proposals on experience, background and qualifications, concept and theme development, capital improvements, proposed payment to City, SBEDA Prime Contract Program, Local Preference Program, and the Veteran Owned Small Business Preference Program. The Evaluation Team recommended awarding leases to two respondents, Art on Main and Marisol Deluna. The Local Preference Program was applied in the evaluation; however, the highest ranked firms were not local businesses. The Veteran-Owned Small Business Preference Program was applied in the evaluation; however, the highest ranked firms

were not veteran-owned small businesses.

**ISSUE:**

Approval of the proposed La Villita agreements is consistent with the City's practice to lease City-owned property in support of downtown retail activity, and both leases will further the mission of La Villita as an arts and crafts village.

**ALTERNATIVES:**

City Council may elect not to approve award of the proposed leases and direct staff to issue a new RFP. This could result in a loss of revenue to the City and vacant space in La Villita.

**FISCAL IMPACT:**

	11/1/15-10/31/16	11/1/16-10/31/17	11/1/17-10/31/18	11/1/18-10/31/19	11/1/19-10/31/20
Annual Rental	\$ 20,101.20	\$ 20,503.22	\$ 20,913.29	\$ 21,331.55	\$ 21,758.19
Annual Utilities	\$ 4,308.36	\$ 4,416.07	\$ 4,531.27	\$ 4,646.47	\$ 4,761.67
Annual CAM	\$ 2,247.84	\$ 2,304.04	\$ 2,361.64	\$ 2,419.64	\$ 2,476.84
*Total	\$ 26,657.40	\$ 27,223.33	\$ 27,806.20	\$ 28,397.26	\$ 28,966.70

\*Art on Main & Marisol Deluna

Revenue will be deposited in the General Fund.

**RECOMMENDATION:**

Staff recommends approval of La Villita leases to Art on Main and Marisol Deluna New York, LLC.