



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 25

Agenda Date: January 30, 2025

In Control: City Council A Session

DEPARTMENT: Center City Development & Operations

DEPARTMENT HEAD: John Jacks

COUNCIL DISTRICTS IMPACTED: District 1

SUBJECT:

Market Square Lease Assignment

SUMMARY:

This ordinance authorizes the lease assignment of Memories of Mexico, located in El Mercado, to Ernesto Rodriguez doing business as Amorcito Mio. The lease with Mr. Rodriguez will continue through May 31, 2026.

BACKGROUND INFORMATION:

Julio Robledo and Maria Robledo lease space in the El Mercado building to operate Memories of Mexico, a jewelry, clothing and accessories shop that has been in business for approximately ten years. Mr. Robledo and Ms. Robledo now wish to assign the business to Ernesto Rodriguez who intends to operate the business under the name of Amorcito Mio.

ISSUE:

The City has leased 298 square feet of space in El Mercado to Mr. Robledo and Ms. Robledo for approximately ten years. The tenants now wish to assign their lease agreement to Mr.

Rodriguez. Per the lease agreements with all Farmers Market and El Mercado tenants, when a tenant has operated a leased space for less than twenty years (non-legacy status) or is requesting to assign a lease to a non-family member, the proposed assignee will be required to pay the market lease rate and a \$3,000.00 assignment fee. Additionally, upon execution of the lease assignment, the lease rate will increase from the current rate of \$1.79 per square foot to the market rate of \$3.00 per square foot. 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. Approving this lease assignment requires passage by City Council.

ALTERNATIVES:

City Council could choose not to approve this lease assignment. If Council does not approve the assignment, the owner could pursue a different assignment, choose to continue operations, or wind down the business and terminate the lease.

FISCAL IMPACT:

The fiscal impact to FY 2025 would be an increase of \$5,884.64. The lease assignment fee is \$3,000.00 and the FY 2025 increase in lease revenue due to a rate increase is \$2,884.64. Revenue from this lease assignment will be deposited in the City's Market Square Fund.

	Monthly	FY 2025 (Estimated)	Increase in FY 2025 Revenue
Current Lease Rate	\$533.42	\$4,267.36	
Proposed Lease Rate	\$894.00	\$7,152.00	\$2,884.64
Lease Assignment Fee			\$3,000.00
Total			\$5,884.64

RECOMMENDATION:

Staff recommends approval of this ordinance authorizing the approval of the lease assignment of Memories of Mexico to Ernesto Rodriguez doing business as Amorcito Mio.