



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 13

Agenda Date: November 9, 2023

In Control: City Council A Session

DEPARTMENT: Center City Development & Operations

DEPARTMENT HEAD: John Jacks

COUNCIL DISTRICTS IMPACTED: District 1

SUBJECT:

Lease Assignment of Buendia Imports, located in Farmers Market, to Nitza Truque Hovermale and Kayla Truque doing business as Earth to Art.

SUMMARY:

This ordinance authorizes the lease assignment of Buendia Imports, located in Farmers Market, to Nitza Truque Hovermale and Kayla Truque doing business as Earth to Art. The lease with Ms. Hovermale and Ms. Truque will continue through May 31, 2026.

BACKGROUND INFORMATION:

Juan Buendia leases space in the Farmers Market building to operate Buendia Imports, a pottery, art and home goods store that has been in business for over five years. Mr. Buendia now wishes to assign the business to Nitza Truque Hovermale and Kayla Truque doing business as Earth to Art.

ISSUE:

The City has leased 228 square feet of space in Farmers Market to Mr. Buendia for over five years. The tenant now wishes to assign his lease agreement. 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 established market lease rate and a \$3,000.00 assignment fee. Accordingly, upon execution of the lease assignment, the lease rate will increase from the current rate of \$3.20 per square foot to the market rate of \$3.80 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 their business and terminate their lease.

FISCAL IMPACT:

This ordinance authorizes the lease assignment of Buendia Imports, located in Farmers Market, to Nitza Truque Hovermale and Kayla Truque, doing business as Earth to Art. The fiscal impact to FY 2024 would be an increase of \$4,386.24. The lease assignment fee is \$3,000.00 and the FY 2024 increase in lease revenue due to a rate increase is \$1,386.24. Revenue from this lease assignment will be deposited in the City's Market Square Improvement Fund.

Dates	Monthly Rent	Annual Rent
Commencement to 5/31/2024	\$872.56	\$10,470.72
6/1/2024 to 5/31/2026	\$891.02	\$10,692.24

RECOMMENDATION:

Staff recommends approval of this ordinance authorizing the approval of the lease assignment of Buendia Imports to Nitza Truque Hovermale and Kayla Truque doing business as Earth to Art.