



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 9

Agenda Date: August 3, 2023

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 TAE Souvenirs, located in Farmers Market, to Airish Delgado doing business as Latina's Closet & Jewelry upon City Council approval through May 31, 2025. The tenant will be required to pay a lease assignment fee in the amount of \$3,000.00, and a lease rate of \$136.80 for a total revenue of \$3,136.80 deposited into the Market Square Fund.

BACKGROUND INFORMATION:

Tainy Delgado Garnica leases 228 square feet of space in the Farmers Market building to operate TAE Souvenirs, a jewelry and souvenir store that has been in business for over five years. Ms. Delgado now wishes to assign the business to Airish Delgado doing business as Latina's Closet & Jewelry.

ISSUE:

The current tenant now wishes to assign her lease agreement to Airish Delgado. 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. 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 and offer the lease to a new vendor.

FISCAL IMPACT:

This ordinance authorizes the lease assignment of TAE Souvenirs, located in Farmers Market, to Airish Delgado doing business as Latina's Closet & Jewelry. This would result in a one-time additional revenue of \$3,000.00 for the lease assignment fee and \$136.80 in increased lease revenue for one month in FY 2023 for a total of \$3,136.80 to be deposited into the Market Square Improvement Fund.

RECOMMENDATION:

Staff recommends approval of this ordinance authorizing the approval of the lease assignment of TAE Souvenirs to Airish Delgado doing business as Latina's Closet & Jewelry.