



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 31

Agenda Date: September 21, 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 Besitos & Joy, located in El Mercado, to Lucia E. Lopez doing business as Yo-Yo. The lease with Ms. Lopez will continue through May 31, 2025.

BACKGROUND INFORMATION:

Joyce Duran has leased space in the El Mercado building to operate Besitos & Joy, a clothing and souvenir store that has been in business for over five years. Ms. Duran now wishes to assign the business to Lucia E. Lopez.

ISSUE:

The City has leased 71.4 square feet of space in El Mercado to Ms. Duran for over five years. The tenant now wishes to assign her 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 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 \$1.75 per square foot to the market rate of \$4.00 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 their business and terminate their lease.

FISCAL IMPACT:

The ordinance approves the lease assignment of Besitos & Joy, located in El Mercado, to Lucia E. Lopez dba Yo-Yo. This would result in a one-time lease assignment fee of \$3,000.00 and an increase in FY 2024 lease revenue of \$1,939.22. Revenue from this lease assignment will be deposited in the City's Market Square Improvement Fund.

Dates	Monthly Rent	Annual Rent
10/1/2023 - 5/31/2024	\$287.53	\$3,450.36
6/1/2023 – 5/31/2025	\$293.30	\$3,519.60

RECOMMENDATION:

Staff recommends approval of this ordinance authorizing the approval of the lease assignment of Besitos & Joy to Lucia E. Lopez doing business as Yo-Yo.