



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 32

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 Munchies, located in El Mercado, to Antonieta Mosqueda, doing business as Ronchis. The lease with Ms. Mosqueda will continue through May 31, 2025. This would result in a one-time lease assignment of \$3,000.00 and an increase in FY 2024 lease revenue of \$5,087.04. Revenue from this lease assignment will be deposited in the City's Market Square Improvement Fund.

BACKGROUND INFORMATION:

Gabriela Iza has leased space in the El Mercado building to operate Munchies, a snack bar that has been in business for over ten years. Ms. Iza now wishes to assign the business to Antonieta Mosqueda doing business as Ronchis.

ISSUE:

The City has leased 224 square feet of space in El Mercado to the Ms. Iza for over ten 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 \$3.88 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 Munchies, located in El Mercado, to Antonieta Mosqueda, doing business as Ronchis. This would result in a one-time lease assignment of \$3,000.00 and an increase in FY 2024 lease revenue of \$5,087.04. Revenue from this lease assignment will be deposited in the City's Market Square Improvement Fund.

Dates	Monthly Rent	Annual Rent
11/1/2023 – 5/31/2024	\$857.25	\$10,287.00
6/1/2024 – 5/31/2025	\$875.39	\$10,504.68

RECOMMENDATION:

Staff recommends approval of this ordinance authorizing the lease assignment of Munchies to Antonieta Mosqueda doing business as Ronchis.