



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 13

Agenda Date: August 18, 2022

In Control: City Council A Session

DEPARTMENT: Center City Development & Operations

DEPARTMENT HEAD: John Jacks

COUNCIL DISTRICTS IMPACTED: District 1

SUBJECT:

La Villita tenants two-year lease extension

SUMMARY:

This ordinance will extend tenant leases in La Villita for two years. The majority of La Villita tenants are either at the end of their lease term or their lease will expire within a year. At the conclusion of the lease, the City has the option to either extend these leases with Council authorization or solicit new tenants through a request for proposals (RFP). Since the past two years have seen decreased visitors and business for many of the La Villita tenants, staff recommends extending the tenants' leases for two-years through this action, instead of requiring tenants to submit an RFP during a difficult time for their businesses. The extension has been coordinated with the La Villita Tenant Association and the individual tenants that have decided to participate in the extension. Revenues from this lease extension are expected to total \$898,831.29 and will be deposited into the General Fund.

BACKGROUND INFORMATION:

Many small businesses and retail shops have been significantly impacted by the pandemic. La Villita has also been significantly impacted by construction activity. The ongoing Maverick Plaza construction project within the village has impacted access and foot traffic, and the upcoming

South Flores street reconstruction project will create access issues for the village. Given these challenges, staff recommends a two-year extension for tenants that have communicated a desire to extend their lease.

This ordinance authorizes a two-year lease extension for the following tenants at La Villita: Angelita's. Huipil Market, Casa Manos, Yolix Luna, Plaza Taxco, Copper Gallery, Villa Tesoros, La Villita Café, Scent Chips, B. Link, Bird & Pear, Capistrano Soap Company, Equinox, SAAACAM, Guadalajara Grill, River Art Group, Little Studio & Marisol Deluna.

The extension of the lease will be in addition to any existing renewal terms or extensions that a tenant may have within their lease.

ISSUE:

The renewal provisions of the La Villita lease agreement's require City Council approval. Renewing lease extensions with the existing tenants will further the ongoing success and vibrancy of La Villita, which continues to be a destination for visitors and residents. Approval of this ordinance is consistent with the City's practice of leasing City-owned property in support of downtown retail activity.

ALTERNATIVES:

City Council could choose not to approve these lease extensions or it could alter the proposed length of the extension.

FISCAL IMPACT:

The fiscal impact between FY2022 – FY2026 will be an increase of \$898,831.29. The increase in revenue is due primarily to extension of rental terms as governed by tenant lease agreements. Funds generated from this ordinance will be deposited in the General Fund.

RECOMMENDATION:

Staff recommends approval of this ordinance authorizing the two-year lease extension for the following tenants at La Villita: Angelita's. Huipil Market, Casa Manos, Yolix Luna, Plaza Taxco, Copper Gallery, Villa Tesoros, La Villita Café, Scent Chips, B. Link, Bird & Pear, Capistrano Soap Company, Equinox, SAAACAM, Guadalajara Grill, River Art Group, Little Studio & Marisol Deluna.