SW/vv
08/18/16
Item #10

AN ORDINANCE 2016-08-18-0608

APPROVING THE EL MERCADO LEASE ASSIGNMENTS OF KARLOS IMPORTS TO MARIA TRINIDAD TRAYLOR DBA LITTLE BIT OF MEXICO #2 AND TEXAS STAR TO JOSE ROBLEDO DBA MEMORIES OF MEXICO.

* * * * *

WHEREAS, Carlos Ferreyro dba Karlos Imports currently operates a store in El Mercado specializing in Mexican products made from onyx; and

WHEREAS, Mr. Ferreyro now wishes to assign his lease to Ms. Traylor, who has successfully operated a Mexican imports and regional products store in Farmers Market since 2001; and

WHEREAS, Al and Mary Alice Medina dba Texas Star currently operate a jewelry store in El Mercado and now wish to assign store to Julio Robledo; and

WHEREAS, Mr. Robledo comes from a family that has operated a Mexican imports shop in El Mercado since 2000; and

WHEREAS, the Municipal Code provides authority for the City to assign leases when businesses are sold and establish an assignment fee of $1,500.00; and

WHEREAS, this proposed ordinance will authorize an amendment to the lease agreements with Karlos Imports and Texas Star, effectively assigning the lease agreements; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Manager or her designee, or the Interim Director of the Center City Development and Operations Department or his designee, is authorized to execute the Assignment and Amendment of Lease Agreements of Karlos Imports to Maria Trinidad Traylor dba Little Bit of Mexico #2 and Texas Star to Jose Robledo dba Memories of Mexico. A copy of the assignment and amendment of lease agreements, in substantially final form, are attached hereto and incorporated herein for all purposes as **Attachment I** and **II.**

SECTION 2. Funds generated by this Ordinance will be deposited into Fund 29604001, Internal Order 219000000146 and General Ledger 4406845.

SECTION 3. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

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SECTION 4. This Ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED AND APPROVED this 18th day of August, 2016.

M A Y O R
Ivy R. Taylor

ATTEST:

Leticia M. Vacek, City Clerk

APPROVED AS TO FORM:

Martha G. Sepeda, Acting City Attorney

Agenda Item:	**10 (in consent vote: 5, 7, 8, 9, 10, 11, 12, 13, 14, 15, 18, 19, 20, 21, 22)**
Date:	08/18/2016
Time:	09:17:28 AM
Vote Type:	Motion to Approve
Description:	An Ordinance approving the El Mercado lease assignments of Karlos Imports to Maria Trinidad Traylor dba Little Bit of Mexico #2 and Texas Star to Jose Robledo dba Memories of Mexico. [Lori Houston, Assistant City Manager; John Jacks, Interim Director, Center City Development and Operations Department]
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ivy R. Taylor	Mayor		x				
Roberto C. Treviño	District 1		x				x
Alan Warrick	District 2		x			x	
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4		x				
Shirley Gonzales	District 5		x				
Ray Lopez	District 6		x				
Cris Medina	District 7		x				
Ron Nirenberg	District 8		x				
Joe Krier	District 9		x				
Michael Gallagher	District 10		x				

ASSIGNMENT AND AMENDMENT OF LEASE AGREEMENT
EL MERCADO AREA NUMBER S-3
(WITH LANDLORD'S CONSENT)

WHEREAS, the City of San Antonio, a Texas Municipal Corporation, acting by and through its City Manager pursuant to Ordinance No. 91799 passed and approved by the City Council on May 18, 2000, as LANDLORD (**"CITY"**), entered into that certain Lease Agreement effective **January 1, 2000** (**"LEASE"**) with **Carlos Ferreyro and Esperanza Ferreyro (deceased) d/b/a "Karlos Imports" (ASSIGNOR)** for the lease of the following described tract or parcel of real property situated in Farmers Market at Market Square, San Antonio, Bexar County, Texas to-wit:

> A portion of the real property and improvements owned by **CITY** located at 514 W. Commerce Street, San Antonio Bexar County, Texas within the area commonly known as El Mercado at Market Square (said real property and improvements hereinafter referred to as the **"Leased Premises"**). Said Leased Premises contain approximately 717 square feet and is identified as area number S-3;

WHEREAS, Carlos Ferreyro d/b/a "Karlos Imports" desires, as **ASSIGNOR**, to convey and assign **TENANT'S** leasehold interest under the **LEASE** to **Maria Trinidad Traylor d/b/a "Little Bit of Texas #2"** as **ASSIGNEE**; and

WHEREAS, said assignment requires the prior approval of **CITY**; and

WHEREAS, ASSIGNEE desires to assume from **ASSIGNOR** all of **ASSIGNOR'S** rights, title, and interest as **TENANT** in and to the **LEASE**, and all of **ASSIGNOR'S** benefits and obligations there under; and

WHEREAS, ASSIGNEE has satisfied the **CITY** that they are financially able to undertake the obligations of **TENANT** under said **LEASE**, and **CITY** desires to give its consent to **ASSIGNOR'S** assignment of **ASSIGNOR'S** interest in the **LEASE** to **ASSIGNEE** and to **ASSIGNEE'S** assumption of **TENANT'S** obligations there under; and

WHEREAS, amending the **LEASE** is in **CITY** and **TENANT'S** best interest; **NOW THEREFORE,**

In consideration of the mutual covenants and agreements set forth below the parties agree as follows:

1. CONVEYANCE AND ASSIGNMENT: **ASSIGNOR** does hereby grant, bargain, sell, convey, assign, transfer, set over, and deliver to **ASSIGNEE**, all of **ASSIGNOR'S** rights, title, and interest in and to the **LEASE**, including and also without limitation, all of the rights, duties, obligations, and liabilities of **ASSIGNOR** in, to, and under the **LEASE** to pay rent and to observe and perform all other covenants and duties of **TENANT** there under.

2. ASSUMPTION: By its execution hereof, **ASSIGNEE** hereby assumes and agrees to perform all of the terms, covenants, and conditions of the **LEASE** on the part of the **TENANT** therein required to be performed arising from and after the date hereof, and **ASSIGNEE** releases **ASSIGNOR** from all liability for such obligations.

   ASSIGNEE herby accepts the assignment of said **ASSIGNOR'S** rights, title and interest in and to the **LEASE** and; **ASSIGNEE** recognizes the superior fee title in and to the land and premises held by the **CITY**, as Landlord, and **CITY'S** right of reversion at the end of the **LEASE** term, whether occasioned by default or passage of time, as well as, the rights and

benefits of every description whatsoever belonging to or accruing to the benefits of the **CITY** under the **LEASE.**

3. CONSENT: **CITY** hereby consents to the assignment by **Carlos Ferreyro d/b/a "Karlos Imports"**, as **ASSIGNOR**, and the assumption by **Maria Trinidad Traylord/b/a "Little Bit of Texas #2"**, as **ASSIGNEE** of said **Carlos Ferreyro dba "Karlos Imports".**

4. REPRESENTATION AND WARRANTIES: **ASSIGNOR** and **ASSIGNEE** represent and warrant that the following statements are true.
Maria Trinidad Traylor, as the **ASSIGNEE**, will be the exclusive owner of the business, formerly owned by **Carlos Ferreyro** and operating as **""Little Bit of Texas #2". Maria Trinidad Traylor** will take full control of the business immediately upon City Council approval and will operate as **"Little Bit of Texas #2"**

Carlos Ferreyro will not have any ownership or serve as employee or agent in the new enterprise operating from the premises. This individual will have no authority, financial or otherwise, in the new enterprise operating from the premises.

In the event that any such representations and warranties are found by CITY not to be true, then CITY shall have authority to revoke its consent to this assignment and terminate the Lease without allowing ASSIGNOR or ASSIGNEE an opportunity to cure.

5. USE AND CARE OF PREMISES: **ASSIGNEE** agrees that that the **Leased Premises** shall be utilized for the sole purpose of retail sales of products reflecting an open market with a Mexican Market theme.

6. AMENDING USE AND CARE OF PREMISES: Section 2.4 of **LEASE** is amended to include the following provisions:

   2.4.1 Further, **TENANT** covenants and agrees, in keeping with the intent and spirit of El Mercado and Market Square, to operate the business conducted on the **Leased Premises** in an **"OWNER PRESENCE"** capacity, physically participating in the day-to-day operations of **TENANT'S** business, as opposed to employing a non-owner manager of said premises, hence an "absentee owner" posture, unless such management is first approved by the Director, Downtown Operations Department, or her designee. Failure to operate the business on the **Leased Premises** in such a manner will constitute an act of default hereunder and will be grounds, at **CITY'S** option to terminate this **Lease Agreement** upon ten (10) days written notice to **TENANT**.

7. AMENDING DISPLAY AREA: Section 11 of LEASE is amended to include a new section 11.2 to read as follows:

"On the outside of the El Mercado building, facing Produce Row, the display area is defined as the length of the interior shop, extending 24 inches from the building. Outdoor display space shall be provided at no charge to the TENANT. TENANT may only use signs which depict its store names that are supplied by the City. No electronic signs may be exhibited. No external lighting may be installed by the TENANT. TENANT may not conduct business transactions in the display area. All merchandise displayed in the display area must be sold in the store. TENANT may not sell alcohol or alcohol –related products. TENANT may not

provide entertainment to include live or recorded music. No "hawking" or use of noisemakers is permitted."

7. ACKNOWLEDGEMENT OF READING: The parties hereto acknowledge that they have thoroughly read this Agreement, including any exhibits or attachments hereto, and have sought and received whatsoever competent advice and counsel which was necessary for them to form a full and complete understanding of their rights and obligations herein, and having done so, do hereby execute this Agreement.

EXECUTED this _____, 2016.

ASSIGNOR:
Carlos Ferreyro
d/b/a "Karlos Imports"

Carlos Ferreyro

ASSIGNEE:
Maria Trinidad Traylor
d/b/a Little Bit of Texas #2

Maria Trinidad Traylor

P.O. BOX 1141
Address

MOORE, TX 78057
City, State, Zip Code

830-477-1517
Business Telephone Number

Other Telephone Number

Email Address

LANDLORD:
CITY OF SAN ANTONIO, a Texas Municipal Corporation

City Manager

APPROVED AS TO FORM:

City Attorney

ATTEST:

City Clerk

ASSIGNMENT AND AMENDMENT OF LEASE AGREEMENT
EL MERCADO AREA NUMBER S-3
(WITH LANDLORD'S CONSENT)

WHEREAS, the City of San Antonio, a Texas Municipal Corporation, acting by and through its City Manager pursuant to Ordinance No. 91799 passed and approved by the City Council on May 18, 2000, as LANDLORD (**"CITY"**), entered into that certain Lease Agreement effective **January 1, 2000** (**"LEASE"**) with **Al and Mary Alice Medina d/b/a "Texas Star" (ASSIGNOR)** for the lease of the following described tract or parcel of real property situated in Farmers Market at Market Square, San Antonio, Bexar County, Texas to-wit:

> A portion of the real property and improvements owned by **CITY** located at 514 W. Commerce Street, San Antonio Bexar County, Texas within the area commonly known as El Mercado at Market Square (said real property and improvements hereinafter referred to as the **"Leased Premises"**). Said Leased Premises contain approximately 298 square feet and is identified as area number E-8;

WHEREAS, Al Medina and Mary Alice Medina d/b/a "Texas Star"desires, as **ASSIGNOR**, to convey and assign **TENANT'S** leasehold interest under the **LEASE** to **Julio Robledo d/b/a "Memories of Mexico"** as **ASSIGNEE**; and

WHEREAS, said assignment requires the prior approval of **CITY**; and

WHEREAS, ASSIGNEE desires to assume from **ASSIGNOR** all of **ASSIGNOR'S** rights, title, and interest as **TENANT** in and to the **LEASE**, and all of **ASSIGNOR'S** benefits and obligations there under; and

WHEREAS, ASSIGNEE has satisfied the **CITY** that they are financially able to undertake the obligations of **TENANT** under said **LEASE**, and **CITY** desires to give its consent to **ASSIGNOR'S** assignment of **ASSIGNOR'S** interest in the **LEASE** to **ASSIGNEE** and to **ASSIGNEE'S** assumption of **TENANT'S** obligations there under; and

WHEREAS, amending the **LEASE** is in **CITY** and **TENANT'S** best interest; **NOW THEREFORE,**

In consideration of the mutual covenants and agreements set forth below the parties agree as follows:

1. CONVEYANCE AND ASSIGNMENT: **ASSIGNOR** does hereby grant, bargain, sell, convey, assign, transfer, set over, and deliver to **ASSIGNEE**, all of **ASSIGNOR'S** rights, title, and interest in and to the **LEASE**, including and also without limitation, all of the rights, duties, obligations, and liabilities of **ASSIGNOR** in, to, and under the **LEASE** to pay rent and to observe and perform all other covenants and duties of **TENANT** there under.

2. ASSUMPTION: By its execution hereof, **ASSIGNEE** hereby assumes and agrees to perform all of the terms, covenants, and conditions of the **LEASE** on the part of the **TENANT** therein required to be performed arising from and after the date hereof, and **ASSIGNEE** releases **ASSIGNOR** from all liability for such obligations.

   ASSIGNEE herby accepts the assignment of said **ASSIGNOR'S** rights, title and interest in and to the **LEASE** and; **ASSIGNEE** recognizes the superior fee title in and to the land and premises held by the **CITY**, as Landlord, and **CITY'S** right of reversion at the end of the **LEASE** term, whether occasioned by default or passage of time, as well as, the rights and

benefits of every description whatsoever belonging to or accruing to the benefits of the **CITY** under the **LEASE.**

3. CONSENT: **CITY** hereby consents to the assignment by **Al and Mary Alice d/b/a "Texas Star"**, as **ASSIGNOR**, and the assumption by **Julio Robledo d/b/a "Memories of Mexico"**, as **ASSIGNEE** of said **Al and Mary Alice Medina dba "Texas Star".**

4. REPRESENTATION AND WARRANTIES: **ASSIGNOR** and **ASSIGNEE** represent and warrant that the following statements are true.
Julio Robledo, as the **ASSIGNEE**, will be the exclusive owner of the business, formerly owned by **Al and Mary Alice Medina** and operating as **"Texas Star". Julio Robledo** will take full control of the business immediately upon City Council approval and will operate as **"Memories of Mexico".**

Al and Mary Alice Medina will not have any ownership or serve as employee or agent in the new enterprise operating from the premises. This individual will have no authority, financial or otherwise, in the new enterprise operating from the premises.

In the event that any such representations and warranties are found by CITY not to be true, then CITY shall have authority to revoke its consent to this assignment and terminate the Lease without allowing ASSIGNOR or ASSIGNEE an opportunity to cure.

5. USE AND CARE OF PREMISES: **ASSIGNEE** agrees that that the **Leased Premises** shall be utilized for the sole purpose of retail sales of products reflecting an open market with a Mexican Market theme, excluding alcoholic goods and beverages.

6. AMENDING USE AND CARE OF PREMISES: Section 2.4 of **LEASE** is amended to include the following provisions:

   2.4.1 Further, **TENANT** covenants and agrees, in keeping with the intent and spirit of El Mercado and Market Square, to operate the business conducted on the **Leased Premises** in an **"OWNER PRESENCE"** capacity, physically participating in the day-to-day operations of **TENANT'S** business, as opposed to employing a non-owner manager of said premises, hence an "absentee owner" posture, unless such management is first approved by the Director, Downtown Operations Department, or her designee. Failure to operate the business on the **Leased Premises** in such a manner will constitute an act of default hereunder and will be grounds, at **CITY'S** option to terminate this **Lease Agreement** upon ten (10) days written notice to **TENANT.**

7. ACKNOWLEDGEMENT OF READING: The parties hereto acknowledge that they have thoroughly read this Agreement, including any exhibits or attachments hereto, and have sought and received whatsoever competent advice and counsel which was necessary for them to form a full and complete understanding of their rights and obligations herein, and having done so, do hereby execute this Agreement.

EXECUTED this July 15, 2016.

ASSIGNOR:
Al and Mary Alice Medina
d/b/a "Texas Star"

Al and Mary Alice Medina

ASSIGNEE:
Julio Robledo
d/b/a "Memories of Mexico"

Julio Robledo

734 Beechnut Oak
Address

San Antonio TX 78207
City, State, Zip Code

Business Telephone Number

210 488-7116
Other Telephone Number

julio_rob@msn.com
Email Address

LANDLORD:
CITY OF SAN ANTONIO, a Texas Municipal Corporation

City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney