

AN ORDINANCE 2013-08-01-0495

AUTHORIZING TWO (2) YEAR LEASE EXTENSIONS TO LA VILLITA LEASE AGREEMENTS WITH TWENTY-THREE (23) TENANTS AT LA VILLITA, A HISTORIC ARTS VILLAGE.

* * * * *

WHEREAS, La Villita is a unique historic and culturally significant facility located on the banks of the San Antonio River in downtown San Antonio; and

WHEREAS, La Villita, once called the Pueblo de Valero, had its own government and an elected mayor until 1809 when it was united with other communities to form the town that later became San Antonio; and

WHEREAS, in 1939, under the leadership of Mayor Maury Maverick, the City embarked on a joint effort with the National Youth Administration (NYA) to restore La Villita; and

WHEREAS, the initial restoration of six houses began in October 1939; and

WHEREAS, dedicated in May 1941, La Villita became a center for community events and home to artists and art galleries; and

WHEREAS, La Villita continued to expand and in 1981, City Council approved an ordinance emphasizing that all leased facilities within La Villita be utilized for promoting, manufacturing, and/or the retail sales of arts, crafts, and related skills; and

WHEREAS, on September 13, 2007 City Council approved a contract with Urban Marketing Collaborative (UMC) to conduct a La Villita Retail Marketing Study; and

WHEREAS, UMC reported that La Villita is utilized among competing interests as a public venue, a rental space for special events, and a historically unique retail center; and

WHEREAS, as a result of this on December 14, 2009, city staff was directed to create an Ad Hoc Committee to review the UMC recommendations; and

WHEREAS, the Ad Hoc Committee included stakeholder and community representatives from the Conservation Society, HemisFair Park LGC, CPS, Downtown Alliance, Cultural Arts Board, Downtown Residents Association, CVB Commission, and the HDRC; and

WHEREAS, the committee held numerous public input and community meetings to develop a mission statement and guiding principles for La Villita, and submitted a report in October 2010; and

WHEREAS, on June 17, 2010, City Council authorized Ordinance No. 2010-06-17-0547 approving three (3) year lease agreements with La Villita tenants; and

WHEREAS, leases included a renewal option which requires council approval; and

WHEREAS, in October 2013, the Department for Culture and Creative Development (DCCD) assumed management of La Villita with the intent of increasing cultural tourism opportunities, community utilization, and the artistic and historic aspects of the facilities; and

WHEREAS, DCCD has reviewed recommendations of the UMC Retail Study and the Ad Hoc Committee with tenants and public and private stakeholders; and

WHEREAS, based on this review and analysis, DCCD is recommending consideration of options to achieve enhanced development of the facility and support SA2020 Downtown Development goals; and

WHEREAS, these options include re-structuring La Villita's retail mix through issuance of a request for proposals for tenant selection; and

WHEREAS, during this period, the leases which began in July 2010 expired on June 30, 2013; and

WHEREAS, to alleviate any potential contractual issues on June 20, 2013 City Council passed Ordinance No. 2013-06-20-0452 amending the twenty-three previously approved three year leases to reduce the hold-over rental rate; and

WHEREAS, this ordinance will amend the twenty-three (23) lease agreements and authorize two year extensions for each tenant; and

WHEREAS, the extension will provide adequate time for DCCD to review and analyze recommendations as well as gather additional comment and input to implement a Request for Proposals; and

WHEREAS, DCCD will present recommendations for this RFP to the Council Economic & Community Development Committee after the beginning of the 2014 fiscal year; **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 Director of the Department for Culture and Creative Development or his designee is hereby authorized to execute two (2) year lease

extensions to La Villita Lease Agreements with twenty-three (23) tenants at La Villita, an historic arts village. A copy of the lease amendment form, in substantially final form, is attached hereto and incorporated herein for all purposes as **Attachment I**.

SECTION 2. Funds generated by this ordinance will be deposited into Fund 11001000, Internal Order 280002800002 and General Ledger 4407720.

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.

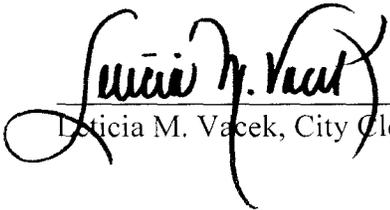
SECTION 4. This Ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED AND APPROVED this 1st day of August, 2013.



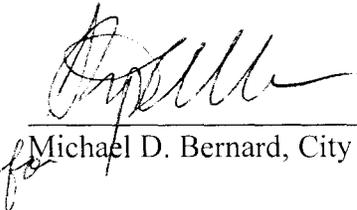
M A Y O R
Julián Castro

ATTEST:

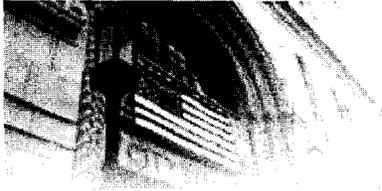


Leticia M. Vacek, City Clerk

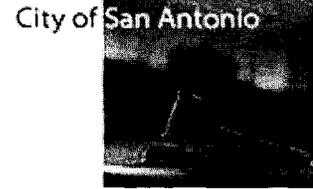
APPROVED AS TO FORM:



for Michael D. Bernard, City Attorney



Request for
COUNCIL
ACTION



Agenda Voting Results - 9

Name:	5, 6, 7, 9, 10, 11, 12, 14, 16A, 16B, 16C, 16D, 16E, 16F, 16G, 16H, 16I, 16J, 16K, 16L, 16M, 17, 18, 19						
Date:	08/01/2013						
Time:	09:36:42 AM						
Vote Type:	Motion to Approve						
Description:	An Ordinance authorizing a two year extension of the existing leases for the 23 La Villita tenants. [Ed Belmares, Assistant City Manager; Felix Padron, Director, Culture and Creative Development]						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Julián Castro	Mayor		x				
Diego Bernal	District 1		x				x
Ivy R. Taylor	District 2	x					
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4		x			x	
Shirley Gonzales	District 5		x				
Ray Lopez	District 6		x				
Cris Medina	District 7		x				
Ron Nirenberg	District 8		x				
Elisa Chan	District 9		x				
Carlton Soules	District 10		x				

Renewal of Lease Agreement

La Villita Retail Lease Agreement, Bldg. #24

This Renewal of Lease Agreement is between Tenant and the City of San Antonio ("Landlord"), pursuant to the Ordinance Authorizing Renewal.

1. Identifying Information.

**Ordinance Authorizing
Renewal:**

Tenant: Patricia Jane Fugitt d/b/a Found

Tenant's Address: 418 Villita St., Bldg. #24, San Antonio, Texas 78205

Lease: La Villita Retail Lease Agreement

**Ordinance Authorizing
Original Lease:** 2010-06-17-0547

**Beginning of Renewal
Term** August 1, 2013

**Expiration of Renewal
Term** July 31, 2015

2. Defined Terms.

All terms used in this instrument and not otherwise defined herein but defined in the Lease or any previous amendment to it have the meanings previously ascribed to them.

3. Renewal.

The term of the lease is extended from the Beginning of Renewal Term through and including the Expiration of Renewal Term.

4. Rent.

From the Beginning of the Renewal Term to the Expiration of the Renewal Term, Tenant must pay to Landlord the following rent at the place, at the intervals, and in the manner described in the Lease for the payment of rent. Whether designated as Retail Rent, Storage Rent, Common Area Maintenance Charges, or Utilities, all such sums are "Rent" for the purposes of determining the parties' rights and obligations under the Lease and under the law generally.

8/1/2013 – 7/31/2015 Rent				
	Square Feet	Jul 2012- Jul 2013	Aug 2013- Jul 2014	Aug 2014- Jul 2015
Retail Rent	415	\$396.77	\$408.68	\$416.85
Storage Rent	68	\$49.30	\$50.77	\$51.79
Other Rent	0	\$0.00	\$0.00	\$0.00
Common Area Maintenance		\$48.30	\$57.96	\$57.96
Utilities		\$106.44	\$111.76	\$111.76
TOTAL MONTHLY RENT			\$629.17	\$638.36

5. Tenant's Affirmative Promises

a) Tenant may not use the name "La Villita" or any La Villita trademark, logo or any other associated intellectual property owned by the City on any publication or any social media platform without the prior written approval of Landlord.

b) Tenant understands and agrees that Landlord will be conducting an RFP to solicit proposals for potential tenants for all facilities in La Villita Historic District. Tenant shall have the opportunity to comment during the drafting of the RFP and Tenant, along with all members of the public, will have the opportunity to submit a proposal in response to the RFP for the right to lease space. Tenant shall not be guaranteed the right to lease its current leased premises or any other space but shall compete equally with other members of the public.

6. No Default.

Neither Landlord nor Tenant is in default under the Lease, and neither party is aware of a cause of action against the other arising out of or relating to the period before this renewal.

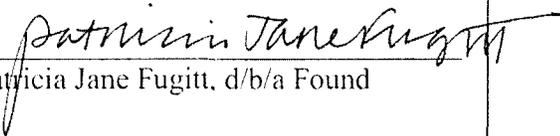
7. Same Terms and Conditions.

This renewal instrument is a fully integrated statement of the modifications to the Lease. Except as expressly modified by this renewal, the Lease remains a comprehensive statement of the rights and obligations of Landlord and Tenant. Landlord and Tenant reaffirm the Lease as modified by this agreement. Landlord and Tenant reaffirm the Lease as modified by this agreement and represent to each other that no written right or obligation of either party has been waived such that it would impair exercise of the right or enforcement of the obligation on a future occasion.

8. Public Information.

Tenant acknowledges that this instrument is public information within the meaning of Chapter 552 of the Texas Government Code and accordingly may be disclosed to the public. Nothing in this agreement waives an otherwise applicable exception to disclosure.

In Witness Whereof, the parties have caused their representatives to set their hands.

Landlord	Tenant
City of San Antonio, a Texas municipal corporation By: _____ Printed Name: _____ Title: _____ Date: _____	 Patricia Jane Fugitt, d/b/a Found

Attest:

City Clerk

Approved as to Form:

City Attorney