

CITY OF SAN ANTONIO
INTERDEPARTMENTAL MEMORANDUM
PARKS AND RECREATION DEPARTMENT

TO: Mayor and City Council

FROM: Malcolm Matthews, Director, Parks and Recreation Department

THROUGH: Terry M. Brechtel, City Manager

COPIES: Melissa B. Vossmer; Finance; Management and Budget; Legal; File

SUBJECT: Dolorosa Street Parking Lot Lease Agreement in Market Square

DATE: May 29, 2003

SUMMARY AND RECOMMENDATIONS

This ordinance approves a Dolorosa Street Parking Lot Lease Agreement in Market Square with Market Square Parking, LLC for lease of approximately 14,615 square feet of parking lot space in City Council District 1 for a ten year term with one five year extension, in consideration of an annual lease amount of \$32,500.00 in Year 1 to \$42,500.00 in Year 5 with market analysis adjustments thereafter.

Staff recommends approval of this ordinance.

BACKGROUND INFORMATION

The City owned parking lot in Market Square off of Dolorosa Street in City Council District 1, adjacent to the La Margarita Restaurant, has been leased for private sector operation for several years.

The City leased to the Property Owners of Produce Row Association (POPRA) Dolorosa Street parking lot in Market Square as a public parking lot in 1985, with Mi Tierra Corporation (MTC, Inc.) being the primary operator in POPRA. In 1998, the City began negotiations with MTC for a new lease agreement. The negotiations were delayed due to uncertainty on use of and impacts to the property, as the City negotiated an agreement with Centro Alameda Inc. for development of the Plaza de Artes building into a Smithsonian affiliated museum. In addition, a Market Square Master Plan was undertaken in 2001-2002 that affected the ability of the City to negotiate the new parking lease for the same reasons.

The proposed lease agreement is with Market Square Parking LLC (MSP), a wholly owned subsidiary of MTC, Inc. The new agreement stipulates that MSP will install a new parking operations system within 90 days of approval of this agreement, will resurface and maintain the lot and will be responsible for all utilities. The leased premises are the same as in the previous agreement. Additional language has been incorporated to allow the City to audit financial records of MSP.

As part of the lease agreement, MSP will make improvements to adjacent properties and/or buildings owned by MTC Real Estate, Inc. The City wants to have the appearance of these areas improved. These include Galeria Ortiz, La Margarita Restaurant and office building and the Moguel Building. MSP/MTC will complete the City-approved repairs within two years of execution of the parking lot agreement.

MSP will make lease payments to the City in accordance with an established fee schedule outlined in the agreement. The lease rate in Year 1 will be \$32,500.00, which will increase to \$42,500.00 in Year 5. A market study analysis will be done in Year 6 to determine the new annual payment to the City and parking rates to be charged. Years 7 through 10 will increase 2% over the prior year's rate. (The current lease payment is \$20,000.00 per year.) The initial (first five years) parking rates to be charged will be the same amount that the Public Works Department charges in the Farmer's Market parking lot. MSP may increase parking rates during Fiesta week, subject to approval by the Director of Parks and Recreation.

POLICY ANALYSIS

This ordinance is consistent with other long-standing enterprise based leases, with emphasis on improved compensation to the City and enhanced public property conditions.

FISCAL IMPACT

The revenue from the Dolorosa Street Parking Lot Lease Agreement in Market Square is deposited into the General Fund in an amount of \$32,500.00 in Year 1 and increasing annually.

COORDINATION

This item was coordinated with the City Attorney's Office, Asset Management and the City Council District 1 office. It was presented to the Quality of Life Committee on May 22, 2003 and it received favorable review.

SUPPLEMENTARY COMMENTS

A Discretionary Contracts Disclosure Form is attached.

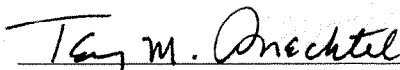


Malcolm Matthews
Director of Parks and Recreation



Melissa B. Vossmer,
Assistant City Manager

Approved:



Terry M. Brechtel
City Manager

City of San Antonio
Discretionary Contracts Disclosure

For use of this form, see City of San Antonio Ethics Code, Part D, Section 1&2

Disclosure of Parties, Owners, and Closely Related Persons

For the purpose of assisting the city in the enforcement of provisions contained in the City Charter and the code of ethics, an individual or business entity seeking a discretionary contract from the city is required to disclose in connection with a proposal for a discretionary contract:

(1) the identity of any individual who would be a party to the discretionary contract;

None

(2) the identity of any business entity that would be a party to the discretionary contract and the name of:

(A) any individual or business entity that would be a subcontractor on the discretionary contract;

Market Square Parking, L.L.C.

(B) any individual or business entity that is known to be a partner, or a parent or subsidiary business entity, of any individual or business entity who would be a party to the discretionary contract;

David Cortez, George Cortez, Ruben Cortez, Rosalinda Cortez-Pouya and the Estate of Manuel Cortez

(3) the identity of any lobbyist or public relations firm employed for purposes relating to the discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract.

None

Political Contributions

Any individual or business entity seeking a discretionary contract from the city must disclose in connection with a proposal for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made directly or indirectly to any member of City Council, or to any political action committee that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an entity include, but are not limited to, contributions made through the officers, owners, or registered lobbyists of the entity.

To Whom Made:

See Attached

Amount:

Date of Contribution:

Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city shall disclose any known facts which, reasonably understood, raise a question¹ as to whether any city official would violate Section 1 of Part B by participating in official action relating to the discretionary contract.

None

Signature:

Date:

5-23-03

¹ For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.

**Attachment to City of San Antonio
Discretionary Contracts Disclosure**

To Whom Made:	Amount:	Date of Contribution:
Ed Garza Campaign (G. Cortez)	\$500.00	2/24/03
Ed Garza Campaign (G. Cortez)	\$200.00	5/22/01
Bobby Perez Campagin (G. Cortez)	\$1,000.00	4/06/01
Ed Garza Campaign (D. Cortez)	\$500.00	2/24/03
Ed Garza Campaign (D. Cortez)	\$1,000.00	5/05/02
Ed Garza Campaign (D. Cortez)	\$200.00	5/22/01
Kike Martin Campaign (D. Cortez)	\$200.00	10/03/01
John Sanders Campaign (D. Cortez)	\$750.00	6/24/01
Ed Garza Campaign (R. Cortez)	\$500.00	2/24/03
Ed Garza Campaign (R. Cortez)	\$1,000.00	5/06/02