

**THIS IS A DRAFT AND WILL BE REPLACED BY THE FINAL, SIGNED
ORDINANCE OR RESOLUTION ADOPTED BY CITY COUNCIL.**

ORDINANCE

**DECLARING AS SURPLUS AND AUTHORIZING THE SALE OF FIVE
CITY-OWNED PARCELS OF REAL PROPERTY DESCRIBED AS LOTS
30, 32, 33, 34, AND 35, BLOCK 1, NEW CITY BLOCK 679, ST. PAUL'S
SQUARE, COMMONLY DESCRIBED AS 123 HEIMAN ST., 121 HEIMAN
ST., 1154 E. COMMERCE ST., 1164 E. COMMERCE ST., AND 1172 E.
COMMERCE ST. TO EAST COMMERCE REALTY, LLC FOR
\$1,758,080.00 IN COUNCIL DISTRICT 2.**

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WHEREAS, St. Paul Square is a National Register Historic District; and

WHEREAS, within St. Paul Square are five city-owned real properties that were acquired by the City of San Antonio ("City") through Ordinance 69052 dated March 16, 1989; and

WHEREAS, in May 1996, the five properties were leased to Sunset Station Group, LLC whereby Sunset Station Group, LLC later assigned its lease rights in April 2004 to East Commerce Realty, LLC; and

WHEREAS, in 2017, the interest in East Commerce Realty was sold to a subsidiary of Reata Real Estate Services where occupancy of the St. Paul Square buildings increased from 60% to 85%; and

WHEREAS, currently East Commerce Realty, LLC is in year 25 of a 45-year lease; and

WHEREAS, East Commerce Realty, LLC approached the City of San Antonio regarding the purchase of five properties commonly described as 123 Heiman St., 121 Heiman St., 1154 E. Commerce St., 1164 E. Commerce St., and 1172 E. Commerce St., as further described in **Attachment A** from the City of San Antonio in lieu of continuing through to the end of the lease term as part of a larger master plan to reinvigorate the area; and

WHEREAS, the properties were appraised for \$1,560,000 by an independent appraiser and the City has negotiated a sales price of \$1,758,080 with the City retaining an equity-interest in the properties if the properties are not substantially renovated within a seven-year period; and

WHEREAS, while East Commerce Realty, LLC is committed to the long term reinvestment in St. Paul's Square, if any future sales proceeds are generated in the next seven years, those funds shall return to the City's CDBG Program in accordance with the agreed-upon equity interest sharing schedule; **NOW THEREFORE:**

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

SECTION 1. The City Council authorizes the City Manager or designee to declare as surplus and authorize the sale of five properties commonly described as 123 Heiman St., 121 Heiman St., 1154 E. Commerce St., 1164 E. Commerce St., and 1172 E. Commerce St., as further described in **Attachment I**, attached and incorporated, to East Commerce Realty, LLC pursuant to Section 272.001 of the Texas Local Government Code for a cumulative amount \$1,758,080.00 with the City retaining an equity interest in the properties for a period of 7 years following conveyance.

SECTION 2. The City Manager or designee, severally, is authorized to sell the five properties only upon receipt of a fully executed guaranty by _____.

SECTION 3. The City Manager or designee, severally, are authorized and directed to execute and deliver on behalf of the City sale contracts and deeds without warranty, substantially in the form shown in **Attachment II**, conveying the above-described property. The City Manager or designee, severally, are authorized to take all additional actions reasonably necessary or convenient to effectuate the transaction, including executing and delivering all instruments and agreements conducive to effectuating the transaction.

SECTION 4. Fund 28099111, Internal Order 157000000201, and General Ledger Account 4502230 are hereby designated for use in the collection of revenues for fiscal year 2020 from five real properties owned by the City of San Antonio, commonly known as 123 Heiman St., 121 Heiman St., 1154 E. Commerce St., 1164 E. Commerce St., and 1172 E. Commerce St. within the St Paul Square Historic District.

SECTION 5. The disposition of surplus property must be coordinated through the city's Finance Department to assure the removal of these assets into the City's financial records and to record the proper accounting transactions.

SECTION 6. 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 Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

SECTION 7. This Ordinance becomes effective immediately upon its passage by eight (8) votes or more and 10 days after passage upon its approval by less than eight (8) votes.

PASSED AND APPROVED this _____ day of October, 2019.

M A Y O R
Ron Nirenberg

VS
10/03/19
Item No. ___B

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek, City Clerk

Andrew Segovia, City Attorney

DRAFT

