



INTERDEPARTMENTAL MEMORANDUM

TO: Lori Houston, City Manager

FROM: Pete Alanis, Real Estate Administrator, Center City Development & Operations Department

THROUGH: John Jacks, Director, Center City Development & Operations Department

SUBJECT: Valuation of Property for 803/815 N. Cherry and 223 S. Cherry

DATE: June 5, 2019

The purpose of this memo is provide determining factors for land values of the proposed exchange of property between City of San Antonio's 2 acre portion of 223 S. Cherry and Loopy Limited 1.69 acres located at 803/815 N. Cherry.

South Cherry Street

In early April, Center City Development and Operations staff engaged Noble and Associates, Inc. to conduct an "as is" appraisal of 223 S. Cherry St. with the assumption that there are no environmental hazards limiting development. The appraiser provided a \$40 per square foot value of the 3.92 acre site totaling \$6,830,000 less the price of demolition.

As a review of the initial appraisal proceeded, staff identified issues regarding the timing and proximity of the comparable land sales being utilized for the property. The City was also proposing a property exchange for a 2 acre tract of land out of the original 3.92 acres. The two acres is situated at the corner of Idaho and Cherry, which impacts the value due to the reduced size, reduced frontage, and not having the access corner of Montana and Cherry. Finally, upon the City's engagement with the nearby neighborhood associations regarding the proposed exchange, the community called for any development on the 223 S. Cherry St. site to be limited to 5 stories which also impacts the value of the land.

Staff re-engaged Noble and Associates, Inc. with revised instructions to account for the additional impacts, as well as, to provide perspective for when 223 S Cherry Street could transact. Per the proposal, the property would not be closed upon until demolishing and environmental services are completed. The appraiser provided a preliminary conclusion that with these conditions and with the results of pending closings over the next 90 days of near eastside properties, the value is \$30 per square foot or \$2,615,000 for the 2 acre tract at 223 S. Cherry St.

North Cherry Street Value

The City also engaged Noble and Associates, Inc. to provide a review of the 1.69 acre tract at 803/815 N Cherry Street from the perspective from when the site would actually transact. The

appraiser was also provided the instruction to consider the value of the site as a development ready site that has been platted, received HDRC approval, and has a set of schematic drawings ready to submit for permitting. The appraiser has provided a preliminary conclusion that with these conditions and with the results of pending closings over the next 90 days of near eastside properties, the 803/815 N. Cherry property is valued at \$35 per square foot.

The following table is a summary of the preliminary concluded values and attached is a letter from Noble and Associates restating these values.

Address	Owner	Acres	Square Feet	Price Per SF	Exchange Value (rounded)
803/815 N Cherry Street	Loopy Limited	1.69	73,616	\$ 35.00	\$ 2,580,000
223 S Cherry Street	City Property	2.00	87,120	\$ 30.00	\$ 2,615,000
Difference					\$ 35,000

Please contact me at 207-3908 if you have any questions or require additional information.

NOBLE & ASSOCIATES, INC.
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June 5, 2019

Memorandum

To: Mr. Pedro Alanis
City of San Antonio CCDO

From Sam Noble

RE: Preliminary conclusions on 803/815 N. Cherry Street and 223 S. Cherry St. land

Dear Mr. Alanis:

Based on the information provided, the preliminary conclusions are as follows:

803/815 North Cherry Street land – 73,616 sq. ft. @ \$35.00 per sq. ft. = \$2,580,000

223 South Cherry Street land – 87,120 sq. ft. @ \$30.00 per sq. ft. = \$2,615,000

Appraisal reports are currently being prepared and will be provided next week.