



City of San Antonio

Agenda Memorandum

File Number:14-601

Agenda Item Number: 8.

Agenda Date: 2/19/2015

In Control: City Council A Session

DEPARTMENT: Office of EastPoint & Real Estate Services

DEPARTMENT HEAD: Mike Etienne, Ph.D., Director

COUNCIL DISTRICTS IMPACTED: 5

SUBJECT:

Disposition: Sale of Surplus City-Owned Property

SUMMARY:

Consideration of an ordinance authorizing the disposition and sale of a 0.56 acre improved tract of land located at 915 Castroville Road, in Council District 5, to TCP Capital Partners, LLC for \$150,000.00 for economic and commercial development.

BACKGROUND INFORMATION:

Under Municipal Code, all City property must be declared as surplus prior to the disposition of the property. The request to declare property as surplus must be submitted to the Office of EastPoint & Real Estate Services, then the request and exhibits are sent to departments and municipal utilities that provide services to, or construct infrastructure on the properties. The departments and municipal utilities respond if there is a need for the property or if the property can be disposed of. In compliance with City procedures, the subject property was advertised to the public in the Express News Paper on February 2014.

The property is located at 915 Castroville Road in the parking lot of the Las Palmas Shopping Center in Council District 5. Las Palmas, Inc. originally donated the property to the City in 1967 for use as a public library. The library subsequently was relocated to 515 Castroville Road in 1994 and the property has since been occupied by the Department of Metro Health. TCP Capital Partners, LLC (parent company of Las Palmas Inc.) and owner of the Las Palmas Shopping center had requested the City declare as surplus and sell them the property so they can expand the existing shopping center with a 15,526 square foot rentable retail space and 5,726 square feet for professional/service use in the existing building.

If the sale is approved by City Council, TCP Capital Partners will invest about \$2.6 million to expand the Las

Palmas Shopping Center by 9,800 square feet additional retail and 5,726 square feet for professional/service use in the existing building and create approximately 30 new jobs for the west side. The property was identified in 2013 by the community as a potential historic property. Therefore as a condition to the sale, the developer has agreed not to demolish the building, but incorporate the building into the overall development plan.

The Facilities Committee for the San Antonio Public Library Board of Trustees approved this request on March 12, 2014. The City of San Antonio's Planning Commission approved this request at its regular meeting on March 26, 2014, and the San Antonio Public Library Board of Trustees approved this request on March 26, 2014.

ISSUE:

This ordinance authorizes the declaration as surplus and disposition of an improved 0.56 acre city-owned property located at 915 Castroville Road and authorizes its sale to TCP Capital Partners, LLC for \$150,000.00. The property has been identified by the community as a potential historic property. Therefore as a condition to the sale, the developer has agreed not to demolish the building, but incorporate the building into the overall development.

If the sale is approved by City Council, TCP Capital Partners will invest about \$2.6 million to expand the Las Palmas Shopping Center by 9,800 square feet additional retail and 5,726 for professional/service use in the existing building and create approximately 30 new jobs for the west side. The property was identified in 2013 by the community as a potential historic property. Therefore as a condition to the sale, the developer has agreed not to demolish the building, but incorporate the building into the overall development plan.

ALTERNATIVES:

City Council could choose not to approve this item; however, disapproval of this request may prohibit the expansion of the Las Palmas Shopping Center and the creation of approximately 30 new jobs. The sale of the property also will alleviate the city of additional maintenance cost and place the property back on the tax rolls.

FISCAL IMPACT:

In compliance with Chapter 37 of the Municipal Code, Section 37-2, fair market value was based upon an independent appraisal completed by Sandison Appraisal Services on January 15, 2014. The property was appraised for a total of \$489,300.00. The City of San Antonio and the purchaser have agreed on a sales price of \$150,000.00 in recognition that the property has potential historic significance and could be incorporated into the expansion plans rather than immediately being demolished.

The property will be placed on the tax rolls and generate revenue for the taxing entity. Revenues in the amount of \$150,000.00 associated with the sale of this property will be distributed as follows: \$150,000.00, less closing costs to Alamo Title Company not to exceed \$500.00. The funds collected will be deposited in to the General Fund in accordance with the FY 2015 Budget.

RECOMMENDATION:

Staff recommends approval of an ordinance authorizing the declaration as surplus and disposition of a 0.56 acre improved tract of land in NCB 11250 (915 Castroville Road) in Council District 5 and authorizing its sale to TCP Capital Partners, LLC for \$150,000.00.