



# City of San Antonio

## Legislation Details (With Text)

**File #:** 20-5756  
**Type:** Miscellaneous Item  
**In control:** City Council A Session  
**On agenda:** 10/1/2020  
**Title:** Ordinance approving a Funding Agreement for an amount not to exceed \$241,000 between the City of San Antonio Public Works Department and the Inner City Tax Increment Reinvestment Zone for eligible expenses related to demolition and environmental work at 223 S. Cherry Street..  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** 1. Funding Agreement, 2. Draft Ordinance - Part B, 3. Draft Ordinance - Part A, 4. Ordinance 2020-10-01-0710

Date	Ver.	Action By	Action	Result
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**DEPARTMENT:** Center City Development and Operations Department

**DEPARTMENT HEAD:** John Jacks

**COUNCIL DISTRICTS IMPACTED:** 2

### SUBJECT:

Demolition and Site Preparation Activities at 223 S. Cherry Street

### SUMMARY:

*City Council shall consider the following items related to demolition and environmental work at 223 S. Cherry Street*

1. An ordinance approving a Funding Agreement for an amount not to exceed \$241,000 between the City of San Antonio Public Works Department, and the Inner City TIRZ for eligible expenses related to demolition and environmental work at 223 S. Cherry Street in Council District 2.
2. An ordinance approving a change order increasing the contract capacity of the On-Call Demolition and Debris Disposal Services Contract with J.R. Ramon & Sons, Inc. in the amount of \$247,000 for additional demolition services of planned and future structures related to capital improvement projects citywide.

### BACKGROUND INFORMATION:

On June 13, 2019, City Council authorized the exchange of a 2-acre portion of City owned property at 223 S Cherry Street for a 1.69-acre property owned by 803 N Cherry Street, LLC at 803 and 815 N Cherry Street. The City's exchange property is the former site of the City's Traffic Sign Shop, which relocated to a new location prior to the agreement.

On July 1, 2019, a Property Exchange Agreement was executed between the City of San Antonio and 803 N. Cherry, LLC. As a condition of this exchange, the City took possession of 803 and 815 N Cherry Street to develop into the future Berkley V. and Vincent M. Dawson Park. The City committed to certain site preparation activities on 223 S. Cherry before conveyance to the developer, including platting, demolition, and environmental work. City Council authorized \$600,000 from the Inner City Incentive Fund to complete site preparation. The City is contractually obligated to complete these actions by January 1, 2021.

Site preparation activities were initiated immediately, including preparation of demolition specifications by a licensed architect and an asbestos and hazardous materials survey. Both resulted in findings which significantly impacted the demolition budget. The initial budget was based on an appraiser's demolition value, which provided an estimate for demolition of a structure of similar size and scale. However, the extent of asbestos and hazardous material remediation and the extraordinary depth of the concrete slabs have resulted in a higher demolition cost than initially estimated.

## ISSUE:

### *TIRZ Funding Agreement*

Unforeseen costs require an increased budget in order for the City to meet its contractual obligations outlined in the Property Exchange Agreement. The Inner City TIRZ Board approved funding for eligible expenses in an amount not to exceed \$241,000 on August 26, 2020. City Council consideration is requested for the approval of the Funding Agreement between the City of San Antonio Public Works Department, and the Inner City TIRZ.

### *On Call Demolition and Debris Disposal Services Contract Capacity Increase*

The City has an On-Call Demolition and Debris Disposal Contract with J.R. Ramon & Sons, Inc. to conduct demolition of buildings and flatwork in accordance with approved specifications. The current contract capacity amount for this contract is \$330,000 per annual period. The City's Public Works Department is recommending that the City approve a change order increasing contract capacity to the On-Call Demolition and Debris Disposal Contract with J.R. Ramon & Sons, Inc. in the amount of \$247,000 for a revised maximum contract capacity of \$577,000. Increasing capacity of this contract allows Public Works to proceed with demolition on planned and future capital improvement projects.

## ALTERNATIVES:

City Council could choose not to approve the Funding Agreement for eligible expenses related to demolition and environmental work. This action would preclude the City from meeting its contractual obligation to complete demolition and environmental work on the site by January 1, 2021. In the event that City Council elects not to approve the change order increasing contract capacity of the On-Call Demolition and Debris Disposal contract with J.R. Ramon & Sons, Inc., the City's Public Works Department will be limited in its ability to undertake demolition activities associated with planned and future capital improvement projects.

**FISCAL IMPACT:**

This ordinance authorizes execution of a Funding Agreement between the City of San Antonio Public Works Department, and the Inner City TIRZ to provide funding in an amount not to exceed \$241,000. Funding for this agreement is available through the tax increment produced by the Inner City TIRZ. There is no impact to the General Fund.

Approving a change order will increase contract capacity for the City's On-Call Demolition and Debris Disposal contract with J.R. Ramon & Sons, Inc. by \$247,000. Funds are not encumbered by this action. Funds for this contract shall be allocated from specific project funds at the time the work is required. Expenditures for these services are subject to available funding and are authorized by individual project capital budgets at the time work is requested or project funds are appropriated through ordinance. Requirements for services requested shall be detailed in individual assigned task orders. The City makes no minimum guarantee pertaining to the volume of work that may be expected from an on-call contractor.

**RECOMMENDATION:**

Staff recommends approval of an ordinance approving a Funding Agreement for an amount not to exceed \$241,000 between the City of San Antonio Public Works Department, and the Inner City TIRZ for eligible expenses related to demolition and environmental work at 223 S. Cherry Street. Staff also recommends approving a change order increasing contract capacity of the On-Call Demolition and Debris Disposal Contract with J.R. Ramon & Sons, Inc. in the amount of \$247,000 for a revised total contract capacity of \$577,000.