



City of San Antonio

Agenda Memorandum

File Number:16-3595

Agenda Item Number: 3.

Agenda Date: 6/20/2016

In Control: Neighborhoods and Livability Committee

DEPARTMENT: Center City Development and Operations

DEPARTMENT HEAD: John Jacks

COUNCIL DISTRICTS IMPACTED: Council District 2

SUBJECT: Sale of the Reus-Sterling Properties

SUMMARY: A briefing and possible action on the Sale of the Reus-Sterling Properties

BACKGROUND INFORMATION:

The City owned Reus-Sterling Property consists of contiguous commercial buildings and a residential building located at 1434 East Commerce Street, as well as a vacant lot at 323 Idaho. The 0.5122 acre property is located on the corner of Hackberry and East Commerce within the Inner City Reinvestment Infill Policy Area (ICRIP) and Inner City TIRZ #11.

The property was initially acquired in March 2013 through the use of \$150,000 in TIRZ funding for the purpose of redevelopment of the site through issuance of a Request for Proposals. In November 2013, the City identified a developer who proposed a demolition and reconstruction of an 8,000 square foot office building on the property. As part of the developer's due diligence, a demolition application was submitted to the City's Historic Design and Review Committee (HDRC). The HDRC issued recommendation of a Finding of Historic Significance recommending the property not be demolished. The recommendation to designate was denied on June 16, 2016.

ISSUE:

After a briefing with the Neighborhood and Livability Committee, the City re-issued a second Request for Proposals on February 19, 2016. The City received one responsive RFP from Jasmine Engineering, Inc. to demolish and construct a 10,322 square foot mixed use development with first floor retail/restaurant and second floor office space, for a total project cost of approximately \$1.8 million. Jasmine Engineering, Inc. is offering

\$120,000 for the two improved properties if the City provides Permit Fee waivers and SAWS Impact Fee waivers incentives along with closing cost considerations.

ALTERNATIVES:

The Neighborhoods and Livability Committee may elect not proceed with the RFP award and terms of the sales contract.

FISCAL IMPACT:

This item is a briefing on a proposed Request for Proposals and there is no anticipated fiscal impact to the City's General Fund. Upon City Council approval, the declaration of surplus property and the sale of the two improved city owned real properties located at 1434 East Commerce Street and 323 Idaho will provide repayment to the Inner City TIRZ #11 with the final sales price currently negotiated at \$120,000 less negotiated closing costs.

RECOMMENDATION:

Staff recommends moving forward for Council consideration and ordinance declaring two improved city owned real properties located at 1434 East Commerce Street and 323 Idaho in Council District 2 as surplus and authorizing their sale to Jasmine Engineering, Inc.