



# City of San Antonio

## Agenda Memorandum

**File Number:**16-3817

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**Agenda Item Number:** 14.

**Agenda Date:** 6/30/2016

**In Control:** City Council A Session

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**DEPARTMENT:** Center City Development and Operations

**DEPARTMENT HEAD:** John Jacks

**COUNCIL DISTRICTS IMPACTED:** 1

### **SUBJECT:**

Sale and disposition of the City-owned property at 307 Dwyer

### **SUMMARY:**

This ordinance authorizes the sale and disposition of City-owned property, located at 307 Dwyer, in City Council District 1 to Landbridge Partners.

### **BACKGROUND INFORMATION:**

The city-owned property located at 307 Dwyer, formerly known as the Dwyer Avenue Center for Transitional Housing, includes a three-story building of approximately 48,239 square feet. The lot, described as NCB 173, Block Lot 1-2, South IRR 39 feet of 3 & 14, is approximately 0.41 acre (or 17,933 square feet). The building was originally built around 1955 with an extensive renovation in 1992. The property is currently zoned D (Downtown District) and located within the Central Business District and the Houston Street TIRZ with easy access to Highway 281 and Interstate Highway 35; the property is also located near the Historic Civic Center, San Pedro Creek and the River Walk.

In 2010, the services provided at the Dwyer Avenue Center for Transitional Housing were relocated to Haven for Hope. Since then, the building has been vacant. Prior to its closure, City Council created the Haven for Hope Fund in order to establish an endowment for the campus operations. Any proceeds from the sale of the property would benefit the endowment.

In June of 2014, City Council approved a Public-Private Partnership (P3) for the property, however, subsequent

due diligence of the site revealed development challenges that proved cost-prohibitive for the project as a P3. As a result, the City instead pursued a direct sale of the property which allows the City to select a purchaser based on terms most advantageous to the City.

## **ISSUE:**

City staff is seeking approval of the direct sale of 307 Dwyer Ave to Landbridge Partners. Landbridge represents the most advantageous option to the City given that Landbridge also controls the adjacent property known as Heritage Plaza. This presents the unique opportunity to combine both properties to produce a larger, more catalytic redevelopment project for the area.

Landbridge Partners is proposing a \$50,000,000 mixed-use development that includes both the city-owned property at 307 Dwyer and the Heritage Plaza property. The project will include at least 272 market-rate housing units.

The Dwyer Avenue Center last appraised for \$1.9 million in 2012. The sales price to be paid by Landbridge for the Dwyer property will be \$800,000. City staff deems this to be fair value for the property given the additional \$300,000-\$500,000 in demolition costs, the deed restrictions to be placed on the property requiring housing, and the price discount in lieu of SAWS impact fee waivers valued at \$816,000. The net sale proceeds after deduction of transactional costs and repayment of any federal obligations associated with the property will go to benefit Haven for Hope in accordance with City Council direction given in 2007. The funds will be provided through, and the terms of use will be set forth in, a subsequent written agreement with Haven for Hope of Bexar County.

## **ALTERNATIVES:**

In lieu of staff's recommendation, the City could solicit additional bids to purchase the property which may yield higher offers; however, the unique opportunity presented in the Landbridge proposal to combine both properties for a larger redevelopment will not be possible in any other offer.

## **FISCAL IMPACT:**

This item has no fiscal impact to the General Fund. The sale of the property will generate \$800,000 in gross proceeds, less closing costs. These proceeds will first be utilized to reimburse federal grant obligations and the net proceeds will be deposited into the Haven for Hope Endowment Fund to support the mission and operations of Haven for Hope.

## **RECOMMENDATION:**

Staff recommends approval of the direct sale of the City-owned property at 307 Dwyer Avenue to Landbridge Partners for the sum of \$800,000. The Planning Commission approved the declaration of surplus and disposition of the property on June 11, 2014. The Houston Street TIRZ Board amended their Project Plan to include the Dwyer Redevelopment Project on February 22, 2016.

