



# City of San Antonio

## Agenda Memorandum

**File Number:**16-4364

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**Agenda Item Number:** 9.

**Agenda Date:** 10/6/2016

**In Control:** City Council A Session

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**DEPARTMENT:** Center City Development and Operations

**DEPARTMENT HEAD:** John Jacks

**COUNCIL DISTRICTS IMPACTED:** Council District 2

### **SUBJECT:**

Sale of the Reus-Sterling Properties located at 1434 East Commerce Street and 323 Idaho in Council District 2

### **SUMMARY:**

An 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 Yasaman Azima Living Trust for a combined total of \$120,000.00; authorizing the Sales Agreement; and waiving associated City and SAWS Impact fees.

### **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 the property. As part of the developers 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 project did not move forward and City Council did not vote on the historic significance of the property.

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.

On June 16, 2016, City Council denied the resolution of historic designation thus allowing demolition of the property.

#### **ISSUE:**

Yasaman Azima Living Trust proposed to construct either a mixed use commercial and office space building or an office space building of up to approximately 10,000 square feet at an investment of up to but not limited to \$2.0 million.

Yasaman Azima Living Trust is offering \$120,000 for the two improved properties if the City provides Permit Fee waivers and SAWS Impact Fee waivers incentives along with reasonable closing cost considerations and related studies.

In exchange for the acceptance of the cash offer and incentives, the City is requiring the property be cleared of all existing improvements within 6 months; project commencement within 24 months; and project completion within 48 months of the closing to ensure a suitable redevelopment timeframe.

#### **ALTERNATIVES:**

The City Council may elect not to declare the two improved city owned real properties located at 1434 East Commerce Street and 323 Idaho as surplus and authorizing their sale to Yasaman Azima Living Trust.

#### **FISCAL IMPACT:**

This action would result in the sale of improved city owned real property located at 1434 East Commerce Street and 323 Idaho. Proceeds from the sale less agreed upon closing costs, will go to the General Fund and reimburse the Inner City Incentive Fund.

#### **RECOMMENDATION:**

Staff recommends an 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 Yasaman Azima Living Trust for a combined total of \$120,000.00; authorizing the Sales Agreement; and waiving associated City and SAWS impact fees.