



City of San Antonio

Agenda Memorandum

File Number:18-3973

Agenda Item Number: 25B.

Agenda Date: 6/21/2018

In Control: City Council A Session

DEPARTMENT: Transportation & Capital Improvements

DEPARTMENT HEAD: Mike Frisbie, P.E.

COUNCIL DISTRICTS IMPACTED: Council District 1

SUBJECT:

Approval of three items relating to the closure and conveyance of Hagner Arc and a portion of Convent Street to facilitate the USAA Parking Garage expansion project in Council District 1

SUMMARY:

Consideration of the following items related to the closure and conveyance of Hagner Arc and a portion of Convent Street to facilitate the USAA Parking Garage expansion project:

- A. Authorize closing, vacating, and abandoning a total of 0.368 acres of right of way of Hagner Arc right-of-way located between Convent Street and Navarro Street and of Convent Street.
- B. Authorizing the conveyance of a total of 0.368 acres of property to Convent Ventures, L.P. and 1 Riverwalk, LLC and authorizing the accepting an in-kind contribution of approximately \$570,085.00 towards the value of the proposed closure fee.
- C. Authorize the negotiation and execution of a Storm Water Agreement with Convent Ventures, L.P. and 1 Riverwalk, LLC to cap and abandon an existing storm drain currently located under the Convent Ventures, L.P. property without an existing easement and relocating the storm drain to a proposed utility easement area within Hagner Arc conveyed area or other feasible area offsite. The City will provide up to \$94,200 for the Storm Water Agreement and are authorized to be appropriated from the Storm Water Operating Fund.

BACKGROUND INFORMATION:

On December 14 2017, City Council approved a \$4M Chapter 380 Economic Development Program Loan and a Tax Abatement Agreement with USAA capped at \$2 million or ten (10) years, whichever comes first, to facilitate a \$70 million investment and addition of 1,500 new full-time jobs increasing the downtown presence. The USAA project site at 700 N St. Mary's and 300 Convent requires an expansion of the parking garage at One Riverwalk Place.

Council was also informed in December 2017 that staff would return for consideration of certain street closures for the garage project. The expansion of the parking garage requires the closure of Hagner Arc, and a closure of a small portion of Convent Street right of way to assist with pedestrian and vehicular access to the property owner, Convent Ventures, L.P. located at 333 Convent.

The Planning Commission recommended approval of this closure and conveyance request at its regular meeting on June 13, 2018.

ISSUE:

The two abutting property owners Convent Ventures, L.P. and 1 Riverwalk, LLC have executed a Development Agreement outlining the specific closure and conveyance terms along with proposed improvements on the conveyed property.

The closure and conveyance of Hagner Arc and a small portion of Convent St. right of way, along with the Storm Water Agreement, would facilitate the development of an estimated \$75 million in improvements to area over the next several years. The action to close, vacate and abandon the two right-of-way areas will allow the property to be placed on the tax rolls, generating revenue for the City of San Antonio and other taxing entities.

- A. 1 Riverwalk, LLC with the consent of the adjacent property owner, Convent Ventures, L.P., has requested the closure, vacation and abandonment of approximately a total of 0.368 acres of property, more specifically 0.336 acres of Hagner Arc right-of-way located between Convent Street and Navarro Street as shown in Attachment A and closure, vacation and abandonment of approximately 0.032 acres of Convent Street right-of-way, as shown in Attachment B.
- B. The City shall then authorize conveyance of a total of 0.368 acres of property, more specifically 0.106 acres to *Convent Ventures, L.P.*, as described by metes and bounds in Attachment C and 0.262 acres to *1 Riverwalk, LLC* as described by metes and bounds in Attachment D. The City is seeking to also authorize acceptance of an in-kind contribution of approximately \$570,085.00 towards the value of the proposed closure fee, which equates to the value of public improvements to the conveyed areas.
- C. The City shall authorize the negotiation and execution of a Storm Water Agreement with Convent Ventures, L.P. and 1 Riverwalk, LLC to cap and abandon an existing storm drain currently located under the Convent Ventures, L.P. property and relocate the storm drain to a proposed utility easement area within Hagner Arc conveyed area or other feasible area offsite. The City will provide up to \$94,200 for the Storm Water Agreement and are authorized to be appropriated from the Storm Water Operating Fund.

ALTERNATIVES:

City Council could choose not to approve this request; however, if not approved, the right of way will remain

underutilized and the USAA Parking Garage Expansion would not be able to move forward thus risking the ability for the company move forward with the expansion of 1,500 jobs.

FISCAL IMPACT:

The closure fee established for the combined 0.368 acres of two improved rights-of-way is \$75.00 per square foot, a total of \$1,203,075.00, utilizing Bexar Appraisal District assessed land values as provided by Chapter 37, Section 2(g)(2) of the City Code. Based on the \$70 million investment by USAA, this closure fee has been reduced by 75% in accordance with the Inner City Reinvestment/Infill Policy (ICRIP) for projects investing over \$50 million in the ICRIP targeted area. The ICRIP Fee Waiver reduces the proposed closure fee to \$300,768.75. However, the closure shall allow the Petitioner to provide approximately \$570,085.00 of public related improvements. This amount is considered an in-kind contribution towards the value of the fee. Therefore, at City Council's discretion and approval, the City shall not collect fees associated with the closing, vacating and abandoning of the 0.368 acres of right of way.

This ordinance appropriates funds in the amount of \$94,200 from the Storm Water Operating Fund. This ordinance authorizes expenditures in the amount not to exceed \$94,200 for the Storm Water Agreement with Convent Ventures, L.P. and 1 Riverwalk, LLC.

The closure action will allow the property to be placed on the tax rolls, generating revenue for the City of San Antonio and other taxing entities, while reducing the City's maintenance obligation.

RECOMMENDATION:

Staff recommends authorizing the following items related to the closure and conveyance of Hagner Arc and a portion of Convent Street to facilitate the USAA Parking Garage expansion project.

- A. Authorize closing, vacating, and abandoning a total of 0.368 acres of right of way of Hagner Arc right-of-way located between Convent Street and Navarro Street and of Convent Street.
- B. Authorizing a conveyance a total of 0.368 acres of property to Convent Ventures, L.P. and 1 Riverwalk, LLC and authorizing the accepting an in-kind contribution of approximately \$570,085.00 towards the value of the proposed closure fee.
- C. Authorize the negotiation and execution of a Storm Water Agreement with Convent Ventures, L.P. and 1 Riverwalk, LLC to cap and abandon an existing storm drain currently located under the Convent Ventures, L.P. property without an existing easement and relocating the storm drain to a proposed utility easement area within Hagner Arc conveyed area or other feasible area offsite. The City will provide up to \$94,200 for the Storm Water Agreement and are authorized to be appropriated from the Storm Water Operating Fund.