



# City of San Antonio

## Agenda Memorandum

**File Number:**18-5480

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**Agenda Item Number:** 5.

**Agenda Date:** 10/18/2018

**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:** Authorizing the Sale of 506 Dolorosa and 702 Dolorosa to the Board of Regents of The University of Texas System

### SUMMARY:

Authorization to convey approximately 2.583 acres located at 506 Dolorosa and 2.032 acres located at 702 Dolorosa for an amount not less than \$7,367,000; and authorizing the negotiation and execution of a Development Agreement between the City of San Antonio and the Board of Regents of The University of Texas System to support The University of Texas at San Antonio's downtown vision in Council District 1.

### BACKGROUND INFORMATION:

The University of Texas at San Antonio has initiated a 10 year vision and strategy for the downtown campus that includes growing the student and faculty population from approximately 5,000 to 17,000 by 2028. The strategy includes two phases. Phase 1 will occur over a five year period and is \$341 million and includes the relocation of the College of Business, development of a new School of Data Science and National Security Collaboration Center, and construction of faculty and student housing.

This item would facilitate the relocation of the College of Business and School of Data Science and National Security Collaboration Center by providing a location on approximately 6.5 acres of land in the downtown urban core currently owned by the City of San Antonio and Bexar County. The City properties are located at 506 Dolorosa and 702 Dolorosa. UTSA is exploring options for the construction of facilities or the lease of land in connection with the redevelopment of its property at Cattleman's Square. The City will issue an RFP for the Continental Hotel located at 322 West Commerce in coordination with UTSA to support a mixed use

housing project to support faculty and staff.

The vision for phase 2 is centered on developing properties on and around UTSA's current Downtown Campus. The developments will bring new interdisciplinary schools and institutes to downtown San Antonio, as well as additional amenities and infrastructure for the campus's growing student population. New planned academic entities include the School of Entrepreneurship, Urban Education Institute, and Urban Science Institute. The City owns 3 parcels on Frio Street that will be necessary for the Phase 2 expansion. Staff will return to City Council at a later date and request that the 3 parcels be conveyed to UTSA provided replacement funding and solutions are identified.

The City's 2017 Bond Program includes \$80.9 million in infrastructure improvements in the near west side of downtown to include improvements to streets, drainage, and parks and also the inclusion of public art. All of these public improvements present opportunities to facilitate the development of a safe and pedestrian friendly campus environment that can be coordinated with the expansion.

## **ISSUE:**

The City of San Antonio owns approximately 4.615 acres of City land located at 506 Dolorosa and 702 Dolorosa valued at \$7,367,000. The City shall agree to convey the two properties via a deed, as further described by metes and bounds in Attachment A, to the Board of Regents of The University of Texas System for not less than \$7,367,000 to effectuate the public purpose of redeveloping the sites to further the expansion of academic schools, programs, and institutes.

The 506 Dolorosa property is currently being utilized as temporary modular offices until the renovations to City Hall are completed and the relocation of City employees has occurred. The site is anticipated to be decommissioned by November 15, 2020.

The 702 Dolorosa site is being utilized as a 173 space public parking lot and also includes S. Laredo Street from Dolorosa to Nueva. There are currently 24 metered parking spaces along S. Laredo. The City anticipates the site becoming available by October 1, 2019 upon space availability in the City's Frost Parking Garage.

Upon approval of this item, staff will initiate the steps to close S. Laredo Street between Dolorosa to Nueva. Staff will return to Planning Commission and City Council at a later date.

## **ALTERNATIVES:**

City Council could choose not to approve this ordinance, which could delay the advancement of the UTSA vision, plan, and strategy to relocate the College of Business, develop a new School of Data Science and Digital Solutions, and locate the new National Security collaboration Center.

## **FISCAL IMPACT:**

The City shall continue to earn parking related revenues from the 702 Dolorosa parking lot and meters along S. Laredo until the property is ready to be developed by UTSA and conveyance occurs. The proceeds from the sale of 506 Dolorosa and 702 Dolorosa shall be used to pay for reasonable closing costs and as part of the Frost P3 transaction.

UTSA will also develop and submit a Phase 1 capital funding request to the City for FY2020. The capital funding will be considered as part of the Fiscal Year 2020 Budget Process.

Staff will return to City Council at a later date for the Phase 2 parcels and request that the three parcels be conveyed to UTSA provided replacement funding and solutions are identified. Additionally, UTSA will do an economic impact study and social economic impact study for the Phase 2 expansion.

**RECOMMENDATION:**

Staff recommends City Council authorize the conveyance of approximately 2.583 acres located at 506 Dolorosa and 2.032 acres located at 702 Dolorosa for an amount not less than \$7,367,000; and authorizing the negotiation and execution of a Development Agreement between the City of San Antonio and the Board of Regents of The University of Texas System to support The University of Texas at San Antonio's downtown vision in Council District 1.