



# City of San Antonio

## Agenda Memorandum

**File Number:**18-5663

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**Agenda Item Number:** 13A.

**Agenda Date:** 10/11/2018

**In Control:** City Council A Session

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**DEPARTMENT:** Transportation & Capital Improvements

**DEPARTMENT HEAD:** Mike Frisbie, P.E.

**COUNCIL DISTRICTS IMPACTED:** Council District 1

**SUBJECT:** Disposition: Closing, vacating and abandoning unimproved right-of-ways, and declaring as surplus and authorizing the sale of unimproved remnants.

**SUMMARY:** Consideration of the following items related to city-owned property and public right-of-ways located near IH-10 and Fresno, in Council District 1.

A. An Ordinance authorizing the closure, vacation and abandonment of unimproved right-of-ways: a 0.223 acre unimproved portion of Warner Avenue between New City Block (NCB) 7147 and NCB 7160, a 0.046 acre unimproved portion of alley in NCB 7147 and a 0.047 acre unimproved portion of alley in NCB 7160, in Council District 1, as requested by Briarwood Commerce LLC for a fee of \$63,836.64.

B. An Ordinance declaring as surplus a 0.456 acre unimproved parcel in NCB 7147 and a 0.088 acre parcel in NCB 7160, in Council District 1, and authorizing sale of the properties to Briarwood Commerce LLC for a fee of \$143,751.40.

### BACKGROUND INFORMATION:

The City of San Antonio assisted the Texas Department of Transportation (TxDOT) in acquiring properties in the 1950's for Interstate Highway 10 (IH-10). There is an approximate 1.7 acres south of Fresno and east of IH-10 that has served as a traffic island since the 1950's. TxDOT declared the property as surplus in 2016 and put the property up for sale. Briarwood Capital (petitioner) was the successful bidder and took ownership of the TxDOT properties in November 2017. The title company identified approximately one-half of the property was under TxDOT, while the other one-half is owned by the City of San Antonio. The property has been rezoned as C-2 for commercial use.

Remnants of Lots 11-14, Block 56 in New City Block 7147 and Lots 3-4, Block 57 in New City Block 7160 are owned in fee by the City of San Antonio. In addition, there are two sections of an unimproved 10-foot wide alley; and an unimproved portion of Warner Avenue right-of-way that were platted as part of the Los Angeles Heights Subdivision. Petitioner requested the City of San Antonio declare as surplus and authorize the sale of the remnant properties owned by the city; and close, vacate and abandon its interest in the unimproved right-of-ways.

If the requests are approved, the petitioner will assemble and replat the properties for commercial use, and ground-lease the property to a retail tenant, potentially a convenience store. No timeline or construction costs are available yet, since petitioner is pending city approval. If approved, petitioner will immediately begin platting and marketing of the property.

## **ISSUE:**

These ordinances will authorize the closure of unimproved right-of-ways at IH-10 and Fresno, Warner Avenue between NCB 7147 and NCB 7160; and declare as surplus and authorize the sale of city-owned properties in NCB 7147 and NCB 7160, in Council District 1.

If the requests are approved, the petitioner will assemble and replat the properties for commercial use, and ground-lease the property to a retail tenant, potentially a convenience store. No timeline or construction costs are available. If approved, petitioner will immediately begin platting and marketing the property.

In accordance with City Code, the subject property was reviewed by city departments and utilities and was conditionally approved for disposal (sale of property and closure of public right-of-ways).

In compliance with Local Government Code, Chapter 272, the city owned property was advertised for sealed bid on December 8 and December 11, 2017 in the San Antonio Hart Beat. Petitioner was the sole bidder and submitted a bid for fair market value of \$143,751.40.

Per Chapter 37, notification signs need not be erected, and letters need not be sent for undeveloped (paper) public right-of-ways.

## **ALTERNATIVES:**

City Council could choose not to approve these items, however the petitioner will not be able to assemble the properties for future development; the city will still be responsible for maintenance, and the properties will not be placed on the tax roll.

## **FISCAL IMPACT:**

The fair market value of \$63,836.64 for the right-of-way closures for the above mentioned properties was determined by averaging surrounding land values as determined by the Bexar County Appraisal District, as provided under Municipal Code Chapter 37-2.

The fair market value of \$143,751.40 for the city-owned properties was determined by an independent appraisal completed by Lowery Property Advisors on April 10, 2017 for the TxDOT sale.

In sum, a total of \$207,588.04 from the rights-of-way closures (0.223 acre unimproved portion of Warner

Avenue between NCB 7147 and NCB 7160; 0.046 acre unimproved portion of alley in NCB 7147; 0.047 acre unimproved portion of alley in NCB 7160) and the surplus city-owned property in Council District 1 (0.456 acre unimproved remnant in NCB 7147 and a 0.088 acre remnant in NCB 7160), will be deposited in the General Fund in accordance with the FY 2019 Adopted Budget.

## **RECOMMENDATION:**

The Planning Commission approved this request at its regular meeting on September 12, 2018.

Staff recommends approval of these requests to close, vacate, and abandon unimproved right-of-ways (0.223 acre unimproved portion of Warner Avenue between NCB 7147 and NCB 7160; 0.046 acre unimproved portion of alley in NCB 7147; 0.047 acre unimproved portion of alley in NCB 7160); and declare as surplus and authorize the sale of a 0.456 acre unimproved remnant in NCB 7147 and a 0.088 acre remnant in NCB 7160.