



# City of San Antonio

## Agenda Memorandum

**File Number:**19-8366

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**Agenda Item Number:** 20.

**Agenda Date:** 12/12/2019

**In Control:** City Council A Session

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**DEPARTMENT:** Transportation & Capital Improvements

**DEPARTMENT HEAD:** Razi Hosseini, P.E., R.P.L.S.

**COUNCIL DISTRICT IMPACTED:** Council District 1

### **SUBJECT:**

Real Estate Disposition: Closure of the improved Karnes Street Public Right-of-Way

### **SUMMARY:**

An ordinance closing, vacating and abandoning the improved Karnes Street Public Right-of-Way north of Newell and in New City Blocks 959 and 14164 in City Council District 1 as requested by Rio Perla Properties, LP for a fee of \$487,650.00.

### **BACKGROUND INFORMATION:**

Rio Perla Properties, LP (Petitioner) is requesting to close, vacate and abandon the improved Karnes Street Public Right-of-Way located within the Pearl District in New City Blocks 959 and 14164 in City Council District 1 as shown on Exhibit "A". The Karnes Street Public Right-of-Way consists of 0.429 acres (18,705 square feet).

Petitioner owns all abutting property to the Karnes Street Public Right-of-Way, which includes the former Samuels Glass Company building located at 221 Newell Avenue. Petitioner is requesting this closure to repurpose Karnes Street Public Right-of-Way into a pedestrian-friendly space with wide sidewalks and landscaping. Petitioner intends to redevelop the former Samuels Glass Company building, located on one of the abutting parcels, into a commercial mixed-use area that would accommodate retail, food & beverage, and an event space. If the closure is approved, Petitioner would provide a fire apparatus ingress/egress by means of an easement.

There was no opposition to the closures by City departments or utilities during the canvassing process. The City of San Antonio's Planning Commission recommended approval of this request at its regular meeting on November 13, 2019.

## **ISSUE:**

This ordinance authorizes the closure, vacation and abandonment of the improved Karnes Street Public Right-of-Way located in New City Blocks 959 and 14164 in City Council District 1 as requested by Rio Perla Properties, LP for a fee of \$487,650.00.

This action is consistent with City Code and Ordinances, which requires City Council approval for the sale or disposition of City-owned or controlled real property.

## **ALTERNATIVES:**

City Council could choose not to approve this request; however, Rio Perla Properties, LP would not be able to accommodate the pedestrian amenities intended as part of the redevelopment of the former Samuels Glass Company building.

## **FISCAL IMPACT:**

In compliance with Chapter 37, Section 37-2(ii) of the City Code, fair market value of the proposed closure was based upon an independent State of Texas Certified Professional Appraisal Report prepared by Noble & Associates, Inc. on August 9, 2019 and the subject property was assessed at \$975,000.00. Petitioner applied and was approved for ICR/IP waivers administered by the City's Center City Development & Operations (CCDO) Department. Based on the proposed level of investment totaling \$25.5 million, the project is eligible for a 50% reduction of the closure fee, a discount totaling \$(487,500.00). The fee to be paid by Petitioner is the net amount of the assessed fair market value of the property plus the ICRIP investment discount plus a \$150.00 administrative costs fee, totaling \$487,650.00. Revenue generated by this sale will be deposited into the General Fund in accordance with the FY 2020 Adopted Budget.

The property will be placed on the tax rolls, which will generate additional revenue for the City of San Antonio as well as other taxing entities.

## **RECOMMENDATION:**

Staff recommends approval of this request to close, vacate and abandon the improved Karnes Street Public Right-of-Way located in New City Blocks 959 and 14164 in City Council District 1. The closure will allow Petitioner to move forward with the intended redevelopment of the former Samuels Glass Company building to include a pedestrian-friendly space with wide sidewalks.