# City of San Antonio

## Agenda Memorandum

**File Number:**20-5972

**Agenda Item Number:** 19.

**Agenda Date:** 10/29/2020

**In Control:** City Council A Session

**DEPARTMENT:** Neighborhood & Housing Services

**DEPARTMENT HEAD**: Verónica R. Soto, FAICP

**COUNCIL DISTRICTS IMPACTED:** Council District 3

**SUBJECT**: Approval of a Contract for Sale of Land for approximately three acres of the decommissioned Southeast Service Center site

**SUMMARY:**

An Ordinance approving a Contract for Sale of 3.115 acres of 12.39 acres of the decommissioned Southeast Service Center, 7402 S. New Braunfels, NCB 10934 Blk Lot 45, to Espada Real Estate, LLC for $1,763,962 payable to the City as program income. Espada Real Estate Services, LLC is proposing to build a Medical/Office Building at the location. A Real Estate Option and Sales Contract and Development Agreement between the City of San Antonio and Espada Real Estate Services, LLC is attached as part of Exhibit A.

**BACKGROUND INFORMATION:**

The City currently owns three acres of the surplus property located at 7402 S. New Braunfels, on the corner of S.E. Military and S. New Braunfels Ave, formerly the decommissioned Southeast Service Center site that contains a Solid Waste administration building, in Council District 3. In October 2019 through Ordinance #2019-10-03-0806, City Council declared the entire 12.39 acres land as surplus and approved the sale and redevelopment of approximately 9.38 acres of the land to Franklin Development Properties, Ltd. Franklin Development is constructing a 292-unit multi-family rental housing development to provide affordable and Workforce Housing as part of the 2017 Neighborhood Improvements Bond Program.

On September 11, 2019, the Planning Commission approved the disposition of the 12.39 acre decommissioned Southeast Service Center as surplus property through Resolution No. 19-6364. Neighborhood & Housing

Services Department utilized broker services under the Texas Local Government Code Chapter 253 to advertise the subject site for sale. The approximate 3.115 acre was advertised for at least 30 days on a multiple-listing service. Espada Real Estate Services, LLC submitted the best use for the property that will complement the adjacent affordable housing development.

If the request is approved, Espada is proposing to build a Medical/Office Building on the site.

**ISSUE:**

This Ordinance will authorize the sale of approximately 3.115 acres of 7402 S. New Braunfels for $1,763,962 to Espada Real Estate Services, LLC for development of a Medical/Office Building, in Council District 3.

In compliance with Texas Local Government Code Chapter 23, the City owned property was advertised for at least 30 days on a multiple-listing service. Espada Real Estate, LLC submitted the best use for the property.

**ALTERNATIVES:**

City Council could choose not to approve this item and city will still be responsible for the maintenance of the building and the grounds and the property will not be placed on the tax roll.

**FISCAL IMPACT:**

On December 10, 2019, an independent appraisal completed by Integra Realty Resources appraised the property for $1,440,000. The purchase price of $1,763,962 payable to the City as program income to be deposited into the City's Affordable Housing Fund (Housing Bond).

**RECOMMENDATION:**

Staff recommends approval of the sale of approximately 3.115 acre of land located 7402 S. New Braunfels, at the corner of S.E. Military and S. New Braunfels, in Council District 3 to Espada Real Estate Services, LLC for a sales price of $1,763,962 payable to the City and deposited into the City's Affordable Housing Fund.