

**CITY OF SAN ANTONIO
NEIGHBORHOOD ACTION DEPARTMENT
Interdepartmental Correspondence Sheet**

CONSENT AGENDA

ITEM NO. 11

TO: Mayor and City Council

FROM: David D. Garza, Director

THRU: Terry M. Brechtel, City Manager

COPIES: Jelynn LeBlanc Burley, Asst. City Manager; file

SUBJECT: Acquisition of Beal Street Properties for Redevelopment Project

DATE: April 8, 2004

SUMMARY AND RECOMMENDATION

This ordinance approves the purchase of lots 6, 7, 8, 9 & 10 of NCB 2745, Block 51 located at 227, 223/225, 219/221, 215, and 211/213, Beal Street, respectively, for the total of \$425,229 which includes closing costs and related expenses totaling \$6,158 in connection with the City's Redevelopment Project of the Travis Building located at 1800-1814 Fredericksburg Road in City Council District 1. This ordinance also provides for payment and authorizes the execution of the closing documents.

Staff recommends approval.

BACKGROUND

The City is committed to enhancing the vitality of neighborhood commercial corridors. As part of that commitment, the City entered into a Revitalization Project contract with the Jefferson Woodlawn Lake Community Development Corporation (CDC) in 1999 through the Neighborhood Commercial Revitalization Program to implement revitalization efforts in the Deco District target area along Fredericksburg Road.

In 1995, the City of San Antonio acquired the building at the corner of Fredericksburg and Fulton as part of a drainage and street project utilizing general obligation bonds. The building is at the center of a key activity node in the Deco District, and has been operated as a multi-tenant property providing space for retail, office, community, and cultural uses. The building, however, was in need of repairs and rehabilitation in order to continue to be utilized as a multi-tenant property. Through master lease and funding agreements with the City, the CDC is redeveloping the 18,000 square foot facility.

The City has entered into a Capital Improvements Funding Contract in the amount of \$1,400,000 with the CDC for improvements in the Deco District. The funds were allocated in the 1999 bond: \$1,000,000 in General Obligation Park Bond Funds for use in the building redevelopment and \$400,000 in General Obligation Transit Bond Funds for a streetscape project along Fredericksburg Road. The building redevelopment project includes two components: the

building rehabilitation and the development and construction of a parking lot to meet the Unified Development Code (UDC) requirements for the building use and size. To meet the parking requirements, the acquisition of five parcels and associated improvements (residential structures) are required. The development of the parking lot is scheduled to begin in early June after the homes have been demolished and/or relocated. The building is scheduled to be completed in Fall of 2004.

In addition to the \$1.4 million in bond funds described above, an additional \$950,000 of 2003 bond funds is available for the building redevelopment and streetscape projects. Furthermore, \$159,000 from the Neighborhood Revitalization Fund was committed to the project and in 2001 and 2002, \$197,030 in General Fund One-time funds was allocated for the redevelopment of the building.

As part of the HARP workplan presented to the City Council in February 2004, staff had proposed to relocate three of the five structures being acquired on Beal Street. However, upon inspection by engineering consultants, it was determined one of the properties slated to be relocated is not structurally feasible. Therefore, the remaining three structures (215, 219/221, and 227 Beal) will be demolished. CDBG funds in the amount of \$150,000 have been allocated for the relocation and rehabilitation of 211 and 223 Beal Street.

POLICY ANALYSIS

The Unified Development Code requires a minimum of sixty (60) spaces for the 18,000 square foot facility. The proposed acquisition of the five properties is necessary to meet these requirements. The Environmental Services Department has performed Phase I Environmental Site Assessments for the properties. The structures at 211 and 223 Beal Street will be relocated and rehabilitated through the Neighborhood Action's Housing Asset Recovery Program.

The Planning Commission approved this acquisition on March 24, 2004. A community meeting was held with the Keystone/Los Angeles Heights Neighborhood Association on March 25, 2004. Approximately 800 notices were sent out, and the community was supportive of the proposed use for the properties acquired. The Neighborhood Action Department has been working with the San Antonio Development Agency to acquire these properties on the City's behalf. The closing will be scheduled ten days upon approval of this ordinance.

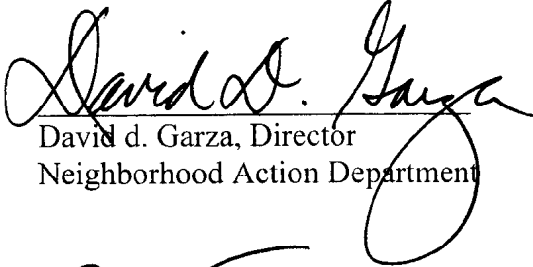
FINANCIAL IMPACT

The total acquisition and closing costs for the five properties is \$425,229 which includes \$6,158 of closing costs. The funding for the acquisition includes \$159,000 from the Neighborhood Revitalization Fund, \$197,030 from One-time General Funds allocated in 2001 and 2002, and \$69,199 from the 2003 Bond Funds. The following is the appraisal and acquisition for each cost:

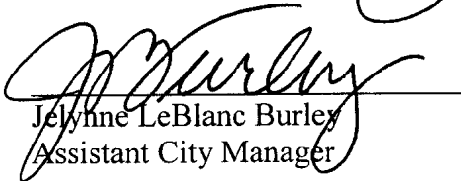
Properties	Appraisal	Acquisition Cost
NCB 2745, Block 51, Lot 10 (211 Beal)	\$68,000	\$68,000
NCB 2745, Block 51, Lot 9 (215 Beal)	\$66,000	\$71,000
NCB 2745, Block 51, Lot 8 (219/221 Beal)	\$86,000	\$86,000
NCB 2745, Block 51, Lot 7 (223/225 Beal)	\$85,500	\$95,500
NCB 2745, Block 51, Lot 6 (227 Beal)	\$98,000	\$98,571
Closing Costs		\$6,158
Total Acquisition and Closing Costs		\$425,229

COORDINATION

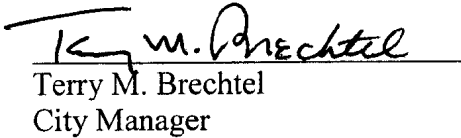
This item has been coordinated with the Departments of Asset Management, Public Works, Development Services, Environmental Services and City Attorney's Office and the San Antonio Development Agency.



David d. Garza, Director
Neighborhood Action Department



Jelynn LeBlanc Burley
Assistant City Manager



Terry M. Brechtel
City Manager