

**CITY OF SAN ANTONIO
INTERDEPARTMENTAL MEMORANDUM
DEPARTMENT OF ASSET MANAGEMENT**

TO: Mayor and City Council

FROM: Rebecca Waldman, Director, Department of Asset Management

THROUGH: Terry M. Brechtel, City Manager

COPIES: Erik Walsh, Mark Webb, Oscar Serrano, Milo Nitschke, Tom Wendorf, Malcolm Matthews, Emil Moncivais, and Bill Wood

SUBJECT: Property transaction with the University of Texas Board of Regents

DATE: April 15, 2004

SUMMARY AND RECOMMENDATIONS

This ordinance authorizes the City Manager or her designee to negotiate terms and conditions by which the City would exchange certain city-owned property in the Cattleman's Square area for property owned by the University of Texas Board of Regents in the HemisFair Park area subject to final approval by City Council and the Board and appropriates funds in an amount not to exceed \$35,000.00 for due diligence expenses associated with the project.

Staff recommends approval of this ordinance.

BACKGROUND

Since opening, the student population and use of the University of Texas San Antonio (UTSA) downtown campus has grown at a significant pace. Although several expansions have been completed at the downtown campus in recent years, based on the current use of the facilities and the lack of property owned by the university system for further development, the downtown campus has reached a point where the student population and growth of the facilities is near full capacity. However, student demand continues to increase. As such, in order for UTSA to continue to fulfill its mission with the downtown campus, as well as to plan for and manage the growth of the downtown campus, UTSA approached the City regarding several municipally owned properties in the area adjacent to the downtown campus.

Staff from UTSA and the University of Texas System Real Estate Office initially approached the City regarding conveyance of the Cattleman's Square Parking lot, Business and Technology Center (property only – the City does not own the improvements), and the Vehicle Maintenance Facility. Since the discussions began,

UTSA has withdrawn the request for the Vehicle Maintenance Facility. The remaining properties are shown on Attachment A. At the time the property discussions began, City staff was completing the Master Plan for the HemisFair Park Area. The Master Plan included the potential reuse/redevelopment of non-city owned property in the Park. One such property reviewed was the approximately 6-acre tract of land owned by the University of Texas System that is adjacent to the Institute of Texan Cultures (Attachment B).

In an effort to enable the City of San Antonio to implement its Master Plan for the redevelopment of HemisFair Park, the University System staff has agreed to convey to the City the 6-acre tract that is adjacent to the Institute of Texan Cultures in exchange for the Cattleman's Square Parking lot and the Business and Technology Center properties. This action will benefit both parties by assisting in the efforts to accommodate the orderly growth and revitalization of HemisFair Park and the neighborhood surrounding UTSA's Downtown Campus.

The outline of the agreement is as follows:

- City will transfer title to the Cattleman's Square Parking lot and the Business and Technology Center properties to the University of Texas Board of Regents with the land to be used for the construction and development of higher education facilities for educational programs for UTSA as may be within the mission or purposes, as may be determined from time to time by the Board of Regents, the Texas Higher Education Coordinating Board, or the Texas Legislature. Except for minor conveyances required for public thoroughfares and utility infrastructure, none of the land can be conveyed to a third party within a period of 20 years from the transfer.
- The Board of Regents will transfer title to the approximately 6-acre tract of land in HemisFair Park adjacent to the Institute of Texan Cultures (ITC) to the City of San Antonio with approximately 150 parking spaces being made available to the visitors, employees, and volunteer workers of the ITC for programs in the ITC for as long as the existing parking facilities on the site remain in place. Accommodations will be made to conduct the Folk Life Festival and like programs of the ITC in the immediate vicinity of the exhibition hall. UTSA will provide reasonable public access to the site from Durango Street.
- The City and UTSA will work together to plan for the long-term future of the ITC and the 14.69-acre site upon which it is located.
- The City and UTSA will work together to develop a plan for revitalization of the area surrounding the Downtown Campus and expansion of the campus as required to fulfill its mission for the next 50 years.

POLICY ANALYSIS

Approval of this ordinance is a continuation of City Council policy to support the implementation of the HemisFair Park Area Master Plan and the development of the UTSA Downtown Campus.

FISCAL IMPACT

Because the proposed real estate transaction involves the conveyance of properties that have approximately the same value, there is no cash consideration to or from either entity. The appraised values for the Cattleman's Square Parking lot and the lease fee interest of the Business and Technology Center are \$1,720,000 and \$430,000, respectively for a total of \$2,150,000. The appraised value of the HemisFair Park 6-acre tract is \$2,090,000.

However, both the City and UTSA will each have the responsibility for performing due diligence on the property that each entity will be acquiring. As such, the due diligence costs associated with the City's acquisition of the approximately 6-acre site are estimated not to exceed \$35,000.00. Due diligence costs will include title research, survey preparation, and environmental review. Previously issued Certificates of Obligation related to HemisFair Park are available for these expenses.

Prior to closing on the transaction, staff will finalize the conveyance documents, conduct the appropriate due diligence, submit the proposed conveyance to the Planning Commission, and return to City Council for consideration of the final agreements. The anticipated completion date of the property transaction with UTSA is August 2004.

COORDINATION

This agenda item has been coordinated with the City Attorney's Office, Finance Department, and Public Works Department.

SUPPLEMENTARY COMMENTS

The Ethics Ordinance Disclosure Statement form is not required for this action.



Rebecca Waldman, Director
Department of Asset Management

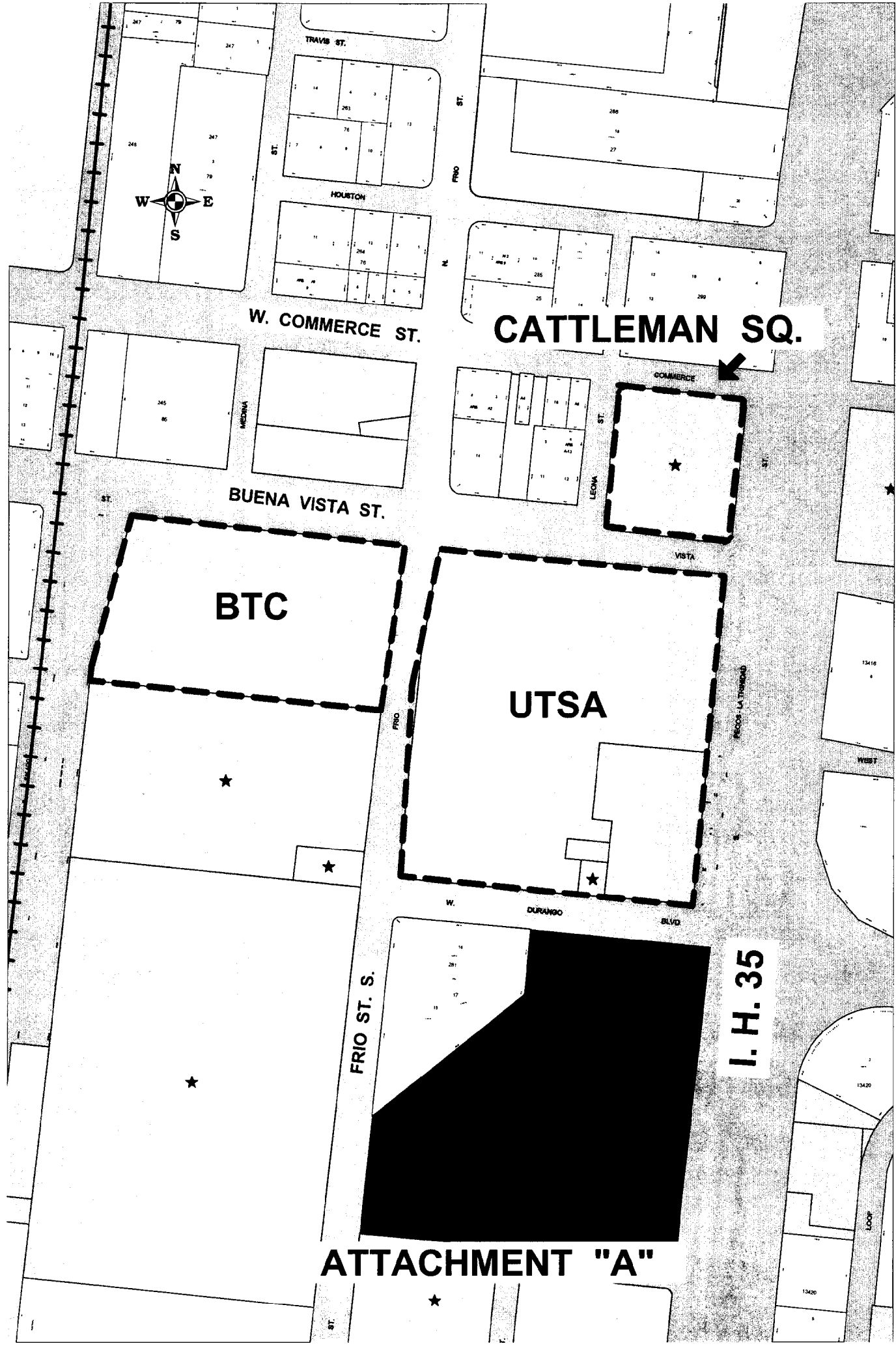


Erik Walsh
Assistant to the City Manager

Approved:



Terry M. Brechtel
City Manager



CATTLEMAN SQ.

BTC

UTSA

I. H. 35

ATTACHMENT "A"



HEMISFAIR PLAZA

S. BOWIE ST.

I. H. 37

**U. T.
6 ac. Tract**

DURANGO AVE. E.

ATTACHMENT "B"

