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

TO: Mayor and City Council

FROM: Rebecca Waldman, Director, Department of Asset Management

THROUGH: Terry M. Brechtel, City Manager

COPIES: Erik J. Walsh; Peter Zanoni; Shawn Eddy; Natalie Jackson; Veronica Davalos-Albrecht

SUBJECT: Lease Transfer Fee and Real Estate Fee for the Sale of Land at the Southwest Business and Technology Park

DATE: September 9, 2004

SUMMARY AND RECOMMENDATIONS

An Ordinance establishing new fees for Asset Management services, transferring certain existing funds, and amending the corresponding section of the City Code to reflect such changes.

Staff recommends approval of this Ordinance.

BACKGROUND INFORMATION

The Lease Assignment Fee of \$1,000 per transaction is proposed in an effort to recover some of the costs associated with the processing of an assignment or sublease of an existing lease of a City facility from a lessee to another party. As part of such a request, the City typically evaluates the proposed assignee, ensures that all obligations of the tenant under the lease will be met and often presents the proposal to City Council for their consideration and approval.

To date, the City has collected \$1,178,697 in revenue from the sale of property at the Southwest Business and Technology Park (formerly Van de Walle Farms) that is being deposited into a trust fund for the future provision of infrastructure to market the property for light industrial purposes. A real estate fee equivalent to 6% of the City's proceeds from the sale of the property is proposed to be transferred to the general fund to recover expenses incurred by the general fund through the significant staff work related to the sale of this property.

POLICY ANALYSIS

This action is consistent with the City's practice of recovering the indirect cost of the general fund providing support to non-general fund activities and recovering the costs of providing services that specifically benefit a limited sector of the community.

FISCAL IMPACT

The proposed Lease Transfer Fee is projected to generate approximately \$5,000 in Fiscal Year 2004-05. The proposed SWBTP Real Estate Fee would result in \$70,722 being transferred from Index Code 072652 in Fund 40-003 Titled Sale of Land - Southwest Business & Technology Park to the general fund in Fiscal Year 2004-05.

COORDINATION

This action has been coordinated with the Office of Management and Budget during the Fiscal Year 2004-2005 Budget Process.

SUPPLEMENTARY COMMENTS

No Discretionary Disclosure Form is required.

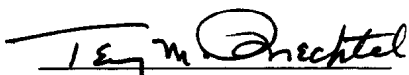


Rebecca Waldman
Director of Asset Management



Erik J. Walsh
Assistant to the City Manager

Approved:



Terry M. Brechtel
City Manager