

CONSENT AGENDA
ITEM NO. 27

**CITY OF SAN ANTONIO
ASSET MANAGEMENT DEPARTMENT
CITY COUNCIL AGENDA MEMORANDUM**

TO: Mayor and City Council

FROM: Rebecca Waldman, Director, Department of Asset Management

SUBJECT: Proposed Purchase of SAWS Headquarters Building and Historic Yturri House

DATE: January 6, 2005

SUMMARY AND RECOMMENDATIONS

This Ordinance: (A) authorizes the Interim City Manager or his designee to extend the feasibility period until March 1, 2005, and further negotiate and execute any other extensions relating to the acquisition of certain real property from the San Antonio Water System (SAWS); and

(B) appropriates an amount not to exceed \$10,000 from Hotel Occupancy Tax Revenue Bond funds for additional due diligence expenses.

Staff recommends approval of this Ordinance.

BACKGROUND

Recently, the San Antonio Water System completed the purchase of the former Valero Headquarters located at State Highway 281 and Mulberry. This property purchase will ultimately result in the relocation of the current SAWS operations from their existing headquarters located on Market Street, thereby rendering the property surplus to their needs.

Through City Council approval, City staff entered into an Agreement with an effective date of October 19, 2004, for Transfer of Use, Benefit and Control of SAWS' present corporate headquarters located at 1001 E. Market Street and the adjacent Historic Yturri House at 1020 E. Commerce Street. It is anticipated that this property will be needed by the City for future convention center expansion. Staff is currently evaluating the feasibility of utilizing the building for interim office space for departments with high customer service and parking needs.

The Agreement provides for a 60-day due diligence period, extending through December 18, 2004. The City of San Antonio has determined that it will need more time to conduct its due diligence and SAWS has agreed to amend the original Agreement to extend the feasibility period through March 1, 2005. The SAWS' Board granted this extension on December 23, 2004.

Now that the extension to the feasibility period has been granted, City staff will proceed with necessary investigative/contractual actions to finalize this purchase.

POLICY ANALYSIS

Approval of this ordinance is a continuation of City Council policy to support the purchase of the current SAWS main offices located at 1001 E. Market Street and the adjacent Historic Yturri House at 1020 E. Commerce Street.

FISCAL IMPACT

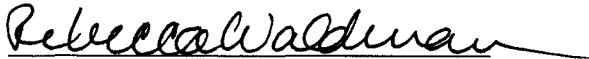
An additional appropriation of \$10,000 from Hotel occupancy Tax Revenue Bonds will be necessary for due diligence expenses. This amount is in addition to \$50,000 which was allocated for due diligence on September 16, 2004.

COORDINATION

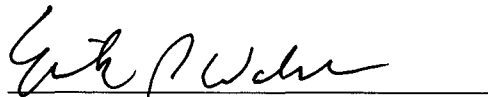
This agenda item has been coordinated with the City Attorney's Office and the Environmental Services Department.

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