

**CITY OF SAN ANTONIO
DEPARTMENT OF ASSET MANAGEMENT
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: April 7, 2005

SUMMARY AND RECOMMENDATIONS

This Ordinance authorizes the execution and delivery of a Fourth Amendment to Agreement for Transfer of use, Benefit, and Control of Property between the City and SAWS relating to the SAWS' Headquarters Building; the Amendment (1) defers to August 1, 2006 the date by which SAWS must close (2) establishes a daily rate amount by which the purchase price of the property will be reduced if SAWS fails to close by August 1, 2005, and (3) lists personal property that will be conveyed from SAWS to the City at Closing.

Staff recommends approval of this Ordinance.

BACKGROUND

Recently, the San Antonio Water System (SAWS) 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.

City 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. This Agreement has been amended three times so as to extend the feasibility period to complete due diligence and finalize negotiations. It is anticipated that this property will be needed by the City for future convention center expansion.

SAWS and the City of San Antonio (City) desire to enter into a Fourth Amendment to Agreement for Transfer of Use, Benefit and Control of Property (Attachment "A") to provide for the following:

- **Closing:** Closing will take place within fifteen (15) days after SAWS notifies the City. The Closing Date may not occur before the expiration of the Feasibility Period, or later than August 1, 2006 (the "Outside Closing Date"), unless extended in writing by both parties. However, the Outside Closing Date may be extended to the date that SAWS actually vacates the Property if SAWS requests an extension in writing to the City

because SAWS has been delayed from vacating the Property due to acts of God, unavoidable casualties, fire, flood, strike or any other labor difficulty, defaults by SAWS' contractors, or any other events beyond the reasonable control of SAWS. In addition, if the Closing Date occurs after August 1, 2005, the Purchase Price of \$7,730,000 shall be reduced by the sum of Two Thousand Four Hundred Nine Dollars and 30/100 (\$2,409.30) per day until the day that Closing occurs.

- **Personal Property.** The City will take possession at Closing of certain fixtures or personal property listed on Exhibit "A" to this Amendment which is currently situated on the Property, which is surplus to the needs of SAWS and the cost of disposal of which by SAWS exceeds the value of said Personal Property. At Closing, SAWS agrees to relinquish its interest in the Personal Property, in its "as-is, where-is" condition.

All other terms, conditions and provisions of the Agreement will remain in full force and effect.

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

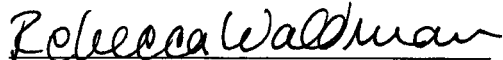
The City of San Antonio will receive a reduction in purchase price of the property (\$7,730,000) at a rate of \$2,409.30 per day after August 1, 2005 until the date of closing.

COORDINATION

This agenda item has been coordinated with the City Attorney's Office.

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



J. Rolando Bono
Interim City Manager

EXHIBIT A

<i>Type</i>	<i>Location</i>	<i>Area</i>	<i>Amount</i>
Electric garage door	NE Basement Tunnel	Interior	1
Electric garage door	NW Basement Tunnel	Interior	1
NE Garage door override buttons (stop, close and open)	1st floor Security Desk	Interior	1
NW Garage door override buttons (stop, close and open)	1st floor Security Desk	Interior	1
Pedestal Intercom	NW Basement entrance	Interior	1
Fixed Surveillance Pedestal Intercom Camera (View #13)	NW Basement entrance	Interior	1
Intercom Monitor	1st floor Security Desk	Interior	1
Fixed Surveillance Tunnel exit Camera (View #6)	Tunnel Ceiling facing NW	Interior	1
Fixed Surveillance Tunnel entrance Camera (View #7)	Tunnel Ceiling facing NE	Interior	1
Exit door Alarms	Tunnel stairwell exit	Interior	2
Exit doors Alarm Annunciation system/speaker	1st floor Security Desk	Interior	1
IEI card reader	East Pedestrian door (near ladies room)	Interior	1
East emergency Exit door panic hardware	1st floor EAST side	Interior	1
Fix Surveillance Camera Dome View #12)	1st floor East emergency exit door	Interior	1
Fixed Surveillance Camera Dome (View #11)	1st floor lobby waiting area	Interior	1
Fixed Surveillance Camera (View #1)	Front entrance NE side	Exterior	1
Fixed Surveillance Camera (View #2)	Front entrance NW side	Exterior	1
Fixed Surveillance Camera (View #3)	Front entrance NE corner	Exterior	1
Fixed Surveillance Camera (View #4)	East side of building NE corner	Exterior	1
Fixed Surveillance Camera (View #5)	East side of building (2nd set of double T (North to South)	Exterior	1
Fixed Surveillance Camera (View #9)	East side of building (1st set of double T (North to South)	Exterior	1
Fixed Surveillance Camera (View #10)	West side of building (1st set of double T (North to South)	Exterior	1
Fixed Surveillance Camera (View #8)	East side of building (3rd set of double T (North to South)	Exterior	1
Hydraulic vehicle Barricade	East Side Tunnel Entrance	Exterior	1
Hydraulic vehicle Barricade	West Side Tunnel Exit	Exterior	1
Motion Detector	Yturri House	Interior	1
Motion Detector Alarm (Yturri House)	1st floor hall ceiling near Security Desk	Interior	1

	Total	33
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EXHIBIT A

Location	Equipment	Cabling
Data Center 1st Floor	Liebert A/C Model #FH248-A00	200 Pair copper to telecom room
Data Center 1st Floor	Liebert PDU Model # SCA050C-3616	24 strands fiber 62.5 MM to Fiber Dist.
Computer Room Basement	Liebert A/C unit Model # FH147C-A00	
Main Basement closet		183 copper drops (Cat 5)
Main Basement closet		6 strands fiber 62.5 MM to secondary basement rack
Main Basement closet		6 strands fiber 62.5 MM to Data Center
Main Basement closet		200 pair phone copper to 1st floor telecom room
Secondary Basement rack		6 strands fiber 62.5 MM to Main Basement Closet
1st Floor Bathroom		160 copper drops (Cat 5)
1st Floor Bathroom		6 strands fiber 62.5 MM to Data Center
1st Floor Bathroom		200 pair phone copper to 1st floor telecom room
2nd Floor		413 copper drops (Cat 5)
2nd Floor		6 strands fiber 62.5 MM to Data Center
2nd Floor		200 pair phone copper to 1st floor telecom room
1st Floor East		281 copper drops (Cat 5)
1st Floor East		6 strands fiber 62.5 MM to Data Center
1st Floor East		200 pair phone copper to 1st floor telecom room

Cafeteria Furniture Inventory

Serial # 040D07874

Hobart Mixer

Serial # 1843003

Beverage Air Refrigerator

Serial # ER481AS

General Electric

Model # G136

General Electric Deep Fryer

Model # CK40

Waterless Food Warmer

Model

Toast Master

Serial 3

True Refrigerator 1-3357031

Stainless Steel table with sink

CWB 4829

Large Stainless Steel Prep Table

CWB 4827

Small Stainless Steel table

CWB 4828

(Attachment "A")
**FOURTH AMENDMENT TO AGREEMENT FOR TRANSFER
 OF USE, BENEFIT AND CONTROL OF PROPERTY**

This Fourth Amendment to Agreement for Transfer of Use, Benefit and Control of Property ("**Amendment**") is entered into by and between the **San Antonio Water System ("SAWS")**, and the **City of San Antonio**, a Texas municipal corporation ("**CITY**").

For and in consideration of One and No/100 Dollars (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, **SAWS** and **CITY** hereby recite and agree as follows:

1. **Recitals.**

(a) **Agreement for Transfer of Use, Benefit and Control of Property.** **SAWS** and **CITY** entered into an Agreement for Transfer of Use, Benefit and Control of Property effective October 19, 2004, as amended by that certain Amendment to Agreement for Transfer of Use, Benefit and Control of Property, and as further amended by that certain Second Amendment to Agreement for Transfer of Use, Benefit and Control of Property, and as further amended by that certain Third Amendment to Agreement for Transfer of Use, Benefit and Control of Property (collectively, the "**Agreement**"), pursuant to which **SAWS** agreed, among other things and under certain terms and conditions to transfer to **CITY** the use, benefit and control of certain real property and improvements in the City of San Antonio, Bexar County, Texas, as more particularly described in the Agreement (the "**Property**"). All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

(b) **Amendment.** **SAWS** and **CITY** desire to amend the Agreement pursuant to this Amendment as hereinafter provided.

2. **Closing Date.** Paragraph 5 of the Agreement is hereby deleted and replaced with the following:

"Closing Date. The consummation of the transaction contemplated by this Contract (the "**Closing**") shall take place in the offices of the Title Company on a date (the "**Closing Date**") mutually acceptable to the parties that is within fifteen (15) days after **SAWS'** written notice to **CITY** (the "**SAWS Closing Notice**"). The Closing Date shall not occur before the expiration of the Feasibility Period, or later than August 1, 2006 (the "**Outside Closing Date**"), unless extended in writing by mutual agreement of the parties; provided, however, the Outside Closing Date may be extended to the date that **SAWS** actually vacates the Property if **SAWS** so requests such extension in writing to **CITY** because **SAWS** has been delayed from vacating the Property due to acts of God, unavoidable casualties, fire, flood, strike or any other labor difficulty, act of any governmental authority, riot, embargo, labor or material shortage, defaults by **SAWS'** contractors, or any other events beyond the reasonable control of **SAWS**. In addition, if the Closing Date occurs after August 1, 2005, the Purchase Price shall be reduced by the sum of Two Thousand Four Hundred Nine Dollars and 30/100 (\$2,409.30) per day until the day that

Closing occurs. For the purpose of counting the number of days for the reduction of the Purchase Price, the first day of August will be counted, but the day of Closing will not be counted. If no SAWS Closing Notice is provided, absent mutual agreement to the contrary, then the Closing Date shall be on the Outside Closing Date."

3. **Lease Agreement.** All references in the Agreement to the "Lease Agreement" are hereby deleted.

4. **Personal Property.** SAWS acknowledges the desire of CITY to take possession at Closing of certain fixtures or personal property listed on Exhibit A to this Amendment (collectively, the "Personal Property"), which is currently situated on the Property, which is surplus to the needs of SAWS and the cost of disposal of which by SAWS exceeds the value of said Personal Property. At Closing, SAWS agrees to relinquish its interest in the Personal Property, in its AS IS - WHERE IS condition as of the Closing Date, with no representation or warranty, express or implied, as to the condition of the Personal Property, or the suitability of the Personal Property for any intended or anticipated use. Nothing in the Agreement or this Amendment shall require SAWS to undertake any repair or maintenance of the Personal Property at any time, or deliver the Personal Property to CITY in any useable condition.

5. **Other Terms.** All other terms, conditions and provisions of the Agreement shall remain in full force and effect as of the date thereof.

6. **Counterparts.** This Amendment may be executed by facsimile transmission in two or more counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute but one and the same instrument.

7. **Binding Effect.** This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

EXECUTED to be effective as of the date last set forth below.

SAWS:

San Antonio Water System

By: _____
Name: David E. Chardavoyne
Title: President/Chief Executive Officer
Date: _____

CITY:

**City of San Antonio, a Texas municipal
corporation**

By: _____
Name: _____
Title: _____
Date: _____

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney