

Agenda Item # 4

**CITY OF SAN ANTONIO
CITY MANAGER'S OFFICE
CITY COUNCIL AGENDA MEMORANDUM**

TO: Mayor and City Council
FROM: Sheryl Sculley, City Manager
SUBJECT: Voelcker Property Acquisition Project
DATE: June 29, 2006

SUMMARY AND RECOMMENDATIONS

This ordinance authorizes the expenditure of funds not to exceed \$47,761,421.00 for fee simple title and/or easement interest to three (3) parcels of privately owned real property and for other expenses associated with acquiring these properties authorized by Ordinance 2006-05-04-0530. The properties proposed for acquisition are located within Council District 9. The total proposed acquisition is approximately 311.35 acres. This ordinance authorizes City staff to acquire these properties by negotiation or condemnation, if necessary.

Staff recommends the approval of this ordinance.

BACKGROUND INFORMATION

On May 4, 2006, City Council authorized Ordinance 2006-05-04-0530 establishing the Voelcker Property Acquisition Project. This project authorizes the acquisition of approximately 311.35 acres of real property from the Max and Minnie Tomerlin Voelcker Fund. The land needed for use as part of Voelcker Property Acquisition Project consists of three tracts known as Tract II (204.3 acres), Tract III (101.7 acres), and Tract IV (5.35 acres).

The Voelcker Fund, requires that any land sale be purchased at fair market value, which has been determined to be \$47,468,421.00 by a MAI-certified appraiser. As per the trust agreement that established the Voelcker Fund, proceeds from sales transactions are to be distributed to charitable organizations. Specifically, ten percent of the sales proceeds are to be donated to San Antonio Children's Hospital and Boysville, with the remaining balance to be donated to organizations supporting medical research.

By approving this ordinance, the City Council of the City of San Antonio declares the public necessity of acquisition of fee simple title to these three parcels for parks and open space purposes, directs staff to acquire these properties by negotiation or condemnation, if necessary, and appropriates funds in an amount not to exceed \$47,761,421.00 for this acquisition and for miscellaneous expenses associated with this project.

The Planning Commission reviewed and approved this action at its May 24, 2006 meeting.

POLICY ANALYSIS

The Voelcker Tracts are located in an area of San Antonio that is extremely deficient in public park space and is lacking in large urban parks (sites in excess of 50 acres). Currently, the area of the city where this property is located has 7.9 acres of parkland per 1,000 residents, well below the San Antonio (14.4 acres) and national (16 acres) average for large cities.

It is anticipated that the land will be acquired in two phases. The first phase would acquire approximately 107 acres within the next 90 days at a cost of approximately \$16.5 million, which the City will fund from proceeds derived from the issuance of Tax Anticipation Notes approved by the City Council on June 15, 2006. The purchase of the remaining property will occur after May of 2007. Funding in the amount of approximately \$31.3 million for the purchase of the remaining property is anticipated to be derived from the issuance of general obligation bonds, if approved through the general obligation bond election currently being planned for May 2007. The Director of Finance is authorized to identify funds as necessary pending reimbursement from debt proceeds or subsequent appropriations.

The Voelcker Property Acquisition Project is consistent with the recommendations outlined for the Far North Subarea in the Parks and Recreation System Plan, which recommends the acquisition of additional park acreage to meet service goals, especially in regards to large urban parks.

FISCAL IMPACT

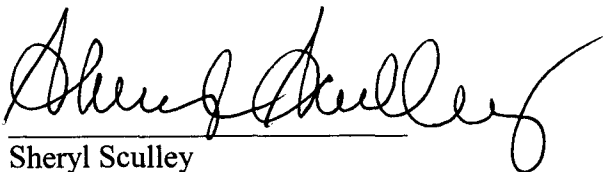
The amount of \$47,761,421.00 is authorized to be appropriated and is authorized to be encumbered and made payable for land acquisition and miscellaneous expenses. Approximately \$16.5 million will be funded from proceeds derived from the issuance of Tax Anticipation Notes, Series 2006. The remaining approximately \$31.3 million is anticipated to be funded with proceeds from the issuance of general obligation bonds, if approved through the bond election planned for May 2007.

COORDINATION

This item has been coordinated with the Planning Commission, the Finance Department, the City Attorney's Office, and the Office of Management and Budget.

SUPPLEMENTARY COMMENTS

If the aforementioned property is acquired through negotiations, the Discretionary Contracts Disclosure Form and Conflict of Interest Questionnaire are required, and will be signed by the seller(s) prior to closing.



Sheryl Sculley
City Manager