



AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting of December 5, 2023
Second Reading Ordinance for the City Council Meeting of December 12, 2023

DATE: December 12, 2023

TO: Peter Zaroni, City Manager

FROM: Jeff H. Edmonds, P. E., Director of Engineering Services
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<p style="text-align: center;">Determining Public Necessity and authorizing acquisition of property by eminent domain for the Fire Station No. 8 Project</p>

CAPTION:

Ordinance authorizing the purchase of 4909 Kostoryz Road and 3115 McArdle Road from Ifergan Michel, LLC. for Fire Station 8 in an amount up to \$290,000.00 and authorizing the use of the power of eminent domain, if needed, to acquire the property.

SUMMARY:

The Ordinance authorizes the City Manager or designee to execute all contracts and instruments provided the amounts are within Council-approved project budgets to acquire fee simple property rights for construction of Fire Station 8. In the event the City and property owner are not able to agree, this ordinance authorizes the City Manager to proceed with eminent domain proceedings in order to acquire the property interests needed for this public safety project. City Council must first determine that a public use and necessity exists for the project and then must delegate its authority to use the power of eminent domain to the City Manager. Eminent domain proceedings will be necessary only if the City and the landowner cannot reach an agreement on the terms of the property acquisition.

BACKGROUND AND FINDINGS:

In November 2022, voters approved Bond 2022 which includes designing and acquiring land for Fire Station 8 currently located at Kostoryz Road. The Fire Department has conducted detailed response time modeling for multiple potential available sites including city-owned parks. Based on the response time modeling, the Fire Department believes the property located at 4909 Kostoryz Road and 3115 McArdle Road owned by Ifergan Michel, LLC. is the preferred location for the new Fire Station 8.

The Fire Department modeled several properties, to include City owned and private property, to

obtain four-minute, five-minute, and six-minute travel times to obtain response coverage for Fire Station 8. The location at 4909 Kostoryz and 3115 McArdle offered the greatest coverage for locations within this area with high incident volume and gaps in response time coverage.

This location allows the Fire Department to have greater response coverage south of South Padre Island Drive and along South Padre Island Drive. Ifergan Michel, LLC. of San Antonio, Texas acquired the property in 2013. The structure has been unoccupied for many years and has fallen into such disrepair that it is a hazard and needs to be demolished. The structure's integrity and status makes it a hazard to any unauthorized public who make access to the property and emergency service personnel entering the building for emergency response or public service assistance.

City staff has attempted to negotiate with the property owner. The owner had advertised the property previously at \$600,000. The asking price doubled to \$1,200,000 when the City inquired. The City has informally offered the previously advertised amount but has not received a response for acceptance, rejection or submission of a counteroffer. City staff have concluded that negotiations have ceased and will not result in the acquisition of the needed tract of land. Based on this, staff requests that City Council authorize City staff to exercise and initiate eminent domain procedures to acquire the tract of land.

The City has obtained an appraisal of the property. The property was appraised at \$290,000, which is \$600,000 for the property minus \$310,000 demolition costs. To comply with the Texas Property Code, City staff will proceed with making a best and final offer equal to the appraised value before initiating condemnation procedures.

ALTERNATIVES:

The alternative is to decline the proposed use of eminent domain and instead have the City search for other properties for the relocation of Fire Station 8 that are less optimal than the proposed site.

FINANCIAL IMPACT:

The fiscal impact in FY 2024 is in the amount of \$290,000.00 with funding available from Bond 2022.

FUNDING DETAIL:

Fund: 2023 GO Bd 22 Prop C - Fire (Fund 3195)
Department: Fire (10)
Org: Grants and Capital Projects (89)
Account: Land and Right of way (550701)
Activity: 23178-3195-EXP
Amount \$290,000.00

RECOMMENDATION:

Staff recommends approval of ordinance to acquire property for the Fire Station 8 relocation project, as presented.

LIST OF SUPPORTING DOCUMENTS:

Ordinance