



AGENDA MEMORANDUM

Action Item for the City Council Meeting June 27, 2023

DATE: June 27, 2023
TO: Peter Zanoni, City Manager
FROM: Heather Hurlbert, CPA, CGFO Interim Assistant City Manager
Heatherh3@cctexas.com
361-826-3227

Ordinance authorizing the sale and conveyance of an approximately the 0.182 acre parcel of surplus land located at the intersection of Corona Drive and Flynn Parkway

CAPTION:

One reading ordinance authorizing the sale and conveyance of an approximately the 0.182 acre parcel of surplus land located at or near the intersection of Corona Drive and Flynn Parkway, as further described by provided metes and bounds and incorporated to Rajesh Panchal (owner of adjacent property) for the amount of \$6,000.00.

SUMMARY:

One reading ordinance authorizing the sale and conveyance of an approximately the 0.182-acre parcel of surplus land located at or near the intersection of Corona Drive and Flynn Parkway, as described in "Exhibit A" incorporated to Rajesh Panchal (owner of adjacent property) for the amount of \$6,000.00.

BACKGROUND AND FINDINGS:

The proposed project being brought forward is a business-select hotel on a 2-acre property located at the intersection of Corona Drive and Flynn Parkway. The hotel, named Atwell Suites, will have 96 suites, a full-service bar, as well as co-working spaces and meeting rooms that guests can use. To ensure the success of this development, the City's Economic Development Department (EDD) is facilitating the proposed sale and conveyance of a 0.182 acre (7,928 square feet) tract of public right-of-way City property. The project has received full funding and is expected to start construction in the Fall of 2023.

Rajesh Panchal, the developer of the Atwell Suites, approached the City to purchase the Corona Drive right-of-way and the adjacent tract of land to optimize his hotel development. Corona Drive was changed as part of Bond 2014 resulting in the removal of the street, curb, and sidewalks within the right-of-way and surplus property.

The City's Economic Development Department has worked and collaborated with the Legal Department, Public Works Department, Development Services Department, and Planning Department and has come forth with a recommendation that the highest and best use for this property would be to allow the developer to purchase this property and incorporate it into the project site. Due to the small and irregular shape of the triangle lot, setback and parking lot requirements for development, ingress/egress issues, and the limited ability to construct a structure on the right-of-way lot, there is little to no use for the land with only use being to the adjacent landowner. The limited uses could be to optimize parking or to complement site plans with potential beautification to the landscaping of the area.

Upon completion, this project will increase the City's tax revenue through ad-valorem tax, hotel occupancy tax, and sales tax. Moreover, it will transfer the responsibility of maintaining the City property to the new owner, reducing maintenance expenses for the City.

ALTERNATIVES:

The Council has the option to continue maintaining the 0.182 acre tract of City owned property instead of selling and conveying the property.

FISCAL IMPACT:

The City is set to receive \$6,000 from the sale of the property and will profit from not having to maintain the maintenance associated with the property.

Funding Detail:

Fund:

Organization/Activity:

Department:

Project # (CIP Only):

Account:

RECOMMENDATION:

City Staff recommends selling and conveying the 0.182 acre tract of City owned property. This proposal is an excellent example of an economic development infill project that will activate an underutilized tract of land. The utility easement will remain intact, and no new City infrastructure or services will be needed. The City's maintenance responsibilities will be eliminated, and the land will be developed.

LIST OF SUPPORTING DOCUMENTS:

Ordinance

Maps

Appraisal Report

PowerPoint Presentation