



AGENDA MEMORANDUM

Action Item for the City Council Meeting of August 10, 2021

DATE: August 10, 2021

TO: Peter Zaroni, City Manager

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Authorization to purchase two tracts of parcels located on Port Avenue for the proposed Gas Department Parking Lot

CAPTION:

Motion authorizing the purchase of two tracts of parcels located at 4229 & 4233 South Port Avenue for Gas Department parking lot expansion, located in Council District 3, in an amount of \$255,000.00 with FY 2021 funding available from the Gas Fund.

SUMMARY:

This motion authorizes the purchase of two tracts of parcels, approximately 0.4811 acres, located at 4229 & 4233 South Port Avenue for the Gas Department parking lot expansion.

BACKGROUND AND FINDINGS:

The Gas Department, located at 4225 South Port Avenue, is experiencing a shortage of parking spaces. The department has over 145 employees with only 70 parking spaces available. The remaining employees currently park on both sides of Dillon Lane causing safety concerns and exposes employee vehicles to potential vandalism and possible damage. Dillon Lane is a minor residential collector street with right-of-way 60 ft and pavement width of 40 ft including the curb and gutter.

Mr. Robert Lozano and Mr. Edward Lozano, Corpus Christi, Texas, are the owners of the two parcels. The purchase price for the two parcels is \$255,000.00. The City entered into an Option Contract with the property owners on June 25, 2021 to secure the ability to purchase the two parcels. The Option Contract has a non-refundable option fee of \$25,000.00 that will be applied to the purchase price. The Option Contract provides the City 60 days to obtain Council approval, due diligence including title commitment, land survey, and inspections if needed. The remaining balance due after the Option Contract fee is an amount of \$230,000.00 for both parcels.

The Gas Department also has future plans to hire additional employees further increasing the need for additional parking spaces. The Department is expecting approximately 30 additional parking spaces with the purchase of the two tracts.

The City already has conducted the title search and has acquired the following documents: Option Contract, Title Commitment (provided by First Title Company, Corpus Christi, Texas), and Environmental Site Analysis – Phase I (provided by Hanson Professional Services Inc., Corpus Christi, Texas) and land survey (provided by Urban Engineering, Corpus Christi, Texas).

An appraisal of the land was conducted by Lowery Property Advisors on July 14, 2021 and the land value is at \$230,000.00. Therefore, the pricing for the parcels was negotiated with the understanding that the properties have other interested buyers and that the acquisition of the land is beneficial for City use. Upon Council approval the City will execute the Real Estate Sales Contract and proceed with the closing transaction within 30 days by First Title Company.

ALTERNATIVES:

City Council could instruct staff to find another location for potential parking, however, the identified locations are adjacent to the Gas Department which is ideal for parking and proximity for employees.

FISCAL IMPACT:

The fiscal impact in FY 2021 is an amount of \$255,000.00 with funding available from the Gas Fund. A total of \$25,000.00 has already been paid for the Option Contract fee. The remaining balance for approval is an amount of \$230,000.00.

FUNDING DETAIL:

Fund: **Gas Fund (4130)**
Mission Elem: Gas Distribution System (022)
Organization: Gas Administration (34000)
Project No.: N/A
Account: Land & Land Rights (550005)
Activity: N/A
Amount \$230,000

RECOMMENDATION:

Staff recommends authorizing the purchase of the two tracts of land located at 4229 & 4233 South Port Avenue for a parking lot adjacent to the Gas Department.

LIST OF SUPPORTING DOCUMENTS:

Location Map
Land Appraisal
Title Commitment
Option Contract
Real Estate Sales Contract