



## AGENDA MEMORANDUM

Future item for the City Council Meeting of March 31, 2015  
Action item for the City Council Meeting of April 14, 2015

**DATE:** February 18, 2015

**TO:** Ronald L. Olson, City Manager

**THRU:** Gustavo Gonzalez, P. E., Assistant City Manager of Public Works and Utilities  
[Gustavogo@cctexas.com](mailto:Gustavogo@cctexas.com)  
(361) 826-3897

**THRU:** Valerie H. Gray, P. E., Executive Director of Public Works  
[Valerieg@cctexas.com](mailto:Valerieg@cctexas.com)  
(361) 826-3729

**FROM:** Jerry Shoemaker, P. E., Acting Director of Capital Programs  
[Jerrys2@cctexas.com](mailto:Jerrys2@cctexas.com)  
(361) 826-3516

**Elevated Water Storage Tanks – Citywide**  
**(ACR Implementation Phase 2)**

**Tank Site Acquisition at Rand Morgan & Leopard St.**

**CAPTION:**

Motion authorizing the City Manager or designee to execute a Real Estate Sales Contract with Marjak, Inc. in the amount of \$188,000 plus \$2,500 in estimated closing costs for a total expenditure of \$190,500, for the purpose of acquiring a tract of land containing 1.76 acres of land located at the southeast corner of the intersection of Leopard Street and Rand Morgan Road, to be used for the construction of an elevated water storage tank in connection with the CC Elevated Storage Tanks – Citywide Project #E12210, Capital Improvement project.

**PURPOSE:**

This 2012-2013 Capital Improvement Project is needed to increase water pressures in certain areas of the City and will also reduce operating costs. This is part of the City's master plan and addresses TCEQ elevated storage tank requirements. This agenda item approves the purchase of one of the elevated tank sites.

**BACKGROUND AND FINDINGS:**

The Elevated Water Storage Tank Project will provide multiple tanks City wide with the objective of increasing and balancing water pressures in various City areas. The City prepared and submitted an Alternate Capacity Requirement (ACR) implementation plan to the Texas Commission on Environmental Quality (TCEQ) which was approved. As per the plan, the City will build four elevated tanks to satisfy the

minimum requirements of the TCEQ, all to be completed before 2025. In February of 2009, the City awarded an A/E contract to LNV Engineering Inc. for design of these tanks. These four elevated tanks include the Holly Rd site with 3.0 million gallons (MG), the Rand Morgan site with 0.75 MG, the Starry Road site with 2.5 MG and the Nueces Bay Boulevard site with 1.25 MG.

LNV Engineering specified that an optimum location for the tank site would be along Leopard Street, between Rand Morgan and McKenzie Road. City Land Acquisition staff identified a vacant tract of land for sale at Rand Morgan and Leopard, which was of adequate size and abutted one of the City’s water transmission mains located along the Leopard Street right of way. The site contains 1.76 acres and is located at the southeast corner of Rand Morgan and Leopard as shown on the attached Location Map. The City obtained an appraisal report prepared by Ralph L. Cook, ASA which reported the value at \$180,000. The property was listed by Steve Roberts Realtors for the amount of \$195,000. City staff has negotiated the purchase price of \$188,000. The contract will be escrowed closed at the Security Title Office on Holly Road.

**ALTERNATIVES:**

1. Execute the Real Estate Sales Contract with Marjak, Inc. (recommended).
2. Do not execute the Real Estate Sales Contract and seek an alternative site (not recommended).

**CONFORMITY TO CITY POLICY:**

The Real Estate Sales Contract is permitted by City Charter, Article X, General Powers and Provisions Section 1 (a)(8) to acquire and own property by the City and also by Section 2 (A) requiring contracts to be authorized by the City Council where the expenditure exceeds the limit of \$50,000.

**EMERGENCY / NON-EMERGENCY:**

Not applicable

**DEPARTMENTAL CLEARANCES:**

Capital Programs and Water Departments

**FINANCIAL IMPACT:**

<b>Fiscal Year 2014-2015</b>	<b>Project to Date Expenditures</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Budget	\$550,000.00	\$750,000.00	\$10,400,000.00	\$11,700,000.00
Encumbered / Expended Amount	550,000.00	0.00	0.00	550,000.00
This item	0.00	190,500.00	0.00	190,500.00
Future Anticipated Expenditures This Project	0.00	0.00	0.00	\$0.00
<b>BALANCE</b>	<b>\$0.00</b>	<b>\$559,500.00</b>	<b>\$10,400,000.00</b>	<b>\$10,959,500.00</b>

Fund(s): Water CIP

**RECOMMENDATION:**

City staff recommends passage of the Motion approving the Real Estate Sales Contract.

**LIST OF SUPPORTING DOCUMENTS:**

Location Map  
Real Estate Sales Contract