



## AGENDA MEMORANDUM

First Reading item for the City Council Meeting of April 21, 2015  
Second Reading item for the City Council Meeting of April 28, 2015

**DATE:** March 3, 2015

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

**THRU:** Gustavo Gonzalez, P. E., Assistant City Manager of Public Works and Utilities  
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**Citizen's Collection Center – Flour Bluff/Padre Island**  
**Real Estate Sales Contract for Site Acquisition**

**CAPTION:**

Ordinance amending the FY 2015 Capital Improvement Program Budget adopted by Ordinance No. 030303 by transferring \$74,000.00 from Fund 3365 Sanitary Landfill 2008 Certificate of Obligation Project Reserves to Project #E12190 Citizens Collection Center – Flour Buff/Padre Island; increasing expenditures in the amount of \$74,000.00; and authorizing the City Manager or designee to execute a Real Estate Sales Contract with Alamo Concrete Products Company in the amount of \$275,000 plus \$3,000 in estimated closing costs for a total expenditure of \$278,000, for the purpose of acquiring a tract of land containing 5.320 acres located at the northeast corner of the intersection of Flour Bluff Drive and Division Road, to be used for the Citizens Collection Center – Flour Bluff/Padre Island Area Project #E12190.

**PURPOSE:**

This 2014-2015 Capital Improvement Project will provide needed services to the residents of Padre Island and Flour Bluff. The project will result in a new Citizen's Collection Center for drop-off of solid waste, brush, discarded appliances, furniture, household hazardous waste, and various other items.

## **BACKGROUND AND FINDINGS:**

Site selection parameters were established in early 2014 to find a project site with at least four acres of land, with proper zoning and easily accessible to a main thoroughfare. The site would also have to be conveniently accessible to the residents of both Padre Island and Flour Bluff. City staff identified a 7.4 acre tract of land belonging to Alamo Concrete Products Company located at the corner of Flour Bluff Drive and Division Road with address of 2010 Flour Bluff Drive. Alamo Concrete purchased the land in 2008 for construction of a concrete plant. The site has an existing zoning of "IL" Light Industrial District. City staff proceeded to work with Alamo Concrete to purchase a portion of their 7.4 acre tract. Negotiations led to the selection of the western part of the tract containing 5.32 acres, leaving Alamo Concrete 2.08 acres for their concrete plant.

The City contracted Kleinfelder, Inc. in March 2014 to conduct a feasibility study on the proposed 5.32 acres. The study analyzed conceptual layouts, road construction, surface area, utilities, traffic analysis, facility size, estimated costs, and recommendations. At the same time, a Phase 1 Environmental Site Assessment was conducted to identify any environmental issues. Both studies resulted in favorable outcomes, confirming that this site would work for the project. Kleinfelder, Inc. proposed three layout concepts for the proposed collection center. The City will choose one in the final design phase.

Land Acquisition staff obtained an appraisal report from the appraisal firm of Smith, Kirkpatrick & Klager, LLC. The reported value for the 5.32 acres was \$224,681, which was offered to Alamo Concrete in a Real Estate Sales Contract. Alamo Concrete paid substantially more per acre and countered with the amount of \$323,509. After continued negotiations, the City and Alamo Concrete agreed to a mid range sales price of \$275,000 or \$51,692 per acre. There are very few sites available in the area with the required project site parameters. It is in the best interest of the City to consummate the purchase and proceed with this important Public Health & Safety project. Land purchases in excess of \$50,000 require the approval of City Council. With approval of the sales contract by City Council, it will be escrowed at San Jacinto Title Company as per the Seller's request.

## **ALTERNATIVES:**

1. Execute the Real Estate Sales Contract with Alamo Products Company. (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 Solid Waste 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	\$0.00	\$204,500.00	3,970,000.00	\$4,174,500.00
Encumbered / Expended Amount	0.00	0.00	0.00	0.00
Ordinance		74,000	0.00	74,000.00
Revised Budget	0.00	\$278,000.00	\$3,970,000.00	\$4,248,500.00
<b>This item</b>	<b>0.00</b>	<b>278,000.00</b>	<b>\$0.00</b>	<b>278,000.00</b>
Future Anticipated Expenditures This Project	0.00	0.00	3,970,000	3,970,000.00
BALANCE	\$0.00	\$0.00	\$0.00	\$0.00

**RECOMMENDATION:**

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

**LIST OF SUPPORTING DOCUMENTS:**

- Ordinance
- Project Budget
- Presentation
- Location Map
- Real Estate Sales Contract