

Mayor and Council Communication

DATE: 01/30/24

M&C FILE NUMBER: M&C 24-0094

LOG NAME: 21CPN 103670 2821 LACKLAND BUILDING TPW PURCHASE

SUBJECT

(CD 3) Authorize the Acquisition of Approximately 2.2 Acres of Improved Property Located at 2821 Lackland Road and 2817 Sappington Place, Fort Worth, Tarrant County, Texas 76116 from Younger Partners Investments, LLC in the Amount of \$3,250,000.00 and Pay Estimated Closing Costs in an Amount Up to \$7,721.00 for a Total Cost of \$3,257,721.00 for the Lackland Center Building, Adopt Appropriation Ordinances, and Amend the Fiscal Year 2024 Adopted Budget and Fiscal Years 2024-2028 Capital Improvement Program

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the execution of a sale and purchase agreement with Younger Partners Investments, LLC for the acquisition of approximately 2.2 acres of improved property, being Lots 3-7 and Lots 19-20, Block 1, and Lots 5-6, Block 2 of the Golf Hills Addition, an addition of the City of Fort Worth, Tarrant County, Texas and also known as 2821 Lackland Road and 2817 Sappington Place, Fort Worth, Tarrant County, Texas 76116 in the amount of \$3,250,000.00;
2. Authorize the payment of estimated closing costs in an amount up to \$7,721.00;
3. Authorize the City Manager or his designee to accept the conveyance and execute and record the appropriate instruments;
4. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Capital Projects Service Fund in an amount not to exceed \$1,257,171.00, from available net position, for the purpose of transferring to the Capital Project Svc - Capital Fund for the 2821 Lackland Purchase & Reno Project (City Project No. 103670);
5. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Capital Project Svc - Capital Fund, in the amount of \$1,257,171.00, transferred from the Capital Projects Service Fund, for the purpose of funding the 2821 Lackland Purchase & Reno Project (City Project No. 103670); and
6. Amend the Fiscal Year 2024 Adopted Budget and Fiscal Years 2024-2028 Capital Improvement Program.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to seek approval to acquire a fee simple interest in land and improvements located at 2821 Lackland Road and 2817 Sappington Place for use by the Transportation and Public Works Department's Infrastructure Construction Group (TPW).

TPW is currently operating out of the old Southwest Municipal Court building at 3741 SW Loop 820, Fort Worth, Texas 76133. This location was planned to be utilized for the long term; however, due to the building's ongoing structural problems and limited parking for City-owned vehicles, this location has presented several safety concerns for staff and visitors.

At the request of TPW, the Property Management Department (PMD) conducted a search for other properties better suited for TPW's operations. Due to TPW's specific needs, which included adequate overnight parking and the ability to secure said parking to minimize vehicle break-ins, theft of vehicle parts, and vandalism, options were very limited.

After an extensive search for properties to lease or purchase, a property was identified for purchase that will be more cost effective than a long-term lease.

The property, commonly known as the Lackland Center Building, is an approximately 53,000 square-foot, Class C office building with a surface parking lot at 2817 Sappington Place, located in west Fort Worth just off Interstate Highway 30 and in close proximity to Interstate Highway 820 and Interstate Highway 20, and 10 minutes west of the Fort Worth Central Business District. The land and improvements will provide TPW with the ability to consolidate its operations to better serve the community.

The property owner has agreed to a purchase price of \$3,250,000.00, subject to an independent appraisal. The mineral estate will not be acquired, and the deed will contain a surface waiver for the exploration of the minerals. The real estate taxes will be pro-rated with the seller being responsible for taxes due up to the closing date. The City will pay estimated closing costs in an amount up to \$7,721.00.

Upon City Council approval, staff will proceed with acquiring the fee simple interest in the improved property, except for the mineral estate.

Property Ownership	Property Interest	Property Size	Property Address/Legal Description	Amount
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Younger Partners Investments, LLC	Fee Simple and Improvements	2.2 Acres	Lots 3-7 and Lots 19-20, Block 1, and Lots 5-6, Block 2, Golf Hills Addition	\$3,250,000.00
			Total Estimated Closing Cost	\$7,721.00
				\$3,257,721.00

The action in this M&C will amend the Fiscal Year 2024 Adopted Budget as approved in connection with Ordinance 26453-09-2023, Section 5, as listed on page 21.

Fund / Department Budget Category	FY2024 Adopted Budget	Budget Change (Increase/Decrease)	Revised FY2024 Budget
Revenues			
Charges for Services	\$17,444,466.00	\$0.00	\$17,444,466.00
Use of Money and Property	\$110,000.00	\$0.00	\$110,000.00
Use of Fund Balance	\$427,405.00	\$1,257,171.00	\$1,684,576.00
	\$17,981,871.00	\$1,257,171.00	\$19,239,042.00
Expenditures			
Transportation and Public Works	\$17,172,479.00	\$0.00	\$17,172,479.00
Transfer to General Fund	\$3,291.00	\$0.00	\$3,291.00
Transfer to Capital Fund	\$806,101.00	\$1,257,171.00	\$2,063,272.00
	\$17,981,871.00	\$1,257,171.00	\$19,239,042.00

Funding for this project was not included in the FY2024-2028 Capital Improvement Program due to the final sales price still being negotiated. The action in this M&C will amend TPW's contribution to the Fiscal Years 2024-2028 Capital Improvement Program as approved in connection with Ordinance 26453-09-2023, as follows:

Capital Fund Name	Project Name	Existing Appropriations	Authority	Additional Appropriations	Project Total
30102 - Capital Project Srvc - Capital Fund	1 0 3 6 7 0 - 2821 Lackland Purchase & Reno	\$2,250,000.00	M&C 21-0817		
30102 - Capital Project Srvc - Capital Fund	1 0 3 6 7 0 - 2821 Lackland Purchase & Reno		This M&C	\$1,257,171.00	
Project Total		\$2,250,000.00		\$1,257,171.00	\$3,507,171.00

Funding is available for appropriation in net position of the Capital Projects Services Fund for the purpose of transferring to the Capital Project Srvc - Capital Fund to fund the 2821 Lackland Purchase & Reno Project. The beginning net position balance in the Capital Projects Service Fund is \$5,924,507.13 and after appropriation in this M&C, the ending balance will be \$4,667,336.13 before reserve requirements are taken into consideration. Including the 10% reserve requirement for Internal Service Funds, the available net position will be \$2,869,149.03.

This project is located in COUNCIL DISTRICT 3.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the Capital Projects Service Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinances, funds will be available in the Capital Project Srvc - Capital Fund for the 2821 Lackland Purchase & Reno project to support the approval of the above recommendations and the acquisition of the property. Prior to an expenditure being incurred, the Property Management and the Transportation and Public Works Departments have the responsibility of verifying

the availability of funds.

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