



Recommendation for Action

File #: 23-3248, Agenda Item #: 16.

11/9/2023

Posting Language

Authorize negotiation and execution of all documents and instruments necessary or desirable to acquire in fee simple Lots 3, 4, 6, 7, 8 and the south 25 feet of the north 53 feet of Lot 5, Block 88 of the Original City of Austin, Travis County, Texas, according to the plat on file at the General Land Office of the State of Texas, said lots having street addresses of 506 East 7th Street, 514 East 7th Street, 700 Red River Street, 718 Red River Street, and 801 East 8th Street, Austin, Texas 78701, from The Salvation Army, for a total amount not to exceed \$15,067,682 including closing costs. Related Item #6.

Lead Department

Financial Services Department.

Fiscal Note

Funding for this purchase is available in the budgets of the Housing, Financial Services, and Building Services Departments.

Prior Council Action:

June 8, 2023 - Council Approved authorization to negotiate and execute a 12-month Lease Agreement with The Salvation Army.

For More Information:

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Additional Backup Information:

In February 2023, The Salvation Army announced the closure of the downtown shelter effective March 15, 2023. Currently, there are no suitable City owned properties in the downtown area allowing for the continuation of the critical services that the Salvation Army no longer provides.

This acquisition is for the building, retail space, and parking area. The property has an area of 66,285 square feet, the retail space contains an area of 1,700 square feet and the parking area is 17,664 square feet. With this acquisition the City will own approximately 90% of this city block.

An independent, third-party appraisal was procured to establish the fair-market valuation of the proposed acquisition. The appraisal supports the purchase price of \$15,050,000. The amount of the purchase price plus closing costs is not to exceed \$15,067,682.