



City of Killeen

Legislation Details (With Text)

File #:	RS-23-090	Version:	1	Name:	Purchase of Real Property within the City of Killeen
Type:	Resolution	Status:		Status:	Passed
File created:	4/19/2023	In control:		In control:	City Council Workshop
On agenda:	5/23/2023	Final action:		Final action:	5/23/2023
Title:	Consider a memorandum/resolution authorizing the purchase of real property located in downtown Killeen.				
Sponsors:	Development Services				
Indexes:					
Code sections:					
Attachments:	1. Support Letter, 2. Contract, 3. Appraisal, 4. Presentation				

Date	Ver.	Action By	Action	Result
5/23/2023	1	City Council	Approved	Pass

Consider a memorandum/resolution authorizing the purchase of real property located in downtown Killeen.

DATE: May 16, 2023

TO: Kent Cagle, City Manager

FROM: Edwin Revell, Executive Director of Development Services

SUBJECT: Memorandum/Resolution Authorizing the Purchase of Real Property within the City of Killeen

BACKGROUND AND FINDINGS:

Built in 1915, the building located at 324 N. Gray Street originally served as the Lodge Hall. Then from 1937-1941, it served as the Wyatt Bass Grocery Store, and then, more recognizably, as the Hack's Army and then Western Store from the 1950's until the 1980's. The property was identified as a historically significant structure in the City's 2008 Historic Resource Survey.

324 N. Gray Street has been vacant for several years. In recent years a local real estate investor, Shirley Husar, purchased the property with plans of revitalizing the structure. Unfortunately, Ms. Husar passed away at the beginning of 2023. After attempting to sell the property to the private market, her heirs approached the City about its interest in purchasing the property.

City of Killeen staff, including Edwin Revell, Wallis Meshier, Kate Kizito, Leslie Hinkle, Earl Abbott, and KEDC's Scott Connell, toured the building on March 14, 2023.

The city has entered an option period for the property to complete due diligence efforts, such as:

- Ordering an appraisal of the property.

- Obtaining quotes to repair the roof and bring the second-story stair access to code compliance.
- Engaging the Killeen Economic Development Cooperation for the partnership of the rehabilitation and future use of the property.

The current negotiated price of the property is \$288,483 for the 7,397 sq/ft building; or \$39 per sq/ft.

Benefits to purchasing the property include assurance of quality redevelopment of historically significant structure and the ability to ensure a desired use for a currently vacant property.

THE ALTERNATIVES CONSIDERED:

- Do not authorize the purchase;
- Authorize the purchase with modifications; or
- Authorize the purchase as presented.

Which alternative is recommended? Why?

Staff recommends approval of the purchase as presented.

CONFORMITY TO CITY POLICY:

This action conforms with City policy.

FINANCIAL IMPACT:

What is the amount of the expenditure in the current fiscal year? For future years?

The amount of expenditures for the current fiscal year is estimated at \$295,000 which includes \$300,000 for the purchase and an estimated closing cost of \$5,000.

Is this a one-time or recurring expenditure?

This is a one-time expenditure.

Is this expenditure budgeted?

Yes, \$295,000 is available in the Governmental CIP Fund in account 349-8940-493.69-02 and \$10,000 is available in the General Fund Development Services account 010-4051-450.69-02.

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line-item for this expenditure?

Yes

RECOMMENDATION:

Staff recommends that the City Council approve the purchase of the above-described property and building and authorize the City Manager, or designee, to execute all documents to complete the purchase.

DEPARTMENTAL CLEARANCES:

This item has been reviewed by Legal and Finance.

ATTACHED SUPPORTING DOCUMENTS:

Support Letter
Contract
Appraisal
Presentation