

# 46 acre Land Acquisition



**LAND FOR FUTURE CITY FACILITIES  
ELEVATED STORAGE TANK  
LIFT STATION RELOCATION  
PLANNING FOR THE FUTURE**

# Why do we need land?



- Hewitt is growing
- Demand for City Services is increasing and will continue to rise as the population increases
- Current City Owned land does not have space for growth or expansion
- City Council has determined need to acquire land for future city facilities
- Acquisition of land has been a project priority for many years

# Why do we need land?



- Hewitt's current population is approximately 13,500
- Hewitt has a projected population of between 20,000 and 23,000 at build out
- Current city facilities are inadequate for their current purpose
- FD and PD buildings over 40 years old – several noted issues with buildings
- Library and City Offices are beyond their current capacity and have no room for expansion
- Adequate land is needed to ensure space for anticipated facilities to serve future residents

## Why now?



- Majority of vacant land is owned by a few owners
- Availability of land is diminishing
- City recently issued Bonds with the specific purpose of acquiring land for future city facilities
- The agreements with the Bond Holders is that Hewitt will purchase land for city facilities
- Even with this Bond Issuance the FY 2010-11 General Fund Debt Service is \$73,017 less than last year

## How did the City determine how much space was needed?



- City staff analyzed current facilities
- Population projections were used to determine Hewitt's future population
- Based on a maximum population each department looked at the industry average for personnel, equipment, and other factors to determine spatial needs
- While impossible to accurately predict, staff estimated that 25 to 40 acres of land would be suitable for future needed facility space and grounds

## How did the City choose this site?



- Several sites throughout Hewitt were considered and evaluated
- Real Estate market pricing and availability of utilities were taken into account
- Owners of property were approached by the City
- Most of the larger tracts of vacant land suitable for the City's purposes are held by a handful of property owners
- The City met with representatives of this site over the course of the past few months to work out the details of this proposed land purchase

# What were some of the considerations?



- The site needed to be located with suitable access for emergency response providers
- The site needed to be of adequate size for planned facilities
- The site needed to have visibility for public conducting business with the city
- The city sought to have all future facilities centrally located at one site
- The site needed to have suitable screening for public works functions to minimize conflicts with residential uses and adjacent land uses

# What were some of the considerations?



- No existing buildings in Hewitt are suitable or adequate to serve the future facility needs of the city
- Is there any possibility for future economic development because of the land purchase?
- What are the effects, both positive and negative, to surrounding land owners?
- How would the purchase influence surrounding land values?
- What is the overall benefit to community?

## Why do cities use an Executive Session to discuss land acquisition?



- There are limited reasons the Council may conduct an Executive Session that is closed to the public
- It is recognized that a public negotiation concerning a potential property acquisition could have a detrimental effect on the city
- The Council is elected to make decisions on behalf of the public

## According to the Texas Attorney General...



- Section 551.072 of the Government Code allows a governmental body to deliberate the purchase of real estate in an executive session if open deliberation will have a detrimental effect on its negotiating position with a third party. It is improper to allow a third party access to a governmental body's deliberations under 551.072, but the city manager could advise the city council in an executive session of his negotiations with a third party.

## Didn't Hewitt voters turn down a Bond Election last November?

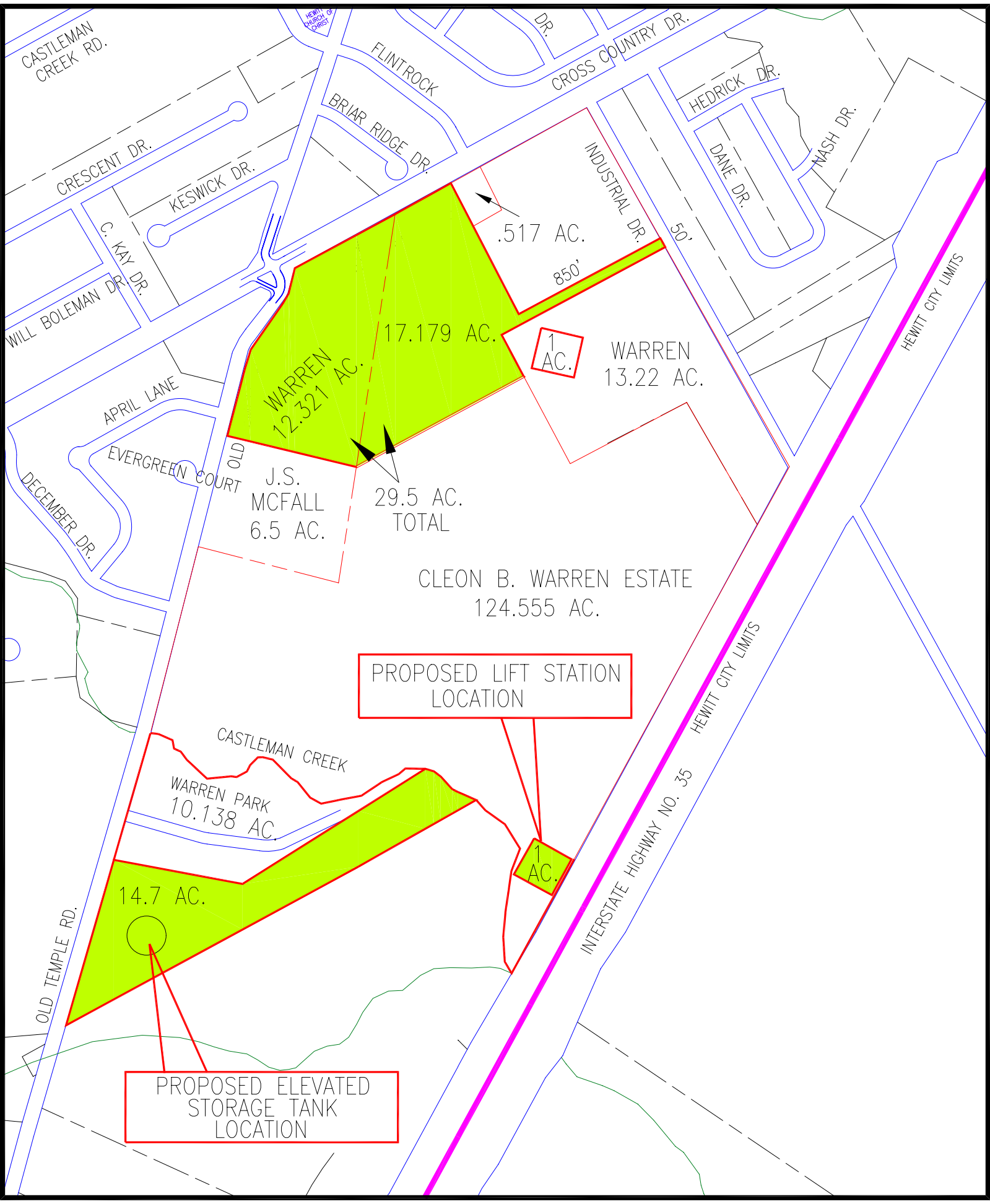


- Last November's Bond Election included propositions for purchase of 63 acres, new buildings, parks improvements and other municipal projects
- The 63 acre tract under consideration at that time was located at Hewitt Drive and Ritchie Road
- That land was valued at \$1.05 per square foot
- While that Bond election failed, the need for land and new municipal facilities was not resolved
- The City Council reconsidered the projects and decided to only look for land at this time

## Where is this 46 acres?



- Property is portion of a larger tract of land currently owned by the Warren Family
- There are two main parcels in consideration
- Parcel 1 is approximately 29.5 acres, located at the intersection of Old Temple Road and Spring Valley
- Parcel 2 is approximately 14.7 acres, located immediately adjacent to Warren Park on Old Temple Road
- Other property conveyed will include site for a Wastewater Lift Station and Utility Easements



# How will the property be used?



- The 29.5 acres will allow future city facilities to be constructed at one location.
- While much is yet to be determined plans include
  - Fire Station & Police Station
  - Library & Conference Center
  - Public Works Building and Grounds
  - Future City Offices and Meeting areas
  - Public Open Space
  - Potential for Economic Development
- There is currently no timeline or schedule for the construction of any facility

## What about the 14.7 acres and other property?



- A 300 thousand gallon elevated water storage tank is planned at this site
- The property will allow for the relocation of Lift Station 4 which is part of the WMARSS expansion
- Could be used for future expansion of Warren Park or other public open space
- Additional sewer capacity and utility extension allows for several more acres of land to develop (approximately 200 acres)
- Previously undevelopable land will open up and result in increased property values - opportunities for new construction

## How much will this land cost?



- Specific sites were selected by the city for multiple purposes and objectives
- The City has negotiated a purchase price of \$950,000
- This price includes approximately 46 acres, the lift station site, and utility easements across adjacent property
- Price is approximately \$20,600 per acre or \$.47 per square foot
- Funding is through the 2010 Series Bond Issuance

# What about future buildings?



- Preliminary Site layout concepts are being developed
- Bond Issue provided funding for initial planning, site clearing, and minor improvements
- Council, with the help of staff, will develop a long term plan for funding of future facilities
- Those decisions will be made at a future date
- There is currently no funding or schedule for any new facilities

## Will this raise our taxes?



- As stated earlier, the City of Hewitt issued bonds for the acquisition of land for future facilities.
- The Debt Service for this issuance is \$118,670 in FY 2010-11
- However, because of the amount of debt that was paid off in the FY 2009-10 Budget Year the overall Debt Service Payments in FY 2010-11 are reduced.
- In other words, even with the additional debt service payment for the new Bond Issuance the FY 2010-11 Debt Service is \$73,000 less than last year.

# Bonds and Debt



- The issuance of the bonds does effect the City's Debt Service payment
- The General Fund (GF) Debt Service also called Interest & Sinking (I&S) is calculated into the Property Tax Rate
- The GF Debt Service is at the lowest level, both in actual dollars and as a percent of the Tax Rate, than in the past several years
- All things being equal, the portion of the tax rate dedicated to Hewitt's GF Debt Service will go down in FY 2010-11

## So what happens next?



- If the Council approves the Resolution then the City Manager would finalize negotiations with the involved parties.
- A contract would be executed
- A final survey and related closing documents would be prepared
- A closing date would be set
- Property closing could happen as early as September

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