

Legislation Details (With Text)

File #: 2568 **Version:** 1 **Name:** Wehner Multifamily Asset Management
Type: Resolution **Status:** Passed
File created: 3/28/2016 **In control:** City Council
On agenda: 4/5/2016 **Final action:** 4/5/2016
Title: Consider A Resolution Authorizing The City Manager To Execute A Contract With Wehner Multifamily, LLC, For Asset Management Services In An Amount Not To Exceed \$33,368.00.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Resolution, 2. Location Map

Date	Ver.	Action By	Action	Result
4/5/2016	1	City Council	approved	Pass

CC MEETING: April 5, 2016

DATE: March 28, 2016

TO: Leonard Martin, City Manager

FROM: Krystle Nelinson, Development Program Manager

Consider A **Resolution Authorizing The City Manager To Execute A Contract With Wehner Multifamily, LLC, For Asset Management Services** In An Amount Not To Exceed \$33,368.00.

BACKGROUND:

City Council approved the final purchase of the Fannidella Townhouse Apartments at 1410 Fannidella Drive on July 7, 2015. The closing is scheduled for April 29, 2016. According to the current rent roll, there are 32 units in the complex - of which, 30 leases are month-to-month and the remaining 2 leases expire in early 2017.

Staff has determined that the City will require the services of an asset manager to provide property maintenance services, operations management including rent collections and tenant/City communications, financial reporting, accounting services and to manage the preparation of the site for redevelopment as a part of the Crosby Road Redevelopment initiative. Staff is recommending Wehner Multifamily, LLC, as the City’s asset manager as they are already managing the site and are familiar with the complex’s operations. Wehner Multifamily specializes in multifamily property management with a portfolio primarily representing C and B class apartment communities throughout the Dallas/Ft. Worth Metroplex.

The contract with Wehner Multifamily will expire once the apartment complex is no longer occupied by tenants. The current rent roll indicates that the last lease will expire in February 2017.

FINANCIAL IMPLICATIONS:

The total cost of the contract is \$23,368, which is comprised of a \$1,000 start-up fee, \$1,800 monthly fee for 12

months, and a \$2 per unit per month fee for financial reporting. In addition to the contract amount, staff is seeking an additional \$10,000 to be used by Wehner Multifamily for any potential property maintenance. Wehner Multifamily has an open-checkbook policy so the City can monitor all expenses. At the close of the contract, any remaining contingency funds will be remitted back to the City. Funding for this contract is available in the capital funds account.

As the property owner, the City will benefit from rental income. The City will receive approximately \$21,990 during the first month of ownership, and the amount will diminish as the tenants' leases expire.

IMPACT ON COMMUNITY SUSTAINABILITY:

The acquisition and redevelopment of this property as a part of the greater Crosby Road Redevelopment initiative will greatly benefit the surrounding properties by increasing their values and removing a source of blight from the area. In addition, the City will permanently remove a major obstacle to the revitalization of Historic Downtown Carrollton.

STAFF RECOMMENDATION/ACTION DESIRED:

Staff recommends approval of the attached resolution authorizing the City Manager to execute a contract with Wehner Multifamily, LLC, for asset management services in an amount not to exceed \$33,368.00.