

CITY OF HOUSTON - CITY COUNCIL

Meeting Date:
District E

Item Creation Date: 9/21/2015

HAS - Property Acquisition from First Boston/Texas, L.P. and Boeing Bldg/Texas, L.P. near EFD, Project 779

Agenda Item#:

Background:

SUBJECT:

Property Acquisition from First Boston/Texas, L.P. and Boeing Bldg/Texas, L.P. – Ellington Airport (EFD), Project 779 (WBS# A-000629-0001-2-01-01)

RECOMMENDATION:

Approve an ordinance appropriating \$6,900,000.00 from the Airport Improvement Fund and approving and authorizing a Purchase and Sale Agreement to acquire an aerospace engineering building and land adjacent to Ellington Airport (EFD) from First Boston/Texas, L.P. and Boeing Bldg/Texas, L.P.

SPECIFIC EXPLANATION:

To advance the Houston Airport System's (HAS) development of a portion of Ellington Airport (EFD) into a commercial spaceport, HAS is proposing to purchase a 52,974-square-foot aerospace engineering facility at 13150 Space Center Boulevard from First Boston/Texas, L.P. and Boeing Bldg/Texas, L.P., as tenants in common ("Seller"). The building is located on 4.30 acres of land that abuts the west side of EFD near existing Boeing Company offices and NASA's Sonny Carter Training Facility.

The Boeing Company currently occupies the facility and desires to continue to using a portion in connection with its NASA contracts. Upon the City's purchase of the property, HAS will modify the building to create a shared use manufacturing and general office facility. HAS has received a letter of intent to lease from Intuitive Machines and expects to receive others in the near future.

The negotiated purchase price agreed to by the Seller is based on the value for the land and improvements as determined by professional appraisers under contract with the City. Upon the effective date, which takes effect on the date of the Controller's countersignature, the City has a 30-day inspection period in which it has the right to terminate the Agreement.

HAS requests approval of Purchase and Sale Agreements for the property acquisition described below:

Owner/Seller	Property Description	Purchase Price
First Boston/Texas, L.P. and Boeing Bldg/Texas, L.P., tenants in common	Being more or less 4.30 acres out of Reserve A, Block 1, Clearpoint, Section 3 Replat No. 1, Houston, Harris County, Texas. (Land and building at 13150 Space Center Blvd.)	\$6,825,000.00
	Estimated Title Insurance and Closing Costs (not to exceed)	\$75,000.00
	Total Requested Appropriation	\$6,900,000.00

HAS further recommends the appropriation of \$6,900,000.00 from the Airport Improvement Fund for the above property acquisition, inclusive of the payment of title insurance premium and other miscellaneous closing costs.

The Legal Department prepared the Purchase and Sale Agreement and has reviewed the documentation related to the acquisition.

Director's Signature:

for
INW

Mario C. Diaz
Houston Airport System

Amount of Funding:

\$6,900,000.00 Airport Improvement Fund (8011)

Contact Information:

Kathy Elek 281/233-1826
Ian Wadsworth 281/233-1682