

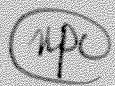


SUBJECT: Ordinance authorizing the abandonment and sale of Portsmouth Street from Woodhead Street to its terminus, in exchange for conveyance to the City of five variable-width sanitary sewer easements, all located within the Richwood Subdivision, out of Great Lot 3 of the O. Smith Survey. Parcels SY13-082, DY14-001A, DY14-001B, DY14-001C, DY14-001D, DY14-001E	Page <u>1</u> of <u>2</u>	Agenda Item #
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FROM (Department or other point of origin): Department of Public Works and Engineering	Origination Date	Agenda Date
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DIRECTOR'S SIGNATURE:  Dale A. Rudick, P.E., Director	Council District affected: C Key Map: 492Z 
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For additional information contact:  Nancy P. Collins Phone: (832) 395-3130 Senior Assistant Director-Real Estate	Date and identification of prior authorizing Council Action: Council Motion 2013-0719 (11/6/13)
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RECOMMENDATION: (Summary) It is recommended City Council approve an Ordinance authorizing the abandonment and sale of Portsmouth Street from Woodhead Street to its terminus, in exchange for a consideration of \$1,550,062.00 plus conveyance to the City of five variable-width sanitary sewer easements, all located within the Richwood Subdivision, out of Great Lot 3 of the O. Smith Survey.


Amount and Source of Funding: Not Applicable


SPECIFIC EXPLANATION:
 By Motion 2013-0719, City Council authorized the abandonment and sale of Portsmouth Street from Woodhead Street to its terminus, in exchange for conveyance to the City of a variable-width sanitary sewer easement, both located within the Richwood Subdivision, out of Great Lot 3 of the O. Smith Survey. Since passage of the Motion, it was determined that the variable-width sanitary sewer easement would be divided into five parcels to reflect the underlying fee ownership of three businesses, 4310 Dunlavy, LLC; 4300 Dunlavy Development, LLC; and Dunlavy Development Phase 1, LLC; all under the ownership and management of Joseph Marom. The property owners plan to construct a new multi-family housing development in the location of the proposed abandonment.

Because the construction requirements associated with this transaction will be completed after the City Council passes the ordinance, the property owners provided a Letter of Credit (LOC) for \$57,434.00, an amount equal to the total estimated construction costs required to complete Items 3 and 4 of Motion 2013-0719. The LOC will be for a specific time period which may be less than but not longer than twelve months from the effective date of the ordinance for this transaction. The Director of PWE or his designee may authorize one extension of the LOC which may be less than but not longer than twelve months, if the applicant has received approved permits and commenced construction of the work required within the initial term of the LOC. Should the conditions of the LOC not be satisfied upon expiration of the LOC, a recommendation will be submitted to the City Council to rescind the ordinance that abandoned the City's property interest(s). All funds paid by the applicants will be forfeited. Upon the applicants' satisfactory completion of the construction-related work as evidenced by written inspection clearance/approval by the Office of the City Engineer, PWE, at the applicants' request the City will release the LOC.

LTS #14919	CUIC #20DOB086
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REQUIRED AUTHORIZATION

Finance Department:	Other Authorization:	Other Authorization:  Mark L. Loethen, P.E., CFM, PTOE Deputy Director Planning and Development Services Division
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Date:	Subject: Ordinance authorizing the abandonment and sale of Portsmouth Street from Woodhead Street to its terminus, in exchange for conveyance to the City of five variable-width sanitary sewer easements, all located within the Richwood Subdivision, out of Great Lot 3 of the O. Smith Survey. Parcels SY13-082, DY14-001A, DY14-001B, DY14-001C, DY14-001D, DY14-001E	Originator's Initials 	Page <u>2</u> of <u>2</u>
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4310 Dunlavy, LLC; 4300 Dunlavy Development, LLC; and Dunlavy Development Phase 1, LLC; have complied with the transaction requirements, have accepted the City's offer, and have rendered payment in full.

The City will abandon and sell to 4310 Dunlavy, LLC:

<u>Parcel SY13-082</u>	
17,865 square feet of street right-of-way Valued at \$110.00 per square foot	\$1,965,150.00
Plus depreciated value of improvements	\$21,392.00
TOTAL ABANDONMENT AND SALE	<u>\$1,986,542.00</u>

In exchange, 4310 Dunlavy, LLC, will pay:

Cash Plus convey to the City	\$1,550,062.00
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<u>Parcel DY14-001B</u>	
1,163 square feet of sanitary sewer easement Valued at \$55.00 per square foot	\$63,965.00

<u>Parcel DY14-001C</u>	
1,001 square feet of sanitary sewer easement Valued at \$55.00 per square foot	\$55,055.00

<u>Parcel DY14-001D</u>	
600 square feet of sanitary sewer easement Valued at \$55.00 per square foot	\$33,000.00

4300 Dunlavy Development, LLC, will convey to the City

<u>Parcel DY14-001E</u>	
2,284 square feet of sanitary sewer easement Valued at \$55.00 per square foot	\$125,620.00

Dunlavy Development Phase 1, LLC, will convey to the City

<u>Parcel DY14-001A</u>	
2,888 square feet of sanitary sewer easement Valued at \$55.00 per square foot	\$158,840.00

TOTAL CASH AND CONVEYANCE	<u>\$1,986,542.00</u>
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Therefore, it is recommended City Council approve an ordinance authorizing abandonment and sale of Portsmouth Street from Woodhead Street to its terminus, in exchange for a consideration of \$1,550,062.00 plus conveyance to the City of five variable-width sanitary sewer easements, all located within the Richwood Subdivision, out of Great Lot 3 of the O. Smith Survey.

DAR:NPC:dob

- c: Jun Chang, P.E., D.WRE
- Marta Crinejo
- Donna Edmundson
- Daniel Menendez, P.E.
- Patrick Walsh, P.E.
- Jeffrey Weatherford, P.E., PTOE