



CITY OF HOUSTON - CITY COUNCIL

Meeting Date:
District C, District H
Item Creation Date: 8/19/2016

20tp9571/Abandonment and Sale of Eugene (aka Dickson) Street/SY15-107

Agenda Item#:

Background:

SUBJECT: Ordinance authorizing the abandonment and sale of: 1) platted Eugene Street (commonly known as Dickson Street), located along Lots 7 through 12, in exchange for conveyance to the City of: 1) a 50 foot-wide right-of-way easement for and construction of Leverkusen Street, from Dickson Street north to Feagan Street; 2) a 5 foot-wide right-of-way easement along the southern portion of Feagan Street, from proposed Leverkusen Street east to Waugh Drive; and 3) a variable width sanitary sewer easement along the western and southern portions of the applicant's property, all located within the Mary L. Morse Addition and Joe Smalley Subdivision, Brunner Addition, out of the John Austin Survey, A-1. **Parcels SY15-107, AY15-217A, AY15-217B, AY15-217C and DY15-126**

RECOMMENDATION: (Summary) It is recommended City Council approve an ordinance authorizing the abandonment and sale of: 1) platted Eugene Street (commonly known as Dickson Street), located along Lots 7 through 12, in exchange for conveyance to the City of: 1) a 50 foot-wide right-of-way easement for and construction of Leverkusen Street, from Dickson Street north to Feagan Street; 2) a 5 foot-wide right-of-way easement along the southern portion of Feagan Street, from proposed Leverkusen Street east to Waugh Drive; and 3) a variable width sanitary sewer easement along the western and southern portions of the applicant's property, all located within the Mary L. Morse Addition and Joe Smalley Subdivision, Brunner Addition, out of the John Austin Survey, A-1. **Parcels SY15-107, AY15-217A, AY15-217B, AY15-217C and DY15-126**

SPECIFIC EXPLANATION: Rock Creek Ranch I, Ltd. and Waugh Real Estate Ventures, Ltd. and Houston Waugh, LP (Gordy Oil Company [Sharin Scott, Treasurer], General Partner), the abutting property owners, requested the abandonment and sale of: 1) platted Eugene Street (commonly known as Dickson Street), located along Lots 7 through 12, in exchange for conveyance to the City of: 1) a 50 foot-wide right-of-way easement for and construction of Leverkusen Street, from Dickson Street north to Feagan Street; 2) a 5 foot-wide right-of-way easement along the southern portion of Feagan Street, from proposed Leverkusen Street east to Waugh Drive; and 3) a variable width sanitary sewer easement along the western and southern portions of the applicant's property, all located within the Mary L. Morse Addition and Joe Smalley Subdivision, Brunner Addition, out of the John Austin Survey, A-1. The applicants plan to incorporate the requested abandonment area into their abutting tracts and construct a commercial, office, and multi-family development.

Because the utility construction and the proposed Leverkusen Street construction requirements associated with this transaction will not be completed until after the City Council passes the abandonment ordinance, Rock Creek Ranch I Ltd. and Waugh Real Estate Ventures, Ltd. and Houston Waugh LP have provided a Letter of Credit (LOC) for \$387,000.00, an amount equal to the total estimated construction costs associated with the construction of proposed Leverkusen Street and the water and sanitary sewer lines. 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 the Department of Public Works and Engineering or his designee may authorize one extension of the LOC which may be less than but not longer than twelve months, if the applicants have 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. 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 at the applicants' request, the City will release the LOC.

Rock Creek Ranch I, Ltd. and Waugh Real Estate Ventures, Ltd. and Houston Waugh, L.P. have complied with the transaction requirements or provided a Letter of Credit and have accepted the City's offer.

The City will abandon and sell to Rock Creek Ranch I, Ltd. and Waugh Real Estate Ventures, Ltd.:

<u>Parcel SY15-107</u>	
8,636 square-foot right-of-way easement: Valued at \$50.00 PSF x 100%	\$431,800.00
Depreciated value of street improvements (asphalt paving)	\$ 2,374.00
TOTAL ABANDONMENT AND SALE	\$434,174.00

In exchange, Rock Creek Ranch I, Ltd. and Waugh Real Estate Ventures, Ltd. will pay:

Cash	\$ 300.00
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Plus convey to the City:

Parcel AY15-217A

12,563 square-foot right-of-way easement:	\$628,150.00
Valued at \$50.00 PSF x 100%	

Parcel AY15-217B

2,092 square-foot right-of-way easement	\$104,600.00
Valued at \$50.00 PSF x 100%	

Parcel DY15-216

12,026 square-foot sanitary sewer easement	\$300,650.00
Valued at \$50.00 PSF x 50%	

Houston Waugh, L.P. will convey to the City:

Parcel AY15-217C

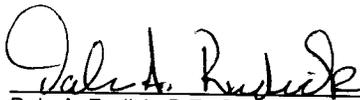
2,090 square-foot right-of-way easement:	\$104,500.00
Valued at \$50.00 PSF x 100%	

TOTAL CASH AND CONVEYANCES	\$1,138,200.00
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Inasmuch as the value of the \$300.00 minimum parcel fee plus the right-of-way easements and sanitary sewer easement being conveyed to the City is greater than the value of the right-of-way being abandoned and sold, it is recommended City Council approve an Ordinance authorizing the abandonment and sale of: 1) platted Eugene Street (commonly known as Dickson Street), located along Lots 7 through 12, in exchange for conveyance to the City of: 1) a 50 foot-wide right-of-way easement for and construction of Leverkusen Street, from Dickson Street north to Feagan Street; 2) a 5 foot-wide right-of-way easement along the southern portion of Feagan Street, from proposed Leverkusen Street east to Waugh Drive; and 3) a variable width sanitary sewer easement along the western and southern portions of the applicant's property, all located within the Mary L. Morse Addition and Joe Smalley Subdivision, Brunner Addition, out of the John Austin Survey, A-1.

Contact Information:

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