



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 11/29/2016

District I

Item Creation Date: 10/21/2016

HAS - Land Purchase from Price Compressor Co., Inc. at HOU

Agenda Item#: 45.

Background:

Approve an ordinance appropriating **\$2,870,000.00** from the Houston Airport System – Consd 2004 AMT Fund, and authorize a Purchase and Sale Agreement with Price Compressor Co., Inc. to acquire land, including all improvements thereon, adjacent to William P. Hobby Airport (HOU).

Specific Explanation:

The Houston Airport System requests the appropriation of funds and the approval of a Purchase and Sale Agreement with Price Compressor Co., Inc. (Seller), for the acquisition of a tract of land and all improvements thereon abutting the southwest corner of William P. Hobby Airport (HOU) at a price of \$2,870,000. The property is located within a runway protection zone at the end of Runway 17-35 that the Federal Aviation Administration requires the City of Houston to own. The buildings and other improvements on the property will be used to accommodate the relocation of certain airport operations functions to allow for Southwest Airlines' expansion plans at Hobby Airport. Southwest Airlines will be constructing a new hangar complex that will be used for the maintenance of its new fleet of Boeing 737 Max aircraft that will begin arriving in 2017.

The purchase price is based on the market value of the property as determined by a professional appraiser under contract with the City. HAS performed due diligence inspections on the property and all improvements and finds the property suitable structurally and environmentally. The cost of property acquisition is in HAS's Capital Improvement Program.

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

Owner/Seller	Description	Purchase Price
Price Compressor Co., Inc.	4.232 acres of land out of Lot 12, Orange Dale Subdivision, Sarah J. Williams Survey, Harris County, Texas (7752 Braniff Street)	\$2,850,000.00
	Estimated Title Insurance and Closing Costs (not to exceed)	\$20,000.00
	Total Requested Appropriation	\$2,870,000.00

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

CIP Fiscal Note:

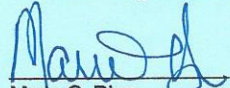
See attached Form A.

Estimated Fiscal Operating Impact:

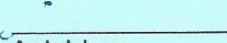
Project	FY17	FY18	FY19	FY20	FY21	Total FY17 - FY21
Land & Improvements (WBS to 3rd Level)	\$32,115.00	-	-	-	-	\$32,115.00
						-
						-
Total						\$32,115.00

Per the agreement, once the HAS existing maintenance facilities are relocated, the acquired facilities above will replace their current function. Current estimate to complete all the relocations is 6 months. Operation expense cost impact estimate above is only for this 6 month period.

Director's Signature:


Mario C. Diaz
Houston Airport System

Chief Economic Development Officer's Signature:


Andy Icken
Office of the Mayor

Prior Council Action:

N/A

Amount of Funding:

CIP A-0528.13 \$2,870,000.00 HAS – Consd 2004 AMT (8203)

Contact Information:

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