



## CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

District C

Item Creation Date: 7/1/2016

20tp59/Abandonment and Sale of Easements/SY14-086

Agenda Item#:

### **Background:**

**SUBJECT:** Ordinance authorizing the abandonment and sale of a 10 foot-wide water line easement and two prescriptive sanitary sewer easements, all located within the 1410 Richmond Avenue Subdivision, out of the Obedience Smith Survey, Abstract 696. **Parcels SY14-086A, SY14-086B, SY14-086C, and SY14-086D**

**RECOMMENDATION:** (Summary) It is recommended City Council approve an ordinance authorizing the abandonment and sale of a 10 foot-wide water line easement and two prescriptive sanitary sewer easements, all located within the 1410 Richmond Avenue Subdivision, out of the Obedience Smith Survey, Abstract 696, in exchange for a consideration of \$771,900.00. **Parcels SY14-086A, SY14-086B, SY14-086C, and SY14-086D**

**SPECIFIC EXPLANATION:** By Motion 2014-1029, City Council authorized the abandonment and sale of a 10 foot-wide water line easement and two 10 foot-wide prescriptive sanitary sewer easements, in exchange for conveyance of a ±375 square-foot water meter easement, and conveyance to the City of a 60 foot-wide right-of-way easement for the extension of West Main Street, from Loretto Drive to Yupon Street, all located within the 1410 Richmond Avenue Subdivision and/or Block B of the Re-Subdivision of Shively Carlson Addition, out of the Obedience Smith Survey, Abstract 696. Subsequent to the passage of the motion, it was determined that the conveyance of a water meter easement and a 60 foot-wide right-of-way easement for the extension of West Main Street were not requirements of the Joint Referral Committee transaction and those items were removed from the transaction. In addition, Parcel SY14-086A was modified to create two separate parcels to reflect the two different ownerships. The requirement and description were updated accordingly. The Richmond Corporation and Menil Foundation, Inc., the underlying fee property owners, plan to expand the museum site.

Because the utility construction requirement associated with this transaction will not be completed until after the City Council passes the abandonment ordinance, The Richmond Corporation and Menil Foundation, Inc. have provided a Letter of Credit (LOC) for \$193,660.00, an amount equal to the total estimated construction costs associated with Item 3 of Motion 2014-1029. 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 interests. 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.

The Richmond Corporation and Menil Foundation, Inc. have complied with the transaction requirements or provided a Letter of Credit, have accepted the City's offer, and have rendered payment in full.

The City will abandon and sell to The Richmond Corporation:

#### **Parcel SY14-086A**

10,632 square-foot water line easement: \$637,920.00  
Valued at \$120.00 PSF x 50%

**TOTAL ABANDONMENT AND SALE \$637,920.00**

The City will abandon and sell to Menil Foundation, Inc.:

#### **Parcel SY14-086B**

793 square-foot sanitary sewer easement: \$ 47,580.00  
Valued at \$120.00 PSF x 50%

#### **Parcel SY14-086C**

696 square-foot sanitary sewer easement: \$ 41,760.00

Valued at \$120.00 PSF x 50%  
(100 square-foot overlap with SY14-086D  
valued at \$120.00 PSF x 25%) \$ 3,000.00

**Parcel SY14-086D**

644 square-foot sanitary sewer easement: \$ 38,640.00

Valued at \$120.00 PSF x 50%  
(100 square-foot overlap with SY14-086C  
valued at \$120.00 PSF x 25%) \$ 3,000.00

**TOTAL ABANDONMENT AND SALE \$133,980.00**

**GRAND TOTAL \$771,900.00**

Therefore, it is recommended City Council approve an Ordinance authorizing the abandonment and sale a 10 foot-wide water line easement and two prescriptive sanitary sewer easements, all located within the 1410 Richmond Avenue Subdivision, out of the Obedience Smith Survey, Abstract 696, in exchange for a consideration of \$771,900.00.

**Prior Council Action:**

Council Motion 2014-1029 - Dated 12/03/2014

**Contact Information:**

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**Dale A. Rudick, P.E. Director  
Department of Public Works and Engineering**

**ATTACHMENTS:**

**Description**

Council Motion 2014-1029

Parcel Map

**Type**

Backup Material

Backup Material