



**CITY OF HOUSTON - CITY COUNCIL**

Meeting Date:  
District C  
Item Creation Date:

MYRS208 - Purchase Agreement between the City of Houston and Hanover R.S. Limited Partnership in connection with the sale of 4.54 acres of land located at 3540 W. Dallas, Houston, Harris County, Texas.

Agenda Item#:

**Background:**

**RECOMMENDATION:** Approve Purchase Agreement between the City of Houston (Seller) and Hanover R.S. Limited Partnership (Buyer) in connection with the sale of 4.54 acres of land located at 3540 W. Dallas, Houston, Harris County, Texas.

**SPECIFIC EXPLANATION:** In April 1955, the City conveyed to Harris County the property located at 3540 W. Dallas, formerly known as the Harris County Juvenile Detention Center. The deed contained a provision that should the County ever abandon or cease to use the property, title to the property would automatically revert to the City. The County has agreed to cease using the property as a Sheriff's substation and both parties now desire to sell the property and evenly split the proceeds.

Consequently, on February 28, 2018, Ordinance No. 2018-144, City Council approved an Interlocal Agreement between the City and Harris County that allows the City to list, market and sell the property and evenly split the proceeds with the County. On March 21, 2018, Ordinance No. 2018-220, City Council approved a Listing Agreement with Cushman & Wakefield of Texas, Inc. ("CW") for the marketing and sell of the property, identified as **Parcel SY 18-042**, consisting of 4.54 acres of land. The property's highest and best use is commercial/residential. CW actively marketed the property to brokers, developers, investors, and users. In April 2018, signs were placed on the tract and listed on three commercial multiple-listing services. The listing postings were followed by six electronic distributions of marketing materials to more than 2,100 contacts which included all developers (residential, retail, office, hospitality, medical), citywide retail brokers, citywide industrial/land brokers and citywide office brokers. On June 7, 2018, CW received four offers. On June 20, 2018, the City received best and final offers. Hanover R.S. Limited Partnership submitted the highest offer and complied with all the City's requirements. Hanover R.S. Limited Partnership is a real estate development company that desires to purchase the property to develop multi-family apartments, retail space and integrated parking.

Therefore, the General Services Department recommends that City Council approve and authorize a Purchase Agreement with Hanover R.S. Limited Partnership for **Parcel SY 18-042**, for a purchase price of \$30,600,000.00, which is well above the appraised fair market value. It is further recommended that City Council authorize the Mayor to execute and the City Secretary to attest a Special Warranty Deed conveying the property to Hanover R.S. Limited Partnership.

After payment of a 2.5% brokerage commission to CW, pursuant to the Listing Agreement, the net sale proceeds will be directed to the General Fund

Andrew F. Icken  
Chief Development Officer, Mayor's Office

C.J. Messiah, Jr., Director  
General Services Department

**Prior Council Action:**

Ordinance No. 2018-144; February 28, 2018  
Ordinance No. 2018-220; March 21, 2018

**Amount of Funding:**

Revenue

**Contact Information:**

Rupa Sen  
Sr. Real Estate Manager

RS

Phone: 832.393.8061

**ATTACHMENTS:**

**Description**

ORD 2018-144

ORD - 2018-144

FORM 1295

MAP

**Type**

Ordinance/Resolution/Motion

Ordinance/Resolution/Motion

Backup Material

Public Notice