



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 12/3/2019

District C

Item Creation Date: 11/19/2019

25CF70 – Agreement Regarding Conveyance and Development between City of Houston and Montrose Collective LP and the conveyance of 8,333 square feet of land located at 802 Westheimer, Houston, Harris County, Texas

Agenda Item#: 40.

Summary:

ORDINANCE approving and authorizing an agreement regarding conveyance and development between the City of Houston, Texas, as seller, and **MONTROSE COLLECTIVE, LP**, as buyer, relating to the conveyance of 0.2028 acres (8,833 square feet) of land located at 802 Westheimer Road, situated in the Obedience Smith Survey, Abstract number 696, Houston, Harris County, Texas; approving and authorizing a special warranty deed; containing other provisions relating to the foregoing subject; and declaring an emergency

Background:

RECOMMENDATION: Approve and authorize an Agreement Regarding Conveyance and Development between City of Houston (Seller) and Montrose Collective LP (Buyer) for 8,333 square feet of land located at 802 Westheimer Road, Houston, Harris County, Texas.

SPECIFIC EXPLANATION: The City of Houston has an opportunity to partner with Montrose Collective LP in the construction of a new mixed-use development in the heart of Montrose, which will house a new approximate 10,000 square foot, state of the art, Montrose Library as a replacement for the existing Freed-Montrose Library at 4100 Montrose. The current library is over 70 years old, has limited parking, and needs costly repairs and improvements.

The City owns 8,333 square feet of land, located at 802 Westheimer Road, which serves as a Houston Police Department (HPD) storefront. Montrose Collective owns approximately 82,908 square feet of land adjacent to the City property. Both properties are located within the Montrose TIRZ #27. Montrose Collective desires to acquire the City property to develop both properties for a mixed-use retail and commercial project on Westheimer Road, just east of Montrose Boulevard, that will stimulate the economic development and growth of the Montrose Zone, and create pedestrian friendly development and activity centers, in accordance with the approved project plan for Montrose TIRZ.

The City agrees to convey its land to Montrose Collective in exchange for the conveyance to the City of a condominium unit in a building to be constructed by Montrose Collective at its sole cost and expense, and the City will retain an ownership interest. The condominium unit will include the building shell for the new Montrose Library as well as related free garage parking for library employees and patrons. The estimated fair market value of the condominium unit, upon completion of construction, exceeds the appraised fair market value of the City property, as determined by two independent appraisers.

Upon conveyance of the City property to Montrose Collective, HPD will close the storefront and maximize its resources and officers on the street. HPD is expanding online reporting services and most of its communities are close to existing police stations. It is anticipated that Montrose Collective will break ground on the first phase of the project in early 2020, which includes construction of a parking garage and office and retail space. The second phase of the project, which includes building the shell for the new Montrose Library, is expected to be completed in May 2022, at which point the City will construct interior improvements for the new library. The current Freed-Montrose Library will remain open until the grand opening of the new library.

This conveyance is in accordance with Texas Local Government Code Section 272.001(b)(6), which authorizes municipalities to enter into negotiated sales, rather than notice and bid sales, for property within a tax increment reinvestment zone that will be developed in a manner set out in the project plan and reinvestment zone financing plan for the zone.

Therefore, the General Services Department recommends that City Council approve and authorize an Agreement Regarding Conveyance and Development with Montrose Collective LP for 8,333 square feet of land located at 802 Westheimer Road; and authorize the Mayor to execute and the City Secretary to attest a Special Warranty Deed conveying the property to Montrose Collective LP.

DIRECTOR'S SIGNATURE / DATE:

C.J. Messiah, Jr. 11/22/2019

C. J. Messiah, Jr.
General Services Department

Art Acevedo
Chief of Police
Houston Police Department

Dr. Rhea Lawson, Ph.D.
Houston Public Library

Amount of Funding:

No Funding Required

Contact Information:

Jacquelyn L. Nisby
Council Liaison
Phone: 832.393.8023

DS
JLN