



Sale of Gillette Street Property

Budget and Fiscal Affairs Committee

June 5, 2012



Gillette Street Property Background Information

- The City of Houston currently owns approximately 10.52 acres between Allen Parkway and West Dallas at Gillette Street.
- The property was partially occupied by Public Works & Engineering Fleet Division and San Felipe Park
- Public Works & Engineering relocated this division and began demolition of the site in February 2011; San Felipe Park will be relocated to an HISD site off Taft/Genessee Street
- Demolition included abatement of all asbestos in the building and removal of all underground fuel storage tanks.
- Environmental site assessments conducted on the property indicated the presence of environmental contaminants – largely lead and ash from an adjacent incinerator site.
- The City of Houston has been working with Texas Commission on Environmental Quality for the remediation of the environmental contamination.

Gillette Street Property Coastal Water Authority

- Have concluded that remediation work must be approved and underway prior to achieving full market value for the property.
 - The Coastal Water Authority at the “non involved party” can provide these services to the City
- CWA’s proposal included management of the environmental remediation of the 10.52 acre tract between Allen Parkway and West Dallas
 - CWA has prepared and submitted an application with TCEQ for enrolling this property in the Voluntary Compliance Program (VCP)

Gillette Street Property Background Information (cont'd)

- CWA and the city are finalizing a contract that includes in the agreement:
 - CWA would purchase and manage the remediation of the Gillette Street property
 - CWA would pay an amount not to exceed \$16 m which is based on a current appraisal of the property
 - \$11m to be paid to the city at closing
 - An amount not to exceed \$5m to be contributed by the City for the costs of the remediation
 - Sharing of costs above the \$5m cap
 - City's exposure to remediation costs is no higher than it would be if we undertook remediation by ourselves and we believe will better be managed by the professionals at CWA
- City and CWA will subsequently work on remarketing the site

Gillette Street Property Map

