

Request for Council Action Routing Form

(RCA) SUBJECT: Ordinance authorizing the amendment of Article VI of Chapter 2 of the Code of Ordinances of the City of Houston, Texas, to add a new Section 2-242 authorizing the abandonment of easements for utility purposes owned by the City, in exchange for the conveyance to the City of easements for utility purposes of equal or greater value, and to authorize the Director, Department of Public Works and Engineering (PWE), to approve such requests.

(RCA) RECOMMENDATION: (Summary) It is recommended City Council approve an Ordinance amending Article VI of Chapter 2 of the Code of Ordinances of the City of Houston, Texas, to add a new Section 2-242 authorizing the abandonment of easements for utility purposes owned by the City, in exchange for the conveyance to the City of easements for utility purposes of equal or greater value, and authorizing the Director, Department of Public Works and Engineering (PWE), to approve such requests.

Council Agenda Date: _____, 2012

(Circle One)
Motion
Resolution
Ordinance

CUIC ID#20DOB055

Originator/Prime Author
Debbie O'Briant
Senior Real Estate Analyst
Phone # (832) 395-3123

Routing Order: (Originator/Prime Author specified by name)	Date/time Received	Date/time Transmitted	Comments:
Manager, PW&E William S. Boaz (832) 395-3117			
Senior Assistant Director, PW&E Nancy P. Collins (832) 395-3130			
Resource Management Division, PW&E Mai Pham (832) 395-2615			
Deputy Director, PDS Mark L. Loethen, P.E., CFM, PTOE (832) 395-2705			
Agenda Coordinator, PW&E Ruth Gonzales (832) 395-2458			
Chief of Staff, PW&E Howard Hilliard (832) 395-2518			
Director, PW&E Daniel Krueger, P.E.			
Director, City Council Agenda Marta Crinejo (832) 393-1091			
City Secretary's Office Anna Russell (832) 393-1100			

<p>SUBJECT: Ordinance authorizing the amendment of Article VI of Chapter 2 of the Code of Ordinances of the City of Houston, Texas, to add a new Section 2-242 authorizing the abandonment of easements for utility purposes owned by the City, in exchange for the conveyance to the City of easements for utility purposes of equal or greater value, and to authorize the Director, Department of Public Works and Engineering (PWE), to approve such requests.</p>	<p>Page <u>1</u> of <u>2</u></p>	<p>Agenda Item #</p>
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<p>FROM (Department or other point of origin):</p> <p>Department of Public Works and Engineering</p>	<p>Origination Date</p>	<p>Agenda Date</p>
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<p>DIRECTOR'S SIGNATURE:</p> <p>Daniel W. Krueger, P.E., Director</p>	<p>Council District affected:</p> <p>All Districts</p>
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<p>For additional information contact:</p> <p>Nancy P. Collins Phone: (832) 395-3130 Senior Assistant Director-Real Estate</p>	<p>Date and identification of prior authorizing Council Action:</p>
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RECOMMENDATION: (Summary) It is recommended that City Council approve an Ordinance amending Article VI of Chapter 2 of the Code of Ordinances of the City of Houston, Texas, to add a new Section 2-242 authorizing the abandonment of easements for utility purposes owned by the City, in exchange for the conveyance to the City of easements for utility purposes of equal or greater value, and authorizing the Director, Department of Public Works and Engineering (PWE), to approve such requests.

Amount and Source of Funding: Not Applicable

SPECIFIC EXPLANATION:

Developing property for residential or commercial building projects often requires the relocation of City facilities, including street and alley rights-of-way and underground easements for utility purposes. In the City of Houston, such requests are processed by the Joint Referral Committee (JRC), which consists of representatives from the Planning and Development Services Division and the Traffic Operations Division of the Department of Public Works and Engineering, the Fire Department, the Police Department, the Legal Department, and the Planning and Development Department.

The JRC reviews all abandonment and encroachment requests to ensure continued mobility and adequate access to public water, wastewater, and storm sewer utilities. The work of the JRC is part of the important balance between facilitating growth and development while safeguarding the City's ability to efficiently provide services to ratepayers and taxpayers. Currently, JRC actions require City Council approval at two steps in the process. The first is a motion to approve the essential transaction requirements of the agreement, and the second is an ordinance to finalize the transaction when the property owner has completed the requirements.

In order to further expedite the JRC process, PWE requests City Council approve an amendment to the Code of Ordinances that would allow the PWE Director to administratively approve the most basic of JRC actions, namely the abandonment of City easements for utility purposes, in exchange for the conveyance to the City of easements for utility purposes of equal or greater value. These actions are very straightforward and generally involve moving an easement out of the way of proposed construction.

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REQUIRED AUTHORIZATION		
<p>Finance Department:</p>	<p>Other Authorization:</p>	<p>Other Authorization:</p> <p>Mark L. Loethen, P.E., CFM, PTOE Deputy Director Planning and Development Services Division</p>

Subject: Ordinance authorizing the amendment of Article VI of Chapter 2 of the Code of Ordinances of the City of Houston, Texas, to add a new Section 2-242 authorizing the abandonment of easements for utility purposes owned by the City, in exchange for the conveyance to the City of easements for utility purposes of equal or greater value, and to authorize the Director, Department of Public Works and Engineering (PWE), to approve such requests.

**Originator's
Initials**

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In such cases the property owner requests the City abandon the conflicting easement and proposes a new location within the same tract of land. The JRC reviews the proposal to determine that it meets the City's needs. If approved, a motion setting out the terms required to complete the transaction is placed on the Council Agenda. Typically these terms require that the property owner pay a sum equal to the value of the old easement minus the value of the new easement, to be determined by appraisal. The property owner is also required to pay for the relocation/reconnection of the lines within the easement and convey that infrastructure, along with the new easement, to the City. When Council authorizes the transaction by motion, the property owner may proceed with the work. When the required actions are complete, and the City receives any payment it is due, Council is asked to approve an ordinance that finalizes the abandonment and sale of the easement and conveyance to the City of the new easement.

With the proposed Code Amendment, in cases where the value of the new easement is equal to or greater than the old easement, the PWE Director would be authorized to administratively approve the transaction. This abbreviated process could be used only if:

- The transaction involves only the abandonment of easements for utility purposes and not other real property interests, including streets or alleys;
- The easement(s) to be conveyed to the City contains equal or greater square footage than the easement(s) to be abandoned within the same tract of land and part of the same development project;
- The market value of the easement(s) to be conveyed to the City is equal to or greater than the value of the easement(s) to be abandoned; and,
- The new easement(s), in the sole opinion of the PWE Director, is necessary and appropriate for the operation of the City's public utility systems.

So that Council will remain informed on proposed development projects, PWE will report to Council on any transactions that are administratively approved. This process would be similar to that used to report on Developer Participation Contract approvals.

Further, in order to reduce the cost and time needed to conduct formal appraisals that are unnecessary for these transactions, the proposed amendment also provides that an appraisal will not be required if the old and new parcels are within the same tract of land and are part of the same development project. In such cases the square footage and location of the parcels would be sufficient evidence of their comparative value.

Therefore, it is recommended that City Council approve an Ordinance amending Article VI of Chapter 2 of the Code of Ordinances of the City of Houston, Texas, to add a new Section 2-242 authorizing the abandonment of easements for utility purposes owned by the City, in exchange for the conveyance to the City of easements for utility purposes of equal or greater value, and to authorize the Director, Department of Public Works and Engineering (PWE), to approve such requests.

DWK:NPC:dob

c: Jun Chang, P.E., D.WRE
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Eric Dargan
David Feldman
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Daniel Menendez, P.E.