



**AGENDA MEMO**  
12/6/2016 Agenda

**TO:** Honorable Mayor and City Council

**FROM:** Jacob Speer, Director of Public Works

**SUBJECT:** Consider request to abandon alley right-of-way adjacent to 6517 Hillcrest

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**BACKGROUND:**

SPC Hillcrest, L.P. currently owns the property on either side of the alley immediately west of 6517 Hillcrest and would like to purchase the alley right-of-way from the City. The total square footage of the proposed abandonment is 2,250 square feet. The abandonment of the alley will allow the developer to combine a 27,000 square foot tract of land with 44,100 square feet of tracts on the west end of the development to create a total building site of 73,350 square feet.

The subject alley contains water, sanitary sewer, and storm sewer mains as well as natural gas, electric, telecommunications, and other private utilities. All of the existing utilities in this alley are proposed to be relocated as part of the owner's Park Plaza redevelopment plan for the property. The City should retain an easement for the existing utilities until such time as the developer relocates those facilities to other City rights-of-way.

The property owner has also proposed to grant the City an access easement for an area at the northeast corner of his property where the City has maintained a right-turn lane as part of its street system for decades. Thus, payment for the alley abandonment would be reduced by the value of the access easement. Staff believes the City has a prescriptive right to the land where the street exists. However, an easement dedication in this area could help better define the uses and responsibilities. Staff believes that assigning some value to the easement is appropriate.

As is policy, the City engaged Mr. Charles Dannis of National Valuation Consultants, Inc. for an appraisal of the current market value of the property to be abandoned at the expense of the property owner. The appraisal revealed a value of \$225.00 per square foot for the property, resulting in a value of \$506,250 for the proposed abandonment.

The property owner indicated to staff he feels the valuation was too high. The developer obtained a second appraisal of the property from Michael W. Massey & Associates of McKinney. That appraisal revealed a value of \$144.44 per square foot for the property, resulting in a value of \$325,000 for the proposed abandonment.

The average of those two appraisals is \$184.72. Staff also analyzed the comparable sales used in both appraisals. The average adjusted value of all comparable sales used in the appraisals is \$178.24. Attached is a spreadsheet identifying the appraised values of proposed abandonments in University Park over the past five years. Most of those appraisals were for residential property with a few appraisals for multi-family property.

**RECOMMENDATION:**

Staff recommends approval of the proposed alley abandonment ordinance subject to the establishment of the valuation of the abandonment.