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)
• 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
    • $11 m to be paid to the city at closing
    • An amount not to exceed $5 m to be contributed by the City for the costs of the remediation
    • Sharing of costs above the $5 m 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