

## A G E N D A



## Recommendation for Council Action (Real Estate)

Austin City Council

Item ID:

28822

Agenda Number

28.

Meeting Date:

December 12, 2013

Department:

Office of Real Estate Services

## Subject

Authorize the negotiation and execution of all documents and instruments necessary or desirable to purchase in fee simple a tract of land totaling approximately 606.7 acres in Hays County, Texas, located on FM 967, from JEREMIAH VENTURE, LP, through an assignment of an Option Contract for the Purchase of Real Estate, assigned by The Nature Conservancy, for a total amount not to exceed \$18,060,000.

## Amount and Source of Funding

Funding is available in the Fiscal Year 2013-2014 Capital Budget of the Watershed Protection Department.

## Fiscal Note

A fiscal note is attached.

Purchasing  
Language:

Prior Council  
Action:

For More  
Information:

Junie Plummer (512) 974-7085; David Johns (512) 974-2781; Lauraine Rizer (512) 974-7078; Amanda Glasscock (512) 974-7173.

Boards and  
Commission  
Action:

MBE / WBE:

Related Items:

## Additional Backup Information

The Nature Conservancy (NC) is a non-profit corporation that has been working with the City for a number of years under a Memorandum of Understanding (MOU) to protect the quality and quantity of water in the Barton Springs recharge and contributing zones. NC is proposing to assign an Option for the Purchase of Real Estate (Option) from Jeremiah Venture, L.P., a Texas limited partnership, for approximately 606.7 acres. NC is a recognized expert in Texas for negotiating real estate transactions for conservation purposes and their indirect expenses for this assignment total \$60,000. The City would fund this proposed acquisition through the 2012 Proposition 13 Bond Funds for Open Space.

The proposed acquisition of this tract represents a significant acquisition in the Barton Springs Recharge Zone for the City of Austin Water Quality Protection Lands (WQPL) Program. The purchase of the Jeremiah Ventures tract will add approximately 606.7 acres to the WQPL inventory and reconnect lands that were once part of a single ranch at the turn of the previous century. This property lies in the narrow portion of land where rainfall can access the Edwards Aquifer and is one of the largest single properties remaining. Due to the fractured karst geology of the area, water recharging the aquifer on this ranch quickly reaches Barton Springs 15 miles away. Runoff from the ranch flows into Onion Creek the largest water source to Barton Springs. A 2011 study by the City's Watershed Protection Department demonstrated that almost 40% of the water that emerges at Barton Springs begins in the Onion Creek watershed.

The elimination of the proposed 1000 residential homes and associated effluent irrigation, the first such proposal at this scale over the Recharge Zone, will benefit the Edwards Aquifer and Barton Springs by removing potential sources of pollutants to the aquifer. This proposed acquisition will further water quality and water quantity, add a significant amount of land to the City's inventory of fee simple land and provide for ecological restoration activities to commence on the land. This tract will also widen the ownership of land providing option locations for the proposed Violet Crown Trail.

The purchase price is \$18,000,000, which is below the current fair market value as determined by an independent third party appraiser, plus \$60,000 for the payment of indirect expenses incurred by NC in connection with this transaction.