

## A G E N D A



## Recommendation for Council Action (Real Estate)

Austin City Council	Item ID:	47684	Agenda Number	23.
Meeting Date:	August 20, 2015			
Department:	Office of Real Estate Services			
Subject				
Authorize negotiation and execution of an encroachment agreement with SKYHOUSE AUSTIN, LLC, for the aerial encroachment of right-of-way by balconies at 51 Rainey Street, in Austin, Travis County, Texas (District 9).				
Amount and Source of Funding				
Fiscal Note				
There is no unanticipated fiscal impact. A fiscal note is not required.				
Purchasing Language:				
Prior Council Action:				
For More Information:	Eric Hammack, Office of Real Estate Services, (512) 974-7079; Lauraine Rizer, Office of Real Estate Services, (512) 974-7078; Amanda Glasscock, Office of Real Estate Services, (512) 974-7173.			
Boards and Commission Action:				
MBE / WBE:				
Related Items:				

## Additional Backup Information

A License Agreement (LA# 521-1203) which included the aerial encroachment of right-of-way by structurally incorporated balconies was negotiated in 2012 and executed in 2013, prior to the passage of Ordinance No. 20130808-021 which established the required process for the use of right-of-way for permanent private improvements. The property owner has requested that the entitlement for the permanent aerial encroachments be converted from a License Agreement to an Encroachment Agreement.

The subject property is the SkyHouse, which has been constructed by SkyHouse Austin, LLC, as an apartment building. The site plan for the project was approved and a building permit was issued in 2012. The building was constructed and a certificate of occupancy was issued in 2014.

The appraised value of the aerial rights is \$49,372. A check in the amount of the appraised value has been submitted to the Office of Real Estate Services for processing upon approval of this encroachment request.

The justification for asking Council to hear this item now is that a permitted and occupied structure has been constructed in compliance with local Code and regulations, however a permanent feature of the structure was approved under an agreement that may be terminated at will by the City. The lack of security afforded by the License Agreement effectively creates a cloud on title which can materially impact the property owner's ability to secure refinancing or to otherwise use the property as collateral.