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HOUSTON COMMUNITY COLLEGE

MISSOURI CITY CAMPUS RELOCATION

Prepared by: Office of the Chancellor

Houston Community College
3100 Main St., Houston TX 77002

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SECTION A: Financial Comparison

1. Cash Transaction

MO City

Sienna Plantation Move to Texas Parkway

Cash Transaction

Sources of Funding:

CIP 2013 Bond Proceeds	21,500,000	
Sale Proceeds - sale of campus to Ft Bend County	8,000,000	(1)
Sale proceeds - sale of unimproved land to Johnson	2,563,161	(2)
Grant from George Foundation	1,267,762	
Total Sources of Funding	\$33,330,923	

Uses of Funding:

Purchase of Texas Parkway Site	3,627,677
Construction of Texas Parkway campus	28,691,579
Closing and legal costs for land transactions	362,767
Data upgrade for library to meet SACS standards	300,000
Costs to relocate FF&E	205,829
Total Uses of Funding	\$33,187,852

Gross Cash Position **\$143,071**

Adjustments Pursuant to Grant Restrictions

Estimated refund to George Foundation -143,071

Net Cash Flows **\$33,187,852** **\$33,187,852**

Net Cash Outlay **\$0**

(1) Based on appraisal

(2) Based on negotiated agreements at time of property purchase, circa 2002 and 2004

2. Book Transaction

Missouri City
Sienna Plantation Move to Texas Parkway

Book Transaction	Historical Book Cost	Accumulated Depreciation	Net Book Cost	Post Trans Book Cost
Assets Prior to Disposition				
Building Costs	10,365,303			
Site Infrastructure Improvements	4,604,945			
Bookstore	67,557			
Land	3,732,715			
Total Invested in Location 12/31/15	18,770,520	-2,667,813	16,102,707	11,687,852 (1)
Furniture, Fixtures and Equipment	1,011,146			
Investment in Library	1,917,000			
IT Infrastructure	552,230			
Total Movable/Transferrable Assets	3,480,376	-159,542	3,320,834	3,320,834 (2)
Total Book Value Existing Location 12/31/15	\$22,250,896	(\$2,827,355)	\$19,423,541	
Post Transaction Book Value				\$15,008,686
Book Loss on Transaction				\$ 4,414,855

(1) Total on HCC Books after Disposition

Cash on Hand - Received from County	8,000,000
Cash on Hand - Received from Johnson Development	2,563,161
Cash on Hand - Received from George Foundation	1,124,691
Total Received/Transferred	11,687,852

(2) Transferred from existing Sienna Plantation Campus

Effect on Fund Balance	Fund Balance 8/31/15	Effect of Disposition	Fund Balance after Disposition
Net Investment in Capital Assets	290,770,960	-4,414,855	286,356,105
Restricted - Expendable	13,290,548	0	13,290,548
Unrestricted	60,356,912	0	60,356,912
Net Position after Transaction	364,418,420	-4,414,855	360,003,565

3. Economic Transaction

Missouri City
Sienna Plantation Move to Texas Parkway

Economic Transaction

SIENNA PLANTATION

Amount

Investments by HCC - Book Value at 12/31/15

Book Value of Location	16,102,707
Book Value of Movable/Transferrable Assets	3,320,834
Total Investment In Sienna Plantation	19,423,541

Other Transaction Related Assets on Hand at 12/31/15

Cash in Bank - CIP	15,281,000
Texas Parkway Site	3,627,677
Construction in Progress - new site	2,591,323
Total from CIP funds	21,500,000

Total Missouri City Related Assets on Hand at 12/31/15

\$40,923,541

TEXAS PARKWAY

Amount

Investments by HCC

Total Value Received from Disposition	15,008,686
Total CIP Funds Invested	21,500,000
Total HCC Investment In Texas Parkway	\$36,508,686

Investment by Others

Ft. Bend County - 9,600 sq ft expansion of MO City Branch Library located at Texas Parkway Site - under design and const	6,330,820
FT. Bend County - buildout of Tom Taylor Parkway located at Texas Parkway Site - offering access to campus	2,879,592
Total Investment by Others	\$9,210,412

Total investment by HCC and Others

\$45,719,098

Intangible Improvements:

- New location in highly visible and accessible location
- Future increase in coursework, student success and graduates
- Pending MOU to use Community Center and surface parking
- Pending MOU for future drainage on adjacent property
- Pending MOU for joint park development

SECTION B: TRANSACTION HISTORY

BOT – Board of Trustees

ROFO – Right of first opportunity

WAB – Weekly Administrative Brief

- 2002-11-04 HCC closed on Sienna Plantation 30 acre purchase containing a “Right of First Opportunity” (ROFO) for the seller, Johnson Development.
- 2004-03-12 HCC closes on additional 19.325 acres adjacent to the 30 acres. This purchase also contains a ROFO.
- 2006-05-02 HCC conveys approximately 4.5 acres to Fort Bend County for a joint use library.
- 2014-08-14 Administration presented concept of relocation of Missouri City Campus to BOT during closed session.
- 2014-09-18 Item 2: Board authorizes Chancellor to enter discussions on the concept of relocating the Missouri City (Sienna Plantation) Campus.
- 2015-01-22 Item 3: Board approved the purchase of real estate on Texas Parkway contingent on a net zero cash outlay by HCC. Based on legal consideration from procurement special counsel, board counsel, and general counsel, BOT is advised that the transaction meets the requirements of Article III, Section 52 of the Texas Constitution.
- 2015-01-29 WAB advises trustees of availability of appraisals for the unimproved Sienna Plantation parcel and the proposed Texas Parkway site.
- 2015-02-03 Fort Bend County Commissioners Court authorized negotiations to acquire the HCC Missouri City - Sienna Plantation property.
- 2015-02-06 WAB reports article from Community Impact regarding future developments to bolster Missouri City economy.
- 2015-02-13 Item A: Agenda item requesting removal of contingency on real estate acquisition approved on 01-22-2015 pulled by Administration. This was requested in order to avoid delay from the George Foundation grant approval to fund project gap. Based on legal consideration from procurement special counsel, board counsel, and general counsel, BOT is advised that the transaction meets the requirements of Article III, Section 52 of the Texas Constitution.
- Item B: Board declared approximately 33 acres of undeveloped property at the existing Missouri City Campus as surplus, and approves the negotiation of the sale of the 11.75 acres of improved property with Fort Bend County. Based on legal consideration from procurement special counsel, board counsel, and general counsel, BOT is advised that the transaction meets the requirements of Article III, Section 52 of the Texas Constitution and Texas Government Code Section 272.001.

- 2015-02-16 Missouri City City Council adopts resolution supporting the relocation of HCC from Sienna Plantation to Texas Parkway.
- 2015-02-19 Item 3: Agenda item requesting removal of contingency on real estate acquisition approved on 01-22-2015 pulled by Board Chair. This was requested in order to avoid delay from the George Foundation grant approval to fund project gap.
- 2015-02-25 Item A: Board removes the contingencies from the January 22, 2015 authorization but the states that "the administration will adhere to its commitment of ... zero net cash outlay by HCCS.."
- 2015-06-23 George Foundation approves grant to fund any cash basis gap, up to \$1,267,762.
- 2015-03-06 WAB reports that expansion of partnership with Fort Bend ISD continues to be developed and that both City and County officials continue to strongly support the project.
- 2015-03-12 WAB reports that closing on Texas Parkway purchase is expected on March 13, 2015.
- 2015-03-27 WAB reports that the purchase of the Texas Parkway property closed on March 13, 2015 and funds disbursed to the seller on March 17, 2015.
- 2015-04-23 WAB reports the amount of HCC's Tax Increment Participation contribution to TIRZ Number 3.
- 2015-05-29 WAB reports that the series of transactions needed for sale of the Sienna Plantation property were outlined to the representatives from the city of Missouri City, Fort Bend County and the George Foundation.
- 2015-08-19 Fort Bend County Commission Court approves the facilities calls for Bond referendum which would provide funding: "... include the library.
- 2015-11-03 Fort Bend County Bond referendum passes by voters.
- 2015-11-12 BOT is advised that the Fort Bend County bond referendum containing funding for the county's purchase of the Sienna Plantation facility and the expansion of the library at the Texas Parkway location was approved by the voters.
- 2015-12-04 WAB reports that Johnson Development was notified on December 2, 2015 of the commencement of the 30-day opportunity to exercise the ROFO related to the 33.07 unimproved acres.
- WAB reports that HCC is finalizing an invitation for interested parties to bid on the 33.07 acres. This is in compliance with state statute and further relevant if Johnson declines to exercise its ROFO.
- 2015-12-07 HCC publishes notice of and issues invitation for bids on 33.07 acres of unimproved land at the Sienna Plantation location.

- 2015-12-08 Fort Bend County Commissioners Court approves purchase of 11.75 acres at Sienna Plantation including the building and improvements from HCC for the appraised amount of \$8MM.
- 2015-12-10 BOT approved the sale of the Sienna Plantation facility to Fort Bend County.
- 2015-12-13 HCC publishes second notice of invitation for bids on 33.07 unimproved acres at the Sienna Planation location.
- 2016-01-04 Sienna/Johnson North LLP (Johnson Development) notifies HCC of its ROFO acceptance. The notice is within the prescribed time limit.
- 2016-01-05 Bids due date for unimproved property. No bids were received.
- 2016-01-22 Board approved the sale of approximately 33 acre tract of unimproved property located in Missouri City to Johnson Development Corporation.