

SUBJECT: Transferring TxDOT land to University of Houston and Sugar Land

COMMITTEE: Land and Resource Management — committee substitute recommended

VOTE: 7 ayes — Bosse, B. Turner, Crabb, Howard, Jackson, Krusee. Mowery

0 nays

2 absent — Hamric, Staples

WITNESSES: For — Herbert Appel, The Greater Fort Bend Economic Development Council; Dean Hrbacek, City of Sugar Land; Edwards Hugetz

Against — None

BACKGROUND : In 1982, the Legislature required the Texas Department of Corrections to sell approximately 5,786 acres of land north of the City of Sugar Land in Fort Bend County to the Texas Department of Transportation (TxDOT). TxDOT paid approximately \$77 million for the land, sometimes called the Prison Farm property, out of the state highway fund, and the money was deposited in general revenue. The department was allowed to sell or lease the land, but the Texas Department of Corrections was reserved the right to lease any or all of the land for \$1 a year until August 1991.

In 1996, TxDOT hired a consultant to put together a development plan that would allow the department to sell the land. The completed development plan was recently submitted to TxDOT.

DIGEST: CSHB 1961 would transfer 248 acres of TxDOT land to the board of regents of the University of Houston system and 421 acres to the City of Sugar Land.

The 248 acres for the University of Houston would have to be transferred no later than October 31, 1997. The board of regents of the university would be required to use the property only for higher education purposes or exchange it for another parcel of land that would be more suitable for higher education purposes. If the university's board of regents used the property for any purpose besides education, the land would revert to TxDOT.

The 421 acres for Sugar Land would have to be transferred no later than October 31, 1997. The city would be required to use the property only for public parks, recreational uses, green belts, or similar purposes. The land would revert back to TxDOT if Sugar Land used the property for any other purpose.

Sugar Land would have to dedicate easements for water, sewers, drainage, and roadways as reasonably required by TxDOT for the development of the property and other property in the area under the control of TxDOT. The bill would also reserve right-of-way as necessary for the future expansion of U.S. Highway 59 or the future construction of a U.S. Highway 6 bypass.

The bill also lists a number of reasons why the Legislature would find the transfers of land to the university and Sugar Land to be in the public interest.

The bill would take immediate effect if finally approved by a two-thirds record vote of the membership in each house.

**SUPPORTERS
SAY:**

The land transfers required by CSHB 1961 would extend the opportunities available in Texas for higher education, create jobs and economic opportunities in Fort Bend County, and increase the value of the approximately 5,000 acres of TxDOT property remaining in the area.

Sugar Land, the university, and the surrounding community are extremely supportive of the transfers and are working together to create a regional park and campus for the university. This would in turn create a zone of economic growth in the area, enhancing its desirability for prospective developers and increasing the value of adjacent TxDOT land to such an extent that it would easily make up for revenue the state might potentially lose from the transfer of the 669 acres of an approximately 5,786 acre tract it is planning to sell.

The University of Houston System at Fort Bend, a multi-institutional teacher center in partnership with Houston Community College and Wharton County Junior College, opened in 1996 and had 1,000 students for the spring semester. The university is now housed in temporary quarters and in urgent need of a campus. The university has received a grant of \$1 million dollars for the construction of a permanent university facility. Fort Bend

County, one of the fastest growing counties in the state, is greatly in need of expanded opportunities for higher education.

The land to be transferred to the City of Sugar Land is in a floodplain, bordering the Brazos River and would be worthless for development purposes. The bill requires the land to be used as parks or open spaces, which would not only benefit the residents of Sugar Land and the students in the area but also provide habitat for wildlife.

Under the bill, easements and right-of-ways would be reserved for future TxDOT highway projects, ensuring that the department could in the future swiftly complete planned infrastructure projects in the area.

**OPPONENTS
SAY:**

TxDOT cannot afford to lose any potential highway funds at this point since it can only meet about 33 percent of projected infrastructure needs in the state with current funding. In the bill's fiscal note, TxDOT estimates the total value of the property to be transferred at approximately \$1.5 million for the parcel that would go to the University of Houston and \$2.5 million for the parcel that would go to Sugar Land, a total of approximately \$4 million. That would be \$4 million that, if the property were sold rather than transferred under the bill, could go to the state highway fund.

TxDOT has already paid approximately \$500,000 for a management plan to sell the entire property, but if the two parcels of property described in the bill were transferred, the department would have to spend more money and time revising the plan in order to account for the loss of 669 acres. The acreage that would be transferred by the bill is one of the most valuable portions of the entire 5,786-acre Prison Farm Property, which contains large portions of uninhabited land that are difficult to market. The land that would go to the university is ripe for development, and the land that would go to the city is a potentially marketable property. Without these tracts, the entire property would be more difficult to sell as a whole.

**OTHER
OPPONENTS
SAY:**

Transferring TxDOT land to another state entity, like a public university, may be justifiable but transferring state land to a city would set a bad precedent. Other cities may try acquire land free from the state, claiming that they deserve equal treatment.

NOTES:

The committee substitute added that if the university did not use the land for certain purposes, or the city did not use the land for a park, rather than the broader “ purposes benefiting the public interest,” the land would revert to TxDOT. The substitute also added provisions concerning easements and right-of-way reservations, and finding the transfers of property in the public interest.

The companion bill, SB 1267 by Armbrister et al., was referred to the Senate State Affairs Committee.