



City of Austin

Recommendation for Action

File #: 25-1124, **Agenda Item #:** 60.

6/5/2025

Posting Language

Authorize negotiation and execution of all documents and instruments necessary or desirable to convey approximately 0.252 acres (10,987 square feet) of land located at 2624 Bright Verde Way, Austin, Texas, 78758, to Verde Way, LLC in exchange for approximately 0.586 acres (25,527 square feet) of land located at 2624 Bright Verde Way for the purpose of establishing insurable ownership of the 0.586 acre tract for an amount not to exceed \$0.00, including closing costs. Funding: This item has no fiscal impact.

Lead Department

Financial Services Department

Fiscal Note

This item has no fiscal impact.

For More Information:

Brandon Williamson, Financial Services Department, 512-974-5666; Michael Gates, Financial Services Department, 512-974-5639.

Additional Backup Information:

This disposition is a property exchange between the City of Austin and Verde Way, LLC that will result in Verde Way, LLC gaining clear title to a 0.252-acre tract of land and the City gaining clear title to a 0.586-acre tract of land. Both tracts of land were part of a 3.06-acre Capital Metropolitan Transportation Authority (CapMetro) rail spur right-of-way that CapMetro vacated on June 27, 2022 (by virtue of Document No. 2022146337 Official Public Records of Travis County, Texas recorded on August 31, 2022).

When right-of-way is vacated, as a general rule, the owner of the land abutting the right-of-way is presumed to own to the center line of the vacated right-of-way (unless a different intent was expressed in the original grant) under the doctrine of "strips and gores". After CapMetro's vacation of the rail spur right-of-way, three of the adjacent property owners (10321 Burnet NRG L.P., on behalf of related entity, NRG Rail Spur, LP (NRG), 10200 McKalla Place, L.P., and Verde Way, LLC) brought a suit in district court to cure title to their respective portions of the rail spur. In lieu of seeing the case through to a final judgment, one of the owners/plaintiffs, NRG, opted to acquire from the heirs of the original grantor, pursuant to Special Warranty Deed dated December 20, 2024, and recorded as Document 2024140917 in the Official Public Records of Travis County, Texas, any interest the heirs had in the spur. NRG then issued a Special Warranty Deed, recorded as Document 2024141068 in the Official Public Records of Travis County, Texas, to Verde Way, LLC, conveying any interest NRG acquired from the heirs in both the City's and Verde Way, LLC's portions of the vacated right-of-way.

The result of the proposed exchange will be that Verde Way, LLC will have ownership of a 0.252-acre tract and the City will have ownership of a 0.586-acre tract both free of any claims of ownership stemming from the doctrine of strips and gores. The 0.252-acre tract conveyed to Verde Way, LLC will reserve easement rights for the City to accommodate existing water and wastewater infrastructure. Independent, third-party appraisals were procured to establish the fair-market valuations of the tracts to be exchanged. The appraised value of the

Verde Way, LLC tract is \$3,516,000 and the value of the City's tract is \$6,433,000, a net value to the City of \$2,917,000.