

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: Gervin-Hawkins

H.B. No. 2944

A BILL TO BE ENTITLED

1 AN ACT

2 relating to authorizing the sale or transfer of the G. J. Sutton  
3 Building Complex in San Antonio.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. (a) As soon as practical, subject to Subsection  
6 (b) of this section, the General Land Office shall offer for sale or  
7 transfer on behalf of the state the real property known as the  
8 G. J. Sutton Building Complex in San Antonio and described by  
9 Subsection (c) of this section. The General Land Office shall  
10 conduct the sale or transfer under this Act using the procedures  
11 under Section 31.158, Natural Resources Code.

12 (b) The General Land Office may not sell or transfer the  
13 real property described by Subsection (c) of this section unless  
14 the conveyance includes covenants, conditions, or restrictions  
15 that require:

16 (1) the proper disposal of the contaminated soil on  
17 the property in accordance with state and federal environmental  
18 regulations, unless the soil is disposed of before the conveyance;

19 (2) the use of the name "G. J. Sutton" as the name for  
20 the property or a building located on the property; and

21 (3) Lot 32 of Tract 4, as described by Subsection (c)  
22 of this section, to have not more than 50 public parking spaces.

23 (c) The real property that must be offered for sale or  
24 transfer under this Act is the four tracts of land described as

1 follows:

2 TRACT 1:

3 Being a 2.916-acre (127,006 square feet) parcel of land located in  
4 City of San Antonio, Bexar County, Texas, said 2.916-acre parcel  
5 being all in New City Block 581, City of San Antonio, Bexar County,  
6 Texas, as conveyed to the State of Texas in deed recorded under Vol.  
7 7711, Page. 343, Official Public Records of Real Property of Bexar  
8 County, Texas (O.P.R.B.C.T), save and except that called  
9 0.8942-acre tract conveyed to Texas Public Finance Authority by  
10 deed recorded under Volume 5493, Page 1046, O.P.R.B.C.T. and that  
11 called 0.2969-acre tract conveyed to Texas Public Finance Authority  
12 by deed recorded under Volume 4203, Page 4, O.P.R.B.C.T, said  
13 2.916-acre parcel of land being more particularly described by  
14 metes and bounds as follows (all bearings based on the North  
15 American Datum of 1983, 2011 Adjustment, Epoch 2010.00, Texas  
16 Coordinate System, South Central Zone):

17 COMMENCING at an existing building corner found at the southeast  
18 corner of said New City Block 581 at the intersection of the  
19 westerly right-of-way line of N. Cherry Street (right-of-way width  
20 varies) with the northerly right-of-way line of N. Center Street  
21 (55.6' wide), same being the southeast corner of said called  
22 0.8942-acre tract;

23 THENCE, S 89° 34' 57" W, along said existing northerly right-of-way  
24 line of N. Center Street, a distance of 93.50 feet to a 'x' in  
25 concrete set for the POINT OF BEGINNING of the herein described  
26 tract, said point also being the southwest corner of the called  
27 0.8942-acre tract and the southeast corner herein described tract;

1 THENCE, S 89° 34' 57" W, continuing with said northerly right-of-way  
2 of N. Center Street, a distance of 27.08 feet to a 'X' in concrete  
3 set for the southeast corner of said 0.2969-acre tract;

4 THENCE, N 00° 31' 19" W, with the easterly line of said 0.2969-acre  
5 tract, a distance of 177.68 feet to a 1/2-inch iron rod found for  
6 the northeast corner of said 0.2969-acre tract;

7 THENCE, S 89° 28' 42" W, with the northerly line of said 0.2969-acre  
8 tract, a distance of 72.69 feet to an 'x' in concrete set for the  
9 northwest corner of said 0.2969-acre tract;

10 THENCE, S 00° 25' 08" E, with the westerly line of said 0.2969-acre  
11 tract, a distance of 177.55 feet to a fence post found for the  
12 southwest corner of said 0.2969-acre tract in the northerly  
13 right-of-way line of N. Center Street;

14 THENCE, S 89° 34' 57" W, with said northerly right-of-way line of N.  
15 Center Street, a distance of 236.71 feet to a 5/8-inch iron rod with  
16 cap stamped "Vickrey Prop. Cor." set for the southwest corner of the  
17 herein described tract in the easterly line of the Union Pacific  
18 Railroad right-of-way (89.8 feet wide);

19 THENCE, N 00° 09' 41" W, with said easterly line of the Union Pacific  
20 Railroad right-of-way, a distance of 416.65 feet to a 5/8-inch iron  
21 rod with cap stamped "Vickrey Prop. Cor." Set in the southerly  
22 right-of-way line of E. Crockett Street (57.8-foot width), for the  
23 northwest corner of the herein described tract;

24 THENCE, N 89° 45' 28" E, with said southerly line of E. Crockett  
25 Street, a distance of 335.80 feet to an 'X' in concrete set for the  
26 northwest corner of the called 0.8942-acre tract and the northeast  
27 corner of the herein described tract;

1 THENCE, S 00° 17' 57" E, with the westerly line of said called  
2 0.8942-acre tract, a distance of 415.62 feet to the POINT OF  
3 BEGINNING and containing 2.916-acres (127,006 square feet) of land.

4 TRACT 2:

5 Being a 0.8918-acre (38,847 square feet) parcel of land located in  
6 the City of San Antonio, Bexar County, Texas, said 0.8918-acre  
7 parcel being portions of Lots 6 and 15 and all of Lots 7 and 16 of  
8 New City Block 581, and also being all of that called 0.8942-acre  
9 tract conveyed to Texas Public Finance Authority by deed recorded  
10 under Volume 5493, Page 1046, Official Public Records of Real  
11 Property of Bexar County, Texas (O.P.R.B.C.T.); said 0.8918-acre  
12 parcel of land being more particularly described by metes and  
13 bounds as follows (all bearings based on the North American Datum of  
14 1983, 2011 Adjustment, Epoch 2010.00, Texas Coordinate System,  
15 South Central Zone):

16 BEGINNING at an existing building corner found at the southeast  
17 corner of said New City Block 581 at the intersection of the  
18 westerly right-of-way line of N. Cherry Street (right-of-way width  
19 varies) with the northerly right-of-way line of Center Street  
20 (55.6' wide), same being the southeast corner of the called  
21 0.8942-acre tract and the herein described tract;

22 THENCE, S 89° 34' 57" W, along said existing northerly right-of-way  
23 line of N. Center Street, a distance of 93.50 feet to an 'X' in  
24 concrete set for the southwest corner of the called 0.8942-acre  
25 tract and the herein described tract;

26 THENCE, N 00° 17' 57" W, a distance of 415.62 feet to an 'X' in  
27 concrete set in the southerly right-of-way line of E. Crockett

1 Street for the northwest corner of the called 0.8942-acre tract and  
2 the herein described tract, being in the southerly right-of-way  
3 line of E. Crockett Street (57.8' wide);

4 THENCE, N 89° 45' 28" E, along said southerly right-of-way line of E.  
5 Crockett Street, a distance of 93.50 feet to an 'X' in concrete set  
6 at the intersection of said southerly right-of-way line of E.  
7 Crockett Street with said westerly right-of-way line of N. Cherry  
8 Street, for the northeast corner of the called 0.8942-acre tract  
9 and the herein described tract;

10 THENCE, S 00° 17' 57" E, with said westerly right-of-way line of N.  
11 Cherry Street, a distance of 415.33 feet to the POINT OF BEGINNING  
12 and containing 0.8918-acre (38,847 square feet) of land.

13 TRACT 3:

14 Being a 0.2970-acre (12,939 square feet) parcel of land located in  
15 the City of San Antonio, Bexar County, Texas, said 0.2970-acre  
16 parcel being all of Lot 14 and a portion of Lots 13 and 15 of New  
17 City Block 581, and also being all of that called 0.2969-acre tract  
18 conveyed to Texas Public Finance Authority by deed recorded under  
19 Volume 4203, Page 4, Official Public Records of Real Property of  
20 Bexar County, Texas (O.P.R.B.C.T.), said 0.2970-acre parcel of land  
21 being more particularly described by metes and bounds as follows  
22 (all bearings based on the North American Datum of 1983, 2011  
23 Adjustment, Epoch 2010.00, Texas Coordinate System, South Central  
24 Zone):

25 COMMENCING at an existing building corner found at the southeast  
26 corner of said New City Block 581 at the intersection of the  
27 westerly right-of-way line of N. Cherry Street (right-of-way

1 varies) with the northerly right-of-way line of N. Center Street  
2 (55.6' wide), same being the southeast corner of a called  
3 0.8942-acre tract conveyed to Texas Public Finance Authority by  
4 deed recorded under Volume 5493, Page 1046, O.P.R.B.C.T.;

5 THENCE, S 89° 34' 57" W, along said existing northerly right-of-way  
6 line of N. Center Street, a distance of 120.58 feet to an 'X' in  
7 concrete set for the POINT OF BEGINNING and southeast corner of the  
8 called 0.2969-acre tract and the herein described tract;

9 THENCE, S 89° 34' 57" W, continuing along said existing northerly  
10 right-of-way line of N. Center Street, a distance of 73.01 feet to a  
11 fence corner found for the southwest corner of the called  
12 0.2969-acre tract and the herein described tract;

13 THENCE, N 00° 25' 08" W, a distance of 177.55 feet to an 'X' in  
14 concrete set for the northwest corner of the called 0.2969-acre  
15 tract and the herein described tract;

16 THENCE, N 89° 28' 42" E, a distance of 72.69 feet to a 1/2-inch iron  
17 rod found for the northeast corner of the called 0.2969-acre tract  
18 and the herein described tract;

19 THENCE, S 00° 31' 19" E, a distance of 177.68 feet to the POINT OF  
20 BEGINNING and containing 0.2970-acre (12,939 square feet) of land.

21 TRACT 4:

22 Lots 32, 33 and 34, Block B-13, New City Block 574, Merchants  
23 Subdivision, an Addition to the City of San Antonio, Bexar County,  
24 Texas, according to a plat thereof recorded in Volume 9510, Page  
25 135, Deed and Plat Records, Bexar County, Texas.

26 SECTION 2. This Act takes effect immediately if it receives  
27 a vote of two-thirds of all the members elected to each house, as

H.B. No. 2944

1 provided by Section 39, Article III, Texas Constitution. If this  
2 Act does not receive the vote necessary for immediate effect, this  
3 Act takes effect September 1, 2019.

ADOPTED

V ✓

MAY 21 2019

*Leroy Spaul*  
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY: *Peter P. Flores*

1 Amend H.B. No. 2944 (senate committee printing), in SECTION 1  
2 of the bill, by adding the following appropriately lettered  
3 subsection to that section and redesignating subsections of that  
4 section and cross-references to those subsections accordingly:

5 ( ) The sale of the real property authorized by this section  
6 must comply with 26 C.F.R. Sections 1.141-12(a), (b), (c), and (e).  
7 This subsection prevails to the extent of any conflict between this  
8 subsection and any provision of this Act or any other law.



**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**May 22, 2019**

**TO:** Honorable Dennis Bonnen, Speaker of the House, House of Representatives

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE: HB2944** by Gervin-Hawkins (Relating to authorizing the sale or transfer of the G. J. Sutton Building Complex in San Antonio.), **As Passed 2nd House**

<p><b>The fiscal implications of the bill cannot be determined at this time.</b></p>
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The bill directs the General Land Office (GLO) to sell or transfer the G. J. Sutton Building Complex in San Antonio. The bill takes effect immediately if it receives a two-thirds vote of all members elected to each house of the Texas Legislature, or on September 1, 2019.

GLO is unable to provide an estimate of the fair market value of the Sutton Building at this time, therefore the amount of proceeds expected from the sale cannot be determined at this time. The Texas Facilities Commission indicates that it spends \$312,000 per year for property management and custodial services of the Sutton Building. If the Sutton Building is sold, there would be a General Revenue cost savings of \$312,000 per year. However, because the timing of the sale cannot be estimated, the exact nature of these savings cannot be determined at this time.

According to the Texas Public Finance Authority, the sale of the Sutton Building while the tax-exempt bonds remain outstanding could cause the bonds to lose their tax-exempt status. However, the IRS Regulations contain a safe harbor provision relating to the proceeds generated from such a transaction. Strict compliance with the applicable IRS Regulations relating to the sale of the property and to the disposition of the sale proceeds would allow the State of Texas to remain in compliance with its bond covenants and allow the bonds to retain their tax-exempt status.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:**        303 Facilities Commission, 347 Public Finance Authority, 305 General Land Office and Veterans' Land Board

**LBB Staff:** WP, CLo, SZ, MW, PBO, LLo, JMO

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**May 10, 2019**

**TO:** Honorable Kelly Hancock, Chair, Senate Committee on Business & Commerce

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE: HB2944** by Gervin-Hawkins (Relating to authorizing the sale or transfer of the G. J. Sutton Building Complex in San Antonio.), **As Engrossed**

<p><b>The fiscal implications of the bill cannot be determined at this time.</b></p>
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**LBB Staff:** WP, CLo, SZ, MW, PBO, LLo, JMO

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**April 15, 2019**

**TO:** Honorable Tom Craddick, Chair, House Committee on Land & Resource Management

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE:** **HB2944** by Gervin-Hawkins (Relating to authorizing the sale or transfer of the G. J. Sutton Building Complex in San Antonio.), **Committee Report 1st House, Substituted**

The fiscal implications of the bill cannot be determined at this time.
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**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:**     303 Facilities Commission, 347 Public Finance Authority, 305 General Land Office and Veterans' Land Board

**LBB Staff:** WP, SZ, MW, PBO, LLo, JMO

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**April 7, 2019**

**TO:** Honorable Tom Craddick, Chair, House Committee on Land & Resource Management

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE: HB2944** by Gervin-Hawkins (Relating to authorizing the sale or transfer of the G. J. Sutton Building Complex in San Antonio.), **As Introduced**

The fiscal implications of the bill cannot be determined at this time.
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**LBB Staff:** WP, SZ, MW, PBO, LLo, JMO