

West U. Recycling Center is Closed - What Happens to Land?

By Michelle Leigh Smith

The City of West University Place City Council voted last fall to close the recycling center at 5004 Dincans, near Goode Co. Seafood on Westpark, between Kirby and Wakeforest.

“They wanted to give people time to recycle holiday boxes and paper so they chose Jan. 2 as the closing date,” says Marshall Clinkscales, a principal with Colliers International who has handled some of the sales of West University cityowned properties.

“It’s been a losing proposition, with losses of \$150K a year and the use of the facility is less than 20 per cent by West U. residents. It got to be a problem of justifying how much money should West U. devote to subsidize for people who primarily were not West U. residents.”

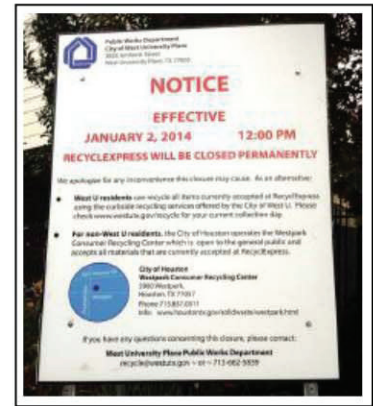
“No other decisions about future use have been made,” Clinkscales insists. “The only decision that’s been made is to close it. According to state law, the land must be posted for public bid.” But not everyone is happy about the closure.

“The issue is not only whether it’s making money – the real concern is does it provide a needed service for the community?” says resident Vernon Tyger. “I want to be sure that all options are properly vetted and not done in haste.”

Tyger has advocated to encourage the Mayor and City Council to look at an alternate plan, one that

would be more cost effective. Dean Gorby of Independent Texas Recyclers (ITR) provided a proposal with two month-to-month options for recycling activities at Recycle Express.

The first option is based on price per ton which may result in some loss exposure, but the second option is a Revenue/Cost Share



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model which may be of interest until a long term plan for the property is firmed up. ITR would provide a full time attendant to conduct the daily activities. ITR would pick up the material from the Recycle Express location. Based on current market conditions and the estimated cost to operate the facility the current average rebate to West University Place would be \$5 per ton on all revenue generating commodities.

City Manager Michael Ross wrote the following to Gorby:

“As approved by City Council, the current City plan is to close the City operations of the recycling center in January of

2014. At that point we intend to evaluate the property for potential City facility uses with City Council and if there are none we will recommend that the City advertise for any and all expressions of interest in our property. You would be welcome to submit a proposal at that time should that be path that City Council chooses.”

“Michael Ross told me the council was tired of talking about it,” says Tyger.

“The reasoning is that we have curbside pickup, so we don’t need to take our recycling anywhere and if we have some huge amount of boxes (or other recyclable) on a on-off basis, they will come pick

it up separately if we call,” City Council Member Susan Sample says. “It is crazy for them to say the use by City of Houston residents makes it more costly to run. The more recyclable material that is deposited, the more revenue it generates, and there is no additional cost. The way to make it feasible would have been to encourage more use, not less.

“Who knows?” asks Sample. “I asked for the raw numbers and I did not get them,” she says. “I didn’t want to close it. They voted to close it – some of the recycling committee members wanted to keep it open.

“One reason it lost money was the contract with Waste Management was bad.

“David Beach, head of Solid Waste, negotiated the contract for what we send over – we are paid the single stream rate based on unsorted materials, which is not right; we should be getting paid a lot more,” Sample says. “No one would have known unless someone asked to see the contract. If he really wanted to keep it open, he would have negotiated a better rate.

“West U residents separate their recycling for pickup at the curb. When we separate it at the recycling center, we’re doing that for free for Waste Management. If it gets delivered separated and bundled, there is a value in that. If the contract is that way, it’s ridiculous.”

The City of Bellaire shut their recycling center almost three years ago when the City moved to curbside recycling. “It’s also more environmentally friendly to have a City truck pick up once a week rather than having residents make multiple trips,” says Public Works Director Joe Keene. He says Bellaire City Council has asked him to look into options for use of the land on Edith Street near the southern border of the City. Some feel the Bellaire recycling center was becoming too costly to operate, in part because of all the Houston residents using it. The City decided to sell the property, but because it is in an undesirable location, buyers weren’t lining up.



What may the future hold for the site, once it is closed? According to City Attorney Alan Petrov, the West University Recycling Center has not been sold.

“To my knowledge, no decision has been made as to what to do with the property that the recycling center sits on,” Petrov says.

“To sell property, a City is required to advertise the sale and accept public bids...”



There is no valuation stated on the Harris County Appraisal District records since the 52,708 sq. feet of land is currently tax exempt.

However, demand for well-located urban development sites has skyrocketed in Texas. Since

vacant land is a rarity in these urban infill locations, apartment developers have been buying and demolishing obsolete commercial structures, such as small office buildings, dilapidated apartments or warehouses.

Since 2010, apartment development sites have doubled in value in Texas markets such as Houston, Dallas-Fort Worth and Austin, according to Houston-based Deal Sikes & Associates, one of the leading commercial real estate appraisal firms in Texas.

“After several years of inactivity, apartment construction exploded as the market has recovered in many locations,” says Matthew Deal, principal of Deal Sikes & Associates. “The value of land for retail usage has also increased sharply in the wake of residential growth,” Deal says.

A 4.3-acre site at the northeast corner of Bissonnet and Dincans was sold to The Hanover Company in late 2010. The old Bissonnet Village apartments at 2630 Bissonnet were demolished and Hanover is building Hanover West University, a four story 400-unit apartment complex. That site, still classified as vacant land, is appraised by HCAD at \$40 per square foot.

If one applies the same measurement of \$40 per sf to the West U. tract, the land would be valued at \$2,108,320.