



CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

ALL

Item Creation Date: 12/10/2023

MYR – First Amendment to Bayou Greenway 2020 Economic Development Agreement

Agenda Item#:

Summary:

ORDINANCE approving and authorizing first amendment to Bayou Greenways 2020 Economic Development Agreement between City of Houston, Texas and **HOUSTON PARKS BOARD, INC**

Background:

RECOMMENDATION:

City Council adopt an ordinance approving the First Amendment to Bayou Greenways 2020 Economic Development Agreement (the "First Amendment") to include the City's MacGregor Park in the definition of the term "Project" under the agreement; authorizing an initial Supplemental Base Maintenance Fee of \$960,000 for fiscal year end 2025 to the current Annual 380 Contribution so that the Supplemental Base Maintenance Fee will fund annual maintenance obligations detailed in the MacGregor Park (the "MacGregor Park Agreement"); and reestablishing the initial term of 30 years from the Effective Date of the First Agreement.

The MacGregor Park Agreement between the Houston Parks Board (HPB) and the City of Houston (the "City") is a separate item Council is being asked to approve in parallel with this action.

SPECIFIC EXPLANATION:

In 2013, City Council approved an Economic Development Agreement between the City and HPB providing a long-term revenue source to fund the maintenance of the Bayou Greenways 2020 project.

If approved, the First Amendment provides a long-term revenue source for the maintenance of MacGregor Park, an 82-acre park embedded in a culturally and historically rich community in southeast Houston along Brays Bayou. The estimated annual cost of maintenance for MacGregor Park is \$960,000 for fiscal year end 2025 and will increase by the Escalator Index in all subsequent years. HPB will establish and maintain the supplemental bank account for use exclusively in connection with their obligations under the MacGregor Park Agreement.

The breakdown of the initial \$960,000 initial Supplemental Base Maintenance Fee:

- \$350,000 through a separate funding agreement to be executed with the Southeast Management District for the Facility Maintenance Fund as per the MacGregor Park Agreement; and
- \$610,000 from the General Fund.

The MacGregor Park Agreement establishes funding for Greenspace Maintenance, Facility Maintenance, and a Maintenance Reserve fund for MacGregor Park. MacGregor Park Greenspace Maintenance responsibility will transfer from the Houston Parks and Recreations Department (HPARD) to HPB; however, HPARD will continue to operate, maintain, and program the park facilities.

Fiscal Note:

Funding for this item will be included in the Fiscal Year 2025 Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

DocuSigned by:

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Andrew F. Icken, Chief Development Officer

Prior Council Action:

Ordinance 2013-949

Ordinance 2013-635

Contact Information:

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ATTACHMENTS:

Description

PCA 2013-635

PCA 2013-949

Type

Backup Material

Backup Material