



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 7/8/2025

District C

Item Creation Date: 6/25/2025

HPW-20FMS132 Amendment to TxDOT Advance Funding Agreement, Shepherd-Durham
Infrastructure Improvements (1 of 3)

Agenda Item#: 59.

Background:

SUBJECT: First Amendment to the Advanced Funding Agreement ("Agreement") between the City of Houston and Texas Department of Transportation ("State"), for Shepherd-Durham Infrastructure Improvements ("Project").

RECOMMENDATION: Adopt an ordinance approving and authorizing a First Amendment to the Advance Funding Agreement between the City of Houston and State for Shepherd-Durham Infrastructure Improvements.

PROJECT NOTICE/JUSTIFICATION: The Project would reconstruct Shepherd Drive and Durham Drive and selected cross streets between W 15th Street and IH-10 Westbound frontage road. The Project includes drainage and public utility improvements necessary to satisfy City design standards.

The Project is a partnership between the City and Memorial Heights Redevelopment Authority ("MHRA"), acting on behalf of Redevelopment Zone #5, and follows MHRA's reconstruction of Shepherd and Durham between IH 610 and W 15th Street.

As approved by the City Council through Ordinance 2024-0448, the City and MHRA entered into an interlocal agreement (ILA) that established the terms of the partnership for the Project, including the Authority's contribution of funds to satisfy non-federal funding requirements.

LOCATION: The project area is generally bound by W 15th Street on the north, the westbound IH 10 frontage road on the south, N Shepherd Drive on the east and N Durham Drive on the west.


SCOPE OF THE AGREEMENT AND FEE: This First Amendment increases the federal participation in the project from \$40,000,000.00 to \$58,950,000.00 using Surface Transportation Block Grant Program ("STBG") funds and satisfies the non-federal match through the application of Transportation Development Credits. The City will remain responsible for costs that are ineligible for reimbursement or that exceed the revised federal amount.

The additional federal STBG funds were programmed for the Project by the Transportation Policy Council at their March 28, 2025 meeting.

Pursuant to the ILA with MHRA, the Authority is responsible for the engineering and right-of-way acquisition tasks (estimated in the TxDOT agreement to cost \$4,000,000.00 and \$50,000.00, respectively). Through adoption of Ordinance 2022-0598, the City Council has previously appropriated \$311,000.00 to satisfy payments due to TxDOT under the Agreement for direct state review and oversight costs.

City Council approval of a separate agreement between the City and Houston-Galveston Area Council to secure the Transportation Development Credits via a payment-in-lieu of local match is requested in the subsequent agenda item.

FISCAL NOTE: No Fiscal Note is required on grant items.

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 7/2/2025
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Randall V. Macchi, JD
Director, Houston Public Works

WBS No. N-100041-0001-7; CSJ# 0912-72-616

Prior Council Action:

Ordinance No. 2022-0599, dated 07-27-2022

Amount and Source of Funding:

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\$58,950,000.00 – Federal State Local - HPW Pass thru DDSRF (5430)

Contact Information:

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ATTACHMENTS:

Description	Type
Contract Amendment	Contract/Exhibit
Previous Agreement	Backup Material
ILA with MHRA/TIRZ#5	Backup Material
Prior Council Action	Backup Material