



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 7/8/2025

District C

Item Creation Date: 6/26/2025

HPW-20FMS136 Interlocal Agreement, Regional Strategic Transportation Fund -
Shepherd-Durham Infrastructure Improvements (2 of 3)

Agenda Item#: 28.

Summary:

Background:

SUBJECT: Interlocal Agreement, Regional Strategic Transportation Fund ("Agreement") between the City of Houston and Houston-Galveston Area Council ("H-GAC"), for Shepherd-Durham Infrastructure Improvements ("Project").

RECOMMENDATION: Adopt an ordinance approving and authorizing an Interlocal Agreement, Regional Strategic Transportation Fund between the City of Houston and H-GAC for Shepherd-Durham Infrastructure Improvements and appropriate funds.

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 ("Authority"), acting on behalf of Redevelopment Zone #5, and follows the Authority's reconstruction of Shepherd and Durham between IH 610 and W 15th Street.

Additional federal funds were programmed by the Houston Galveston Transportation Policy Council ("TPC") at their March 28, 2025 meeting to bring total federal participation in the Project to \$58,950,000.00. In addition, the TPC allocated 11,790,000 Transportation Development Credits to satisfy the non-federal match, contingent on the City's contribution to the Regional Strategic Transportation Fund ("RSTF").

The TPC created the RSTF to advance the development and implementation of lower-cost, high impact transportation projects using non-federal funds generated through the application of Transportation Development Credits on federalized projects in exchange for contributions by project sponsors to the RSTF. The program requires contributing half of the nominal non-federal share amount (ie. 10% of the eligible project cost) to the RSTF and committing to apply the other half of the nominal non-federal share amount towards other transportation projects. In exchange, project sponsors will be reimbursed at 100% federal share for eligible project costs.

The Houston-Galveston Area Council ("H-GAC") is the regional Council of Governments for the greater Houston area and serves as the contracting agent for the TPC. As such, agreements to contribute to the RSTF are made between the local government sponsor and H-GAC.

As approved by the City Council through Ord. 2024-0448, the City and MHRA entered into an interlocal agreement ("MHRA 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: The Agreement provides for the City to make a Local Contribution to the RSTF in the amount of \$5,895,000.00 and commit to document an additional \$5,895,000.00 to be invested in Other Transportation Project(s) in the City's service area.


In exchange, the Transportation Development Credits programmed by the TPC will be used to satisfy the non-federal share on the Project and the City will receive 100% reimbursement for eligible costs.

Pursuant to the MHRA ILA, the Authority is responsible for providing any amounts due to H-GAC required by the Agreement and will implement the Other Transportation Project.

FISCAL NOTE:

No significant Fiscal Operating Impact is anticipated as a result of this project.

No Fiscal Note is required on grant items

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Randall V. Macchi, JD
Director, Houston Public Works

WBS No. N-100041-0001-7; CSJ# 0912-72-616; MPOID# 18417

Amount and Source of Funding:

\$5,895,000.00 – Contribution for Capital Projects (4510)

No Fiscal Note is required on grant items.

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ATTACHMENTS:

Description

RSTF Interlocal Agreement
ILA with MHRA/TIRZ#5

Type

Contract/Exhibit
Backup Material