



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 10/7/2025

District I

Item Creation Date: 8/29/2025

HPW 20TRT22 – Ordinance approving and authorizing a Ground Lease and Purchase Option Agreement between the City of Houston and Houston Police Officers' Pension System

Agenda Item#: 42.

Summary:

ORDINANCE authorizing Ground Lease and Purchase Option Agreement between City of Houston, Texas, as Tenant, and **HOUSTON POLICE OFFICERS' PENSION SYSTEM**, as Landlord, for approximately 4.7 acres out of the Obedience Smith Survey, Abstract No. 696, located in Houston, Harris County, Texas, including all improvements thereon; providing a maximum contract amount - **DISTRICT I - MARTINEZ**

Background:

SUBJECT: An Ordinance approving and authorizing a Ground Lease and Purchase Option Agreement between the City of Houston and Houston Police Officers' Pension System and allocating \$79,000,000.00 in funds for the lease with the option to purchase ± 4.7 acres of land, together with all improvements thereon. Parcels QY25-003 and QY25-004

RECOMMENDATION: An Ordinance approving and authorizing a Ground Lease and Purchase Option Agreement between the City of Houston and Houston Police Officers' Pension System and allocating \$79,000,000.00 in funds for the lease with the option to purchase ± 4.7 acres of land, together with all improvements thereon.

SPECIFIC EXPLANATION: The City of Houston, through the Houston Public Works – Combined Utility System ("CUS"), seeks to lease and have the option to purchase a building located at 1600 Smith Street, Houston, TX 77002 to accommodate the CUS workforce due to deteriorating conditions at its current headquarters located at 611 Walker, Houston, Texas 77002 along with creating an opportunity to consolidate locations and offer tenancy options for other city departments. This will provide a safer work environment for occupants along with decreasing maintenance costs incurred by maintaining an ageing building. The current location was constructed in 1968 and is currently in the inventory of CUS. The proposed ordinance authorizes the Ground Lease and Purchase Option Agreement related to ± 4.7 acres of land, together with all improvements thereon.

Therefore, it is recommended that City Council adopt an Ordinance approving and authorizing a Ground Lease and Purchase Option Agreement between the City of Houston and Houston Police Officers' Pension System and authorizing the allocation of \$79,000,000.00 for ± 4.7 acres of land, together with all improvements thereon

FISCAL NOTE:

Funding for this item is included in the FY26 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

DocuSigned by:

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10/2/2025

Randall V. Macchi, JD
Director, Houston Public Works

Estimate Spending Authority			
Department	Current FY	Out Year	Total
Combined Utility System General Purpose Fund	\$5,000,000.00	\$74,000,000.00	\$79,000,000.00
Fund 8305			

Amount and Source of Funding:

\$79,000,000.00
Combined Utility System General Purpose Fund
Fund 8305

Contact Information:

Name	Service Line	Contact Number
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ATTACHMENTS:

Description	Type
QY25-003 Map	Backup Material
QY25-004 Field Notes	Backup Material
QY25-004 Field Map	Backup Material
QY25-003 Field Notes	Backup Material
Funding Verification - Updated	Financial Information
Signed Coversheet	Signed Cover sheet
Funding Verification	Financial Information