

REQUEST FOR COUNCIL ACTION

TO: Mayor via City Secretary

RCA #

SUBJECT: An ordinance authorizing a first amendment to an economic development agreement between the City of Houston ("City") the Energy Corridor Management District

Category #

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Agenda Item#

FROM: (Department or other point of origin):

Andrew F. Icken,
Chief Development Officer

Origination Date

Agenda Date

SIGNATURE:



Council Districts affected:
A; G

For additional information contact:

Gwendolyn Tillotson

Phone: 832-393-0937

Date and identification of prior authorizing Council Action:
Ord. No. 99-674 (6/30/99); Ord. No. 2012-1089 (12/12/12)

RECOMMENDATION: (Summary) City Council adopt an ordinance authorizing a first amendment to an economic development agreement between the City of Houston ("City") and the Energy Corridor Management District

Amount of Funding: Not Applicable

Finance Budget:

SOURCE OF FUNDING: General Fund Grant Fund Enterprise Fund
 Other (Specify)

SPECIFIC EXPLANATION:

In 1989, the State legislature enacted Chapter 380 of the Texas Local Government Code ("Code") to create a mechanism that municipalities could use to grant or loan public funds for economic development purposes. Subsequently, by Ordinance No. 99-674, the City established the City of Houston Chapter 380 loan/grant program, pursuant to the provisions of Chapter 380 of the Code, and adopted criteria for Chapter 380 assistance to provide the City with an additional tool to encourage development in targeted areas to fulfill a critical need to attract tourism and commerce to an area resulting in positive economic.

On December 12, 2012, City Council passed and adopted Ordinance No. 2012-1089 to approve an economic incentive agreement ("Agreement") between the City of Houston ("City") and the Energy Corridor Management District ("District") to reimburse the District for public infrastructure to improve service capacity in a defined economic impact area, including the completion of Park Row Blvd., the construction of Central Park West Blvd, and the construction of related water, sanitary sewer (including a lift station and force main) and drainage utilities. The Agreement provided for a maximum reimbursement of \$20,843,660 to the District for the costs of public infrastructure improvements, of which \$17,358,159 was to be reimbursed from the incremental increases in the City's portion of its property tax revenues in the economic impact area.

The public infrastructure was scheduled to be constructed in two phases, with Phase I beginning in the proximity of Hwy. 6 and including improvements to Park Row, Central Park West Blvd., and the lift station, and Phase II to include improvements in the extension of Park Row to Eldridge Blvd. In April 2014, the District submitted a formal request to the Chief Development Officer to consider an increase in the maximum reimbursement amount to reflect scope or project changes that were imposed by the U.S. Army Corps of Engineers, such as the construction of two driveway access from Park Row Blvd. and bike trail improvements under Park Row and required archeological mitigation and wetland permitting, which were not included in the original scope of the project. Additionally, the District requested reimbursement consideration for field and scope changes to the project imposed by the Department of Public Works and Engineering ("PWE"), including those related to the force main; CenterPoint and other utility relocations, and other costs associated with developing the project.

The Administration requests approval of this first amendment to the Agreement to increase the maximum reimbursement amount by \$2,735,104 from \$17,358,159 to \$20,093,263 for the costs of public infrastructure improvements not included in the original scope of the project. The increased maximum reimbursement amount will not extend the term of the Agreement, which is the earlier of December 31, 2038, or the date that the District has been fully reimbursed for the public infrastructure costs subject to the Agreement.

cc: Marta Crinejo, Agenda Director
Anna Russell, City Secretary
Donna Edmundson, City Attorney
Gary Dzierlenga, Senior Assistant City Attorney

REQUIRED AUTHORIZATION

Finance Director:

Other Authorization:

Other Authorization: