

TO: Mayor via City Secretary

REQUEST FOR COUNCIL ACTION

SUBJECT: An ordinance amending ordinance 2015-914 approving a cooperative development agreement between the City of Houston and Harris County Improvement District No. 12 for the construction of sanitary sewer line within the Holmes Road Right of Way and terminating at the 78 inch sanitary sewer at Knight Road	Category #	Page 1 of 1	Agenda Item #
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FROM (Department or other point of origin): Andrew F. Icken, Chief Development Officer	Origination Date	Agenda Date
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DIRECTOR'S SIGNATURE: 	Council District affected: K
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For additional information contact: Gwendolyn F. Tillotson Phone: 832-393-0937	Date and identification of prior authorizing Council action: Ord. No. 2015-914; 09-30-15
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RECOMMENDATION: (Summary)
That the City Council approve an ordinance amending ordinance 2015-914 approving a cooperative development agreement between the City of Houston and Harris County Improvement District No. 12 for the construction of sanitary sewer line within the Holmes Road Right of Way and terminating at the 78 inch sanitary sewer at Knight Road

Amount of Funding:

SOURCE OF FUNDING General Fund Grant Fund Enterprise Fund N/A

SPECIFIC EXPLANATION:
On September 30, 2015, City Council adopted and passed Ordinance No. 2015-914 approving a cooperative development ("CDA") agreement for the construction of a 48" wastewater main and 42" wastewater main lines within the Holmes Road Right of Way and terminating at the 78 inch sanitary sewer at Knight Road. The agreement allowed for the City to design construct and provide partial funding of design, construction, rights-of-way, and related items, and the District to provide partial funding of design, construction, rights-of-way, and related items.

The estimated cost of the project is \$12.6M to 14.6M ("Project Costs") including construction, design, easement and right of way acquisitions. The "upfront" construction costs will derive from two sources. PWE will provide up to approximately \$6.8M towards the Project Costs and Harris County Improvement District No. 12 ("HCID No. 12") will provide approximately \$7.8M .

The City's Public Works and Engineering Department ("PWE") will be responsible for the design and the construction of the Project. On June 18, 2014, City Council approved Ordinance No. 2014-621 for the planning and design of the Project. At the completion of the design phase, the construction phase will proceed.

The original Agreement approved in Ordinance No. 2015-914 stated that the District would issue contract revenue bonds for its proportionate share of the Project Costs and that the bond debt payments will be made in accordance to an economic development agreement between the City and the District. The amended agreement allows HCID No. 12 to obtain non-bond third party financing for its portion of the project costs. This amendment is necessary to address a change in policy of the Texas Attorney General in approving bonds secured by property tax revenue. The Economic Development Office is analyzing the impact of this policy for future projects, but this project can move forward with this amended agreement.

The proposed amendment is to allow for the District to secure third party financing as an alternate financing option to the bond debt issuance.

cc: City Secretary
Mayor's Office
Legal Department
Finance Department
Marta Crinejo

REQUIRED AUTHORIZATION

Other Authorization:	Other Authorization:	Other Authorization:
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