



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 10/9/2018

District D

Item Creation Date: 9/17/2018

25RS207 – First Amendment to Communication Tower Lease Agreement with CenterPoint Energy Resources Corp., at 12065 S. Main.

Agenda Item#: 35.

Summary:

AN ORDINANCE APPROVING AND AUTHORIZING A FIRST AMENDMENT TO LEASE AGREEMENT (COMMUNICATION TOWER) BETWEEN CENTERPOINT ENERGY RESOURCES CORPORATION, AS LANDLORD, AND THE CITY OF HOUSTON, TEXAS, AS TENANT, FOR SIZE REDUCTION OF THE CURRENT LEASED AREA UPON THE PROPERTY LOCATED AT 12065 SOUTH MAIN STREET WHERE THE CITY'S RADIO COMMUNICATION TOWER IS INSTALLED; CONTAINING FINDINGS AND OTHER PROVISIONS RELATING TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.

Background:

RECOMMENDATION: Approve and authorize First Amendment to Communication Tower Lease Agreement between CenterPoint Energy Resources Corp., (CenterPoint) and the City of Houston, at 12065 S. Main, Houston, Texas for the Radio Communications Division of Houston Information Technology Services (HITS).

SPECIFIC EXPLANATION: In 2008, City of Houston purchased a new Public Safety Radio System to replace the outmoded system. The new radio system has more channels and is interoperable, allowing Fire, Police and Houston Public Works to communicate more effectively with each other, within the City, and with other public safety entities to serve the needs of a growing community. To facilitate the project, HITS entered into a lease agreement with CenterPoint Energy Houston Electric, LLC (CEHE) to lease communication tower and ground space for the construction, operation and maintenance of a 300-foot self-supporting radio communications tower and a radio communications room along with antennas and other telecommunications equipment. CEHE assigned the original lease agreement to CenterPoint.

The original lease agreement commenced on March 10, 2011, for a term of ten years with one five-year renewal option. CenterPoint now desires to decrease the leased space under the original lease agreement and the City does not oppose such decrease. Therefore, the proposed First Amendment will reduce the leased space from 0.66 acres to 0.412 acres and reduce the annual rent from \$27,000.00 to \$20,961.65, with an annual escalator of 3% during the lease term.

All other terms and conditions of the original lease agreement remain the same.

The General Services Department recommends approval of a First Amendment to Communication Tower Lease Agreement with CenterPoint Energy Resources Corp., for HITS.

OPERATING BUDGET FISCAL NOTE: Funding for this item is included in the FY 2019 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

DIRECTOR'S SIGNATURES/DATE:

 10-3-18
C. J. Messiah, Jr.
General Services Department

DocuSigned by:
 10/3/2018

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Lisa Kent
Houston Information Technology Services

Prior Council Action:

Ordinance No. 2011-0170; March 2, 2011

Amount of Funding:

General Fund (1000)

\$10,690.43 – Initial Base Term – FY2019

Contact Information:

Jacquelyn L. Nisby

Council Liaison

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ATTACHMENTS:

Description

Signed Cover Sheet

Lease

ORD 2011-170

Previous RCA - 03-02-2011

Form 1295

Executed Amendment

Funding Info

Ordinance Package

FIN - RCA Funding info

Type

Signed Cover sheet

Signed Cover sheet

Ordinance/Resolution/Motion

Backup Material

Backup Material

Contract/Exhibit

Financial Information

Signed Cover sheet

Financial Information