



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 11/6/2019

District B

Item Creation Date: 8/7/2019

25DW43- First Amendment to Tower Lease Agreement with Harris County Port of Houston Authority for 8675 Clinton Dr.

Agenda Item#: 26.

Summary:

ORDINANCE approving and authorizing a first amendment to the lease agreement between the City of Houston, Texas, Tenant, and PORT of HOUSTON AUTHORITY of HARRIS COUNTY, TEXAS, Landlord, for use of the property located at Northside Turning Basin along Clinton Drive as tower site and increasing the spending authority granted under Ordinance No. 2009-737; containing various findings and other provisions related to the subject; and declaring an emergency - **DISTRICT B - DAVIS**

Background:

RECOMMENDATION: Approve and authorize Amendment to Lease Agreement between the Port of Houston Authority of Harris County, Texas (Landlord) and the City of Houston (Tenant), for ground and lease space at 8675 Clinton Drive, Houston, Texas for the Radio Communications Division of Houston Information Technology Services (HITS).

SPECIFIC EXPLANATION: In 2008, the City of Houston purchased a new Public Safety Radio System to replace the outdated system. The new radio system has more channels and is interoperable, allowing the Houston Fire Department, the Houston Police Department 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 the Port of Houston Authority for approximately 0.23 acres, to construct a 300' self-supporting communication tower and ground space for its telecommunications equipment.

The original lease agreement commenced on August 14, 2009, for term of ten-years with two five-year renewal options, at a monthly rental of \$2,000. The City has exercised its renewal option, which terminates on November 30, 2024. The parties now desire to amend the lease to adjust the annual base rent to reflect the current market rate. The proposed Amendment will increase the annual rent from \$24,000.00 to \$24,720.00 beginning on December 1, 2019, or \$2,060.00 per month, with an annual escalator of 3% during the lease term. The proposed increase is in accordance with the target monthly rental rate between \$1,650 to \$2,400, as recommended by the consulting firm hired by HITS to conduct a rent market analysis. Therefore, the General Services Department recommends approval of Amendment to Lease Agreement with the Port of Houston Authority of Harris County, for HITS.

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

OPERATING BUDGET FISCAL NOTE: Funding for this item is included in the FY2020 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

Estimated Spending Authority			
Department	FY2020	Out Years	Total
Houston Information Technology Services	\$14,420.00	\$116,821.84	\$131,241.84

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DIRECTOR SIGNATURES/DATE:

DocuSigned by:

 C. J. Messiah Jr.
 General Services Department
 10/30/2019

DocuSigned by:

 Lisa Kent
 Houston Information Technology Services
 10/30/2019

Prior Council Action:

Ordinance No. 2009-737; dated August 12, 2009

Amount of Funding:

\$ 14,420.00 – FY2020 General Fund (Fund 1000)

\$116,821.84 – Out Years General Fund (Fund 1000)

\$131,241.84 - TOTAL

Contact Information:

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Council Liaison

Phone: 832.393.8023

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ATTACHMENTS:

Description

Amend Lease Agreement

Lease Abstract

Tower Site Map

Ordinance

Type

Contract/Exhibit

Backup Material

Backup Material

Ordinance/Resolution/Motion