



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 11/19/2019

ALL

Item Creation Date: 10/21/2019

ARA-2020 McKinney Lease Spending Authority

Agenda Item#: 63.

Summary:

ORDINANCE approving and authorizing an increase in spending authority for the lease agreement between **ORANGESTONE MCKINNEY, LLC** (as successor in interest to Levan Properties, LP), landlord, and the City of Houston, Texas, tenant, approved by Ordinance No. 2010-734; containing various findings and other provisions related to the subject; and declaring an emergency.

Background:

The Administration and Regulatory Affairs Department recommends approval of an ordinance to increase the spending authority from \$2,211,183.56 to a maximum contract amount of \$2,663,759.99 for Contract No 4600010955 between OrangeStone Kinney, LLC (as successor in interest to Levan Properties, LP), landlord, and the City of Houston, as tenant, for the lease of certain property located at 2020 McKinney, Houston, Texas which is being used by the Parking Management Division of the Administration and Regulatory Affairs Department.

This lease was approved and authorized by City Council on September 22, 2010, by Ordinance No. 2010-0734. The initial allocation for this ten-year lease is \$2,211,183.56. Expenditures through December 2019 are projected to be \$2,191,542.52. The initial allocation will be exhausted earlier than anticipated because the initial allocation was only for 10 years of lease payments, and did not include estimates for taxes or insurance, which are required under the lease. All premiums and taxes have been paid timely.

The requested increase in spending authority from \$2,211,183.56 to a maximum contract amount of \$2,663,759.99 is projected to be sufficient for lease payments, taxes, and insurance through the remainder of the lease term, which expires on March 8, 2021. The lease terms and conditions shall remain as previously approved by City Council.

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.

Departmental Approval Authority:

DocuSigned by:

Tina Paez

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**Tina Paez, Director
Administration & Regulatory
Affairs Department**

Other Departmental Authorization

Prior Council Action:

Ordinance #2010-0734, Passed on September 22, 2010

Amount of Funding:

ARA – Parking Management Special Revenue Fund
Fund 8700

\$ 176,948.34 FY2020
\$ 275,628.09 Out Years
\$ 452,576.43

Contact Information:

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ATTACHMENTS:

Description	Type
10.21.2019 2020 McKinney Spending Authority RCA.docx.pdf	Financial Information
10.21.2019 2020 McKinney Spending Authority	Financial Information
Funding Information Request	Financial Information

