



## **AGENDA MEMORANDUM**

First Reading for the City Council Meeting of June 13, 2017  
Second Reading for the City Council Meeting of June 20, 2017

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**DATE:** April 27, 2017

**TO:** Margie C. Rose, City Manager

**FROM:** E. Jay Ellington, Director, Parks and Recreation Department  
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<b>Billish Park Agreement with the Padre Isles Property Owners Association</b>
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**CAPTION:**

Ordinance authorizing the City Manager or designee to execute an Agreement with the Padre Isles Property Owners Association ("PIPOA") for the Lease, Construction of Improvements and Operation of Billish Park located at 15601 Gypsy Street, to allow construction of park improvements, with City funding not to exceed \$400,000 and PIPOA funding not to exceed \$200,000, and providing for ongoing park maintenance by PIPOA.

**PURPOSE:**

Approve an agreement between the City and the PIPOA to execute construction of Billish Park Improvements and provide ongoing park maintenance once the construction is complete.

**BACKGROUND AND FINDINGS:**

Bond 2012 includes funds to improve major investments and community parks. Billish Park was earmarked for \$500,000 in improvements in the bond. The Parks and Recreation Department has worked with the PIPOA to develop plans for the improvements. However, along the way the project has hit various roadblocks (initial design consultant passed away, bids came in over budget, etc).

Due to the lack of sufficient funds to cover the costs of all of the designed improvements for Billish Park, located at 15602 Gypsy Street on Padre Island, approved as part of the 2012 Bond program, an agreement has been reached with the PIPOA Inc. in which the PIPOA will assume responsibility for the design and construction of the Park improvements.

The final design will be subject to approval by the Director of Parks and Recreation and the Director of Engineering Services. The Park will be leased to the POA for the period of construction with the POA paying the full costs of construction and being responsible to assure that all bills are paid. Upon completion of construction of the improvements according to the approved plans, the POA will deed the leasehold improvements to the City for an amount not to exceed \$400,000, with an amount not to exceed \$200,000 being paid by the POA, and the lease will terminate. In the event of any cost savings in

the construction, the price will be reduced with two-thirds of the savings for the City and one-third for the POA.

After the completion of construction, the POA has agreed to maintain the Park on a year-to-year basis for an annual fee of \$14,700.00 which is the amount currently budgeted by Parks for Billish Park. The POA will be responsible for any additional costs. The parties can terminate that agreement at any time on one year's notice.

The Agreement for the Lease, Construction of Improvements and Operation of Billish Park is attached.

**ALTERNATIVES:**

Do not approve the agreement and ask the Parks & Recreation Department to oversee limited project improvements.

**OTHER CONSIDERATIONS:**

None

**CONFORMITY TO CITY POLICY:**

Lease agreements must be approved by City Council.

**EMERGENCY / NON-EMERGENCY:**

Non-Emergency

**DEPARTMENTAL CLEARANCES:**

Parks and Recreation, Legal, Finance

**FINANCIAL IMPACT:**

X Operating      ☐ Revenue      x Capital      ☐ Not applicable

<b>Fiscal Year: 2016-17</b>	<b>Project to Date Expenditures (CIP only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget				
Encumbered/ Expended Amount				
This item	\$400,000		\$14,700	\$414,700
BALANCE	\$400,000		\$14,700	\$414,700

Fund(s): Bond 2012 - \$400,000; FY2018 (and future FY) \$14,700

**Comments:**

None

**RECOMMENDATION:** Staff recommends approving the agreement.

**LIST OF SUPPORTING DOCUMENTS:**

Lease Agreement  
Ordinance