



May 12, 2020

Draft term sheet for the Interlocal Agreement (ILA) between the City of Houston (COH) and the Harris County Flood Control District (District) for the purchase of the Woodridge Village property in Montgomery County, COH ETJ:

WHEREAS:

- The Elm Grove subdivision and surrounding neighborhoods experienced 2 significant floods in 2019, one in May and then TS Imelda in September
- The residents affected by the floods are both COH and Harris County residents
- The 267.35 acres offered for sale by Figure Four "Property" is suitably located for sub-regional detention to protect the adversely affected residents
- The ongoing work at the Property will result in approximately 268 acre-feet of stormwater detention, which in itself will help protect the affected residents from future intense rainfall events
- The current selling price offered by Figure Four is to cover the original purchase price of \$14,019,316 which excludes their carrying costs as well as their cost of installing the approximate 268 acre-feet of storage, which is a value to the District and COH or "Parties"
- The COH has requested that in lieu of a cash match, mutually agreeable COH assets be identified and offered as payment to the District for flood risk reduction projects in areas that experience frequent and severe flooding
- Once acquired, the COH and District will work together to find additional funding to build out additional storage at the Property to maximize downstream benefits to affected residents

TERMS:

1. COH agrees in principle to the cash selling price of \$14,019,316 offered by the District to Figure Four provided the Parties mutually agree to use a certified appraiser to substantiate the offer price, with the cost of said appraisal to be paid for equally by the Parties in cash at a price no to exceed \$2,500 per Party
2. .
3. Should Figure Four find the District's purchase offer agreeable, funds will not be transferred from the District to Figure Four until this ILA is executed by both Commissioners Court and COH Council and the Parties are both in compliance with the ILA.
4. COH hereby adopts the following updated detention and fill mitigation requirements in response to Atlas 14 rainfall rates which shall apply inside COH city limits as well as their Extraterritorial Jurisdiction:
 - a. Require a minimum detention rate of 0.55 acre-feet per acre of detention for any new development on tracts one acre or larger in size; however, a single family

residential structure proposed on an existing lot is exempt from providing detention.

- b. Using hydrograph timing as a substitution for detention on any project unless it outfalls directly to Galveston Bay is prohibited.
 - c. Fill placed in the current mapped 500-year floodplain shall be mitigated on a 1:1 ratio, except in areas identified as coastal zones only.
 - e-d. _____
5. The Parties have mutually identified COH assets in the form of land "Assets" in the amount approximately \$XX, which is at or greater than 50% of the proposed purchase price plus our soft acquisition costs totaling approximately \$XX, or approximately \$7,009,658, in locations that experience frequent and severe flooding that will be used by the District for flood risk reduction projects. These Assets are hereby transferred to the District in fee for their use as regional detention, channel improvements, environmental mitigation, or any other use determined by the District to be beneficial to their mission of reducing flooding. Value of the Assets have been determined by a mutually agreeable third party, certified appraiser. Costs for these appraisals were paid for, or caused to be completed, by the COH. The list of Assets is attached as Exhibit A.
 6. Upon fee transfer, the District shall become responsible for the existing maintenance, due diligence, construction, and ultimate use of the fee properties for flood risk reduction purposes. Compatible third parties uses such as recreation, shall be permissible provided they do not interfere with the District use of the transferred property(ies).
 7. Should the Property be acquired from Figure Four, the District will accept maintenance responsibilities of the Property in a manner as is customary for sites of this type and use as open land and stormwater detention. Any work the District contemplates after acquisition of the Property to facilitate maintenance, such as turf establishment to prevent erosion and site grading to ensure functionality of the detention volume installed by Figure Four, shall first be mutually agreed to by the Parties "Work". After agreeing to the Work, the Parties shall, under separate agreement or amendment to this agreement, establish a funding mechanism to equally share in the Work before the District executes the Work.
 8. Once Property is acquired, the Parties shall work cooperatively together to secure additional funding, including State or Federal sources, to complete the design, permitting, environmental mitigation, and construction of the buildout of maximum stormwater detention volume on the Property "Project", leaving mutually agreeable buffers for maintenance access, recreational, or conservancy purposes if deemed necessary and prudent.
 9. Should partnership funding not materialize, the Parties endeavor to complete the Project within 5 years from the execution of this ILA. If the Parties cannot jointly secure funding to complete the Project, neither party will be expected to take up the sole burden of developing the Project, and in this case, Parties agree the Property may stay in its current configuration until such time funding can be found to advance the Project. Any funds put forward by Parties to achieve the Project shall be shared equally.



10. The COH and District shall work together on development of the Project with respect to permitting, approval processes, or general coordination with Montgomery County on said activities
11. Upon completion of the Project, the District will maintain, or cause maintenance of, the portions of the Project that provide flood control function. Any recreational amenities and related appurtenances on the Project shall be the maintenance responsibility of COH or an equally qualified, capable, and mutually agreeable third party.
12. The stormwater detention volume created by the Project shall be permanently dedicated to reducing existing flood risks, and will not be used to mitigate new development.
13. If Figure Four does not accept the District's purchase offer, this ILA is no longer valid.
14. Termination – if either party terminates this ILA, the District reserves the right to sell the Property to recoup costs associated with the Property purchase price. If upon selling the Property the District does not recoup their initial investment costs, the District shall retain 50% of their losses in the form of COH Assets.

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