

FISCAL YEAR 2004 BUDGET

Fund Summary

Fund Name : Market Square (TIRZ # 3)
Department Name : Planning & Development
Fund/Department No. : 906 / 70

	FY2003 BUDGET	FY2003 ESTIMATE	FY2004 BUDGET
Beginning Fund Balance	\$ 6,128,426	10,697,294	3,158,490
Current Revenues	75,000	85,839	36,000
TIRZ Revenues	6,330,220	6,634,934	7,451,093
Developer Advances	0	0	0
Bond Proceeds	0	0	0
Loan Proceeds	<u>750,000</u>	<u>0</u>	<u>6,000,000</u>
Total Available Resources	<u>\$ 13,283,646</u>	<u>17,418,067</u>	<u>16,645,583</u>
Maintenance and Operations	\$ 492,124	2,924,512	3,323,024
Capital Expenditures	5,701,491	7,939,848	5,695,566
Debt Service	1,581,442	3,183,345	2,178,566
Other Interfund Transfers	<u>5,430,577</u>	<u>211,872</u>	<u>248,036</u>
Total Expense	13,205,634	14,259,577	11,445,192
Planned Ending Fund Equity	<u>78,012</u>	<u>3,158,490</u>	<u>5,200,391</u>
Total Budget	<u>\$ 13,283,646</u>	<u>17,418,067</u>	<u>16,645,583</u>

The Market Square Zone, located in the City's Central Business District, was created by City initiative and approved by City Council on December 19, 1995, and has a thirty-year life. The centerpiece of the proposed Zone development is the Rice Hotel. The Project Plan and Financing Plan provide for a total projected reimbursable cost of \$34 million for acquisition and rehabilitation of the Rice Hotel, streetscape enhancements, the Buffalo Bayou Riverwalk project, a tunnel connection to the City's Tunnel system, and pedestrian and parking facilities.

The Houston Housing Finance Corporation (HHFC) entered into an agreement with the TIRZ to provide capital for acquisition and rehabilitation of the Rice Hotel. Pursuant to an agreement with HHFC, the TIRZ will make annual payments to HHFC of \$750,000 until the loan is repaid.

In FY1999, City Council approved an annexation of an additional 275 acres in the CBD into the zone and amended the project plan and finance plan to include additional project costs associated with infrastructure improvements related to Historic Preservation projects and redevelopment of the Main Street commercial corridor. Council has also approved the creation of the Main Street-Market Square Redevelopment Authority. In FY2002, the Authority issued \$12.8 million to fund costs associated with the Main Street redevelopment effort. FY2003 efforts focused on the Main Street enhancements and working with METRO to enhance the Super Stops of the Light Rail line. The Authority anticipates it will fund approximately \$10 million in street enhancements to the Light Rail project.