City of Houston, Texas, Ordinance No. 2011 - 972

AN ORDINANCE RELATING TO THE FISCAL AFFAIRS OF THE CITY PARK REDEVELOPMENT AUTHORITY ON BEHALF OF REINVESTMENT ZONE NUMBER TWELVE, CITY OF HOUSTON, TEXAS (CITY PARK ZONE); APPROVING THE FISCAL YEAR 2012 OPERATING BUDGET FOR THE AUTHORITY; CONTAINING FINDINGS AND OTHER PROVISIONS RELATED TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.

* * * * * * *

WHEREAS, the City Park Redevelopment Authority ("Authority"), a local government corporation acting on behalf of the City in connection with Reinvestment Zone Number Twelve, City of Houston, Texas ("Zone"), has submitted an Operating Budget for Fiscal Year 2012 ("Budget") to the City Council for approval pursuant to the interlocal agreement among the City, the Authority, and the Zone approved by Ordinance No. 2000-358 ("Tri-Party Agreement"); and

WHEREAS, the Budget is based upon the following revenue assumptions:

1. the Tax Year 2011 Projected Captured Appraised Value of $38,518,158.00 which is based on the most current certified property tax roll of the Harris County Appraisal District property values in the Zone as of April 15, 2011; and

2. the tax increment is calculated based on applying the following to the Captured Appraised Value:

   a. a City tax rate of $0.63875/$100 appraised value of property in the Zone;

b. a Houston Independent School District ("HISD") tax rate of $1.1567/$100 appraised value of property in the Zone which reflects the HISD participation rate specified in the interlocal agreement among HISD, the City, and the Zone approved by Ordinance No. 1999-913 ("HISD Agreement"); and

3. HISD's participation is based on the estimated Captured Appraised Value of the Zone for Tax Year 2011 shown in the Project Plan and Reinvestment Zone Financing Plan for the Zone; and

4. a tax collection rate of 99.3% for the City; and

WHEREAS, the Budget is also based on the following assumptions:

1. Amounts will be paid from the HISD Tax Increment Participation in the manner prescribed by the HISD Agreement; and

2. The Authority may receive grants from state and federal agencies during Fiscal Year 2012, and may receive grants from other sources, which may require the Authority to pay a local match; and

3 the type and amount of coverage for all forms of insurance will be reasonable and appropriate under the circumstances of the Zone, and the Zone and Authority will pursue the most cost-effective means of obtaining coverage, including but not limited to, competitive bidding; and

WHEREAS, the City Council desires to approve the Budget; **NOW, THEREFORE,**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:

Section 1. That the findings contained in the preamble of this Ordinance are determined to be true and correct and are hereby adopted as part of this Ordinance.

Section 2. That the City Council takes cognizance of the fact that in order to implement the Project Plan and Reinvestment Zone Financing Plan for the Zone, and to make adjustments occasioned by events transpiring during the year, the Authority may need to transfer funds from one Line Item of Project Costs shown on Exhibit "A" to another. Unless approved by the City Council, the Authority may transfer funds only: (1) as needed for Debt Service; and (2) from one Line Item of Project Costs to another, provided that the aggregate of such transfers does not exceed the lesser Four Hundred Thousand Dollars ($400,000) or five percent (5%) of the Project Costs during Fiscal Year 2012. Subject to the foregoing, the Operating Budget attached hereto as Exhibit "A" is hereby approved for the Authority.

Section 3. That not later than the end of Fiscal Year 2013, the Director of the City's Finance Department (or any successor with the responsibility of preparing a budget for the Zone) shall determine the amount of money necessary to: (1) complete and pay for the estimated costs of all projects listed in the Zone's Project Plan and Reinvestment Zone Financing Plan; (2) pay any tax increment bonds or notes issued for the Zone; and (3) pay any other obligations of the Zone. If the Director's analysis shows that more revenues will be available than necessary to make the above-described payments, the Director shall initiate the process to reduce the portion of the tax increment produced by the City and paid into the Tax Increment Fund of the Zone pursuant to applicable law.

Section 4. That not later than March 31, 2012, the Zone and the Authority

shall, in cooperation with City representatives: (1) identify surplus funds in the Authority's Fiscal Year 2012 Operating Budget based on the difference between Zone revenues and the Fiscal Year 2012 Operating Budget for the Authority approved by the City; and (2) make available any surplus Zone funds, through appropriate agreement, for projects identified by the City that are eligible for tax increment funding such as affordable housing, areas of public assembly, incremental costs of municipal services attributable to development and redevelopment in the Zone, and capital projects that benefit the City and the Zone. The agreement may provide for the payment of surplus funds into one or more accounts established by the City or may provide for direct payment by the Authority for the purpose. The Zone and the Authority shall consider amendments to the Zone Project Plan and Reinvestment Zone Financing Plan that may be necessary to accomplish this purpose, and shall expedite any such amendments.

Section 5. That the Authority is authorized to spend any grant money not reflected in the Operating Budget that it receives during Fiscal Year 2012 in the manner prescribed by law. In the event the Authority is required to pay a matching share of any such grant, the Authority, after consultation with and approval by the Director of the City's Finance Department, may spend an amount not to exceed ten percent (10%) of the Operating Budget for such match.

Section 6. That the Director of the Finance Department is directed to assist the Authority in identifying a cost-efficient method for financing public infrastructure consistent with financing principles used by the City.

Section 7. That the approval of this Budget is contingent upon receipt by the Director of the Finance Department of a document signed by the Administrator of the

Authority and/or Zone disclosing the name of each owner or developer of property within the Zone from which the Administrator has received compensation during the last five calendar years, and the amount of compensation by owner by year. Compensation may be expressed by category as follows:

Category I	Less than $1,000.00
Category II	At least $1,000.00 but less than $10,000.00
Category III	At least $10,000.00 but less than $50,000.00
Category IV	At least $50,000.00 but less than $100,000.00
Category V	At least $100,000.00 but less than $500,000.00
Category VI	At least $500,000.00 but less than $1,000,000.00
Category VII	$1,000,000.00 or more

Section 8. That there exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED this 16th **day of** November**, 2011.**

APPROVED this _____ day of _____, 2011.

_____
Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is NOV 2 2 2011.

City Secretary

(Prepared by Legal Department Donna Capps)
(DRC:drc August 1, 2011) Assistant City Attorney
(Requested by Kelly Dowe, Director, Finance Department)
(L.D. File No. 0610800052010)
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AYE	NO	
ABSENT-OUT OF CITY CITY BUSINESS		MAYOR PARKER
••••	••••	COUNCIL MEMBERS
✓		STARDIG
✓		JOHNSON
ABSENT-OUT OF CITY ON PERSONAL BUSINESS		SUTTERBUCK
ABSENT-OUT OF CITY CITY BUSINESS		ADAMS
ABSENT-CITY BUSINESS		SULLIVAN
✓		HOANG
✓		PENNINGTON
✓ VICE MAYOR PRO TEM PRESIDING		GONZALEZ
✓		RODRIGUEZ
✓		COSTELLO
✓		LOVELL
ABSENT-OUT OF CITY ON PERSONAL BUSINESS		NORIEGA
✓		BRADFORD
✓		JONES
CAPTION	ADOPTED	

CAPTION PUBLISHED IN DAILY COURT REVIEW
DATE: NOV 2 2 2011

MAY 017 Rev. 12/09

EXHIBIT "A"

Fiscal Year 2012 Operating Budget for City Park Redevelopment Authority

CITY OF HOUSTON
ECONOMIC DEVELOPMENT DIVISION
FISCAL YEAR 2012 BUDGET PROFILE

Fund Summary
Fund Name: **City Park Redevelopment Authority**
TIRZ: **12**
Fund Number: **7560/64**

PROFILE

Base Year:		1998
Base Year Taxable Value:	$	2,410,450
Projected Taxable Value (TY2011):	$	40,928,608
Current Taxable Value (TY2010):	$	41,150,098
Acres:		91.71
Administrator (Contact):		City of Houston Economic Development
Contact Number:		713-837-7828

NARRATIVE

Zone Purpose:

The purpose of the zone is to advance a mixed use development project by providing a funding mechanism for the construction of a major thoroughfare called East T.C. Jester Boulevard, reconstruction of the 18th Street and 20th Street intersection, reconstruction of Bevis Street, park facilities, and a portion of the City of Houston hike and bike trail.

Accomplishments in FY11 (Projects Underway):

In fiscal year 2011, the City Park TIRZ accomplished:

- The TIRZ made its annual developer reimbursement payment.
- Final payment was made on the Wells Fargo loan in FY11.
- The Authority hired an engineer to conduct a preliminary engineering report for Phase I of the W 18th St Bridge & Intersection Project.

PROJECT PLAN

	Total Plan	Cumulative Expenses (to 6/30/10)	Variance
Capital Projects:			
East TC Jester Bevis Street Reconstruction	$ 3,685,000	$ 4,945,803	$ (1,260,803)
Area Beautification Park Facilities	1,510,000	1,235,402	274,598
Environmental Assessment	75,000	292,860	(217,860)
Hike & Bike Trail	100,000	-	100,000
			-
Total Capital Projects	$ 5,370,000	$ 6,474,065	$ (1,104,065)
Affordable Housing	-	-	-
Education Facilities	7,996,366	1,976,732	6,019,634
Financing Costs	2,937,350	-	2,937,350
Administration Costs	270,000	813,880	(543,880)
Creation Costs	150,000	150,000	-
Total Project Plan	$ 16,723,716	$ 9,414,677	$ 7,309,039

DEBT

Additional Financial Data	FY2011 Budget	FY2011 Estimate	FY2012 Budget
Debt Service	$ 299,373	$ 299,373	$ -
Principal	$ 285,879	$ 285,879	$ -
Interest	$ 13,494	$ 13,494	$ -
	Balance as of 6/30/10	**Projected Balance as of 6/30/11**	**Projected Balance as of 6/30/12**
Year End Outstanding (Principal)			
Bond Debt			
Bank Loan	$ 285,879	$ -	$ -
Developer Agreement	$ 4,799,579	$ 4,727,579	$ 3,998,634
Other		$ -	$ -

CITY OF HOUSTON
ECONOMIC DEVELOPMENT DIVISION
FISCAL YEAR 2012 BUDGET DETAIL

Fund Summary
Fund Name: **City Park Redevelopment Authority**
TIRZ: **12**
Fund Number: **7560/64**

TIRZ Budget Line Items	FY2011 Budget	FY2011 Estimate	FY2012 Budget
RESOURCES			
RESTRICTED Funds - Capital Projects	$ -	$ -	$ -
RESTRICTED Funds - Affordable Housing	$ -	$ -	$ -
RESTRICTED Funds - Bond Debt Service	$ -	$ -	$ -
UNRESTRICTED Funds	$ 431,398	$ 450,328	$ 446,279
Beginning Fund Balance	**$ 431,398**	**$ 450,328**	**$ 446,279**
City tax revenue	$ 240,107	$ 247,534	$ 244,386
ISD tax revenue	$ 407,910	$ 408,196	$ 405,367
ISD tax revenue - Pass Through	$ -	$ 505,782	$ -
County tax revenue	$ -	$ -	$ -
Community College tax revenue	$ -	$ -	$ -
Incremental property tax revenue	**$ 648,017**	**$ 1,161,512**	**$ 649,753**
COH TIRZ Interest	$ 632	$ 632	$ 632
Miscellaneous revenue	**$ 632**	**$ 632**	**$ 632**
Interest Income	$ 1,855	$ 1,741	$ 1,919
Other Interest Income	**$ 1,855**	**$ 1,741**	**$ 1,919**
	$ -	$ -	$ -
Developer Advances	**$ -**	**$ -**	**$ -**
	$ -	$ -	$ -
Grant Proceeds	**$ -**	**$ -**	**$ -**
	$ -	$ -	$ -
Special assessment bond proceeds	**$ -**	**$ -**	**$ -**
	$ -	$ -	$ -
Proceeds from bank loan	**$ -**	**$ -**	**$ -**
TOTAL AVAILABLE RESOURCES	$ 1,081,902	$ 1,614,213	$ 1,098,583

CITY OF HOUSTON
ECONOMIC DEVELOPMENT DIVISION
FISCAL YEAR 2012 BUDGET DETAIL

Fund Summary
Fund Name: **City Park Redevelopment Authority**
TIRZ: **12**
Fund Number: **7560/64**

TIRZ Budget Line Items	FY2011 Budget	FY2011 Estimate	FY2012 Budget
EXPENDITURES			
Accounting	$ 2,500	$ 1,861	$ 6,000
Administration Consultant	$ 10,500	$ -	$ 10,500
Adminstration Salaries & Benefits	$ -	$ -	$ -
Auditor	$ 9,000	$ 9,500	$ 9,000
Insurance	$ 1,000	$ 1,035	$ 1,000
Office Expenses	$ 300	$ -	$ 3,000
TIRZ Administration and Overhead	**$ 23,300**	**$ 12,396**	**$ 29,500**
Engineering Consultants	$ 55,000	$ 50,680	$ -
Legal	$ 8,000	$ 6,088	$ 9,000
Construction Audit	$ -	$ -	$ -
Project/Program Management	$ -	$ -	$ -
Program and Project Consultants	**$ 63,000**	**$ 56,768**	**$ 9,000**
Management consulting services	**$ 86,300**	**$ 69,164**	**$ 38,500**
Capital Expenditures (See CIP Schedule)	$ -	$ -	$ -
TIRZ Capital Expenditures	**$ -**	**$ -**	**$ -**
City Park Venture	$ 31,793	$ 36,921	$ 373,793
Gregory M. Baxter	$ 6,041	$ 7,016	$ 71,030
Robert W. Nash	$ 12,083	$ 14,032	$ 142,061
Linda Lackner Wheeler	$ 12,083	$ 14,032	$ 142,061
Developer / Project Reimbursements	**$ 62,000**	**$ 72,000**	**$ 728,945**
Bond Debt Service			
Principal - Infrastructure	$ -	$ -	$ -
Interest - Infrastructure	$ -	$ -	$ -
Loan debt service			
Principal	$ 285,879	$ 285,879	$ -
Interest	$ 13,494	$ 13,494	$ -
Other Debt Items			
Line of Credit Repayment	$ -	$ -	$ -
Loan fees	$ -	$ -	$ -
System debt service	**$ 299,373**	**$ 299,373**	**$ -**
TOTAL PROJECT COSTS	$ 447,673	$ 440,537	$ 767,445
Payment/transfer to ISD - Educational Facilities	$ 182,821	$ 184,238	$ 181,572
Payment/transfer to ISD - Educational Facilities (Pass Through)	$ -	$ 505,782	$ -
Administration Fees:			
City	$ 12,005	$ 12,377	$ 12,219
County	$ -	$ -	$ -
ISD	$ 25,000	$ 25,000	$ 25,000
Affordable Housing:			
City	$ -	$ -	$ -
ISD to City of Houston	$ -	$ -	$ -
Transfer to Harris County	$ -	$ -	$ -
Municipal Services (Payable to COH)	$ -	$ -	$ -
Total Transfers	**$ 219,826**	**$ 727,397**	**$ 218,791**
Total Budget	$ 667,499	$ 1,167,934	$ 986,236
RESTRICTED Funds - Capital Projects	$ -	$ -	$ -
RESTRICTED Funds - Affordable Housing	$ -	$ -	$ -
RESTRICTED Funds - Bond Debt Service	$ -	$ -	$ -
UNRESTRICTED Funds	$ 414,403	$ 446,279	$ 112,347
Total Ending Fund Balance	**$ 414,403**	**$ 446,279**	**$ 112,347**
Total Budget & Ending Fund Balance	$ 1,081,902	$ 1,614,213	$ 1,098,583

Notes:
The TY10/FY11 Estimate for incremental property tax revenue and transfers from the City of Houston, all ISDs, Harris County, and Community Colleges is based on the Harris County Tax Office collections report dated April 2011.

The TY11/FY12 Budget for incremental property tax revenue and transfers is based on the TY10 Harris County Tax Office collections report dated April 2011 and the Harris County Appraisal District's tax year 2011 projections by property use category.