

City of Houston, Texas, Ordinance No. 2012 - 811

AN ORDINANCE RELATING TO THE FISCAL AFFAIRS OF REINVESTMENT ZONE NUMBER FOUR, CITY OF HOUSTON, TEXAS (VILLAGE ENCLAVES ZONE); APPROVING THE FISCAL YEAR 2013 OPERATING BUDGET FOR THE ZONE; CONTAINING FINDINGS AND OTHER PROVISIONS RELATED TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.

* * * * *

WHEREAS, in 1996, the City created Reinvestment Zone Number Four, City of Houston, Texas (the "Zone"), as approved by Ordinance No. 1996-1014, and in 1997, enlarged the boundaries of the Zone, as approved by Ordinance No. 1997-479; and

WHEREAS, pursuant to that certain agreement among the City, the Zone, and the Houston Independent School District ("HISD"), approved by Ordinance No. 1997-565 (the "HISD Agreement"), HISD has financed the construction of certain educational facilities within the Zone; and

WHEREAS, pursuant to the HISD Agreement, two-thirds (2/3) of all HISD and City tax increments paid into the Tax Increment Fund for the Zone shall be used to pay School Facilities Debt in an amount not to exceed \$45,000,000 plus the cost of financing, after the payment of Developer Debt, School Support Expenses (if any), and Administrative Expenses, as those terms are defined in the HISD Agreement; and

WHEREAS, pursuant to Chapter 311 of the Texas Tax Code, one-third (1/3) of all tax increments paid into the Tax Increment Fund for the Zone shall be dedicated to

the provision of affordable housing; and

WHEREAS, the City's Chief Development Officer has submitted to the City Council a Fiscal Year 2013 Operating Budget for the Zone (the "Budget") that the City Council desires to approve; **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 Budget attached hereto as Exhibit "A" is hereby approved for the Zone.

Section 3. That not later than March 31, 2013, the Zone shall, in cooperation with City representatives (1) identify surplus funds in the Zone's Fiscal Year 2013 Operating Budget based on the difference between Zone revenues and the Fiscal Year 2013 Operating Budget for the Zone 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 Zone for the purpose. The Zone shall consider amendments to its Project Plan and Reinvestment Zone Financing Plan that may be necessary to accomplish this purpose, and shall expedite any such amendments.

Section 4. That the approval of this Budget is contingent upon receipt by the City's Chief Development Officer of a document signed by the Administrator of the 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 5. 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 19th day of September, 2012.

APPROVED this _____ day of _____, 2012.

Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is SEP 25 2012.



City Secretary

(Prepared by Legal Department )
(MFB:mfb August 24, 2012) Assistant City Attorney
(Requested by Andrew F. Icken, Chief Development Officer)
(L.D. File No. 0619600031024)

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AYE	NO	
✓		MAYOR PARKER
....	COUNCIL MEMBERS
✓		BROWN
✓		DAVIS
✓		COHEN
✓		ADAMS
✓		SULLIVAN
✓		HOANG
✓		PENNINGTON
✓		GONZALEZ
✓		RODRIGUEZ
✓		LASTER
✓		GREEN
✓		COSTELLO
✓		BURKS
✓		NORIEGA
✓		BRADFORD
✓		CHRISTIE
CAPTION	ADOPTED	

CAPTION PUBLISHED IN DAILY COURT
REVIEW
DATE: SEP 25 2012

EXHIBIT "A"

**Fiscal Year 2013 Operating Budget for
Village Enclave Zone**

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2013 BUDGET PROFILE

Fund Summary
 Fund Name: Village Enclaves
 TIRZ: 04
 Fund Number: 7552/50

P R O F I L E	Base Year:	1996, expanded in 1997
	Base Year Taxable Value:	\$ 57,002,700
	Projected Taxable Value (TY2012):	\$ 926,636,453
	Current Taxable Value (TY2011):	\$ 901,703,434
	Acres:	1,189.86
	Administrator (Contact):	Economic Development
Contact Number:	832-393-0985	

N A R R A T I V E	Zone Purpose:
	The purpose of the zone is to facilitate residential and commercial development and to finance the construction of the Westside High School, a shared use high school facility.
Accomplishments in FY12 (Projects Underway):	
Zone projects complete - processed annual payment to Houston ISD per interlocal agreement for Westside High School facilities.	

P R O J E C T P L A N		Cumulative Expenses		
		Total Plan	(to 6/30/11)	Variance
	Capital Projects:			
	Water Sewer/Impact, Land, Improvements, Utility Lines, Engineering (Developer Agreement)	\$ 1,095,535	\$ 1,364,445	\$ (268,910)
	Interest on Developer Agreement	936,911	360,590	576,321
	Total Capital Projects	\$ 2,032,446	\$ 1,725,035	\$ 307,411
	Affordable Housing	40,500,934	38,336,445	2,164,489
	Education Facilities	45,000,000	76,552,381	(31,552,381)
	Financing Costs	36,920,015	2,754,389	34,165,626
	Administration Costs	167,000	146,730	20,270
	Creation Costs	42,600	26,856	15,744
	Total Project Plan	\$ 124,662,995	\$ 119,541,836	\$ 5,121,159

D E B T	Additional Financial Data	FY2012 Budget	FY2012 Estimate	FY2013 Budget
		Debt Service	\$ -	\$ -
	Principal	\$ -	\$ -	\$ -
	Interest	\$ -	\$ -	\$ -
		Balance as of 6/30/11	Projected Balance as of 6/30/12	Projected Balance as of 6/30/13
	Year End Outstanding (Principal)			
	Bond Debt	\$ -	\$ -	\$ -
	Bank Loan	\$ -	\$ -	\$ -
	Developer Agreement	\$ -	\$ -	\$ -
	Other	\$ -	\$ -	\$ -

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2013 BUDGET DETAIL

Fund Summary
 Fund Name: Village Enclaves
 TIRZ: 04
 Fund Number: 7552/50

TIRZ Budget Line Items	FY2012 Budget	FY2012 Estimate	FY2013 Budget
RESOURCES			
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Bond Debt Service	\$ -	\$ -	\$ -
UNRESTRICTED Funds	\$ -	\$ -	\$ -
Beginning Fund Balance	\$ -	\$ -	\$ -
City tax revenue	\$ 5,081,458	\$ 5,291,029	\$ 2,676,378
ISD tax revenue	\$ 9,067,490	\$ 9,538,465	\$ 4,970,416
ISD tax revenue - Pass Through	\$ -	\$ 3,079,587	\$ -
County tax revenue	\$ -	\$ -	\$ -
Community College tax revenue	\$ -	\$ -	\$ -
Incremental property tax revenue	\$ 14,148,948	\$ 17,909,081	\$ 7,646,794
COH TIRZ Interest	\$ 10,140	\$ -	\$ 22,323
Miscellaneous revenue	\$ 10,140	\$ -	\$ 22,323
Interest Income	\$ -	\$ -	\$ -
Other Interest Income	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Grant Proceeds	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Special assessment bond proceeds	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Proceeds from bank loan	\$ -	\$ -	\$ -
TOTAL AVAILABLE RESOURCES	\$ 14,159,088	\$ 17,909,081	\$ 7,669,117

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2013 BUDGET DETAIL

Fund Summary
 Fund Name: Village Enclaves
 TIRZ: 04
 Fund Number: 7552/50

TIRZ Budget Line Items	FY2012 Budget	FY2012 Estimate	FY2013 Budget
EXPENDITURES			
Accounting	\$ -	\$ -	\$ -
Administration Consultant	\$ -	\$ -	\$ -
Administration Salaries & Benefits	\$ -	\$ -	\$ -
Auditor	\$ -	\$ -	\$ -
Financial Advisor	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -
Office Expenses	\$ -	\$ -	\$ -
TIRZ Administration and Overhead	\$ -	\$ -	\$ -
Engineering Consultants	\$ -	\$ -	\$ -
Legal	\$ -	\$ -	\$ -
Construction Audit	\$ -	\$ -	\$ -
Program and Project Consultants	\$ -	\$ -	\$ -
Management consulting services	\$ -	\$ -	\$ -
Capital Expenditures (See CIP Schedule)	\$ -	\$ -	\$ -
TIRZ Capital Expenditures	\$ -	\$ -	\$ -
Developer / Project Reimbursements	\$ -	\$ -	\$ -
Bond Debt Service			
Principal - Infrastructure	\$ -	\$ -	\$ -
Interest - Infrastructure	\$ -	\$ -	\$ -
Loan debt service			
Principal	\$ -	\$ -	\$ -
Interest	\$ -	\$ -	\$ -
Other Debt Items			
Line of Credit Repayment	\$ -	\$ -	\$ -
Loan fees	\$ -	\$ -	\$ -
System debt service	\$ -	\$ -	\$ -
TOTAL PROJECT COSTS	\$ -	\$ -	\$ -
Payment/transfer to ISD - Educational Facilities	\$ 9,417,772	\$ 9,917,923	\$ 5,120,186
Payment/transfer to ISD - Educational Facilities (Pass Through)	\$ -	\$ 2,053,058	\$ -
Administration Fees:			
City (n/a for TIRZ 4)	\$ -	\$ -	\$ -
County	\$ -	\$ -	\$ -
ISD	\$ 25,000	\$ 25,000	\$ -
Affordable Housing:			
City	\$ 1,693,819	\$ 1,763,676	\$ 892,126
ISD to City of Houston	\$ 3,022,497	\$ 3,122,895	\$ 1,656,805
ISD to City of Houston - Pass Through	\$ -	\$ 1,026,529	\$ -
Transfer to Harris County	\$ -	\$ -	\$ -
Municipal Services (Payable to COH)	\$ -	\$ -	\$ -
Total Transfers	\$ 14,159,088	\$ 17,909,081	\$ 7,669,117
Total Budget	\$ 14,159,088	\$ 17,909,081	\$ 7,669,117
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Bond Debt Service	\$ -	\$ -	\$ -
UNRESTRICTED Funds	\$ -	\$ -	\$ -
Total Ending Fund Balance	\$ -	\$ -	\$ -
Total Budget & Ending Fund Balance	\$ 14,159,088	\$ 17,909,081	\$ 7,669,117

Notes

The TY11/FY12 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 2012

The FY13 Budget is based on an early termination of Village Enclaves as the City of Houston's financial obligations to the Houston Independent School District for debt service has been projected to end in FY13. The increment shown reflects the debt obligation, not the full incremental property tax generated by the zone.