

City of Houston, Texas, Ordinance No. 2013 - 983

AN ORDINANCE RELATING TO THE FISCAL AFFAIRS OF THE SOUTH POST OAK REDEVELOPMENT AUTHORITY ON BEHALF OF REINVESTMENT ZONE NUMBER NINE, CITY OF HOUSTON, TEXAS (SOUTH POST OAK ZONE); APPROVING THE FISCAL YEAR 2014 OPERATING BUDGET FOR THE AUTHORITY; CONTAINING FINDINGS AND OTHER PROVISIONS RELATED TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.

\* \* \* \* \*

**WHEREAS**, the South Post Oak Redevelopment Authority (the "Authority"), a local government corporation acting on behalf of the City in connection with Reinvestment Zone Number Nine, City of Houston, Texas (the "Zone"), has submitted an Operating Budget for Fiscal Year 2014 (the "Budget") to the City Council for approval pursuant to that certain agreement among the City, the Authority, and the Zone approved by Ordinance No. 1999-923 (the "Agreement"); 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, upon the approval of the City's Chief Development Officer, may 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 \$400,000 during Fiscal Year 2014. Subject to the foregoing, the Operating Budget attached hereto as Exhibit "A" is hereby approved for the Authority.

**Section 3.** That not later than March 31, 2014, the Zone and the Authority shall, in cooperation with City representatives (1) identify surplus funds in the Authority's Fiscal Year 2014 Operating Budget based on the difference between Zone revenues and the Fiscal Year 2014 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 Project Plan and Reinvestment Zone Financing Plan for the Zone 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 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

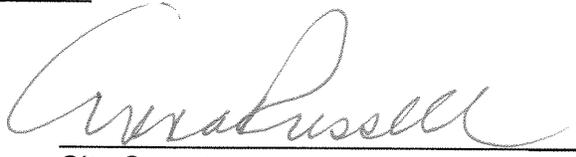
**Section 5.** That there exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the 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 6th day of November, 2013.

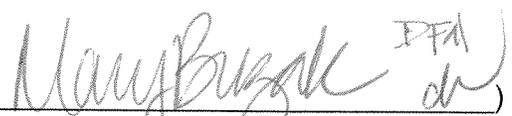
**APPROVED** this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is NOV 12 2013.

  
 City Secretary

(Prepared by Legal Department  
 (MFB:mfb October 23, 2013)  
 (Requested by Andrew F. Icken, Chief Development Officer)  
 (L.D. File No. 0610900025010)

 <sup>IFA</sup> <sub>dr</sub>  
 Assistant City Attorney

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AYE	NO	
✓		MAYOR PARKER
••••	••••	COUNCIL MEMBERS
✓		BROWN
✓		DAVIS
✓		COHEN
✓		ADAMS
✓		MARTIN
✓		HOANG
✓		PENNINGTON
✓		GONZALEZ
✓		RODRIGUEZ
✓		LASTER
✓		GREEN
✓		COSTELLO
✓		BURKS
	ABSENT DUE TO BEING ILL	NORIEGA
✓		BRADFORD
✓		CHRISTIE
CAPTION	ADOPTED	

**EXHIBIT "A"**

**Fiscal Year 2014 Annual Operating Budget for  
South Post Oak Redevelopment Authority**

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CITY OF HOUSTON  
 ECONOMIC DEVELOPMENT DIVISION  
 FISCAL YEAR 2014 BUDGET PROFILE

Fund Summary  
 Fund Name: South Post Oak Redevelopment Authority  
 TIRZ: 09  
 Fund Number: 7557/50

P R O J E C T I V E	Base Year:		1997
	Base Year Taxable Value:	\$	13,580
	Projected Taxable Value (TY2013):	\$	52,117,664
	Current Taxable Value (TY2012):	\$	49,048,009
	Acres:		262.70
	Administrator (Contact):		City of Houston
Contact Number:		(832) 393-0985	

N A R R A T I V E	<b>Zone Purpose:</b>
	Tax Increment Reinvestment Zone Number Nine, City of Houston, Texas was created to facilitate the development of a master-planned community that included commercial, recreational, and residential improvements and amenities, of which 80% of the homes constructed would be available as affordable housing.

	Total Plan	Cumulative Expenses (to 6/30/12)	Variance
<b>Capital Projects:</b>			
Public Improvements	\$ 3,742,366	\$ 5,018,905	\$ (1,276,539)
On-Site Detention	312,000	506,798	(194,798)
Engineering for Public Improvements	478,334	659,698	(181,364)
Noise Barrier Fencing on Public ROW	171,200	248,290	(77,090)
Landscaping on Public ROW	169,542	184,835	(15,293)
Economic Feasibility Study	15,000	18,130	(3,130)
Neighborhood Park	125,000	166,457	(41,457)
Regional Detention	99,000	90,852	8,148
Overhead Pedestrian Walkway	110,000	-	110,000
Streetscape and Neighborhood Entrances	120,000	-	120,000
Geotechnical Report	13,950	41,694	(27,744)
<b>Total Capital Projects</b>	\$ 5,356,392	\$ 6,938,759	\$ (1,582,367)
<b>Affordable Housing</b>	-	-	-
<b>School &amp; Education/Cultural Facilities</b>	-	-	-
<b>Financing Costs</b>	5,485,747	2,348,156	3,137,591
<b>Administration Costs/ Professional Services</b>	1,941,559	4,202,686	(2,261,127)
<b>Creation Costs</b>	300,000	741,479	(441,479)
<b>Total Project Plan</b>	\$ 13,401,334	\$ 14,598,642	\$ (1,197,308)

Additional Financial Data		FY2013 Budget	FY2013 Estimate	FY2014 Budget
D E B T	<b>Debt Service</b>			
	Principal	\$ 734,447	\$ 613,030	\$ 509,419
	Interest	\$ 601,701	\$ 458,405	\$ 365,661
		\$ 132,746	\$ 154,625	\$ 143,758
		<b>Balance as of 6/30/12</b>	<b>Projected Balance as of</b>	<b>Projected Balance as of</b>
			<b>6/30/13</b>	<b>6/30/14</b>
	Year End Outstanding (Principal)			
	Bond Debt	\$ -	\$ -	\$ -
	Bank Loan	\$ -	\$ -	\$ -
	Line of Credit	\$ -	\$ -	\$ -
	Developer Agreement	\$ -	\$ -	\$ -
	Other	\$ 3,968,368	\$ 3,509,963.00	\$ 3,144,302.28
		\$ -	\$ -	\$ -

CITY OF HOUSTON  
 ECONOMIC DEVELOPMENT DIVISION  
 FISCAL YEAR 2014 BUDGET PROFILE

Fund Summary  
 Fund Name: South Post Oak Redevelopment Authority  
 TIRZ: 09  
 Fund Number: 7557/50

TIRZ Budget Line Items	FY2013 Budget	FY2013 Estimate	FY2014 Budget
<b>RESOURCES</b>			
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Bond Debt Service	\$ -	\$ -	\$ -
UNRESTRICTED Funds	\$ 640,040	\$ 694,077	\$ 963,873
<b>Beginning Balance</b>	<b>\$ 640,040</b>	<b>\$ 694,077</b>	<b>\$ 963,873</b>
City tax revenue	\$ 385,562	\$ 301,837	\$ 293,476
County tax revenue	\$ 231,118	\$ 180,040	\$ 166,360
ISD tax revenue	\$ 430,633	\$ 673,325	\$ 461,991
ISD tax revenue - Pass Through	\$ 203,384	\$ 203,384	\$ -
Community College tax revenue	\$ -	\$ -	\$ -
<b>Incremental property tax revenue</b>	<b>\$ 1,250,697</b>	<b>\$ 1,358,586</b>	<b>\$ 921,827</b>
<b>Miscellaneous revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
COH TIRZ interest	\$ 4,000	\$ 1,256	\$ 1,256
Interest Income	\$ 2,752	\$ 924	\$ 4,145
<b>Other Interest Income</b>	<b>\$ 6,752</b>	<b>\$ 2,180</b>	<b>\$ 5,401</b>
<b>Grant Proceeds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Proceeds from Bank Loan</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Contract Revenue Bond Proceeds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL AVAILABLE RESOURCES</b>	<b>\$ 1,897,489</b>	<b>\$ 2,054,843</b>	<b>\$ 1,891,101</b>

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 ECONOMIC DEVELOPMENT DIVISION  
 FISCAL YEAR 2014 BUDGET PROFILE

Fund Summary  
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TIRZ Budget Line Items	FY2013 Budget	FY2013 Estimate	FY2014 Budget
<b>EXPENDITURES</b>			
Accounting	\$ 6,500	\$ 6,500	\$ 6,500
Administration Salaries & Benefits	\$ 15,000	\$ 15,197	\$ 15,000
Auditor	\$ 10,400	\$ 10,475	\$ 10,400
Bond Services/Trustee/Financial Advisor	\$ -	\$ -	\$ -
Insurance	\$ 1,000	\$ 692	\$ 1,000
Office Administration	\$ -	\$ -	\$ -
<b>TIRZ Administration and Overhead</b>	<b>\$ 32,900</b>	<b>\$ 32,864</b>	<b>\$ 32,900</b>
Engineering Consultants	\$ -	\$ -	\$ -
Legal	\$ -	\$ -	\$ -
Construction Audit	\$ 6,000	\$ 6,093	\$ 10,000
Planning Consultants	\$ -	\$ -	\$ -
<b>Program and Project Consultants</b>	<b>\$ 6,000</b>	<b>\$ 6,093</b>	<b>\$ 10,000</b>
<b>Management consulting services</b>	<b>\$ 38,900</b>	<b>\$ 38,957</b>	<b>\$ 42,900</b>
Capital Expenditures (See CIP Schedule)	\$ -	\$ -	\$ -
<b>TIRZ Capital Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Pyramid Residential Community Corporation	\$ -	\$ -	\$ -
Principal	\$ -	\$ -	\$ -
Interest	\$ 601,701	\$ 458,405	\$ 365,661
<b>Developer / Project Reimbursements</b>	<b>\$ 132,746</b>	<b>\$ 154,625</b>	<b>\$ 143,758</b>
<b>System debt service</b>	<b>\$ 734,447</b>	<b>\$ 613,030</b>	<b>\$ 509,419</b>
	\$ -	\$ -	\$ -
<b>TOTAL PROJECT COSTS</b>	<b>\$ 773,347</b>	<b>\$ 651,987</b>	<b>\$ 552,319</b>

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 ECONOMIC DEVELOPMENT DIVISION  
 FISCAL YEAR 2014 BUDGET PROFILE

Fund Summary  
 Fund Name: South Post Oak Redevelopment Authority  
 TIRZ: 09  
 Fund Number: 7557/50

TIRZ Budget Line Items	FY2013 Budget	FY2013 Estimate	FY2014 Budget
Payment/transfer to ISD - educational facilities	\$ 168,542	\$ 263,301	\$ 335,235
Payment/transfer to ISD - educational facilities (Pass Through)	\$ 135,589	\$ 135,589	\$ -
Administration Fees:			
City	\$ -	\$ -	\$ -
County	\$ 19,278	\$ 15,092	\$ 14,674
ISD	\$ -	\$ -	\$ -
HCC	\$ 25,000	\$ 25,000	\$ 25,000
Affordable Housing:			
City	\$ -	\$ -	\$ -
County	\$ -	\$ -	\$ -
ISD to City of Houston	\$ -	\$ -	\$ -
Municipal Services (Payable to COH)	\$ -	\$ -	\$ -
<b>Total Transfers</b>	\$ 348,409	\$ 438,982	\$ 374,909
<b>Total Budget</b>	\$ 1,121,756	\$ 1,090,969	\$ 927,228
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Bond Debt Service	\$ -	\$ -	\$ -
UNRESTRICTED Funds	\$ 775,733	\$ 963,873	\$ 963,873
<b>Ending Fund Balance</b>	\$ 775,733	\$ 963,873	\$ 963,873
<b>Total Budget &amp; Ending Fund Balance</b>	\$ 1,897,489	\$ 2,054,843	\$ 1,891,101

Notes: