

City of Houston, Texas, Ordinance No. 2013 - 955

AN ORDINANCE RELATING TO THE FISCAL AFFAIRS OF THE SAINT GEORGE PLACE REDEVELOPMENT AUTHORITY ON BEHALF OF REINVESTMENT ZONE NUMBER ONE, CITY OF HOUSTON, TEXAS (SAINT GEORGE PLACE ZONE); APPROVING THE FISCAL YEAR 2014 OPERATING BUDGET FOR THE AUTHORITY AND THE FISCAL YEARS 2014-2018 CAPITAL IMPROVEMENTS BUDGET FOR THE ZONE; CONTAINING FINDINGS AND OTHER PROVISIONS RELATED TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.

* * * * *

WHEREAS, the Saint George Place Redevelopment Authority (the "Authority"), a local government corporation acting on behalf of the City in connection with Reinvestment Zone Number One, City of Houston, Texas (the "Zone"), has submitted an Operating Budget for Fiscal Year 2014 (the "Operating Budget") and a five-year Capital Improvements Budget for Fiscal Years 2014-2018 (the "CIP Budget" and, collectively with the Operating Budget, the "Budgets") to the City Council for approval pursuant to that certain agreement among the City, the Authority, and the Zone approved by Ordinance No. 2000-597; and

WHEREAS, the Budgets are based on the following assumptions:

1. The timely implementation of capital improvement projects in the Budgets may require the Authority to incur debt; and
2. The City's Chief Development Officer will assist the Authority in identifying a cost-efficient method to finance the costs of the capital improvement projects; and

WHEREAS, the City Council desires to approve the Budgets; **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 the CIP Budget attached hereto as Exhibit "B" is hereby approved for the Zone.

Section 4. 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 5. That the City's Chief Development Officer is directed to assist the Authority in identifying a cost-efficient method of financing public infrastructure consistent with financing principles used by the City.

Section 6. That approval of this Budget is contingent upon receipt by the 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 7. 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 23rd day of October, 2013.

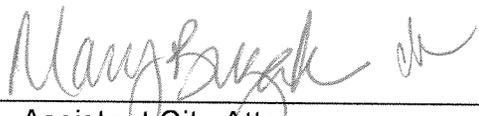
APPROVED this _____ day of _____, 2013.

Mayor

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is OCT 29 2013.



City Secretary

(Prepared by Legal Department )
(MFB:mfb October 16, 2013) Assistant City Attorney
(Requested by Andrew F. Icken, Chief Development Officer)
(L.D. File No. 0619200053067)

G:\REAL ESTATE\TIRZ\TIRZ 1 Lamar Terrace\Budgets\FY14 Budget\ORD Budget FY14 TIRZ #01 10-15-13.docx

AYE	NO	
✓		MAYOR PARKER
••••	••••	COUNCIL MEMBERS
✓		BROWN
✓		DAVIS
✓		COHEN
✓		ADAMS
✓		MARTIN
✓		HOANG
✓		PENNINGTON
ABSENT-OUT OF CITY CITY BUSINESS		GONZALEZ
✓		RODRIGUEZ
✓		LASTER
✓		GREEN
✓		COSTELLO
	ABSENT	BURKS
✓		NORIEGA
✓		BRADFORD
✓		CHRISTIE
CAPTION	ADOPTED	

EXHIBIT "A"

**Fiscal Year 2014 Operating Budget for
Saint George Place Redevelopment Authority**

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2014 BUDGET PROFILE

Fund Summary
 Fund Name: St Georges Place Redevelopment Authority
 TIRZ: 01
 Fund Number: 7512/50

P R O J E C T P L A N	Base Year:		1991
	Base Year Taxable Value:	\$	27,150,340
	Projected Taxable Value (TY2013):	\$	241,217,575
	Current Taxable Value (TY2012):	\$	230,121,112
	Acres:		121.57
	Administrator (Contact):		Hawes Hill Calderon
	Contact Number:		(713) 595-1209

N A R R A T I V E	Zone Purpose:
	Tax Increment Reinvestment Zone Number One, City of Houston, Texas was created to stabilize property values, address deteriorated buildings and incompatible land uses and provide for the design and construction of roadway and streets, public utility systems, sidewalks, landscaping and land acquisition a District of the City known as St. George Place (formerly known as Lamar Terrace).
	Accomplishments in FY13 (Projects Underway):
	The Zone approved twenty new building permits within its boundary. This was a substantial increase over the past several years, indicating a strong resurgence in the home construction industry. Also, the Zone approved replats that affected 9 lots. The Zone continued its efforts enforcing the city's zoning ordinance with regard to blighted properties. The Zone's board worked with its engineering consultants and the city to finalize a neighborhood mobility construction plan. This plan will be implemented in FY 2014 through its capital improvement budget. The Zone board of directors continue to effectively manage the Public Improvement District (PID) Budget and services. The TIRZ Board is under contract with the city to manage the PID services. The primary PID services include zoning enforcement, landscape maintenance and additional public safety efforts. The TIRZ Board utilize the PID Funds to market the area.

P R O J E C T P L A N		Total Plan	Cumulative Expenses (to 6/30/12)	Variance
		Capital Projects:		
	Water, Sanitary Sewer and Storm Sewer	\$ 1,085,000	\$ 166,228	\$ 918,772
	Street Paving	3,540,000	2,880,811	659,189
	Brick Sound Wall	420,000	1,135,533	(715,533)
	Landscaping	450,000	406,412	43,588
	Cul-de-sacs	200,000	-	200,000
	Other Work Items	355,000	405,636	(50,636)
	Contingencies	451,000	-	451,000
	Land Acquisition	1,000,000	1,704,118	(704,118)
	Total Capital Projects	\$ 7,501,000	\$ 6,698,738	\$ 802,262
	Affordable Housing	31,785,702	7,336,751	24,448,951
	School & Education/Cultural Facilities	18,771,094	4,053,119	14,717,975
	Financing Costs	2,280,000	7,979,914	(5,699,914)
	Professional Services	793,000	365,532	427,468
	Administration/ Creation Costs	542,000	1,687,771	(1,145,771)
	Total Project Plan	\$ 61,672,796	\$ 28,121,825	\$ 33,550,971

D E B T	Additional Financial Data	FY2013 Budget	FY2013 Estimate	FY2014 Budget
		Debt Service		
	Principal	\$ 914,168	\$ 739,168	\$ 1,012,607
	Interest	\$ 830,000	\$ 655,000	\$ 935,000
		\$ 84,168	\$ 84,168	\$ 77,607
		Balance as of 6/30/12	Projected Balance as of 6/30/13	Projected Balance as of 6/30/14
	Year End Outstanding (Principal)			
	Bond Debt	\$ 1,655,000	\$ 1,525,000	\$ 1,390,000
	City of Houston CO	\$ 4,126,879	\$ 3,601,879	\$ 2,801,879
	City of Houston ROW	\$ 2,779,224	\$ 2,779,224	\$ 2,779,224
	Developer Agreement	\$ -	\$ -	\$ -
	Other	\$ -	\$ -	\$ -

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2014 BUDGET PROFILE

Fund Summary
 Fund Name: St Georges Place Redevelopment Authority
 TIRZ: 01
 Fund Number: 7512/50

TIRZ Budget Line Items	FY2013 Budget	FY2013 Estimate	FY2014 Budget
RESOURCES			
RESTRICTED Funds - Capital Projects	\$ 600,000	\$ -	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Bond Debt Service	\$ 226,514	\$ -	\$ 226,514
UNRESTRICTED Funds	\$ 539,253	\$ 1,667,649	\$ 1,605,051
Beginning Balance	\$ 1,365,767	\$ 1,667,649	\$ 1,831,565
City tax revenue	\$ 1,274,863	\$ 1,275,593	\$ 1,351,493
County tax revenue	\$ -	\$ -	\$ -
ISD tax revenue	\$ 1,193,405	\$ 1,198,337	\$ 1,244,347
ISD tax revenue - Pass Through	\$ 422,687	\$ -	\$ -
Community College tax revenue	\$ -	\$ -	\$ -
Incremental Property Tax Revenue	\$ 2,890,955	\$ 2,473,930	\$ 2,595,840
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Miscellaneous revenue	\$ -	\$ -	\$ -
COH TIRZ interest	\$ 5,172	\$ -	\$ -
Interest Income	\$ 6,026	\$ 7,171	\$ 6,902
Other Interest Income	\$ 11,198	\$ 7,171	\$ 6,902
	\$ -	\$ -	\$ -
Grant Proceeds	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Proceeds from Bank Loan	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Contract Revenue Bond Proceeds	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
TOTAL AVAILABLE RESOURCES	\$ 4,267,920	\$ 4,148,750	\$ 4,434,307

TIRZ Budget Line Items	FY2013 Budget	FY2013 Estimate	FY2014 Budget
EXPENDITURES			
Accounting	\$ 9,500	\$ 10,039	\$ 9,300
Administration Consultant	\$ 11,500	\$ 11,500	\$ 11,500
Auditor/Financial Statements	\$ 11,900	\$ 11,900	\$ 11,900
Bond Services/Trustee/Financial Advisor	\$ 9,384	\$ 9,384	\$ 9,384
Insurance	\$ 3,700	\$ 3,792	\$ 3,800
Office Administration	\$ 6,000	\$ 6,695	\$ 7,000
TIRZ Administration and Overhead	\$ 51,984	\$ 53,310	\$ 52,884
Engineering Consultants	\$ -	\$ -	\$ -
Legal	\$ 50,000	\$ 38,803	\$ 20,000
Construction Audit	\$ -	\$ -	\$ -
Planning Consultants	\$ 44,900	\$ 44,900	\$ 44,900
Program and Project Consultants	\$ 94,900	\$ 83,703	\$ 64,900
Management Consulting Services	\$ 146,884	\$ 137,013	\$ 117,784
Capital Expenditures (See CIP Schedule)	\$ 604,598	\$ 169,375	\$ 396,570
TIRZ Capital Expenditures	\$ 604,598	\$ 169,375	\$ 396,570
Developer / Project Reimbursements	\$ -	\$ -	\$ -
Bond Series (2001)			
Principal	\$ 130,000	\$ 130,000	\$ 135,000
Interest	\$ 84,168	\$ 84,168	\$ 77,607
City of Houston CO			
Principal	\$ 400,000	\$ 525,000	\$ 800,000
Interest	\$ -	\$ -	\$ -
City of Houston ROW Payment			
Principal	\$ 300,000	\$ -	\$ -
Interest	\$ -	\$ -	\$ -
System Debt Service	\$ 914,168	\$ 739,168	\$ 1,012,607
TOTAL PROJECT COSTS	\$ 1,665,650	\$ 1,045,556	\$ 1,526,961

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2014 BUDGET PROFILE

Fund Summary
 Fund Name: St Georges Place Redevelopment Authority
 TIRZ: 01
 Fund Number: 7512/50

TIRZ Budget Line Items	FY2013 Budget	FY2013 Estimate	FY2014 Budget
Payment/transfer to ISD - educational facilities	\$ 356,430	\$ 358,205	\$ 371,603
Payment/transfer to ISD - educational facilities (Pass Through)	\$ 281,791	\$ -	\$ -
Administration Fees:			
City	\$ 63,743	\$ 63,780	\$ 67,575
County	\$ -	\$ -	\$ -
ISD	\$ 25,000	\$ 25,000	\$ 25,000
HCC	\$ -	\$ -	\$ -
Affordable Housing:			
City	\$ 424,954	\$ 425,198	\$ 450,498
County	\$ 397,802	\$ -	\$ -
ISD to City of Houston	\$ 140,896	\$ 399,446	\$ 414,782
Municipal Services (Payable to COH)	\$ -	\$ -	\$ -
Total Transfers	\$ 1,690,616	\$ 1,271,629	\$ 1,329,458
Total Budget	\$ 3,356,266	\$ 2,317,185	\$ 2,856,419
RESTRICTED Funds - Capital Projects	\$ 600,000	\$ -	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Bond Debt Service	\$ 226,514	\$ 226,514	\$ 226,514
UNRESTRICTED Funds	\$ 85,140	\$ 1,605,051	\$ 1,351,373
Ending Fund Balance	\$ 911,654	\$ 1,831,565	\$ 1,577,887
Total Budget & Ending Fund Balance	\$ 4,267,920	\$ 4,148,750	\$ 4,434,307

Notes:

EXHIBIT "B"

**Fiscal Years 2014-2018 Capital Improvement Projects Budget for
Saint George Place Zone**

Council District	CIP No.	Project	Fiscal Year Planned Appropriations							Cumulative Total (To Date)		
			Through 2012	Projected 2013	2014	2015	2016	2017	2018		FY14 - FY18 Total	
C, J	T-0101	Intersection Reconstruction	\$ -	-	-	-	-	-	-	-	-	-
C, J	T-0103	McCulloch Circle/Fardale Sound Barrier	\$ 6,720	169,375	-	-	-	-	-	-	-	176,095
C, J	T-0104	Park Noise Control	\$ -	-	-	-	-	-	-	-	-	-
C, J	T-0105	Neighborhood Traffic Plan	\$ 300,300	-	396,570	-	-	-	-	-	-	696,870
Totals			\$ 307,020	\$ 169,375	\$ 396,570	\$ -	\$ -	\$ 872,965				

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Source of Funds	Fiscal Year Planned Appropriations										Cumulative Total (To Date)
	Through 2012	Projected 2013	2014	2015	2016	2017	2018	FY14 - FY18 Total			
TIRZ Funds	307,020	169,375	396,570	-	-	-	-	-	396,570	872,965	
City of Houston	-	-	-	-	-	-	-	-	-	-	
Grants	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	
Project Total	307,020	169,375	396,570	-	-	-	-	-	396,570	872,965	

Project:		McCulloch Circle/Fairdale Sound Barrier		City Council District		Key Map:		WBS.:					
Description:		This project would construct a sound barrier connecting to and going north from the existing wall located at the McCulloch Circle at Fairdale Lane.		C, J		491		T-0103					
Justification:		The justification for this project is to provide noise reduction between commercial and neighborhood land uses. This cost is provided for in the original TIRZ Project Plan and Reinvestment Zone Financing Plan.		C, J		21							
		Operating and Maintenance Costs: (\$ Thousands)											
		2014		2015		2016		2017		2018		Total	
		Personnel	-	-	-	-	-	-	-	-	-	-	\$
		Supplies	-	-	-	-	-	-	-	-	-	-	\$
		Svcs. & Chgs.	-	-	-	-	-	-	-	-	-	-	\$
		Capital Outlay	-	-	-	-	-	-	-	-	-	-	\$
		Total	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
		FTEs											
Fiscal Year Planned Expenses													
Project Allocation		Projected Expenses thru 6/30/12	2013 Budget	2013 Estimate	2014	2015	2016	2017	2018	FY14 - FY18 Total	Cumulative Total (To Date)		
Phase													
1	Planning	-	-	-	-	-	-	-	-	\$	\$		
2	Acquisition	-	-	-	-	-	-	-	-	\$	\$		
3	Design	6,720	1,680	1,680	-	-	-	-	-	\$	8,400		
4	Construction	-	60,000	145,145	-	-	-	-	-	\$	145,145		
5	Equipment	-	-	-	-	-	-	-	-	\$	\$		
6	Close-Out	-	-	-	-	-	-	-	-	\$	\$		
7	Other	-	-	22,550	-	-	-	-	-	\$	22,550		
Other Sub-Total:		-	-	22,550	-	-	-	-	-	\$	\$		
Total Allocations		\$ 6,720	\$ 61,680	\$ 169,375	\$	\$	\$	\$	\$	\$	\$ 176,095		
Source of Funds													
TIRZ Funds		6,720	61,680	169,375	-	-	-	-	-	\$	176,095		
City of Houston		-	-	-	-	-	-	-	-	\$	\$		
Grants		-	-	-	-	-	-	-	-	\$	\$		
Other		-	-	-	-	-	-	-	-	\$	\$		
Total Funds		\$ 6,720	\$ 61,680	\$ 169,375	\$	\$	\$	\$	\$	\$	\$ 176,095		

Project: Neighborhood Traffic Plan		City Council District		Key Map:		491		WBS.:		T-0105		
Description:		Location:		Geo. Ref.:		C, J						
Justification:		Served:		Neighborhood:		C, J		21				
Operating and Maintenance Costs: (\$ Thousands)												
		2014		2015		2016		2017		2018		Total
Personnel		-		-		-		-		-		\$ -
Supplies		-		-		-		-		-		\$ -
Svcs. & Chgs.		-		-		-		-		-		\$ -
Capital Outlay		-		-		-		-		-		\$ -
Total		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -
FTEs												

Fiscal Year Planned Expenses

Project Allocation	Phase	Projected Expenses thru 6/30/12	2013 Budget	2013 Estimate	2014	2015	2016	2017	2018	FY14 - FY18 Total	Cumulative Total (To Date)
1	Planning	-	-	-	-	-	-	-	-	\$ -	\$ -
2	Acquisition	-	-	-	-	-	-	-	-	\$ -	\$ -
3	Design	161,320	40,330	-	67,570	-	-	-	-	\$ 67,570	\$ 228,890
4	Construction	138,980	502,588	-	329,000	-	-	-	-	\$ 329,000	\$ 467,980
5	Equipment	-	-	-	-	-	-	-	-	\$ -	\$ -
6	Close-Out	-	-	-	-	-	-	-	-	\$ -	\$ -
7	Other	-	-	-	-	-	-	-	-	\$ -	\$ -
Other Sub-Total:		-	-	-	-	-	-	-	-	\$ -	\$ -
Total Allocations		\$ 300,300	\$ 542,918	\$ -	\$ 396,570	\$ -	\$ -	\$ -	\$ -	\$ 396,570	\$ 696,870

Source of Funds	2014	2015	2016	2017	2018	FY14 - FY18 Total	Cumulative Total (To Date)
TIRZ Funds	-	-	-	-	-	\$ -	\$ -
City of Houston	396,570	-	-	-	-	\$ 396,570	\$ 696,870
Grants	-	-	-	-	-	\$ -	\$ -
Other	-	-	-	-	-	\$ -	\$ -
Total Funds	\$ 396,570	\$ -	\$ -	\$ -	\$ -	\$ 396,570	\$ 696,870