City of Houston, Texas, Ordinance No. 2013 - 959

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

* * * * * * *

WHEREAS, the East Downtown Redevelopment Authority (the "Authority"), a local government corporation acting on behalf of the City in connection with Reinvestment Zone Number Fifteen, City of Houston, Texas (the "Zone"), has submitted an Operating Budget for Fiscal Year 2014 (the "Operating Budget") and a five-year Capital Improvements Projects 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 the interlocal agreement among the City, the Authority, and the Zone approved by Ordinance No. 2000-663; 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 Donna Capps)
(DRC:drc October 17, 2013) Assistant City Attorney
(Requested by Andrew F. Icken, Chief Development Officer, Office of the Mayor)
(L.D. File No. 0619900058055)

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CAPTION PUBLISHED IN DAILY COURT REVIEW
DATE: OCT 29 2013

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	

MAY 017 Rev. 12/12

EXHIBIT "A"

Fiscal Year 2014 Operating Budget for the East Downtown Redevelopment Authority

CITY OF HOUSTON
ECONOMIC DEVELOPMENT DIVISION
FISCAL YEAR 2014 BUDGET PROFILE

Fund Summary
Fund Name: **East Downtown Redevelopment Authority**
TIRZ: **15**
Fund Number: **7563/50**

PROFILE

Base Year:		1999
Base Year Taxable Value:	$	121,026,714
Projected Taxable Value (TY2013):	$	331,892,291
Current Taxable Value (TY2012):	$	297,315,629
Acres:		387.02
Administrator (Contact):		City of Houston
Contact Number:		(832) 393-0985

NARRATIVE

Zone Purpose:

Tax Increment Reinvestment Zone Number Fifteen, City of Houston, Texas was created to facilitate the development of public infrastructure improvements, parking facilities, and assist with the revitalization of old Chinatown from an abandoned and deteriorated neighborhood into a mixed-use district that includes retail, commerical, residential and entertainment development land uses.

PROJECT PLAN

	Total Plan	Cumulative Expenses (to 6/30/12)	Variance
Capital Projects:			
Public Utilties	$ 19,553,850	$ 621,659	$ 18,932,191
Roadway and Sidewalk Improvements	36,119,750	2,926,803	33,192,947
Cultural and Public Facilities	36,000,000	2,291,802	33,708,198
Parks and Recreational Facilities	5,000,000	-	5,000,000
Environmental Remediation	1,000,000	-	1,000,000
	-	-	-
	-	-	-
	-	-	-
Total Capital Projects	$ 97,673,600	$ 5,840,264	$ 91,833,336
Homeless/Affordable Housing	8,000,000	106,104	7,893,896
School & Education/Cultural Facilities	13,201,622	2,348,307	10,853,315
Financing Costs	30,822,727	1,180,621	29,642,106
Administration Costs/ Professional Services	3,090,000	2,118,840	971,160
Creation Costs	-	-	-
Total Project Plan	$ 152,787,949	$ 11,594,136	$ 141,193,813

DEBT

Additional Financial Data	FY2013 Budget	FY2013 Estimate	FY2014 Budget
Debt Service	$ 1,726,563	$ 1,065,000	$ 1,800,000
Principal	$ 1,000,000	$ 1,000,000	$ 1,000,000
Interest	$ 726,563	$ 65,000	$ 800,000
	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	$ -	$ -	$ -
Bank Loan	$ -	$ -	$ -
Line of Credit	$ -	$ -	$ -
Developer Agreement	$ -	$ -	$ -
Other	$ -	$ -	$ -

CITY OF HOUSTON
ECONOMIC DEVELOPMENT DIVISION
FISCAL YEAR 2014 BUDGET PROFILE

Fund Summary
Fund Name: **East Downtown Redevelopment Authority**
TIRZ: **15**
Fund Number: **7563/50**

TIRZ Budget Line Items	FY2013 Budget	FY2013 Estimate	FY2014 Budget
RESOURCES			
RESTRICTED Funds - Capital Projects	$ -	$ -	$ -
RESTRICTED Funds - Affordable Housing	$ -	$ -	$ -
RESTRICTED Funds - Bond Debt Service	$ 2,266,709	$ 1,455,250	$ 1,455,250
UNRESTRICTED Funds	$ 2,226,748	$ 2,603,225	$ 2,213,225
Beginning Balance	**$ 4,493,457**	**$ 4,058,475**	**$ 3,668,475**
City tax revenue	$ 1,259,315	$ 1,120,750	$ 1,335,196
County tax revenue	$ 401,987	$ 396,223	$ 527,505
ISD tax revenue	$ 1,063,754	$ 1,069,379	$ 1,216,894
ISD tax revenue - Pass Through	$ -	$ -	$ -
Community College tax revenue	$ -	$ -	$ -
Incremental property tax revenue	**$ 2,725,056**	**$ 2,586,351**	**$ 3,079,595**
	$ -	$ -	$ -
	$ -	$ -	$ -
	$ -	$ -	$ -
Miscellaneous revenue	**$ -**	**$ -**	**$ -**
COH TIRZ interest	$ 4,947	$ 3,161	$ 9,613
Interest Income	$ 2,000	$ 20,612	$ 18,992
Other Interest Income	**$ 6,947**	**$ 23,773**	**$ 28,605**
	$ -	$ -	$ -
	$ -	$ -	$ -
Grant Proceeds	**$ -**	**$ -**	**$ -**
	$ -	$ -	$ -
Proceeds from Bank Loan	**$ -**	**$ -**	**$ -**
	$ -	$ -	$ -
Contract Revenue Bond Proceeds	**$ -**	**$ -**	**$ -**
TOTAL AVAILABLE RESOURCES	$ 7,225,460	$ 6,668,599	$ 6,776,675

CITY OF HOUSTON
ECONOMIC DEVELOPMENT DIVISION
FISCAL YEAR 2014 BUDGET PROFILE

Fund Summary
Fund Name: **East Downtown Redevelopment Authority**
TIRZ: **15**
Fund Number: **7563/50**

TIRZ Budget Line Items	FY2013 Budget	FY2013 Estimate	FY2014 Budget
EXPENDITURES			
Accounting	$ 10,000	$ 13,940	$ 10,000
Administration Salaries & Benefits	$ 20,000	$ -	$ 20,000
Auditor	$ 6,500	$ 8,300	$ 6,500
Bond Services/Trustee/Financial Advisor	$ 3,800	$ 4,160	$ 3,800
Insurance	$ 900	$ 714	$ 900
Office Administration	$ 2,500	$ -	$ 2,500
TIRZ Administration and Overhead	**$ 43,700**	**$ 27,114**	**$ 43,700**
Engineering Consultants	$ -	$ -	$ -
Legal	$ 20,000	$ -	$ 25,000
Construction Audit	$ -	$ 2,000	$ -
Planning Consultants	$ -	$ -	$ -
Program and Project Consultants	**$ 20,000**	**$ 2,000**	**$ 25,000**
Management consulting services	**$ 63,700**	**$ 29,114**	**$ 68,700**
Capital Expenditures (See CIP Schedule)	$ 2,226,748	$ 1,275,673	$ 3,685,577
TIRZ Capital Expenditures	**$ 2,226,748**	**$ 1,275,673**	**$ 3,685,577**
	$ -	$ -	$ -
EADO Construction	$ -	$ 33,500	$ -
Developer / Project Reimbursements	**$ -**	**$ 33,500**	**$ -**
Debt Service to Stadium Infrastructure			
Principal	$ 1,000,000	$ 1,000,000	$ 1,000,000
Interest	$ 726,563	$ 65,000	$ 800,000
Stadium Land Purchase - County Payment to COH	$ 150,109	$ 99,056	$ 131,876
System debt service	**$ 1,876,672**	**$ 1,164,056**	**$ 1,931,876**
TOTAL PROJECT COSTS	$ 4,167,120	$ 2,502,343	$ 5,686,153

CITY OF HOUSTON
ECONOMIC DEVELOPMENT DIVISION
FISCAL YEAR 2014 BUDGET PROFILE

Fund Summary
Fund Name: **East Downtown Redevelopment Authority**
TIRZ: **15**
Fund Number: **7563/50**

TIRZ Budget Line Items	FY2013 Budget	FY2013 Estimate	FY2014 Budget
Payment/transfer to ISD - educational facilities	$ 355,656	$ 357,311	$ 406,728
Payment/transfer to ISD - educational facilities (Pass Through)	$ -	$ -	$ -
Administration Fees:			
City	$ 62,966	$ 56,037	$ 66,760
County	$ -	$ -	$ -
ISD	$ 25,000	$ 25,000	$ 25,000
HCC	$ -	$ -	$ -
Affordable/Homeless Housing:			
City	$ -	$ -	$ -
County	$ 60,298	$ 59,433	$ 79,126
ISD to City of Houston	$ -	$ -	$ -
Municipal Services (Payable to COH)	$ -	$ -	$ -
Total Transfers	**$ 503,920**	**$ 497,782**	**$ 577,614**
Total Budget	$ 4,671,040	$ 3,000,124	$ 6,263,768
RESTRICTED Funds - Capital Projects	$ -	$ -	$ -
RESTRICTED Funds - Affordable Housing	$ -	$ -	$ -
RESTRICTED Funds - Dynamo Surplus	$ -	$ 1,455,250	$ 200,000
UNRESTRICTED Funds	$ 2,554,420	$ 2,213,225	$ 312,907
Ending Fund Balance	**$ 2,554,420**	**$ 3,668,475**	**$ 512,907**
Total Budget & Ending Fund Balance	$ 7,225,460	$ 6,668,599	$ 6,776,675

Notes:

EXHIBIT "B"

Fiscal Years 2014-2018 Capital Improvement Projects Budget for Tax Increment Reinvestment Zone Number Fifteen (East Downtown Zone)

Council District	CIP No.	Project	Fiscal Year Planned Appropriations								
			Through 2012	Projected 2013	2014	2015	2016	2017	2018	FY14 - FY18 Total	Cumulative Total (To Date)
H. I	T-1501	East Downtown Roadway and Utility	$ 443,933	1,275,673	3,685,577	1,060,000	1,060,000	1,060,000	1,060,000	7,925,577	9,645,183
H. I	T-1502	Polk Sanitary Sewer Project	$ 43,200	-	-	-	-	-	-	-	43,200
Totals			**$ 487,133**	**$ 1,275,673**	**$ 3,685,577**	**$ 1,060,000**	**$ 1,060,000**	**$ 1,060,000**	**$ 1,060,000**	**$ 7,925,577**	**$ 9,688,383**

* NOTE:
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Source of Funds	Fiscal Year Planned Appropriations								
	Through 2012	Projected 2013	2014	2015	2016	2017	2018	FY14 - FY18 Total	Cumulative Total (To Date)
TIRZ Funds	487,133	1,275,673	3,685,577	1,060,000	1,060,000	1,060,000	1,060,000	7,925,577	9,688,383
City of Houston	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Project Total	**487,133**	**1,275,673**	**3,685,577**	**1,060,000**	**1,060,000**	**1,060,000**	**1,060,000**	**7,925,577**	**9,688,383**

Project:	**East Downtown Roadway and Utility Improvements**	**City Council District**		**Key Map:**		**WBS.:** T-1501
		Location:	H, I	**Geo. Ref.:**		
		Served:	H, I	**Neighborhood:**	61, 63	
Description:	Roadway, public utilities and sidewalks reconstruction/replacement, streetscape/pedestrian amenities, and landscaping					
Justification:	Street segments, public utilities and sidewalks are in poor condition. Improvements will benefit area businesses and provide safe pathways for pedestrians.					

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	-	152,000	163,173	370,000	160,000	160,000	160,000	160,000	$ 1,010,000	$ 1,173,173
4 Construction	443,933	2,074,748	1,112,500	3,315,577	900,000	900,000	900,000	900,000	$ 6,915,577	$ 8,472,010
5 Equipment	-	-	-	-	-	-	-	-	$ -	$ -
6 Close-Out	-	-	-	-	-	-	-	-	$ -	$ -
7 Other	-	-	-	-	-	-	-	-	$ -	$ -
	-	-	-	-	-	-	-	-	$ -	$ -
	-	-	-	-	-	-	-	-	$ -	$ -
	-	-	-	-	-	-	-	-	$ -	$ -
	-	-	-	-	-	-	-	-	$ -	$ -
Other Sub-Total:	-	-	-	-	-	-	-	-	$ -	$ -
Total Allocations	$ 443,933	$ 2,226,748	$ 1,275,673	$ 3,685,577	$ 1,060,000	$ 1,060,000	$ 1,060,000	$ 1,060,000	$ 7,925,577	$ 9,645,183
Source of Funds										
TIRZ Funds	443,933	2,226,748	1,275,673	3,685,577	1,060,000	1,060,000	1,060,000	1,060,000	$ 7,925,577	$ 9,645,183
City of Houston	-	-	-	-	-	-	-	-	$ -	$ -
Grant Funds	-	-	-		-	-	-	-	$ -	$ -
Other	-	-	-	-	-	-	-	-	$ -	$ -
Total Funds	$ 443,933	$ 2,226,748	$ 1,275,673	$ 3,685,577	$ 1,060,000	$ 1,060,000	$ 1,060,000	$ 1,060,000	$ 7,925,577	$ 9,645,183

*NOTE:

Project:	**Polk Sanitary Sewer Project**	**City Council District**	**Key Map:**	**WBS.:**	**T-1502**
		Location: H, I	**Geo. Ref.:**		
		Served: H, I	**Neighborhood:** 61, 63		

Description: Sanitary sewer connection beneath Polk on Delano between Dallas and Clay

Justification: No existing sanitary sewer facilities exist on Delano between Clay and Dallas or Polk between Nagle and Delano. Service is needed to facilitate a planned single family residential development.

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	-	-	-	-	-	-	-	-	$ -	$ -
4 Construction	43,200	-	-	-	-	-	-	-	$ -	$ 43,200
5 Equipment	-	-	-	-	-	-	-	-	$ -	$ -
6 Close-Out	-	-	-	-	-	-	-	-	$ -	$ -
7 Other	-	-	-	-	-	-	-	-	$ -	$ -
	-	-	-	-	-	-	-	-	$ -	$ -
	-	-	-	-	-	-	-	-	$ -	$ -
	-	-	-	-	-	-	-	-	$ -	$ -
	-	-	-	-	-	-	-	-	$ -	$ -
Other Sub-Total:	-	-	-	-	-	-	-	-	$ -	$ -
Total Allocations	$ 43,200	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 43,200
Source of Funds										
TIRZ Funds	43,200	-	-	-	-	-	-	-	$ -	$ 43,200
City of Houston		-	-	-	-	-	-	-	$ -	$ -
Grant	-	-	-		-	-	-	-	$ -	$ -
Other	-	-	-	-	-	-	-	-	$ -	$ -
Total Funds	$ 43,200	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 43,200

*NOTE: