

City of Houston, Texas, Ordinance No. 2014 - 845

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 2015 OPERATING BUDGET FOR THE AUTHORITY AND THE FISCAL YEARS 2015-2019 CAPITAL IMPROVEMENT 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 2015 (the "Operating Budget") and a five-year Capital Improvement Projects Budget for Fiscal Years 2015-2019 (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 2015. 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, 2015, the Zone and the Authority shall, in cooperation with City representatives (1) identify surplus funds in the Authority's Fiscal Year 2015 Operating Budget based on the difference between Zone revenues and the Fiscal Year 2015 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 17th day of September, 2014.

APPROVED this _____ day of _____, 2014.

Mayor

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is SEP 23 2014.


City Secretary

(Prepared by Legal Department Donna Capps GWJ)
(DRC:drc September 10, 2014) Assistant City Attorney
(Requested by Andrew F. Icken, Chief Development Officer, Office of the Mayor)
(L.D. File No. 0421400123001)

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AYE	NO	
		ABSENT-OUT OF CITY CITY BUSINESS
.....	MAYOR PARKER
		COUNCIL MEMBERS
✓		STARDIG
✓		DAVIS
✓		COHEN
✓		BOYKINS
✓		MARTIN
✓		NGUYEN
✓		PENNINGTON
✓		MAYOR PRO TEM PRESIDING GONZALEZ
✓		GALLEGOS
✓		LASTER
✓		GREEN
✓		COSTELLO
✓		ROBINSON
✓		KUBOSH
✓		BRADFORD
✓		CHRISTIE
CAPTION	ADOPTED	

EXHIBIT "A"

**Fiscal Year 2015 Operating Budget for the
East Downtown Redevelopment Authority**

CITY OF HOUSTON
ECONOMIC DEVELOPMENT DIVISION
FISCAL YEAR 2015 BUDGET PROFILE

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

P R O F I L E	Base Year:		1999
	Base Year Taxable Value:	\$	121,026,714
	Projected Taxable Value (TY2014):	\$	382,840,760
	Current Taxable Value (TY2013):	\$	342,955,401
	Acres:		387.02
	Administrator (Contact):		City of Houston
Contact Number:		(832) 393-0985	

N A R R A T I V E	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, commercial, residential and entertainment development land uses.

P R O J E C T P L A N		Total Plan	Cumulative Expenses (to 6/30/13)	Variance
	Capital Projects:			
Public Utilities	\$	19,553,850	\$ 621,659	\$ 18,932,191
Roadway and Sidewalk Improvements		36,119,750	4,303,967	31,815,783
Cultural and Public Facilities		36,000,000	2,442,043	33,557,957
Parks and Recreational Facilities		5,000,000	-	5,000,000
Environmental Remediation		1,000,000	-	1,000,000
		-	-	-
		-	-	-
		-	-	-
Total Capital Projects	\$	97,673,800	\$ 7,367,669	\$ 90,305,931
Homeless/Affordable Housing		8,000,000	165,537	7,834,463
School & Education/Cultural Facilities		13,201,822	2,705,618	10,496,004
Financing Costs		30,822,727	1,180,621	29,642,106
Administration Costs/ Professional Services		3,090,000	2,266,853	823,147
Creation Costs		-	-	-
Total Project Plan	\$	152,787,949	\$ 13,686,298	\$ 139,101,651

D E B T	Additional Financial Data	FY2014 Budget	FY2014 Estimate	FY2015 Budget
	Debt Service			
Principal	\$	1,800,000	\$ 1,708,151	\$ 1,800,000
Interest	\$	1,000,000	\$ 1,000,000	\$ 1,000,000
	\$	800,000	\$ 708,151	\$ 800,000
		Balance as of 6/30/13	Projected Balance as of 6/30/14	Projected Balance as of 6/30/15
Year End Outstanding (Principal)				
Bond Debt	\$	-	\$ -	\$ -
Bank Loan	\$	-	\$ -	\$ -
Line of Credit	\$	-	\$ -	\$ -
Developer Agreement	\$	-	\$ -	\$ -
Other	\$	-	\$ -	\$ -

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2015 BUDGET PROFILE

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

TIRZ Budget Line Items	FY2014 Budget	FY2014 Estimate	FY2015 Budget
RESOURCES			
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Bond Debt Service	\$ 1,455,250	\$ 2,028,207	\$ 200,000
UNRESTRICTED Funds	\$ 2,213,225	\$ 2,531,881	\$ 5,057,078
Beginning Balance	\$ 3,668,475	\$ 4,560,088	\$ 5,257,078
City tax revenue	\$ 1,335,196	\$ 1,406,177	\$ 1,658,759
County tax revenue	\$ 527,505	\$ 599,885	\$ 782,830
ISD tax revenue	\$ 1,216,894	\$ 1,258,752	\$ 1,450,360
ISD tax revenue - Pass Through	\$ -	\$ -	\$ -
Community College tax revenue	\$ -	\$ -	\$ -
Incremental property tax revenue	\$ 3,079,595	\$ 3,264,813	\$ 3,871,948
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Miscellaneous revenue	\$ -	\$ -	\$ -
COH TIRZ interest	\$ 9,613	\$ 1,342	\$ 1,342
Interest Income	\$ 18,992	\$ 2,214	\$ 2,214
Other Interest Income	\$ 28,605	\$ 3,556	\$ 3,556
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Grant Proceeds	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Proceeds from Bank Loan	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Contract Revenue Bond Proceeds	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
TOTAL AVAILABLE RESOURCES	\$ 6,776,675	\$ 7,828,457	\$ 9,132,582

CITY OF HOUSTON
ECONOMIC DEVELOPMENT DIVISION
FISCAL YEAR 2015 BUDGET PROFILE

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

TIRZ Budget Line Items	FY2014 Budget	FY2014 Estimate	FY2015 Budget
EXPENDITURES			
Accounting	\$ 10,000	\$ 4,800	\$ 10,000
Administration Salaries & Benefits	\$ 20,000	\$ 19,788	\$ 20,000
Auditor	\$ 6,500	\$ 12,200	\$ 13,000
Tax Consultant	\$ 3,800	\$ 3,840	\$ 3,840
Insurance	\$ 900	\$ 846	\$ 900
Office Administration	\$ 2,500	\$ 288	\$ 2,500
TIRZ Administration and Overhead	\$ 43,700	\$ 41,762	\$ 50,240
Engineering Consultants	\$ -	\$ -	\$ -
Legal	\$ 25,000	\$ 10,120	\$ 25,000
Construction Audit	\$ -	\$ 2,000	\$ 2,000
Planning Consultants	\$ -	\$ -	\$ -
Program and Project Consultants	\$ 25,000	\$ 12,120	\$ 27,000
Management consulting services	\$ 68,700	\$ 53,881	\$ 77,240
Capital Expenditures (See CIP Schedule)	\$ 3,685,577	\$ 21,000	\$ 2,370,000
TIRZ Capital Expenditures	\$ 3,685,577	\$ 21,000	\$ 2,370,000
EADO Construction	\$ -	\$ 33,500	\$ -
HOU Construction	\$ -	\$ -	\$ 68,071
Developer / Project Reimbursements	\$ -	\$ 33,500	\$ 68,071
Debt Service to Stadium Infrastructure			
Principal	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Interest	\$ 800,000	\$ 708,151	\$ 800,000
Stadium Land Purchase - County Payment to COH	\$ 131,876	\$ 149,971	\$ 190,707
System debt service	\$ 1,931,876	\$ 1,858,122	\$ 1,990,707
TOTAL PROJECT COSTS	\$ 5,686,153	\$ 1,966,504	\$ 4,506,018
Payment/transfer to ISD - educational facilities	\$ 406,728	\$ 419,584	\$ 483,453
Payment/transfer to ISD - educational facilities (Pass Through)	\$ -	\$ -	\$ -
Administration Fees:			
City	\$ 68,760	\$ 70,309	\$ 82,938
County	\$ -	\$ -	\$ -
ISD	\$ 25,000	\$ 25,000	\$ 25,000
HCC	\$ -	\$ -	\$ -
Affordable/Homeless Housing:			
City	\$ -	\$ -	\$ -
County	\$ 79,126	\$ 89,983	\$ 114,424
ISD to City of Houston	\$ -	\$ -	\$ -
Municipal Services (Payable to COH)	\$ -	\$ -	\$ -
Total Transfers	\$ 577,614	\$ 604,876	\$ 705,815
Total Budget	\$ 6,263,767	\$ 2,571,379	\$ 5,211,833
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Dynamo Surplus	\$ 200,000	\$ 200,000	\$ 200,000
UNRESTRICTED Funds	\$ 312,907	\$ 5,057,078	\$ 3,720,749
Ending Fund Balance	\$ 512,907	\$ 5,257,078	\$ 3,920,749
Total Budget & Ending Fund Balance	\$ 6,776,674	\$ 7,828,457	\$ 9,132,582

Notes:

EXHIBIT "B"

**Fiscal Years 2015-2019 Capital Improvement Projects Budget for
Tax Increment Reinvestment Zone Number Fifteen (East Downtown Zone)**

**2015 - 2019 CAPITAL IMPROVEMENT PLAN
TIRZ NO.15 - EAST DOWNTOWN REDEVELOPMENT AUTHORITY**

**CITY OF HOUSTON - TIRZ PROGRAM
Economic Development Division**

Council District	CIP No.	Project	Fiscal Year Planned Appropriations							FY16- FY19 Total	Cumulative Total (To Date)
			Through 2013	Projected 2014	2015	2016	2017	2018	2019		
H, I	T-1501	East Downtown Roadway and Utility	\$ 1,737,597	21,000	2,370,000	4,314,750	1,895,850	1,895,850	1,895,850	12,372,300	14,130,897
H, I	T-1502	Polk Sanitary Sewer Project	\$ 76,700	-	-	-	-	-	-	-	76,700
Totals			\$ 1,814,297	\$ 21,000	\$ 2,370,000	\$ 4,314,750	\$ 1,895,850	\$ 1,895,850	\$ 1,895,850	\$ 12,372,300	\$ 14,207,597

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**2015 - 2019 CAPITAL IMPROVEMENT PLAN
TIRZ NO.15 - EAST DOWNTOWN REDEVELOPMENT AUTHORITY**

**CITY OF HOUSTON - TIRZ PROGRAM
Economic Development Division**

Source of Funds	Fiscal Year Planned Appropriations										Cumulative Total (To Date)
	Through 2013	Projected 2014	2015	2016	2017	2018	2019	FY15 - FY19 Total			
TIRZ Funds	1,814,297	21,000	2,370,000	4,314,750	1,895,850	1,895,850	1,895,850	12,372,300	14,207,597		
City of Houston	-	-	-	-	-	-	-	-	-	-	
Grants	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	
Project Total	1,814,297	21,000	2,370,000	4,314,750	1,895,850	1,895,850	1,895,850	12,372,300	14,207,597		

East Downtown Roadway and Utility Improvements		City Council District		Key Map:		WBS.:	
		Location:		Geo. Ref.:			
		Served:		Neighborhood:			
		H, I		61, 83		T-1501	
		H, I					
		2015		2016		2017	
		2018		2019		Total	
Operating and Maintenance Costs: (\$ Thousands)							
Personnel							
Supplies							
Svcs. & Chgs.							
Capital Outlay							
Total		\$	\$	\$	\$	\$	\$
FTEs							

Fiscal Year Planned Expenses

Project Allocation	thru 6/30/13	2014 Budget	2014 Estimate	2015	2016	2017	2018	2019	FY15 - FY19 Total	Cumulative Total (To Date)
Phase										
Planning	-	-	-	120,000	-	-	-	-	\$ 120,000	\$ 120,000
Position	-	-	-	-	-	-	-	-	\$ -	\$ -
Design	181,283	370,000	21,000	500,000	312,750	245,850	245,850	245,850	\$ 1,550,300	\$ 1,752,583
Construction	1,556,314	3,315,577	-	1,750,000	4,002,000	1,650,000	1,650,000	1,650,000	\$ 10,702,000	\$ 12,258,314
Equipment	-	-	-	-	-	-	-	-	\$ -	\$ -
Sign-Out	-	-	-	-	-	-	-	-	\$ -	\$ -
Other	-	-	-	-	-	-	-	-	\$ -	\$ -
Other Sub-Total:	-	-	-	-	-	-	-	-	\$ -	\$ -

Allocations	\$ 1,737,597	\$ 3,685,577	\$ 21,000	\$ 2,370,000	\$ 4,314,750	\$ 1,895,850	\$ 1,895,850	\$ 1,895,850	\$ 12,372,300	\$ 14,130,897
Source of Funds										
Allocation	1,737,597	3,685,577	21,000	2,370,000	4,314,750	1,895,850	1,895,850	1,895,850	\$ 12,372,300	\$ 14,130,897
Sub-Total:	\$ 1,737,597	\$ 3,685,577	\$ 21,000	\$ 2,370,000	\$ 4,314,750	\$ 1,895,850	\$ 1,895,850	\$ 1,895,850	\$ 12,372,300	\$ 14,130,897