

City of Houston, Texas, Ordinance No. 2014 - 923

**AN ORDINANCE RELATING TO THE FISCAL AFFAIRS OF THE HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY ON BEHALF OF REINVESTMENT ZONE NUMBER TWENTY-ONE, CITY OF HOUSTON, TEXAS (HARDY/NEAR NORTHSIDE ZONE); APPROVING THE FISCAL YEAR 2015 OPERATING BUDGET FOR THE AUTHORITY AND THE FISCAL YEARS 2015-2019 CAPITAL IMPROVEMENTS BUDGET FOR THE ZONE; CONTAINING FINDINGS AND OTHER PROVISIONS RELATED TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.**

\* \* \* \* \*

**WHEREAS**, the City created Reinvestment Zone Number Twenty-One, City of Houston, Texas ("Zone" or "Hardy/Near Northside Zone") by Ordinance No. 2003-1258 effective on December 23, 2003; and

**WHEREAS**, the Hardy/Near Northside Redevelopment Authority (the "Authority"), a local government corporation acting on behalf of the City in connection with Reinvestment Zone Number Twenty-One, City of Houston, Texas (the "Zone"), has submitted an Operating Budget for Fiscal Year 2015 (the "Operating Budget") and a five-year Capital Improvements 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. 2009-1271 on December 9, 2009 ("Tri-Party Agreement"); **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 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 shall, in cooperation with City representatives: (1) identify surplus funds in the Zone's Fiscal Year 2015 Operating Budget based on the difference between Zone revenues and the Fiscal Year 2015 Operating Budget 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 that purpose. The Zone shall consider amendments to the Zone Project Plan and Reinvestment Zone Financing Plan that may be necessary to accomplish this purpose, and shall expedite any such

amendments.

**Section 5.** 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 6.** 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 8th day of October, 2014.

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

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

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is OCT 14 2014

  
\_\_\_\_\_  
City Secretary

(Prepared by Legal Department )  
(SEK:sek September 16, 2014 Senior Assistant City Attorney) GMD  
(Requested by Andy Icken, Chief Development Officer)  
(L.D. File No. \_\_\_\_\_)

G:\REAL ESTATE\TIRZ\TIRZ 21 Hardy Place\Budgets\FY15 Budget\ORD Budget FY15 TIRZ #21.docx

**EXHIBIT "A"**

**Fiscal Year 2015 Operating Budget  
for the Hardy/Near Northside Redevelopment Authority**

CITY OF HOUSTON  
 ECONOMIC DEVELOPMENT DIVISION  
 FISCAL YEAR 2015 BUDGET PROFILE

Fund Summary  
 Fund Name: Hardy Yards/Near Northside  
 TIRZ: 21  
 Fund Number: 7569/50

P R O F I L E	Base Year:		2003
	Base Year Taxable Value:	\$	40,313,080
	Projected Taxable Value (TY2014):	\$	160,256,635
	Current Taxable Value (TY2013):	\$	118,890,545
	Acres:		326.1
	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 Twenty-One, City of Houston, Texas was created to provide plans and programs needed to reposition a former Union Pacific rail yard site into a mixed-use development consisting of affordable housing and transit oriented mixed-use development through the design and construction of roadways and streets, utility systems, parks, hike and bike trails, mobility improvements, land acquisition and environmental remediation.

P R O J E C T  P L A N		Total Plan	Cumulative Expenses (to 6/30/13)	Variance
	<b>Capital Projects:</b>			
Roadway and Sidewalk Improvements	\$	37,692,000	\$ 103,634	\$ 37,588,366
Public Utility Improvements		1,929,000	-	1,929,000
Parks, Plazas and Recreational Facilities		1,440,000	-	1,440,000
Land Acquisition		4,820,000	-	4,820,000
		-	-	-
		-	-	-
		-	-	-
<b>Total Capital Projects</b>	\$	45,881,000	\$ 103,634	\$ 45,777,366
Affordable Housing		17,500,000	414,426	17,085,574
School & Education/Cultural Facilities		-	-	-
Financing Costs		1,700,000	-	1,700,000
Administration Costs/ Professional Services		2,200,000	163,521	2,036,479
Creation Costs		-	-	-
<b>Total Project Plan</b>	\$	67,281,000	\$ 681,581	\$ 66,599,419

D E B T	Additional Financial Data	FY2014 Budget	FY2014 Estimates	FY2015 Budget
	<u>Debt Service</u>	\$	-	\$ -
Principal	\$	-	\$ -	\$ -
Interest	\$	-	\$ -	\$ -
	<b>Balance as of 6/30/13</b>		<b>Projected Balance as of 6/30/14</b>	<b>Projected Balance as of 6/30/15</b>
<u>Year End Outstanding (Principal)</u>				
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: Hardy Yards/Near Northside  
 TIRZ: 21  
 Fund Number: 7569/50

TIRZ Budget Line Items	FY2014 Budget	FY2014 Estimates	FY2015 Budget
<b>RESOURCES</b>			
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Developer Reimbursement	\$ 448,919	\$ -	\$ 448,919
UNRESTRICTED Funds	\$ 287,635	\$ 716,044	\$ 518,369
<b>Beginning Balance</b>	\$ 736,554	\$ 716,044	\$ 987,288
City tax revenue	\$ 521,551	\$ 494,252	\$ 754,445
County tax revenue	\$ -	\$ -	\$ -
ISD tax revenue	\$ -	\$ -	\$ -
ISD tax revenue - Pass Through	\$ -	\$ -	\$ -
Community College tax revenue	\$ -	\$ -	\$ -
<b>Incremental property tax revenue</b>	\$ 521,551	\$ 494,252	\$ 754,445
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
<b>Miscellaneous revenue</b>	\$ -	\$ -	\$ -
COH TIRZ interest	\$ 618	\$ 170	\$ 170
Interest Income	\$ 957	\$ 162	\$ 162
<b>Other Interest Income</b>	\$ 1,575	\$ 332	\$ 332
	\$ -	\$ -	\$ -
Ike Recovery Funds - COH Housing	\$ -	\$ -	\$ 11,986,000
<b>Grant Proceeds</b>	\$ -	\$ -	\$ 11,986,000
	\$ -	\$ -	\$ -
<b>Proceeds from Bank Loan</b>	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
<b>Contract Revenue Bond Proceeds</b>	\$ -	\$ -	\$ -
<b>TOTAL AVAILABLE RESOURCES</b>	\$ 1,259,681	\$ 1,210,629	\$ 13,708,065

CITY OF HOUSTON  
 ECONOMIC DEVELOPMENT DIVISION  
 FISCAL YEAR 2015 BUDGET PROFILE

Fund Summary  
 Fund Name: Hardy Yards/Near Northside  
 TIRZ: 21  
 Fund Number: 7569/50

TIRZ Budget Line Items	FY2014 Budget	FY2014 Estimates	FY2015 Budget
<b>EXPENDITURES</b>			
Accounting	\$ 10,000	\$ 8,730	\$ 10,000
Administration Salaries & Benefits	\$ 10,500	\$ 16,560	\$ 15,000
Auditor	\$ 8,000	\$ 6,500	\$ 8,000
Bond Services/Trustee/Financial Advisor	\$ -	\$ -	\$ -
Insurance	\$ 700	\$ 791	\$ 800
Office Administration	\$ 75	\$ -	\$ 75
<b>TIRZ Administration and Overhead</b>	<b>\$ 29,275</b>	<b>\$ 32,581</b>	<b>\$ 33,875</b>
Engineering Consultants	\$ -	\$ -	\$ -
Legal	\$ 15,000	\$ 10,595	\$ 25,000
Construction Audit	\$ -	\$ -	\$ -
Planning Consultants	\$ -	\$ -	\$ -
<b>Program and Project Consultants</b>	<b>\$ 15,000</b>	<b>\$ 10,595</b>	<b>\$ 25,000</b>
<b>Management consulting services</b>	<b>\$ 44,275</b>	<b>\$ 43,176</b>	<b>\$ 58,875</b>
Capital Expenditures (See CIP Schedule)	\$ 382,600	\$ 10,701	\$ 382,600
<b>TIRZ Capital Expenditures</b>	<b>\$ 382,600</b>	<b>\$ 10,701</b>	<b>\$ 382,600</b>
Developer - To Be Determined	\$ -	\$ -	\$ 11,986,000
Hardy Yards/Cypress Development	\$ -	\$ -	\$ -
<b>Developer / Project Reimbursements</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,986,000</b>
<b>System debt service</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL PROJECT COSTS</b>	<b>\$ 426,875</b>	<b>\$ 53,877</b>	<b>\$ 12,427,475</b>
Payment/transfer to ISD - educational facilities	\$ -	\$ -	\$ -
Payment/transfer to ISD - educational facilities (Pass Through)	\$ -	\$ -	\$ -
Administration Fees:			
City	\$ 26,078	\$ 24,713	\$ 37,722
County	\$ -	\$ -	\$ -
ISD	\$ -	\$ -	\$ -
HCC	\$ -	\$ -	\$ -
Affordable Housing:			
City	\$ 173,850	\$ 164,751	\$ 251,482
County	\$ -	\$ -	\$ -
ISD to City of Houston	\$ -	\$ -	\$ -
Municipal Services (Payable to COH)	\$ -	\$ -	\$ -
<b>Total Transfers</b>	<b>\$ 199,928</b>	<b>\$ 189,464</b>	<b>\$ 289,204</b>
<b>Total Budget</b>	<b>\$ 626,803</b>	<b>\$ 243,341</b>	<b>\$ 12,716,679</b>
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Developer Reimbursement	\$ 532,878	\$ 448,919	\$ 532,878
UNRESTRICTED Funds	\$ 100,000	\$ 518,369	\$ 458,508
<b>Ending Fund Balance</b>	<b>\$ 632,878</b>	<b>\$ 967,288</b>	<b>\$ 991,386</b>
<b>Total Budget &amp; Ending Fund Balance</b>	<b>\$ 1,259,681</b>	<b>\$ 1,210,629</b>	<b>\$ 13,708,065</b>

Notes.

**EXHIBIT "B"**

**Fiscal Years 2015-2019 Capital Improvement Projects Budget for  
for the Hardy/Near Northside Zone**

Council District	CIP No.	Project	Fiscal Year Planned Appropriations										Cumulative Total (To Date)	
			Through 2013	Projected 2014	2015	2016	2017	2018	2019	FY15 - FY19 Total				
H	T-2101	Pedestrian Pathways/Hike and Bike Trails	\$ 103,634	10,701	382,600	-	-	-	-	-	-	-	382,600	496,935
<b>Totals</b>			\$ 103,634	\$ 10,701	\$ 382,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 382,600	\$ 496,935

\* NOTE:

\*\* NOTE:

\*\*\* NOTE:

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	103,634	10,701	382,600	-	-	-	-	-	382,600	496,935	
City of Houston	-	-	-	-	-	-	-	-	-	-	
Grants	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	
<b>Project Total</b>	<b>103,634</b>	<b>10,701</b>	<b>382,600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>382,600</b>	<b>496,935</b>	

Project:		Pedestrian Pathways/Hike and Bike Trails				City Council District		Key Map:		WBS.:	
		Location:		Geo. Ref.:		Served:		Neighborhood:		T-2101	
		H		H		H		51, 61			
		2015		2016		2017		2018		2019	
		Personnel		Supplies		Svcs. & Chgs.		Capital Outlay		Total	
		\$		\$		\$		\$		\$	
		FTEs									
<b>Fiscal Year Planned Expenses</b>											
Project Allocation	Phase	Projected Expenses thru 6/30/13	2014 Budget	2014 Estimate	2015	2016	2017	2018	2019	FY15 - FY19 Total	Cumulative Total (To Date)
1	Planning	-	-	-	-	-	-	-	-	\$	\$
2	Acquisition	-	-	-	-	-	-	-	-	\$	\$
3	Design	103,634	92,616	10,701	-	-	-	-	-	\$	\$ 114,335
4	Construction	-	127,673	-	382,600	-	-	-	-	\$	\$ 382,600
5	Equipment	-	-	-	-	-	-	-	-	\$	\$
6	Close-Out	-	-	-	-	-	-	-	-	\$	\$
7	Other	-	-	-	-	-	-	-	-	\$	\$
<b>Other Sub-Total:</b>		-	-	-	-	-	-	-	-	\$	\$
<b>Total Allocations</b>		\$ 103,634	\$ 220,289	\$ 10,701	\$ 382,600	\$	\$	\$	\$	\$ 382,600	\$ 496,935
<b>Source of Funds</b>											
TIRZ Funds		103,634	220,289	10,701	382,600	-	-	-	-	\$ 382,600	\$ 496,935
City of Houston		-	-	-	-	-	-	-	-	\$	\$
Grant Funds		-	-	-	-	-	-	-	-	\$	\$
Other		-	-	-	-	-	-	-	-	\$	\$