

City of Houston, Texas, Ordinance No. 2015 - 866

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 2016 OPERATING BUDGET FOR THE AUTHORITY AND THE FISCAL YEARS 2016-2020 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 2016 (the "Operating Budget") and a five-year Capital Improvements Budget for Fiscal Years 2016-2020 (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 2016. 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, 2016, the Zone shall, in cooperation with City representatives: (1) identify surplus funds in the Zone's Fiscal Year 2016 Operating Budget based on the difference between Zone revenues and the Fiscal Year 2016 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 16th day of September, 2015.

APPROVED this _____ day of _____, 2015.

Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is SEP 22 2015

SEP 22 2015


City Secretary

(Prepared by Legal Department )
(SEK:sek August 26, 2015 Senior Assistant City Attorney)
(Requested by Andy Icken, Chief Development Officer)
(L.D. File No. _____)

G:\REAL ESTATE\TIRZ\TIRZ 21 Hardy Place\Budgets\FY16 Budget\ORD Budget FY16 TIRZ #21.docx

AYE	NO	
✓		MAYOR PARKER
....	COUNCIL MEMBERS
✓		STARDIG
✓		DAVIS
✓		COHEN
	ABSENT	BOYKINS
	ABSENT	MARTIN
✓		NGUYEN
✓		PENNINGTON
✓		GONZALEZ
✓		GALLEGOS
✓		LASTER
✓		GREEN
	ABSENT	COSTELLO
✓		ROBINSON
✓		KUBOSH
✓		BRADFORD
✓		CHRISTIE
CAPTION	ADOPTED	

CAPTION PUBLISHED IN DAILY COURT
REVIEW SEP 22 2015
DATE:

EXHIBIT "A"

**Fiscal Year 2016 Operating Budget
for the Hardy/Near Northside Redevelopment Authority**

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2016 BUDGET PROFILE

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

P R O J E C T P L A N	Base Year:		2003
	Base Year Taxable Value:	\$	40,313,080
	Projected Taxable Value (TY2015):	\$	88,673,499
	Current Taxable Value (TY2014):	\$	85,262,980
	Acres:		326.1
	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 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 6/30/14)	Variance
		Capital Projects:		
	Roadway and Sidewalk Improvements	\$ 37,692,000	\$ 123,022	\$ 37,568,978
	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
		-	-	-
		-	-	-
		-	-	-
	Total Capital Projects	\$ 45,881,000	\$ 123,022	\$ 45,757,978
	Affordable Housing	17,500,000	716,432	16,783,568
	School & Education/Cultural Facilities	-	-	-
	Financing Costs	1,700,000	-	1,700,000
	Administration Costs/ Professional Services	2,200,000	264,980	1,935,020
	Creation Costs	-	-	-
	Total Project Plan	\$ 67,281,000	\$ 1,104,434	\$ 66,176,566

D E B T	Additional Financial Data	FY2015 Budget	FY2015 Estimates	FY2016 Budget
		Debt Service	\$ -	\$ -
	Principal	\$ -	\$ -	\$ -
	Interest	\$ -	\$ -	\$ -
		Balance as of 6/30/14	Projected Balance as of 6/30/15	Projected Balance as of 6/30/16
	Year End Outstanding (Principal)			
	Bond Debt	\$ -	\$ -	\$ -
	Bank Loan	\$ -	\$ -	\$ -
	Line of Credit	\$ -	\$ -	\$ -
	Developer Agreement	\$ -	\$ -	\$ -
	Other	\$ -	\$ -	\$ -

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2016 BUDGET PROFILE

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

TIRZ Budget Line Items	FY2015 Budget	FY2015 Estimates	FY2016 Budget
RESOURCES			
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Developer Reimbursement	\$ 448,919	\$ -	\$ 448,919
UNRESTRICTED Funds	\$ 369,332	\$ 716,044	\$ 385,840
Beginning Balance	\$ 818,251	\$ 716,044	\$ 834,759
City tax revenue	\$ 279,340	\$ 279,340	\$ 300,534
County tax revenue	\$ -	\$ -	\$ -
ISD tax revenue	\$ -	\$ -	\$ -
ISD tax revenue - Pass Through	\$ -	\$ -	\$ -
Community College tax revenue	\$ -	\$ -	\$ -
Incremental property tax revenue	\$ 279,340	\$ 279,340	\$ 300,534
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Miscellaneous revenue	\$ -	\$ -	\$ -
COH TIRZ interest	\$ 170	\$ 170	\$ 170
Interest Income	\$ 162	\$ 162	\$ 162
Other Interest Income	\$ 332	\$ 332	\$ 332
	\$ -	\$ -	\$ -
Ike Recovery Funds - COH Housing	\$ 11,986,000	\$ -	\$ 7,093,238
Grant Proceeds	\$ 11,986,000	\$ -	\$ 7,093,238
	\$ -	\$ -	\$ -
Proceeds from Bank Loan	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Contract Revenue Bond Proceeds	\$ -	\$ -	\$ -
TOTAL AVAILABLE RESOURCES	\$ 13,083,923	\$ 995,716	\$ 8,228,864

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2016 BUDGET PROFILE

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

TIRZ Budget Line Items	FY2015 Budget	FY2015 Estimates	FY2016 Budget
EXPENDITURES			
Accounting	\$ 10,000	\$ 8,730	\$ 10,000
Administration Salaries & Benefits	\$ 15,000	\$ 16,560	\$ 15,000
Auditor	\$ 8,000	\$ 6,500	\$ 8,000
Bond Services/Trustee/Financial Advisor	\$ -	\$ -	\$ -
Insurance	\$ 800	\$ 791	\$ 800
Office Administration	\$ 75	\$ -	\$ 75
TIRZ Administration and Overhead	\$ 33,875	\$ 32,581	\$ 33,875
Engineering Consultants	\$ -	\$ -	\$ -
Legal	\$ 25,000	\$ 10,595	\$ 25,000
Construction Audit	\$ -	\$ -	\$ -
Planning Consultants	\$ -	\$ -	\$ -
Program and Project Consultants	\$ 25,000	\$ 10,595	\$ 25,000
Management consulting services	\$ 58,875	\$ 43,176	\$ 58,875
Capital Expenditures (See CIP Schedule)	\$ 382,600	\$ 10,701	\$ 382,600
TIRZ Capital Expenditures	\$ 382,600	\$ 10,701	\$ 382,600
Developer - To Be Determined	\$ 11,986,000	\$ -	\$ 11,986,000
Hardy Yards/Cypress Development	\$ -	\$ -	\$ -
Developer / Project Reimbursements	\$ 11,986,000	\$ -	\$ 11,986,000
System debt service	\$ -	\$ -	\$ -
TOTAL PROJECT COSTS	\$ 12,427,475	\$ 53,877	\$ 12,427,475
Payment/transfer to ISD - educational facilities	\$ -	\$ -	\$ -
Payment/transfer to ISD - educational facilities (Pass Through)	\$ -	\$ -	\$ -
Administration Fees:			
City	\$ 13,967	\$ 13,967	\$ 15,027
County	\$ -	\$ -	\$ -
ISD	\$ -	\$ -	\$ -
HCC	\$ -	\$ -	\$ -
Affordable Housing:			
City	\$ 93,113	\$ 93,113	\$ 100,178
County	\$ -	\$ -	\$ -
ISD to City of Houston	\$ -	\$ -	\$ -
Municipal Services (Payable to COH)	\$ -	\$ -	\$ -
Total Transfers	\$ 107,080	\$ 107,080	\$ 115,205
Total Budget	\$ 12,534,555	\$ 160,957	\$ 12,542,680
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Developer Reimbursement	\$ 532,878	\$ 448,919	\$ 532,878
UNRESTRICTED Funds	\$ 16,490	\$ 385,840	\$ (4,846,694)
Ending Fund Balance	\$ 549,368	\$ 834,759	\$ (4,313,816)
Total Budget & Ending Fund Balance	\$ 13,083,923	\$ 995,716	\$ 8,228,864

Notes:

EXHIBIT "B"

**Fiscal Years 2016-2020 Capital Improvement Projects Budget for
for the Hardy/Near Northside Zone**

Council District	CJP No.	Project	Fiscal Year Planned Appropriations								Cumulative Total (To Date)	
			Through 2014	Projected 2016	2016	2017	2018	2019	2020	FY16 - FY20 Total		
H	T-2101	Pedestrian Pathways/Hike and Bike Trails	\$ 10,701	10,701	382,600	-	-	-	-	-	382,600	404,002
Totals			\$ 10,701	10,701	382,600	\$ -	\$ -	\$ -	\$ -	\$ -	382,600	404,002

* NOTE:

** NOTE:

*** NOTE:

Source of Funds	Fiscal Year Planned Appropriations										Cumulative Total (To Date)
	Through 2014	Projected 2015	2016	2017	2018	2019	2020	FY16 - FY20 Total			
TIRZ Funds	10,701	10,701	382,600	-	-	-	-	-	-	-	404,002
City of Houston	-	-	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Project Total	10,701	10,701	382,600	-	-	-	-	-	-	382,600	404,002

Project:		Pedestrian Pathways/Hike and Bike Trails			City Council District		Key Map:		WBS.:		T-2101							
		Location:		Geo. Ref.:		Neighborhood:		2017		2018		2019		2020		Total		
Description:		Pedestrian and Bike Access Trails on Pickney, Gargan and Myrtle between the White Oak Bayou trail system and Main Street.			H		H		491		51, 61							
Justification:		Increased residential densities along the east and west side of Main Street north of Downtown require better access for pedestrians and bicycles.																
		Operating and Maintenance Costs: (\$ Thousands)			2016		2017		2018		2019		2020		Total			
		Personnel			-		-		-		-		-		-		\$ -	
		Supplies			-		-		-		-		-		-		\$ -	
		Svcs. & Chgs.			-		-		-		-		-		-		\$ -	
		Capital Outlay			-		-		-		-		-		-		\$ -	
		Total			\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -	
		FTEs																
Fiscal Year Planned Expenses																		
Project Allocation		Projected Expenses thru 6/30/14	2015 Budget	2015 Estimate	2016	2017	2018	2019	2020	FY16 - FY20 Total	Cumulative Total (To Date)							
Phase																		
1	Planning	-	-	-	-	-	-	-	-	\$ -	\$ -							
2	Acquisition	-	-	-	-	-	-	-	-	\$ -	\$ -							
3	Design	10,701	92,616	10,701	-	-	-	-	-	\$ -	\$ 21,402							
4	Construction	-	127,673	-	382,600	-	-	-	-	\$ 382,600	\$ 382,600							
5	Equipment	-	-	-	-	-	-	-	-	\$ -	\$ -							
6	Close-Out	-	-	-	-	-	-	-	-	\$ -	\$ -							
7	Other	-	-	-	-	-	-	-	-	\$ -	\$ -							
Other Sub-Total:		-	-	-	-	-	-	-	-	\$ -	\$ -							
Total Allocations		\$ 10,701	\$ 220,289	\$ 10,701	\$ 382,600	\$ -	\$ -	\$ -	\$ -	\$ 382,600	\$ 404,002							
Source of Funds																		
TIRZ Funds		10,701	220,289	10,701	382,600	-	-	-	-	\$ 382,600	\$ 404,002							
City of Houston		-	-	-	-	-	-	-	-	\$ -	\$ -							
Grant Funds		-	-	-	-	-	-	-	-	\$ -	\$ -							
Other		-	-	-	-	-	-	-	-	\$ -	\$ -							