

City of Houston, Texas, Ordinance No. 2015 - 934

AN ORDINANCE RELATING TO THE FISCAL AFFAIRS OF THE GULFGATE REDEVELOPMENT AUTHORITY ON BEHALF OF REINVESTMENT ZONE NUMBER EIGHT, CITY OF HOUSTON, TEXAS (GULFGATE ZONE); APPROVING THE FISCAL YEAR 2016 OPERATING BUDGET FOR THE AUTHORITY; CONTAINING FINDINGS AND OTHER PROVISIONS RELATED TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.

* * * * *

WHEREAS, the Gulfgate Redevelopment Authority (the "Authority"), a local government corporation acting on behalf of the City in connection with Reinvestment Zone Number Eight, 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. 97-1571, as amended by Ordinance No. 2001-411; and

WHEREAS, the Budgets are based on the following assumptions:

1. The timely implementation of capital improvement projects in the Budget 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 improvements; 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 Zone may need to transfer funds from one Line Item of Project Costs shown on **Exhibit "A"** to another. Unless approved by the City Council, the Zone 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 the lesser of Four Hundred Thousand Dollars (\$400,000) or five percent (5%) of the Project Costs during Fiscal Year 2015. Subject to the foregoing, the Operating Budget attached hereto as **Exhibit "A"** is hereby approved for the Zone.

Section 3. That the CIP Budget attached hereto as Exhibit "B" is hereby approved for the Zone.

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

Section 5. That not later than March 31, 2016, the Zone and the Authority shall, in cooperation with City representatives, (1) identify surplus funds in the Authority's Fiscal Year 2016 Operating Budget based on the difference between Zone revenues and the Fiscal Year 2016 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 Zone Project Plan and Reinvestment Zone Financing Plan that may be necessary to accomplish this purpose, and shall expedite any such amendments.

Section 6. 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 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

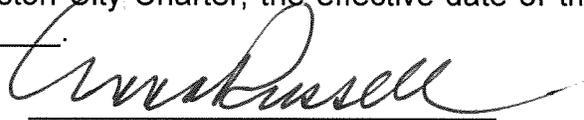
Mayor fails to sign this Ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED this 30th 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 OCT 0 8 2015.


City Secretary

 (SND)

(Prepared by Legal Department _____)
(SEK September 16, 2015) Assistant City Attorney
(Requested by Andrew F. Icken, Chief Development Officer, Office of the Mayor)
(L.D. File No. OCT 0 8 2015)

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CAPTION PUBLISHED IN DAILY COURT
REVIEW
DATE: OCT 0 8 2015

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

EXHIBIT "A"

**Fiscal Year 2015 Operating Budget for
Gulfgate Zone**

P R O F I L E	Base Year:		1997
	Base Year Taxable Value:	\$	25,127,840
	Projected Taxable Value (TY2015):	\$	1,298,855,278
	Current Taxable Value (TY2014):	\$	1,182,603,709
	Acres:		8065.00
	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 Eight, City of Houston, Texas was created with the purpose of acquiring and repositioning the ailing Gulfgate Shopping Center. The Zone was enlarged in 1999 with the purpose of facilitating the redevelopment of the surrounding areas by providing for utility relocation, traffic signalization & realignments, refurbishment of the Loop 610 Pedestrian Bridge and landscaping.
	City Council expanded the zone and extended the term of the zone to 30 years in December of 2014. The expansion of the zone will allow for the TIRZ to plan for and construct public improvements within the zone for some time to come. Also, it is intended the zone will be able to issue debt financing to eliminate the privately held debt and freeing up funds to construct public improvements in the six corridors of the zone. The six corridors are Broadway, Belfort, Telephone, Dixie, Long and Mykawa.
	The zone is working with the city to develop a comprehensive development plan. The zone staff is currently developing a needs analysis which will be completed in early FY 2016. The needs analysis will be used to conduct community engagement meetings throughout the zone leading to the development of a Five Year CIP for the FY 2017 Budget.
	The zone board is intent on investing \$1.5 million in the Broadway Corridor for the enhancement of Broadway Blvd. to support mobility improvements. This project will act as a catalyst to leverage public and private dollars as well as set the standard for future development initiatives throughout the zone.

		Total Plan	Cumulative Expenses (to 6/30/14)	Variance
P R O J E C T P L A N	Capital Projects:			
	Property Acquisition	\$ 5,250,000	\$ 5,391,214	\$ (141,214)
	Infrastructure improvements	3,907,686	2,222,385	1,685,301
			-	-
	Area Wide Projects:			
	Parks, trails, public spaces	4,000,000	-	4,000,000
	Public facilities	5,000,000	-	5,000,000
	Targeted blight removal costs	5,000,000	-	5,000,000
	Corridor and Area Projects:			
	Long Road Corridor	15,530,000	-	15,530,000
	Dixie Road Corridor	10,950,000	-	10,950,000
	Belfort Avenue Corridor	14,250,000	-	14,250,000
	Telephone Road Corridor	11,300,000	-	11,300,000
	Broadway Street Corridor	2,300,000	-	2,300,000
	Mykawa Area	16,000,000	-	16,000,000
Total Capital Projects	\$ 93,487,686	\$ 7,613,599	\$ 85,874,087	
Affordable Housing	-	-	-	
School & Education/Cultural Facilities	15,867,222	2,970,437	12,896,785	
Financing Costs	8,931,920	4,569,857	4,362,063	
Creation Costs	1,250,000	1,011,674	238,326	
Total Project Plan	\$ 119,536,828	\$ 16,165,567	\$ 103,371,261	

Additional Financial Data		FY2015 Budget	FY2015 Estimate	FY2016 Budget
D E B T	Debt Service	\$ 1,324,162	\$ 1,336,541	\$ 3,357,388
	Principal	\$ 1,191,393	\$ 1,216,393	\$ 3,357,388
	Interest	\$ 132,769	\$ 120,148	\$ -
		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 - Wells Fargo	\$ 1,989,537	\$ 1,539,537	\$ -
	Developer Agreement - HGP Land Note	\$ -	\$ -	\$ -
	Developer Agreement - HGP Developer Advance	\$ 1,835,925	\$ 1,069,532	\$ -
	Other	\$ -	\$ -	\$ -

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2016 BUDGET PROFILE

Fund Summary
 Fund Name: Gulfgate Redevelopment Authority
 TIRZ: 08

TIRZ Budget Line Items	FY2015 Budget	FY2015 Estimate	FY2016 Budget
RESOURCES			
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Debt Service (Wells Fargo Loan)	\$ -	\$ -	\$ -
RESTRICTED Funds - HGP Land Note	\$ -	\$ -	\$ -
UNRESTRICTED Funds	\$ 906,470	\$ 1,081,716	\$ 1,003,801
Beginning Balance	\$ 906,470	\$ 1,081,716	\$ 1,003,801
City tax revenue	\$ 558,541	\$ 598,704	\$ 1,264,257
County tax revenue	\$ 366,671	\$ 354,393	\$ 354,935
ISD tax revenue	\$ 941,509	\$ 903,871	\$ 906,645
ISD tax revenue - Pass Through	\$ -	\$ 144,462	\$ 144,462
Community College tax revenue	\$ -	\$ -	\$ -
Incremental property tax revenue	\$ 1,866,721	\$ 2,001,430	\$ 2,670,299
Miscellaneous revenue	\$ -	\$ -	\$ -
COH TIRZ interest	\$ 3,898	\$ 821	\$ 821
Interest Income	\$ -	\$ -	\$ -
Other Interest Income	\$ 3,898	\$ 821	\$ 821
TxDOT Reconciliation	\$ -	\$ -	\$ -
Grant Proceeds	\$ -	\$ -	\$ -
Proceeds from Bank Loan	\$ -	\$ -	\$ -
Contract Revenue Bond Proceeds	\$ -	\$ -	\$ 9,791,480
TOTAL AVAILABLE RESOURCES	\$ 2,777,089	\$ 3,083,967	\$ 13,466,401

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2016 BUDGET PROFILE

Fund Summary
 Fund Name: Gulfgate Redevelopment Authority
 TIRZ: 08

TIRZ Budget Line Items	FY2015 Budget	FY2015 Estimate	FY2016 Budget
EXPENDITURES			
Accounting	\$ 6,500	\$ 6,500	\$ 6,500
Administration Salaries & Benefits	\$ 10,000	\$ 30,000	\$ 43,200
Auditor	\$ 10,000	\$ 8,250	\$ 8,750
Bond Services/Trustee/Financial Advisor	\$ -	\$ -	\$ -
Insurance	\$ 800	\$ 958	\$ 1,000
Office Administration	\$ 500	\$ 208	\$ 300
TIRZ Administration and Overhead	\$ 27,800	\$ 45,916	\$ 59,750
Engineering Consultants	\$ -	\$ -	\$ -
Legal	\$ 10,000	\$ 35,000	\$ 35,000
Planning Consultants	\$ -	\$ 45,000	\$ 60,000
Planning Studies	\$ -	\$ -	\$ 50,000
Website Design and Maintenance	\$ -	\$ -	\$ 15,000
Program and Project Consultants	\$ 10,000	\$ 80,000	\$ 160,000
Management consulting services	\$ 37,800	\$ 125,916	\$ 219,750
Capital Expenditures (See CIP Schedule)	\$ -	\$ -	\$ 1,500,000
TIRZ Capital Expenditures	\$ -	\$ -	\$ 1,500,000
Houston Gulfgate Partners - Land Note Principal	\$ -	\$ -	\$ -
Houston Gulfgate Partners - Land Note Interest	\$ -	\$ -	\$ -
Houston Gulfgate Partners - Developer Advance Principal	\$ 766,393	\$ 766,393	\$ 1,837,852
Houston Gulfgate Partners - Developer Advance Interest	\$ 90,077	\$ 90,077	\$ -
Developer / Project Reimbursements	\$ 856,470	\$ 856,470	\$ 1,837,852
Bond Debt Service (Series ##)			
Principal	\$ -	\$ -	\$ -
Interest	\$ -	\$ -	\$ -
Bond Debt Service (Series ##)			
Principal	\$ -	\$ -	\$ -
Interest	\$ -	\$ -	\$ -
New Bond Sale (Series ##)			
Principal	\$ -	\$ -	\$ -
Interest	\$ -	\$ -	\$ -
Cost of Issuance	\$ -	\$ -	\$ -
Wells Fargo Loan debt service			
Principal	\$ 425,000	\$ 450,000	\$ 1,519,536
Interest	\$ 42,692	\$ 30,071	\$ -
Refinancing of Debt			
Principal	\$ -	\$ -	\$ 199,875
Interest	\$ -	\$ -	\$ 199,875
Origination Costs	\$ -	\$ -	\$ -
System debt service	\$ 467,692	\$ 480,071	\$ 1,919,286
TOTAL PROJECT COSTS	\$ 1,361,962	\$ 1,462,457	\$ 5,476,888

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2016 BUDGET PROFILE

Fund Summary
 Fund Name: **Gulfgate Redevelopment Authority**
 TIRZ: **08**

TIRZ Budget Line Items	FY2015 Budget	FY2015 Estimate	FY2016 Budget
Payment/transfer to ISD - educational facilities	\$ 381,946	\$ 400,592	\$ 430,559
Payment/transfer to ISD - educational facilities (Pass Through)		\$ 144,462	\$ 144,462
Administration Fees:			
City	\$ 27,927	\$ 29,935	\$ 63,213
County	\$ 18,334	\$ 17,720	\$ 17,747
ISD	\$ 25,000	\$ 25,000	\$ 25,000
	\$ -	\$ -	\$ -
Affordable Housing:			
City	\$ -	\$ -	\$ -
County	\$ -	\$ -	\$ -
ISD to City of Houston	\$ -	\$ -	\$ -
Municipal Services (Payable to COH)	\$ -	\$ -	\$ -
Total Transfers	\$ 453,207	\$ 617,709	\$ 680,981
Total Budget	\$ 1,815,169	\$ 2,080,166	\$ 6,157,869
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Debt Service (Wells Fargo Loan)		\$ -	\$ -
UNRESTRICTED Funds	\$ 961,920	\$ 1,003,801	\$ 7,308,532
Ending Fund Balance	\$ 961,920	\$ 1,003,801	\$ 7,308,532
Total Budget & Ending Fund Balance	\$ 2,777,089	\$ 3,083,967	\$ 13,466,401

EXHIBIT "B"

**Fiscal Year 2016-2020 Capital Improvement Project Budget for
Gulfgate Zone**

2016 - 2020 CAPITAL IMPROVEMENT PLAN
 TIRZ 08
 CIP by Project

CITY OF HOUSTON - TIRZ PROGRAM
 Economic Development Division

Council District	CIP No.	Project	Fiscal Year Planned Appropriations							Cumulative Total (To Date)		
			Through 2014	Projected 2015	2016	2017	2018	2019	2020		FY13 - FY17 Total	
0	T-0801	Broadway Corridor Improvement	\$ -	-	1,500,000	-	-	-	-	-	1,500,000	1,500,000
		Totals	\$ -	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000

2016 - 2020 CAPITAL IMPROVEMENT PLAN
 TIRZ 08
 CIP by Sources of Funds

CITY OF HOUSTON - TIRZ PROGRAM
 Economic Development Division

Source of Funds	Fiscal Year: Planned Appropriations							Cumulative Total (To Date)
	Through 2014	Projected 2015	2016	2017	2018	2019	2020	
TIRZ Funds	-	-	1,500,000	-	-	-	-	1,500,000
City of Houston	-	-	-	-	-	-	-	-
Project Total	-	-	1,500,000	-	-	-	-	1,500,000

