

**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 2017 OPERATING BUDGET FOR THE AUTHORITY AND THE FISCAL YEARS 2017-2021 CAPITAL IMPROVEMENTS BUDGET FOR THE ZONE; CONTAINING FINDINGS AND OTHER PROVISIONS RELATED TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.**

\* \* \* \* \*

**WHEREAS**, the City of Houston ("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 the Zone, has submitted an Operating Budget for Fiscal Year 2017 (the "Operating Budget") and a five-year Capital Improvements Budget for Fiscal Years 2017-2021 (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 2017. 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, 2017, the Zone shall, in cooperation with City representatives: (1) identify surplus funds in the Zone's Fiscal Year 2017 Operating Budget based on the difference between Zone revenues and the Fiscal Year 2017 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.

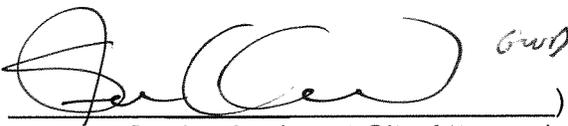
**PASSED AND ADOPTED** this 10<sup>th</sup> day of August, 2016.

**APPROVED** this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

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

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is AUG 16 2016.

  
 City Secretary

(Prepared by Legal Department   
 (SEK:ems July 25, 2016 Senior Assistant City Attorney)  
 (Requested by Andy Icken, Chief Development Officer)  
 (L.D. File No. 042-1400131-005)

G:\REAL ESTATE\TIRZ\TIRZ 21 Hardy Place\Budgets\FY17 Budget\ORD Budget FY17 TIRZ #21.docx

AYE	NO	
✓		<b>MAYOR TURNER</b>
....	....	<b>COUNCIL MEMBERS</b>
✓		STARDIG
✓		DAVIS
✓		COHEN
✓		BOYKINS
		ABSENT-ON PERSONAL BUSINESS MARTIN
✓		LE
✓		TRAVIS
✓		CISNEROS
✓		GALLEGOS
✓		LASTER
✓		GREEN
✓		KNOX
✓		ROBINSON
✓		KUBOSH
✓		EDWARDS
✓		CHRISTIE
CAPTION	ADOPTED	

CAPTION PUBLISHED IN DAILY COURT  
 REVIEW  
 DATE: **AUG 16 2016**

**EXHIBIT "A"**

**Fiscal Year 2017 Operating Budget  
for the Hardy/Near Northside Redevelopment Authority**

CITY OF HOUSTON  
 ECONOMIC DEVELOPMENT DIVISION  
 FISCAL YEAR 2017 BUDGET PROFILE

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

P R O J E C T I V E	Base Year:		2003
	Base Year Taxable Value:	\$	40,313,080
	Projected Taxable Value (TY2016):	\$	92,161,586
	Current Taxable Value (TY2015):	\$	88,616,910
	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.

	Total Plan	Cumulative Expenses (to 6/30/15)	Variance
<b>Capital Projects:</b>			
Roadway and Sidewalk Improvements	\$ 37,692,000	\$ 6,703,368	\$ 30,988,632
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>	<b>\$ 45,881,000</b>	<b>\$ 6,703,368</b>	<b>\$ 39,177,632</b>
Affordable Housing	17,500,000	828,696	16,671,304
School & Education/Cultural Facilities	-	-	-
Financing Costs	1,700,000	-	1,700,000
Zone Creation and Administration	2,200,000	330,703	1,869,297
<b>Total Project Plan</b>	<b>\$ 67,281,000</b>	<b>\$ 7,862,767</b>	<b>\$ 59,418,233</b>

	Additional Financial Data	FY2016 Budget	FY2016 Estimate	FY2017 Budget
D E B T	Debt Service	\$ -	\$ -	\$ -
	Principal	\$ -	\$ -	\$ -
	Interest	\$ -	\$ -	\$ -
		<b>Balance as of 6/30/15</b>	<b>Projected Balance as of 6/30/16</b>	<b>Projected Balance as of 6/30/17</b>
	Year End Outstanding (Principal)			
	Bond Debt	\$ -	\$ -	\$ -
	Bank Loan	\$ -	\$ -	\$ -
	Line of Credit	\$ -	\$ -	\$ -
	Developer Agreement	\$ -	\$ -	\$ -
	Other	\$ -	\$ -	\$ -

CITY OF HOUSTON  
 ECONOMIC DEVELOPMENT DIVISION  
 FISCAL YEAR 2017 BUDGET PROFILE

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

TIRZ Budget Line Items	FY2016 Budget	FY2016 Estimate	FY2017 Budget
<b>RESOURCES</b>			
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Developer Reimbursement	\$ 448,919	\$ -	\$ -
UNRESTRICTED Funds	\$ 385,840	\$ 973,788	\$ 1,087,852
<b>Beginning Balance</b>	<b>\$ 834,759</b>	<b>\$ 973,788</b>	<b>\$ 1,087,852</b>
City tax revenue	\$ 300,534	\$ 285,932	\$ 306,914
County tax revenue	\$ -	\$ -	\$ -
ISD tax revenue	\$ -	\$ -	\$ -
ISD tax revenue - Pass Through	\$ -	\$ -	\$ -
Community College tax revenue	\$ -	\$ -	\$ -
<b>Incremental property tax revenue</b>	<b>\$ 300,534</b>	<b>\$ 285,932</b>	<b>\$ 306,914</b>
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
<b>Miscellaneous revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
COH TIRZ interest	\$ 170	\$ 170	\$ 170
Interest Income	\$ 162	\$ 162	\$ 162
<b>Other Interest Income</b>	<b>\$ 332</b>	<b>\$ 332</b>	<b>\$ 332</b>
	\$ -	\$ -	\$ -
Ike Recovery Funds - COH Housing	\$ 7,093,238	\$ 1,378,136	\$ 4,027,518
<b>Grant Proceeds</b>	<b>\$ 7,093,238</b>	<b>\$ 1,378,136</b>	<b>\$ 4,027,518</b>
	\$ -	\$ -	\$ -
<b>Proceeds from Bank Loan</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	\$ -	\$ -	\$ -
<b>Contract Revenue Bond Proceeds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL AVAILABLE RESOURCES</b>	<b>\$ 8,228,863</b>	<b>\$ 2,638,188</b>	<b>\$ 5,422,617</b>

CITY OF HOUSTON  
 ECONOMIC DEVELOPMENT DIVISION  
 FISCAL YEAR 2017 BUDGET PROFILE

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

TIRZ Budget Line Items	FY2016 Budget	FY2016 Estimate	FY2017 Budget
<b>EXPENDITURES</b>			
Accounting	\$ 10,000	\$ 17,941	\$ 10,000
Administration Salaries & Benefits	\$ 15,000	\$ 18,675	\$ 25,000
Auditor	\$ 8,000	\$ 10,000	\$ 10,000
Bond Services/Trustee/Financial Advisor	\$ -	\$ -	\$ -
Insurance	\$ 800	\$ 877	\$ 1,000
Office Administration	\$ 75	\$ 201	\$ 250
<b>TIRZ Administration and Overhead</b>	<b>\$ 33,875</b>	<b>\$ 47,694</b>	<b>\$ 46,250</b>
Engineering Consultants	\$ -	\$ -	\$ 45,000
Legal	\$ 25,000	\$ 10,595	\$ 25,000
Construction Audit	\$ -	\$ -	\$ -
Planning Consultants	\$ -	\$ 4,303	\$ 45,000
<b>Program and Project Consultants</b>	<b>\$ 25,000</b>	<b>\$ 14,898</b>	<b>\$ 115,000</b>
<b>Management consulting services</b>	<b>\$ 58,875</b>	<b>\$ 62,592</b>	<b>\$ 161,250</b>
Capital Expenditures (See CIP Schedule)	\$ 382,600	\$ -	\$ 382,600
<b>TIRZ Capital Expenditures</b>	<b>\$ 382,600</b>	<b>\$ -</b>	<b>\$ 382,600</b>
Hardy Yards/Cypress Development	\$ 11,986,000	\$ 1,378,136	\$ 4,027,518
<b>Developer / Project Reimbursements</b>	<b>\$ 11,986,000</b>	<b>\$ 1,378,136</b>	<b>\$ 4,027,518</b>
System debt service	\$ -	\$ -	\$ -
<b>TOTAL PROJECT COSTS</b>	<b>\$ 12,427,475</b>	<b>\$ 1,440,728</b>	<b>\$ 4,571,368</b>
Payment/transfer to ISD - educational facilities	\$ -	\$ -	\$ -
Payment/transfer to ISD - educational facilities (Pass Through)	\$ -	\$ -	\$ -
Administration Fees:			
City	\$ 15,027	\$ 14,297	\$ 15,346
County	\$ -	\$ -	\$ -
ISD	\$ -	\$ -	\$ -
HCC	\$ -	\$ -	\$ -
Affordable Housing:			
City	\$ 100,178	\$ 95,311	\$ 102,305
County	\$ -	\$ -	\$ -
ISD to City of Houston	\$ -	\$ -	\$ -
Municipal Services (Payable to COH)	\$ -	\$ -	\$ -
<b>Total Transfers</b>	<b>\$ 115,205</b>	<b>\$ 109,608</b>	<b>\$ 117,651</b>
<b>Total Budget</b>	<b>\$ 12,542,680</b>	<b>\$ 1,550,336</b>	<b>\$ 4,689,019</b>
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Developer Reimbursement	\$ 532,878	\$ -	\$ -
UNRESTRICTED Funds	\$ (4,846,695)	\$ 1,087,852	\$ 733,598
<b>Ending Fund Balance</b>	<b>\$ (4,313,817)</b>	<b>\$ 1,087,852</b>	<b>\$ 733,598</b>
<b>Total Budget &amp; Ending Fund Balance</b>	<b>\$ 8,228,863</b>	<b>\$ 2,638,188</b>	<b>\$ 5,422,617</b>

Notes:

**EXHIBIT "B"**

**Fiscal Years 2017-2021 Capital Improvement Projects Budget for  
for the Hardy/Near Northside Zone**

2017 - 2021 CAPITAL IMPROVEMENT PLAN  
 TIRZ NO.21 - HARDY YARDS/NEAR NORTHSIDE

CITY OF HOUSTON - TIRZ PROGRAM  
 Economic Development Division

Council District	CIP No.	Project	Fiscal Year Planned Appropriations							FY17 - FY21 Total	Cumulative Total (To Date)
			Through 2016	Projected 2016	2017	2018	2019	2020	2021		
H	T.2101	Pedestrian Pathways/Hike and Bike Trails	\$ 103,634		382,600	-	-	-	-	382,600	486,234
H	T.2199	Concrete Panel Placement Program	\$ -	-	-	-	-	-	-	-	-
<b>Totals</b>			<b>\$ 103,634</b>	<b>\$ -</b>	<b>\$ 382,600</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 382,600</b>	<b>\$ 486,234</b>

\* NOTE  
 \*\* NOTE  
 \*\*\* NOTE

Source of Funds	Fiscal Year Planned Appropriations							FY17 - FY21 Total	Cumulative Total (To Date)
	Through 2015	Projected 2016	2017	2018	2019	2020	2021		
TIRZ Funds	103,634	-	382,600	-	-	-	-	382,600	486,234
City of Houston	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Project Total</b>	<b>103,634</b>	<b>-</b>	<b>382,600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>382,600</b>	<b>486,234</b>

<b>Project:</b> Pedestrian Pathways/Hike and Bike Trails		<b>City Council District</b>		<b>Key Map:</b>	491					
		<b>Location:</b> H		<b>Geo. Ref.:</b>				<b>WBS.:</b>		T-2101
		<b>Served:</b> H		<b>Neighborhood:</b>		51, 61				
<b>Description:</b>	Pedestrian and Bike Access Trails on Pickney, Gargan and Myrtle between the White Oak Bayou trail system and Main Street.			<b>Operating and Maintenance Costs: (\$ Thousands)</b>						
				2017	2018	2019	2020	2021		Total
				-	-	-	-	-	-	\$ -
				-	-	-	-	-	-	\$ -
<b>Justification:</b>	Increased residential densities along the east and west side of Main Street north of Downtown require better access for pedestrians and bicycles.			Svcs & Chgs	-	-	-	-	-	\$ -
				Capital Outlay	-	-	-	-	-	\$ -
				<b>Total</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
				FTEs	-	-	-	-	-	-
<b>Fiscal Year Planned Expenses</b>										
<b>Project Allocation</b>	<b>Projected Expenses thru 6/30/15</b>	<b>2016 Budget</b>	<b>2016 Estimate</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>FY17 - FY21 Total</b>	<b>Cumulative Total (To Date)</b>
<b>Phase</b>										
1 Planning	-	-	-	-	-	-	-	-	\$ -	\$ -
2 Acquisition	-	-	-	-	-	-	-	-	\$ -	\$ -
3 Design	103,634	-	-	-	-	-	-	-	\$ -	\$ 103,634
4 Construction	-	382,600	-	382,600	-	-	-	-	\$ 382,600	\$ 382,600
5 Equipment	-	-	-	-	-	-	-	-	\$ -	\$ -
6 Close-Out	-	-	-	-	-	-	-	-	\$ -	\$ -
7 Other	-	-	-	-	-	-	-	-	\$ -	\$ -
	-	-	-	-	-	-	-	-	\$ -	\$ -
	-	-	-	-	-	-	-	-	\$ -	\$ -
	-	-	-	-	-	-	-	-	\$ -	\$ -
	-	-	-	-	-	-	-	-	\$ -	\$ -
<b>Other Sub-Total:</b>	-	-	-	-	-	-	-	-	\$ -	\$ -
<b>Total Allocations</b>	\$ 103,634	\$ 382,600	\$ -	\$ 382,600	\$ -	\$ -	\$ -	\$ -	\$ 382,600	\$ 486,234
<b>Source of Funds</b>										
TIRZ Funds	103,634	220,289	-	382,600	-	-	-	-	\$ 382,600	\$ 486,234
City of Houston	-	-	-	-	-	-	-	-	\$ -	\$ -
Grant Funds	-	-	-	-	-	-	-	-	\$ -	\$ -
Other	-	-	-	-	-	-	-	-	\$ -	\$ -

Project: Concrete Panel Placement Program		City Council District	Key Map:						
Description: Street maintenance program		Location: H	Geo. Ref.:					WBS.:	T-2199
		Served: H	Neighborhood:						
Justification: Mobility improvements to extend life of roads.		Operating and Maintenance Costs: (\$ Thousands)							
		Personnel	2017	2018	2019	2020	2021	Total	
		Supplies	-	-	-	-	-	\$	-
		Svcs & Chgs	-	-	-	-	-	\$	-
		Capital Outlay	-	-	-	-	-	\$	-
		Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		FTEs							

Fiscal Year Planned Expenses

Project Allocation	Projected Expenses thru 6/30/15	2016 Budget	2016 Estimate	2017	2018	2019	2020	2021	FY17 - FY21 Total	Cumulative Total (To Date)
<b>Phase</b>										
1 Planning	-	-	-	-	-	-	-	-	\$ -	\$ -
2 Acquisition	-	-	-	-	-	-	-	-	\$ -	\$ -
3 Design	-	-	-	-	-	-	-	-	\$ -	\$ -
4 Construction	-	-	-	-	-	-	-	-	\$ -	\$ -
5 Equipment	-	-	-	-	-	-	-	-	\$ -	\$ -
6 Close-Out	-	-	-	-	-	-	-	-	\$ -	\$ -
7 Other	-	-	-	-	-	-	-	-	\$ -	\$ -
	-	-	-	-	-	-	-	-	\$ -	\$ -
	-	-	-	-	-	-	-	-	\$ -	\$ -
	-	-	-	-	-	-	-	-	\$ -	\$ -
	-	-	-	-	-	-	-	-	\$ -	\$ -
	-	-	-	-	-	-	-	-	\$ -	\$ -
<b>Other Sub-Total:</b>	-	-	-	-	-	-	-	-	\$ -	\$ -
<b>Total Allocations</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Source of Funds</b>										
TIRZ Funds	-	-	-	-	-	-	-	-	\$ -	\$ -
City of Houston	-	-	-	-	-	-	-	-	\$ -	\$ -
Grants	-	-	-	-	-	-	-	-	\$ -	\$ -
Other	-	-	-	-	-	-	-	-	\$ -	\$ -
<b>Total Funds</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -