

City of Houston, Texas, Ordinance No. 2016 - 584

AN ORDINANCE RELATING TO THE FISCAL AFFAIRS OF REINVESTMENT ZONE NUMBER TWENTY-FIVE, CITY OF HOUSTON, TEXAS (HIRAM CLARKE/FORT BEND ZONE); APPROVING THE FISCAL YEAR 2017 OPERATING 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-Five, City of Houston, Texas ("Zone" or "Hiram Clarke/Fort Bend Zone") by Ordinance No. 2013-0708 on August 7, 2013; and

WHEREAS, the Hiram Clarke/Fort Bend Redevelopment Authority (the "Authority"), a local government corporation acting on behalf of the City in connection with Reinvestment Zone Number Twenty-five, City of Houston, Texas (the "Zone"), has submitted an Operating Budget for Fiscal Year 2017 (the "Budget") to the City for approval pursuant to that certain agreement among the City, the Authority, and the Zone approved by Ordinance No. 2015-1277; and; **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, 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 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 \$400,000 during the

Fiscal Year. Subject to the foregoing, the Operating Budget attached hereto as Exhibit "A" is hereby approved for the Zone.

Section 3. 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 Operating Budget based on the difference between Zone revenues and the Fiscal Year 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 4. That the approval of this Operating 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 5. That there exists a public emergency requiring that this Ordinance be

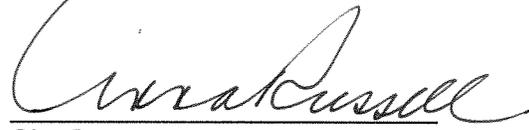
passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED this 3rd 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 09 2016.



City Secretary


(Prepared by Legal Department _____)
(SEK; 7/18/16) Senior Assistant City Attorney
(Requested by Andy Icken, Chief Development Officer)
(L.D. File No. _____)

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| AYE | NO | |
|---------|---------|---|
| ✓ | | MAYOR TURNER |
| | | COUNCIL MEMBERS |
| ✓ | | STARDIG |
| | | ABSENT-OUT OF CITY CITY BUSINESS DAVIS |
| | | ABSENT-ON PERSONAL BUSINESS COHEN |
| ✓ | | BOYKINS |
| ✓ | | MARTIN |
| ✓ | | LE |
| ✓ | | TRAVIS |
| ✓ | | CISNEROS |
| ✓ | | GALLEGOS |
| ✓ | | LASTER |
| ✓ | | GREEN |
| ✓ | | KNOX |
| ✓ | | ROBINSON |
| ✓ | | KUBOSH |
| ✓ | | EDWARDS |
| ✓ | | CHRISTIE |
| CAPTION | ADOPTED | |

EXHIBIT "A"

Fiscal Year 2016 Operating Budget for the Hiram Clarke/Fort Bend Zone

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2017 BUDGET PROFILE

Fund Summary
 Fund Name: Hiram Clarke/Fort Bend Houston
 TIRZ: 25
 Fund Number: 7582/50

| | | | |
|---------------------------------|-----------------------------------|----|-----------------|
| P R O F I L E | Base Year: | | 2013 |
| | Base Year Taxable Value: | \$ | 232,463,210 |
| | Projected Taxable Value (TY2016): | \$ | 280,363,256 |
| | Current Taxable Value (TY2015): | \$ | 238,132,779 |
| | Acres: | | 5,736 |
| | 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-Five, City of Houston, Texas was created for the purpose of leveraging the expenditure of public funds for eligible project costs including the planning, engineering and construction of new streets, water distribution facilities, wastewater collection facilities, storm drainage improvements, roadway and street reconstruction projects, cultural and public facility improvements, parks and other related improvements. |

| P R O J E C T P L A N | | Total Plan | Cumulative Expenses (to 6/30/15) | Variance |
|---|-------------------------------------|--------------------------|-------------------------------------|----------------|
| | | Capital Projects: | | |
| | Public Utility Improvements | \$ 25,000,000 | \$ - | \$ 25,000,000 |
| | Roadway and Sidewalk Improvements | 55,000,000 | - | 55,000,000 |
| | Drainage and Detention Improvements | 19,500,000 | - | 19,500,000 |
| | Cultural and Public Facilities | 12,000,000 | - | 12,000,000 |
| | Parks and Recreational Facilities | 23,000,000 | - | 23,000,000 |
| | Economic Development | 5,000,000 | - | 5,000,000 |
| | | - | - | - |
| | Total Capital Projects | \$ 139,500,000 | \$ - | \$ 139,500,000 |
| | Financing Costs | 1,500,000 | - | 1,500,000 |
| | Creation Costs | 90,000 | - | 90,000 |
| | Total Project Plan | \$ 141,090,000 | \$ - | \$ 141,090,000 |

| D E B T | Additional Financial Data | FY2016 Budget | FY2016 Estimate | FY2017 Budget |
|------------------|----------------------------------|------------------------------|--|--|
| | | <u>Debt Service</u> | \$ - | \$ - |
| | Principal | \$ - | \$ - | \$ - |
| | Interest | \$ - | \$ - | \$ - |
| | | Balance as of 6/30/15 | Projected Balance as of 6/30/16 | Projected Balance as of 6/30/17 |
| | Year End Outstanding (Principal) | \$ - | \$ - | \$ - |
| | | \$ - | \$ - | \$ - |
| | | \$ - | \$ - | \$ - |
| | Other | \$ - | \$ - | \$ - |

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2017 BUDGET PROFILE

Fund Summary
 Fund Name: Hiram Clarke/Fort Bend Houston
 TIRZ: 25
 Fund Number: 7582/50

| TIRZ Budget Line Items | FY2016 Budget | FY2016 Estimate | FY2017 Budget |
|---|------------------|-------------------|-------------------|
| RESOURCES | | | |
| RESTRICTED Funds - Capital Projects | \$ - | \$ - | \$ - |
| RESTRICTED Funds - Affordable Housing | \$ - | \$ - | \$ - |
| RESTRICTED Funds - Bond Debt Service | \$ - | \$ - | \$ - |
| UNRESTRICTED Funds | \$ 9,761 | \$ 31,271 | \$ 291,855 |
| Beginning Balance | \$ 9,761 | \$ 31,271 | \$ 291,855 |
| | | | |
| City tax revenue | \$ 60,569 | \$ 264,902 | \$ 326,922 |
| Fort Bend County tax revenue | \$ 3,771 | \$ 9,255 | \$ 10,711 |
| Incremental property tax revenue | \$ 64,340 | \$ 274,157 | \$ 337,633 |
| | | | |
| | \$ - | \$ - | \$ - |
| | \$ - | \$ - | \$ - |
| | \$ - | \$ - | \$ - |
| Miscellaneous revenue | \$ - | \$ - | \$ - |
| | | | |
| COH TIRZ interest | \$ - | \$ - | \$ - |
| Interest Income | \$ 42 | \$ 134 | \$ 1,255 |
| Other Interest Income | \$ 42 | \$ 134 | \$ 1,255 |
| | | | |
| | \$ - | \$ - | \$ - |
| Grant Proceeds | \$ - | \$ - | \$ - |
| | | | |
| | \$ - | \$ - | \$ 300,000 |
| Proceeds from Bank Loan | \$ - | \$ - | \$ 300,000 |
| | | | |
| | \$ - | \$ - | \$ - |
| Contract Revenue Bond Proceeds | \$ - | \$ - | \$ - |
| TOTAL AVAILABLE RESOURCES | \$ 74,143 | \$ 305,563 | \$ 930,743 |

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2017 BUDGET PROFILE

Fund Summary
 Fund Name: Hiram Clarke/Fort Bend Houston
 TIRZ: 25
 Fund Number: 7582/50

| TIRZ Budget Line Items | FY2016 Budget | FY2016 Estimate | FY2017 Budget |
|--|------------------|-------------------|-------------------|
| EXPENDITURES | | | |
| Accounting | \$ 6,500 | \$ - | \$ 9,000 |
| Administration Salaries & Benefits | \$ 20,000 | \$ - | \$ 40,000 |
| Auditor | \$ 6,000 | \$ - | \$ 8,000 |
| Bond Services/Trustee/Financial Advisor | \$ - | \$ - | \$ - |
| Insurance | \$ 800 | \$ - | \$ 1,500 |
| Office Administration | \$ 7,619 | \$ - | \$ 7,619 |
| TIRZ Administration and Overhead | \$ 40,919 | \$ - | \$ 66,119 |
| Engineering Consultants | \$ - | \$ - | \$ 75,000 |
| Legal | \$ 10,000 | \$ - | \$ 10,000 |
| Construction Audit | \$ 10,000 | \$ - | \$ - |
| Planning Consultants | \$ - | \$ - | \$ 75,000 |
| Program and Project Consultants | \$ 20,000 | \$ - | \$ 160,000 |
| Management consulting services | \$ 60,919 | \$ - | \$ 226,119 |
| Capital Expenditures (See CIP Schedule) | \$ 10 | \$ - | \$ - |
| | \$ - | \$ - | \$ - |
| TIRZ Capital Expenditures | \$ 10 | \$ - | \$ - |
| | \$ - | \$ - | \$ - |
| Hines SW Business Park | \$ - | \$ - | \$ 114,508 |
| Developer / Project Reimbursements | \$ - | \$ - | \$ 114,508 |
| System debt service | \$ - | \$ - | \$ - |
| TOTAL PROJECT COSTS | \$ 60,929 | \$ - | \$ 340,627 |
| Payment/transfer to ISD - educational facilities | \$ - | \$ - | \$ - |
| Administration Fees: | | | |
| City | \$ 3,028 | \$ 13,245 | \$ 16,346 |
| County | \$ 189 | \$ 463 | \$ 536 |
| ISD | \$ - | \$ - | \$ - |
| Affordable Housing: | | | |
| City | \$ - | \$ - | \$ - |
| County | \$ - | \$ - | \$ - |
| ISD to City of Houston | \$ - | \$ - | \$ - |
| Municipal Services (Payable to COH) | \$ - | \$ - | \$ - |
| Total Transfers | \$ 3,217 | \$ 13,708 | \$ 16,882 |
| Total Budget | \$ 64,146 | \$ 13,708 | \$ 357,509 |
| RESTRICTED Funds - Capital Projects | \$ - | \$ - | \$ - |
| RESTRICTED Funds - Affordable Housing | \$ - | \$ - | \$ - |
| RESTRICTED Funds - Bond Debt Service | \$ - | \$ - | \$ - |
| UNRESTRICTED Funds | \$ 9,997 | \$ 291,855 | \$ 573,234 |
| Ending Fund Balance | \$ 9,997 | \$ 291,855 | \$ 573,234 |
| Total Budget & Ending Fund Balance | \$ 74,143 | \$ 305,563 | \$ 930,743 |

Notes: