

City of Houston, Texas, Ordinance No. 2016 - 599

AN ORDINANCE RELATING TO THE FISCAL AFFAIRS OF HARRISBURG REDEVELOPMENT AUTHORITY ON BEHALF OF REINVESTMENT ZONE NUMBER TWENTY-THREE, CITY OF HOUSTON, TEXAS (HARRISBURG 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-Three, City of Houston, Texas ("Zone" or "Harrisburg Zone") by Ordinance No. 2011-900 on October 19, 2011; and

WHEREAS, the Harrisburg 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. 2015-562 on June 17, 2015 ("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 or 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 Authority or 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 Fiscal Year 2017. 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 and/or the Authority 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 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 and Authority 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 10th 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. 042-1300013-007)

G:\REAL ESTATE\TIRZ\TIRZ 23 Harrisburg (East End)\Budget\FY17 Budget\ORD Budget FY17 TIRZ #23.docx

AYE	NO	
✓		MAYOR TURNER
....	COUNCIL MEMBERS
✓		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 Harrisburg Redevelopment Authority**

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2017 BUDGET PROFILE

Fund Summary
 Fund Name: **Harrisburg Zone**
 TIRZ: **23**
 Fund Number: **7571/50**

P R O J E C T I V E	Base Year:	2011
	Base Year Taxable Value:	\$ 332,148,551
	Projected Taxable Value (TY2016):	\$ 443,309,602
	Current Taxable Value (TY2015):	\$ 426,259,233
	Acres:	1,600
	Administrator (Contact):	City of Houston
	Contact Number:	(832) 393-0985

N A R R A T I V E	Zone Purpose:
	<p>Tax Increment Reinvestment Zone Number Twenty-Three, City of Houston, Texas was created to provide the plans and programs needed to reposition Houston's East, a District of the City containing industrial brownfield sites, inactive landfills, abandoned dock lands, industrial properties, railroads, and various commercial uses located throughout and amid single family residential areas.</p> <ul style="list-style-type: none"> The Redevelopment Authority tri-party agreement was approved. The board has begun evaluating several development options for two commercial redevelopment projects and one street/mobility infrastructure project.

		Total Plan	Cumulative Expenses (to 6/30/15)	Variance
P R O J E C T	Capital Projects:			
	Public Utility Improvements	\$ 8,000,000	\$ -	\$ 8,000,000
	Roadway and Sidewalks	58,000,000	-	58,000,000
	Cultural and Public Facility Improvements	20,000,000	-	20,000,000
	Parks and Recreational Facilities	15,300,000	-	15,300,000
	Economic Development	10,000,000	-	10,000,000
		-	-	-
		-	-	-
		-	-	-
	Total Capital Projects	\$ 111,300,000	\$ -	\$ 111,300,000
P L A N	Affordable Housing	150,000	-	150,000
	School & Education/Cultural Facilities	-	-	-
	Financing Costs	12,000,000	-	12,000,000
	Administration Costs/ Professional Services	5,308,488	-	5,308,488
	Creation Costs	150,000	-	150,000
	Total Project Plan	\$ 128,908,488	\$ -	\$ 128,908,488

		FY2016 Budget	FY2016 Estimate	FY2017 Budget
D E B T	Additional Financial Data			
	<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)			
	Bond Debt	\$ -	\$ -	\$ -
	Bank Loan	\$ -	\$ -	\$ -
	Line of Credit	\$ -	\$ -	\$ -
	Developer Agreement	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2017 BUDGET DETAIL

Fund Summary
 Fund Name: Harrisburg Zone
 TIRZ: 23
 Fund Number: 7571/50

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	\$ 77,322	\$ 166,381	\$ 641,878
Beginning Balance	\$ 77,322	\$ 166,381	\$ 641,878
City tax revenue	\$ 129,940	\$ 548,277	\$ 620,943
County tax revenue	\$ -	\$ -	\$ -
ISD tax revenue	\$ -	\$ -	\$ -
ISD tax revenue - Pass Through	\$ -	\$ -	\$ -
Community College tax revenue	\$ -	\$ -	\$ -
Incremental property tax revenue	\$ 129,940	\$ 548,277	\$ 620,943
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Miscellaneous revenue	\$ -	\$ -	\$ -
COH TIRZ interest	\$ -	\$ -	\$ -
Interest Income	\$ 322	\$ 715	\$ 2,760
Other Interest Income	\$ 322	\$ 715	\$ 2,760
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Grant Proceeds	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Proceeds from Bank Loan	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Contract Revenue Bond Proceeds	\$ -	\$ -	\$ -
TOTAL AVAILABLE RESOURCES	\$ 207,584	\$ 715,373	\$ 1,265,582

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2017 BUDGET DETAIL

Fund Summary
 Fund Name: Harrisburg Zone
 TIRZ: 23
 Fund Number: 7571/50

TIRZ Budget Line Items	FY2016 Budget	FY2016 Estimate	FY2017 Budget
EXPENDITURES			
Accounting	\$ 4,000	\$ 4,000	\$ 4,000
Administration Salaries & Benefits	\$ 15,000	\$ 15,000	\$ 24,000
Auditor	\$ 6,000	\$ 6,000	\$ 3,500
Bond Services/Trustee/Financial Advisor	\$ -	\$ -	\$ -
Insurance	\$ 1,000	\$ 1,000	\$ 1,000
Office Administration	\$ 10,081	\$ 10,081	\$ 10,081
TIRZ Administration and Overhead	\$ 36,081	\$ 36,081	\$ 42,581
Engineering Consultants	\$ -	\$ -	\$ 3,500
Legal	\$ 10,000	\$ 10,000	\$ 12,000
Construction Audit	\$ -	\$ -	\$ -
Planning Consultants	\$ -	\$ -	\$ -
Program and Project Consultants	\$ 10,000	\$ 10,000	\$ 15,500
Management consulting services	\$ 46,081	\$ 46,081	\$ 58,081
Capital Expenditures (See CIP Schedule)	\$ -	\$ -	\$ -
TIRZ Capital Expenditures	\$ -	\$ -	\$ -
Developer / Project Reimbursements	\$ -	\$ -	\$ -
System debt service	\$ -	\$ -	\$ -
TOTAL PROJECT COSTS	\$ 46,081	\$ 46,081	\$ 58,081
Payment/transfer to ISD - educational facilities	\$ -	\$ -	\$ -
Payment/transfer to ISD - educational facilities (Pass Through)	\$ -	\$ -	\$ -
Administration Fees:			
City	\$ 6,497	\$ 27,414	\$ 31,047
County	\$ -	\$ -	\$ -
ISD	\$ -	\$ -	\$ -
HCC	\$ -	\$ -	\$ -
Affordable Housing:			
City	\$ -	\$ -	\$ -
County	\$ -	\$ -	\$ -
ISD to City of Houston	\$ -	\$ -	\$ -
Municipal Services (Payable to COH)	\$ -	\$ -	\$ -
Fund 1850 Advance (Payable to COH)	\$ -	\$ -	\$ -
Total Transfers	\$ 6,497	\$ 27,414	\$ 31,047
Total Budget	\$ 52,578	\$ 73,495	\$ 89,128
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Bond Debt Service	\$ -	\$ -	\$ -
UNRESTRICTED Funds	\$ 155,006	\$ 641,878	\$ 1,176,454
Ending Fund Balance	\$ 155,006	\$ 641,878	\$ 1,176,454
Total Budget & Ending Fund Balance	\$ 207,584	\$ 715,373	\$ 1,265,582

Notes:

EXHIBIT "B"

**Fiscal Years 2017—2021 Capital Improvement Projects Budget for
Harrisburg Zone**

2017 - 2021 CAPITAL IMPROVEMENT PLAN
 TIRZ 23
 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 2015	Projected 2016	2017	2018	2019	2020	2021		FY17 - FY21 Total
I	T-2301	Kenedy Street	\$ -	-	-	-	100,000	100,000	100,000	300,000	300,000
I, H	T-2302	Engineering of capital projects in the zone	\$ -	-	-	-	-	-	600,000	600,000	600,000
I, H	T-2303	Concrete Panel Replace Program	\$ -	-	-	-	-	-	-	-	-
Totals			\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 700,000	\$ 900,000	\$ 900,000

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2017 - 2021 CAPITAL IMPROVEMENT PLAN
 TIRZ 23
 CIP by Sources of Funds

CITY OF HOUSTON - TIRZ PROGRAM
 Economic Development Division

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	-	-	-	100,000	100,000	100,000	700,000	900,000	900,000
City of Houston	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Project Total	-	-	-	-	100,000	100,000	700,000	900,000	900,000

Project: Kenedy Street	City Council District	Key Map: 494P	WBS.: T-2301			
Description: ROW acquisition for proposed road way improvements.	Location:	Geo. Ref.:				
Justification: Purchase of ROW will enable construction of a street in the near future, preserving the corridor for that purpose. Access will also make safer the ongoing development in the surrounding area. The road also will support a development that the City has already approved incentives for.	Served:	Neighborhood: East Side				
Operating and Maintenance Costs: (\$ Thousands)						
	2017	2018	2019	2020	2021	Total
Personnel	-	-	-	-	-	\$ -
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)
Phase										
1 Planning	-	-	-	-	-	-	-	-	\$ -	\$ -
2 Acquisition	-	-	-	-	-	100,000	100,000	100,000	\$ 300,000	\$ 300,000
3 Design	-	-	-	-	-	-	-	-	\$ -	\$ -
4 Construction	-	-	-	-	-	-	-	-	\$ -	\$ -
5 Equipment	-	-	-	-	-	-	-	-	\$ -	\$ -
6 Close-Out	-	-	-	-	-	-	-	-	\$ -	\$ -
7 Other	-	-	-	-	-	-	-	-	\$ -	\$ -
Other Sub-Total:	-	-	-	-	-	-	-	-	\$ -	\$ -
Total Allocations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 300,000	\$ 300,000
Source of Funds										
TIRZ Funds	-	-	-	-	-	-	-	-	\$ -	\$ -
City of Houston Grant Funds	-	-	-	-	-	100,000	100,000	100,000	\$ 300,000	\$ 300,000
Other	-	-	-	-	-	-	-	-	\$ -	\$ -
Total Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 300,000	\$ 300,000

*NOTE:

Project:	Engineering of capital projects in the zone	City Council District	494 P Q T U V	Key Map:		WBS.:	T-2302
Description:	Design sidewalks, trails, and greenspaces in the zone pursuant to the project plan	Location:	I, H	Geo. Ref.:			
Justification:	The plan contemplates expenditures on neighborhood infrastructure. This will enable the Board to begin targeting such project expenditures	Served:		Neighborhood:	East Side		
		Operating and Maintenance Costs: (\$ Thousands)					
		2017	2018	2019	2020	2021	Total
Personnel		-	-	-	-	-	\$ -
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)
Phase										
1 Planning	-	-	-	-	-	-	-	100,000	\$ 100,000	\$ 100,000
2 Acquisition	-	-	-	-	-	-	-	-	\$ -	\$ -
3 Design	-	-	-	-	-	-	-	200,000	\$ 200,000	\$ 200,000
4 Construction	-	-	-	-	-	-	-	300,000	\$ 300,000	\$ 300,000
5 Equipment	-	-	-	-	-	-	-	-	\$ -	\$ -
6 Close-Out	-	-	-	-	-	-	-	-	\$ -	\$ -
7 Other	-	-	-	-	-	-	-	-	\$ -	\$ -
Other Sub-Total:									\$ -	\$ -

Total Allocations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600,000	\$ 600,000	\$ 600,000
Source of Funds										
TIRZ Funds	-	-	-	-	-	-	-	600,000	\$ 600,000	\$ 600,000
City of Houston Grant	-	-	-	-	-	-	-	-	\$ -	\$ -
Other	-	-	-	-	-	-	-	-	\$ -	\$ -
Total Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600,000	\$ 600,000	\$ 600,000

Project:	Concrete Panel Replace Program		City Council District		Key Map:		WBS.:		T-2303			
	Location:		I, H		Geo. Ref.:							
	Served:		I, H		Neighborhood:							
Description:	Street maintenance program											
Justification:	Mobility improvements to extend life of roads.											
	Operating and Maintenance Costs: (\$ Thousands)		2017		2018		2019		2020		2021	Total
	Personnel											
	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)
Phase										
1 Planning	-	-	-	-	-	-	-	-	\$ -	\$ -
2 Acquisition	-	-	-	-	-	-	-	-	\$ -	\$ -
3 Design	-	-	-	-	-	-	-	-	\$ -	\$ -
4 Construction	-	-	-	-	-	-	-	-	\$ -	\$ -
5 Equipment	-	-	-	-	-	-	-	-	\$ -	\$ -
6 Close-Out	-	-	-	-	-	-	-	-	\$ -	\$ -
7 Other	-	-	-	-	-	-	-	-	\$ -	\$ -
Other Sub-Total:	-	-	-	-	-	-	-	-	\$ -	\$ -

Total Allocations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Source of Funds										
TIRZ Funds	-	-	-	-	-	-	-	-	\$ -	\$ -
City of Houston	-	-	-	-	-	-	-	-	\$ -	\$ -
Grants	-	-	-	-	-	-	-	-	\$ -	\$ -
Other	-	-	-	-	-	-	-	-	\$ -	\$ -
Total Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -