City of Houston, Texas, Ordinance No. 2024 - 729

AN ORDINANCE RELATING TO THE FISCAL AFFAIRS OF REINVESTMENT ZONE NUMBER SIX, CITY OF HOUSTON, TEXAS, EASTSIDE ZONE; APPROVING THE FISCAL YEAR 2025 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 Six, City of Houston, Texas ("Zone" or "Eastside") by Ordinance No. 97-59 effective on January 21, 1997; and

WHEREAS, the City's Chief Development Officer has submitted to the City Council a Fiscal Year 2025 Operating Budget for the Zone ("Budget") that the City Council desires to approve; **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 Budget attached hereto as Exhibit "A" is hereby approved for the Zone.

Section 3. That not later than March 31, 2025, the Zone shall, in cooperation with City representatives: (1) identify surplus funds in the Zone's Fiscal Year 2025 Operating Budget based on the difference between Zone revenues and the Fiscal Year 2025 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 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 2nd **day of** October **, 2024.**

APPROVED this _____ day of _____, 2024.

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 2024.

City Secretary

Prepared by Legal Department
MS/ems August 28, 2024 Senior Assistant City Attorney
Requested by Gwendolyn Tillotson-Bell, Chief Development Officer

LD-RE-0000003053

Meeting 10/02/2024

Aye	No	
✓		**Mayor Whitmire**
....	....	**Council Members**
✓		Peck
✓		Jackson
✓		Kamin
✓		Evans-Shabazz
✓		Flickinger
✓		Thomas
✓		Huffman
✓		Castillo
✓		Martinez
✓		Pollard
✓		Castex-Tatum
✓		Ramirez
✓		Davis
✓		Carter
✓		Plummer
✓		Alcorn
Caption	Adopted	

Captions Published in DAILY COURT REVIEW
Date: 10/8/2024

EXHIBIT "A"

Fiscal Year 2025 Operating Budget for the Eastside Zone

CITY OF HOUSTON
ECONOMIC DEVELOPMENT DIVISION
FISCAL YEAR 2025 BUDGET PROFILE

Fund Summary
Fund Name: **Eastside**
TIRZ: **06 - Eastside Zone**
Fund Number: **7554/50**

PROFILE

Base Year:		1997
Base Year Taxable Value:	$	391,540,000
Projected Taxable Value (TY2024):	$	1,052,434,653
Current Taxable Value (TY2023):	$	1,011,956,397
Acres:		769.99
Administrator (Contact):		City of Houston
Contact Number:		(832) 393-0985

NARRATIVE

Zone Purpose:

Tax Increment Reinvestment Zone Number Six, City of Houston, was created to build a shared educational facility and to encourage further industrial development within the Zone. The new shared educational facility would alleviate overcrowding at Stephen F. Austin and Milby High School, and provide the City with ball fields, tennis courts and other outdoor recreational areas for municipal recreational purposes.

PROJECT PLAN

	Total Plan	Cumulative Expenses (to 6/30/23)	Variance
Capital Projects:			
Shared Educational Facilities	$ 45,957,500	$ 89,248,536	$ (43,291,036)
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
Total Capital Projects	$ 45,957,500	$ 89,248,536	$ (43,291,036)
Affordable Housing	-	-	-
School & Education/Cultural Facilities	-	-	-
Financing Costs	-	-	-
Administration Costs/ Professional Services	885,000	300,000	585,000
Creation Costs	-	-	-
Total Project Plan	$ 46,842,500	$ 89,548,536	$ (42,706,036)

DEBT

Additional Financial Data	FY2024 Budget	FY2024 Estimate	FY2025 Budget
Debt Service	$ -	$ -	$ -
Principal	$ -	$ -	$ -
Interest	$ -	$ -	$ -
	Balance as of 6/30/23	**Projected Balance as of 6/30/24**	**Projected Balance as of 6/30/25**
Year End Outstanding (Principal)			
Bond Debt	$ -	$ -	$ -
Bank Loan	$ -	$ -	$ -
Line of Credit	$ -	$ -	$ -
Developer Agreement	$ -	$ -	$ -
Other	$ -	$ -	$ -

CITY OF HOUSTON
ECONOMIC DEVELOPMENT DIVISION
FISCAL YEAR 2025 BUDGET DETAIL

Fund Summary
Fund Name: **Eastside**
TIRZ: **06 - Eastside Zone**
Fund Number: **7554/50**

TIRZ Budget Line Items	FY2024 Budget	FY2024 Estimate	FY2025 Budget
RESOURCES			
RESTRICTED Funds - Capital Projects	$ -	$ -	$ -
RESTRICTED Funds - Affordable Housing	$ -	$ -	$ -
RESTRICTED Funds - Bond Debt Service	$ -	$ -	$ -
Beginning Balance	$ -	$ -	$ -
City tax revenue	$ 3,777,779	$ 2,918,868	$ 3,083,843
County tax revenue	$ -	$ -	$ -
ISD tax revenue	$ 4,634,785	$ 5,370,407	$ 5,370,407
ISD tax revenue - Pass Through	$ 3,036,094	$ 3,036,094	$ 4,228,460
Community College tax revenue	$ -	$ -	$ -
Incremental property tax revenue	$ 11,448,658	11,325,389	12,682,710
	$ -	$ -	$ -
Miscellaneous revenue	$ -	$ -	$ -
COH TIRZ interest	$ -	$ -	$ -
Interest Income	$ -	$ -	$ -
Other Interest Income	$ -	$ -	$ -
	$ -	$ -	$ -
	$ -	$ -	$ -
Grant Proceeds	$ -	$ -	$ -
	$ -	$ -	$ -
Proceeds from Bank Loan	$ -	$ -	$ -
	$ -	$ -	$ -
Contract Revenue Bond Proceeds	$ -	$ -	$ -
TOTAL AVAILABLE RESOURCES	$ 11,448,658	$ 11,325,389	$ 12,682,710

CITY OF HOUSTON
ECONOMIC DEVELOPMENT DIVISION
FISCAL YEAR 2025 BUDGET DETAIL

Fund Summary
Fund Name: **Eastside**
TIRZ: **06 - Eastside Zone**
Fund Number: **7554/50**

TIRZ Budget Line Items	FY2024 Budget	FY2024 Estimate	FY2025 Budget
EXPENDITURES			
Accounting	$ -	$ -	$ -
Administration Salaries & Benefits	$ -	$ -	$ -
Auditor	$ -	$ -	$ -
Bond Services/Trustee/Financial Advisor	$ -	$ -	$ -
Insurance	$ -	$ -	$ -
Office Administration	$ -	$ -	$ -
TIRZ Administration and Overhead	$ -	$ -	$ -
Engineering Consultants	$ -	$ -	$ -
Legal	$ -	$ -	$ -
Construction Audit	$ -	$ -	$ -
Planning Consultants	$ -	$ -	$ -
Program and Project Consultants	$ -	$ -	$ -
Management consulting services	$ -	$ -	$ -
Capital Expenditures (See CIP Schedule)	$ -	$ -	$ -
	$ -	$ -	$ -
TIRZ Capital Expenditures	$ -	$ -	$ -
Developer / Project Reimbursements	$ -	$ -	$ -
Bond Debt Service (Series ##)			
Principal	$ -	$ -	$ -
Interest	$ -	$ -	$ -
System debt service	$ -	$ -	$ -
TOTAL PROJECT COSTS	$ -	$ -	$ -
Payment/transfer to ISD - educational facilities	$ 4,609,785	$ 5,345,407	$ 5,345,407
Payment/transfer to COH - educational facilities	$ 3,777,779	$ 2,918,888	$ 3,083,843
Payment/transfer to ISD - educational facilities (Pass Through)	$ 3,036,094	$ 3,036,094	$ 4,228,460
Payment/transfer to ISD - Interest	$ -	$ -	$ -
Administration Fees:			
City	$ -	$ -	$ -
County	$ -	$ -	$ -
ISD	$ 25,000	$ 25,000	$ 25,000
HCC	$ -	$ -	$ -
Affordable Housing:			
City	$ -	$ -	$ -
County	$ -	$ -	$ -
ISD to City of Houston	$ -	$ -	$ -
Municipal Services (Payable to COH)	$ -	$ -	$ -
Total Transfers	$ 11,448,658	11,325,389	12,682,710
Total Budget	$ 11,448,658	11,325,389	12,682,710
RESTRICTED Funds - Capital Projects	$ -	$ -	$ -
RESTRICTED Funds - Affordable Housing	$ -	$ -	$ -
RESTRICTED Funds - Bond Debt Service	$ -	$ -	$ -
Ending Fund Balance	$ -	$ -	$ -
Total Budget & Ending Fund Balance	11,448,658	11,325,389	12,682,710

Notes: