

City of Houston, Texas, Ordinance No. 2017- 941

**AN ORDINANCE RELATING TO THE FISCAL AFFAIRS OF REINVESTMENT ZONE NUMBER TWENTY-SEVEN, CITY OF HOUSTON, TEXAS (MONTROSE ZONE); APPROVING THE FISCAL YEAR 2018 OPERATING BUDGET AND THE FISCAL YEARS 2018-2022 CAPITAL IMPROVEMENTS BUDGET FOR THE MONTROSE ZONE; CONTAINING FINDINGS AND OTHER PROVISIONS RELATED TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.**

\* \* \* \* \*

**WHEREAS**, the City designated Reinvestment Zone Number Twenty-Seven, City of Houston, Texas (the "Zone") by Ordinance No. 2015-1257; and

**WHEREAS**, the City's Chief Development Officer has submitted to the City Council a Fiscal Year 2018 Operating Budget for the Zone (the "Operating Budget") and a five-year Capital Improvements Budget for Fiscal Years 2018-2022 (the "CIP Budget" and, collectively with the Operating Budget, "Budgets") that the City Council desires to approve; and

**WHEREAS**, the City has experienced an incremental increase in the cost of providing municipal services as a result of the creation of the Zone and the development and redevelopment of the land in the Zone;

**WHEREAS**, the City Council finds that it is appropriate to recover its incremental costs of municipal services for Fiscal Year 2018 from the tax increment produced by the City and paid into the Tax Increment Fund of the Zone, subject to complying with the provisions of Texas Tax Code Section 311.010(i); and

**WHEREAS**, the City Council finds that the incremental costs of providing municipal services set forth in the Budget attached hereto as Exhibit "A" are reasonable and will be paid from the tax increment produced by the City and paid into the Tax Increment Fund of the Zone; 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 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 not later than March 31, 2018, the Zone shall, in cooperation with City representatives: (1) identify surplus funds in the Authority's Fiscal Year 2018 Operating Budget based on the difference between Zone revenues and the Fiscal Year 2018 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 Board of Directors of the Zone for the purpose. The Board of Directors of the Zone shall consider amendments to the Project Plan and Reinvestment Zone Financing Plan for the Zone that may be necessary to accomplish this purpose, and shall expedite any such amendments.

**Section 6.** That 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 29<sup>th</sup> day of November 2017.

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

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

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is DEC 05 2017.

  
\_\_\_\_\_  
City Secretary

(Prepared by Legal Department Mary B. B. GMD)  
(MFB:mfb November 9, 2017) Senior Assistant City Attorney  
(Requested by Andy Icken, Chief Development Officer, Office of the Mayor)

G:\REAL ESTATE\TIRZ\TIRZ 27\Budgets\FY18 Budget\ORD Budget FY18 TIRZ 27.docx

CAPTION PUBLISHED IN DAILY COURT  
REVIEW  
DATE: DEC 05 2017

AYE	NO	
✓		MAYOR TURNER
....	....	COUNCIL MEMBERS
✓		STARDIG
ABSENT		DAVIS
✓		COHEN
✓		BOYKINS
✓		MARTIN
✓		LE
ABSENT		TRAVIS
✓		CISNEROS
✓		GALLEGOS
✓		LASTER
✓		GREEN
✓		KNOX
✓		ROBINSON
✓		KUBOSH
✓		EDWARDS
✓		CHRISTIE
CAPTION	ADOPTED	

**EXHIBIT "A"**

**Fiscal Year 2018 Operating Budget for  
Montrose Zone**

CITY OF HOUSTON  
 ECONOMIC DEVELOPMENT DIVISION  
 FISCAL YEAR 2018 BUDGET PROFILE

Fund Summary  
 Fund Name: **Montrose**  
 TIRZ: **27**  
 Fund Number: **7584/50**

<b>P R O F I L E</b>	Base Year:		2015
	Base Year Taxable Value:	\$	1,098,766,790
	Projected Taxable Value (TY2016):	\$	1,352,449,409
	Current Taxable Value (TY2015):	\$	1,098,766,790
	Acres:		3,142
	Administrator (Contact):		City of Houston
Contact Number:		(832) 393-0985	

<b>N A R R A T I V E</b>	<b>Zone Purpose:</b>
	Tax Increment Reinvestment Zone Number Twenty-Seven, 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.

<b>P R O J E C T  P L A N</b>		<b>Total Plan</b>	<b>Cumulative Expenses (to 6/30/16)</b>	<b>Variance</b>
	<b>Capital Projects:</b>			
Corridor Improvements	\$	108,594,133	-	108,594,133
Workforce/Affordable Housing		39,600,000	-	39,600,000
Parking Enhancements		4,830,000	-	4,830,000
Parks, Recreational Facilities, Cultural Amenities		8,000,000	-	8,000,000
		-	-	-
		-	-	-
		-	-	-
<b>Total Capital Projects</b>	\$	<b>161,024,133</b>	<b>-</b>	<b>161,024,133</b>
<b>Financing Costs</b>		-	-	-
<b>Zone Administration/Professional Services</b>		6,000,000	-	6,000,000
<b>Total Project Plan</b>	\$	<b>167,024,133</b>	<b>-</b>	<b>167,024,133</b>

<b>D E B T</b>	<b>Additional Financial Data</b>	<b>FY2017 Budget</b>	<b>FY2017 Estimate</b>	<b>FY2018 Budget</b>
		<u>Debt Service</u>	\$ -	\$ -
	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>
	<u>Year End Outstanding (Principal)</u>	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -
	Other	\$ -	\$ -	\$ -

CITY OF HOUSTON  
 ECONOMIC DEVELOPMENT DIVISION  
 FISCAL YEAR 2018 BUDGET PROFILE

Fund Summary  
 Fund Name: **Montrose**  
 TIRZ: **27**  
 Fund Number: **7584/50**

TIRZ Budget Line Items	FY2017 Budget	FY2017 Estimate	FY2018 Budget
<b>RESOURCES</b>			
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ 1,365,778
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Bond Debt Service	\$ -	\$ -	\$ -
UNRESTRICTED Funds	\$ -	\$ -	\$ -
<b>Beginning Balance</b>	\$ -	\$ -	\$ 1,365,778
City tax revenue	\$ -	\$ 1,437,661	\$ 1,700,519
County tax revenue	\$ -	\$ -	\$ -
<b>Incremental property tax revenue</b>	\$ -	\$ 1,437,661	\$ 1,700,519
<b>Miscellaneous revenue</b>	\$ -	\$ -	\$ -
COH TIRZ interest	\$ -	\$ -	\$ -
Interest Income	\$ -	\$ -	\$ -
<b>Other Interest Income</b>	\$ -	\$ -	\$ -
<b>Grant Proceeds</b>	\$ -	\$ -	\$ -
<b>Proceeds from Bank Loan</b>	\$ -	\$ -	\$ -
<b>Contract Revenue Bond Proceeds</b>	\$ -	\$ -	\$ -
<b>TOTAL AVAILABLE RESOURCES</b>	\$ -	\$ 1,437,661	\$ 3,066,297



CITY OF HOUSTON  
 ECONOMIC DEVELOPMENT DIVISION  
 FISCAL YEAR 2018 BUDGET PROFILE

Fund Summary  
 Fund Name: Montrose  
 TIRZ: 27  
 Fund Number: 7584/50

TIRZ Budget Line Items	FY2017 Budget	FY2017 Estimate	FY2018 Budget
<b>EXPENDITURES</b>			
Accounting	\$ -	\$ -	\$ -
Administration Salaries & Benefits	\$ -	\$ -	\$ 54,000
Auditor	\$ -	\$ -	\$ 8,000
Bond Services/Trustee/Financial Advisor	\$ -	\$ -	\$ 5,000
Insurance	\$ -	\$ -	\$ -
Office Administration	\$ -	\$ -	\$ 2,500
<b>TIRZ Administration and Overhead</b>	\$ -	\$ -	\$ 69,500
Engineering Consultants	\$ -	\$ -	\$ -
Legal	\$ -	\$ -	\$ 15,000
Construction Audit	\$ -	\$ -	\$ -
Planning Consultants	\$ -	\$ -	\$ 50,000
Website Design	\$ -	\$ -	\$ 3,500
<b>Program and Project Consultants</b>	\$ -	\$ -	\$ 68,500
<b>Management consulting services</b>	\$ -	\$ -	\$ 138,000
Capital Expenditures (See CIP Schedule)	\$ -	\$ -	\$ 20,000
<b>TIRZ Capital Expenditures</b>	\$ -	\$ -	\$ 20,000
<b>Developer / Project Reimbursements</b>	\$ -	\$ -	\$ -
Line of Credit			
Principal	\$ -	\$ -	\$ -
Interest	\$ -	\$ -	\$ -
Convenience Fee	\$ -	\$ -	\$ -
<b>System debt service</b>	\$ -	\$ -	\$ -
<b>TOTAL PROJECT COSTS</b>	\$ -	\$ -	\$ 158,000
Payment/transfer to ISD - educational facilities	\$ -	\$ -	\$ -
Administration Fees:			
City	\$ -	\$ 71,883	\$ 85,026
County	\$ -	\$ -	\$ -
ISD	\$ -	\$ -	\$ -
Affordable Housing:			
City	\$ -	\$ -	\$ -
County	\$ -	\$ -	\$ -
ISD to City of Houston	\$ -	\$ -	\$ -
Municipal Services Charge	\$ -	\$ -	\$ 196,546
<b>Total Transfers</b>	\$ -	\$ 71,883	\$ 281,572
<b>Total Budget</b>	\$ -	\$ 71,883	\$ 439,572
RESTRICTED Funds - Capital Projects	\$ -	\$ 1,365,778	\$ 2,626,725
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Bond Debt Service	\$ -	\$ -	\$ -
UNRESTRICTED Funds	\$ -	\$ -	\$ -
<b>Ending Fund Balance</b>	\$ -	\$ 1,365,778	\$ 2,626,725
<b>Total Budget &amp; Ending Fund Balance</b>	\$ -	\$ 1,437,661	\$ 3,066,297

Notes:

**EXHIBIT "B"**

**Fiscal Years 2018-2022 Capital Improvement Projects Budget for  
Montrose Zone**

2018 - 2022 CAPITAL IMPROVEMENT PLAN  
 TIRZ 27  
 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 2016	Projected 2017	2018	2019	2020	2021	2022		FY18 - FY22 Total	
C	T-2701	Pedestrian Mobility Project	\$ -	-	20,000	-	-	-	-	-	20,000	20,000
<b>Totals</b>			\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000

\* NOTE:

\*\* NOTE:

\*\*\* NOTE:

2018 - 2022 CAPITAL IMPROVEMENT PLAN  
 TIRZ 27  
 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 2016	Projected 2017	2018	2019	2020	2021	2022	
TIRZ Funds	-	-	20,000	-	-	-	-	20,000
City of Houston	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Project Total</b>	-	-	<b>20,000</b>	-	-	-	-	<b>20,000</b>

<b>Project:</b> Pedestrian Mobility Project	<b>City Council District:</b> C	<b>Key Map:</b>	<b>WBS.:</b> T-2701			
<b>Description:</b> Collaboration with the Montrose Management District and CM Cohen's office to identify and remove sidewalk hazards within the Special Parking Area of the Montrose District.	<b>Location:</b> C	<b>Geo. Ref.:</b>				
<b>Justification:</b> Improve pedestrian mobility along sidewalks in the Montrose community.	<b>Served:</b> C	<b>Neighborhood:</b>				
<b>Operating and Maintenance Costs: (\$ Thousands)</b>						
	2018	2019	2020	2021	2022	Total
Personnel	-	-	-	-	-	\$ -
Supplies	-	-	-	-	-	\$ -
Svcs. & Chgs.	-	-	-	-	-	\$ -
Capital Outlay	-	-	-	-	-	\$ -
<b>Total</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FTEs	-	-	-	-	-	-

**Fiscal Year Planned Expenses**

Project Allocation	Projected Expenses thru 6/30/16	2017 Budget	2017 Estimate	2018	2019	2020	2021	2022	FY18 - FY22 Total	Cumulative Total (To Date)
<b>Phase</b>										
1 Planning	-	-	-	5,000	-	-	-	-	5,000	\$ 5,000
2 Acquisition	-	-	-	-	-	-	-	-	-	\$ -
3 Design	-	-	-	-	-	-	-	-	-	\$ -
4 Construction	-	-	-	15,000	-	-	-	-	15,000	\$ 15,000
5 Equipment	-	-	-	-	-	-	-	-	-	\$ -
6 Close-Out	-	-	-	-	-	-	-	-	-	\$ -
7 Other	-	-	-	-	-	-	-	-	-	\$ -
<b>Other Sub-Total:</b>	-	-	-	-	-	-	-	-	-	\$ -

<b>Total Allocations</b>	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000
<b>Source of Funds</b>										
TIRZ Funds	-	-	-	20,000	-	-	-	-	20,000	\$ 20,000
City of Houston	-	-	-	-	-	-	-	-	-	\$ -
Grant Funds	-	-	-	-	-	-	-	-	-	\$ -
Other	-	-	-	-	-	-	-	-	-	\$ -
<b>Total Funds</b>	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000

\*NOTE: