

City of Houston, Texas, Ordinance No. 2018- 664

AN ORDINANCE RELATING TO THE FISCAL AFFAIRS OF REINVESTMENT ZONE NUMBER TWENTY-SIX, CITY OF HOUSTON, TEXAS (SUNNYSIDE ZONE); APPROVING THE FISCAL YEAR 2019 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-Six, City of Houston, Texas (the "Zone") by Ordinance No. 2015-1092 on November 16, 2015; and

WHEREAS, the Zone has submitted an Operating Budget for Fiscal Year 2019 (the "Operating Budget") to the city for approval; **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 to implement the Operating Budget for the Zone, and to make adjustments occasioned by events transpiring during the year, the Zone may need to 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, if the aggregate of such transfers does not exceed \$400,000 during Fiscal Year 2019. 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, 2019, 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 for the Zone 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 the purpose. The Zone shall consider amendments to its Operating Budget 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, if 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 22nd day of August, 2018.

APPROVED this _____ day of _____, 2018.

Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is AUG 28 2018.



City Secretary

(Prepared by Legal Department _____)
(OUT July 25, 2018) Senior Assistant City Attorney
(Requested by Andrew F. Icken, Chief Development Officer)
(L.D. File No. _____)

CAPTION PUBLISHED IN DAILY COURT
 REVIEW
 DATE: **AUG 28 2018**

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

EXHIBIT "A"

Fiscal Year 2019 Operating Budget for the Sunnyside Zone

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2019 BUDGET PROFILE

Fund Summary
 Fund Name: Sunnyside
 TIRZ: 26
 Fund Number: 7583/50

P R O F I L E	Base Year:		2015
	Base Year Taxable Value:	\$	200,950,432
	Projected Taxable Value (TY2018):	\$	232,145,113
	Current Taxable Value (TY2017):	\$	223,216,455
	Acres:		3,142
	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-Six, 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 6/30/17)	Variance
	Capital Projects:			
Roadways, Sidewalks, Trails and Other Right-of-Way Improvements	\$	5,200,000	\$ -	\$ 5,200,000
Water, Drainage, and Utilities		4,835,000	-	4,835,000
Open Space, Community and Cultural Amenities		1,804,000	-	1,804,000
Affordable Housing		800,000	-	800,000
		-	-	-
		-	-	-
		-	-	-
Total Capital Projects	\$	12,639,000	\$ -	\$ 12,639,000
Financing Costs		-	-	-
Zone Administration		500,000	12,555	487,445
Total Project Plan	\$	13,139,000	\$ 12,555	\$ 13,126,445

D E B T	Additional Financial Data	FY2018 Budget	FY2018 Estimate	FY2019 Budget
	<u>Debt Service</u>	\$	-	\$ -
Principal	\$	-	\$ -	\$ -
Interest	\$	-	\$ -	\$ -
	Balance as of 6/30/16		Projected Balance as of 6/30/17	Projected Balance as of 6/30/18
<u>Year End Outstanding (Principal)</u>	\$	-	\$ -	\$ -
	\$	-	\$ -	\$ -
	\$	-	\$ -	\$ -
	\$	-	\$ -	\$ -
Other	\$	-	\$ -	\$ -

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2019 BUDGET PROFILE

Fund Summary
 Fund Name: Sunnyside
 TIRZ: 26
 Fund Number: 7583/50

TIRZ Budget Line Items	FY2018 Budget	FY2018 Estimate	FY2019 Budget
RESOURCES			
RESTRICTED Funds - Capital Projects	\$ 29,150	\$ 29,137	\$ 124,080
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Bond Debt Service	\$ -	\$ -	\$ -
Beginning Balance	\$ 29,150	\$ 29,137	\$ 124,080
City tax revenue	\$ 77,519	\$ 112,679	\$ 176,775
County tax revenue	\$ -	\$ -	\$ -
Incremental property tax revenue	\$ 77,519	\$ 112,679	\$ 176,775
Miscellaneous revenue	\$ -	\$ -	\$ -
COH TIRZ interest	\$ -	\$ 453	\$ 600
Interest Income	\$ -	\$ -	\$ -
Other Interest Income	\$ -	\$ 453	\$ 600
Grant Proceeds	\$ -	\$ -	\$ -
Proceeds from Bank Loan	\$ -	\$ -	\$ -
Contract Revenue Bond Proceeds	\$ -	\$ -	\$ -
TOTAL AVAILABLE RESOURCES	\$ 106,669	\$ 142,269	\$ 301,455

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2019 BUDGET PROFILE

Fund Summary
 Fund Name: Sunnyside
 TIRZ: 26
 Fund Number: 7583/50

TIRZ Budget Line Items	FY2018 Budget	FY2018 Estimate	FY2019 Budget
EXPENDITURES			
Accounting	\$ -	\$ -	\$ -
Administration Salaries & Benefits	\$ 13,000	\$ 12,555	\$ 17,000
Auditor	\$ -	\$ -	\$ -
Bond Services/Trustee/Financial Advisor	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -
Office Administration	\$ 500	\$ -	\$ 500
TIRZ Administration and Overhead	\$ 13,500	\$ 12,555	\$ 17,500
Engineering Consultants	\$ -	\$ -	\$ -
Legal	\$ -	\$ -	\$ -
Construction Audit	\$ -	\$ -	\$ -
Planning Consultants	\$ -	\$ -	\$ 75,000
Program and Project Consultants	\$ -	\$ -	\$ 75,000
Management consulting services	\$ 13,500	\$ 12,555	\$ 92,500
Capital Expenditures (See CIP Schedule)	\$ -	\$ -	\$ -
TIRZ Capital Expenditures	\$ -	\$ -	\$ -
Developer / Project Reimbursements	\$ -	\$ -	\$ -
Line of Credit	\$ -	\$ -	\$ -
Principal	\$ -	\$ -	\$ -
Interest	\$ -	\$ -	\$ -
Convenience Fee	\$ -	\$ -	\$ -
System debt service	\$ -	\$ -	\$ -
TOTAL PROJECT COSTS	\$ 13,500	\$ 12,555	\$ 92,500
Payment/transfer to ISD - educational facilities	\$ -	\$ -	\$ -
Administration Fees:			
City	\$ 3,876	\$ 5,634	\$ 8,839
County	\$ -	\$ -	\$ -
ISD	\$ -	\$ -	\$ -
Affordable Housing:			
City	\$ -	\$ -	\$ -
County	\$ -	\$ -	\$ -
ISD to City of Houston	\$ -	\$ -	\$ -
Municipal Services Charge	\$ -	\$ -	\$ -
Total Transfers	\$ 3,876	\$ 5,634	\$ 8,839
Total Budget	\$ 17,376	\$ 18,189	\$ 101,339
RESTRICTED Funds - Capital Projects	\$ 89,293	\$ 124,080	\$ 200,116
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Bond Debt Service	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 89,293	\$ 124,080	\$ 200,116
Total Budget & Ending Fund Balance	\$ 106,669	\$ 142,269	\$ 301,455

Notes: