

City of Houston, Texas, Ordinance No. 2024 - 864

**AN ORDINANCE RELATING TO THE FISCAL AFFAIRS OF MEDICAL CENTER AREA REDEVELOPMENT AUTHORITY ON BEHALF OF REINVESTMENT ZONE NUMBER TWENTY-EIGHT, CITY OF HOUSTON, TEXAS, (MEDICAL CENTER AREA ZONE); APPROVING THE FISCAL YEAR 2025 OPERATING BUDGET FOR THE AUTHORITY; CONTAINING FINDINGS AND OTHER PROVISIONS RELATED TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.**

\* \* \* \* \*

**WHEREAS**, the Texas Medical Center Area Redevelopment Authority (“Authority”), a local government corporation acting on behalf of the City in connection with Reinvestment Zone Number Twenty-eight, City of Houston, Texas (“Zone”), has submitted an Operating Budget for Fiscal Year 2025 (“Budget”) to the City Council for approval, pursuant to the Project Plan and Reinvestment Financing Plan approved by Ordinance No. 2023-785 (“Project Plan”); and

**WHEREAS**, the City Council desires to approve the Budget; **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 to make adjustments occasioned by events transpiring during the year, the Authority 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 Authority 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 \$400,000.00 during Fiscal Year 2025. Subject to the foregoing, the Operating Budget attached hereto as Exhibit "A" is hereby approved for the Authority.

**Section 3.** That not later than March 31, 2025, the Zone and the Authority shall, in cooperation with City representatives: (1) identify surplus funds in the Authority's Fiscal Year 2025 Operating Budget based on the difference between Zone revenues and the Fiscal Year 2025 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 Authority for the purpose. The Zone and the Authority shall consider amendments to the Project 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 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 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 14<sup>th</sup> day of November, 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 NOV 19 2024.

*AT J. Kaniel*  
City Secretary

Prepared by Legal Department *Mark Swain*  
MS/ems 10-28-24 Senior Assistant City Attorney  
Requested by: Gwendolyn Tillotson-Bell  
Chief Development Officer  
LD-RE-0000003288

Meeting 11/14/2024

| Aye                                 | No      |                        |
|-------------------------------------|---------|------------------------|
| ✓                                   |         | <b>Mayor Whitmire</b>  |
| ....                                | ....    | <b>Council Members</b> |
| ✓                                   |         | Peck                   |
| ✓                                   |         | Jackson                |
| Out of the City on City of Business |         | Kamin                  |
| ✓                                   |         | Evans-Shabazz          |
| ✓                                   |         | Flickinger             |
| Out of the City on City of Business |         | Thomas                 |
| ✓                                   |         | Huffman                |
| Out of the City on City of Business |         | Castillo               |
| ✓                                   |         | Martinez               |
| Out of the City on City of Business |         | Pollard                |
| Out of the City on City of Business |         | Castex-Tatum           |
| ✓                                   |         | Ramirez                |
| ✓                                   |         | Davis                  |
| ✓                                   |         | Carter                 |
| Out of the City on City of Business |         | Plummer                |
| ✓                                   |         | Alcorn                 |
| Caption                             | Adopted |                        |

Captions Published in DAILY COURT REVIEW

Date: 11/19/2024

**EXHIBIT "A"**

**Fiscal Year 2025 Operating Budget for  
Texas Medical Center Area Redevelopment Authority**

CITY OF HOUSTON  
 ECONOMIC DEVELOPMENT DIVISION  
 FISCAL YEAR 2025 BUDGET PROFILE

Fund Summary  
 Fund Name: **Medical Center Area**  
 TIRZ: **28-Medical Center Area Zone**  
 Fund Number: **7585/50**

|  |  |    |                 |
|--|--|----|-----------------|
| <b>P<br/>R<br/>O<br/>F<br/>I<br/>L<br/>E</b> | <b>Base Year:</b>                        |    | 2022            |
|  | <b>Base Year Taxable Value:</b>          | \$ | 183,168,989     |
|  | <b>Projected Taxable Value (TY2024):</b> | \$ | 240,866,411     |
|  | <b>Current Taxable Value (TY2023):</b>   | \$ | 231,390,463     |
|  | <b>Acres:</b>                            |    | 1,332.43        |
|  | <b>Administrator (Contact):</b>          |    | City of Houston |
|  | <b>Contact Number:</b>                   |    | (832) 393-0981  |

|  |   |
|--|---|
| <b>N<br/>A<br/>R<br/>R<br/>A<br/>T<br/>I<br/>V<br/>E</b> | <b>Zone Purpose:</b>  |
|  | Tax Increment Reinvestment Zone Number Twenty-Eight, City of Houston, was created to facilitate the development of the Zone by financing the design, acquisition and construction of public facilities and infrastructure necessary to support public assets like the Texas Medical Center, Hermann Park, the Houston Zoo; residential and commercial development and redevelopment within the Zone boundaries. |

| <b>R<br/>O<br/>J<br/>E<br/>C<br/>T<br/><br/>P<br/>L<br/>A<br/>N</b> |   | Total Plan               | Cumulative Expenses<br>(to 6/30/24) | Variance              |
|---|---|--------------------------|-------------------------------------|-----------------------|
|   |   | <b>Capital Projects:</b> |                                     |                       |
|   | Infrastructure and Resiliency             | \$ 100,000,000           | \$ -                                | \$ 100,000,000        |
|   | Mobility, Connectivity and Public Parking | 210,000,000              | -                                   | 210,000,000           |
|   | Transit Improvements                      | 30,000,000               | -                                   | 30,000,000            |
|   | Parks and Recreation Facilities           | 70,000,000               | -                                   | 70,000,000            |
|   | <b>Total Capital Projects</b>             | <b>\$ 410,000,000</b>    | <b>\$ -</b>                         | <b>\$ 410,000,000</b> |
|   | Affordable Housing                        | 40,000,000               | -                                   | 40,000,000            |
|   | Administration Cost                       | 2,000,000                | -                                   | 2,000,000             |
|   | <b>Total Project Plan</b>                 | <b>\$ 452,000,000</b>    | <b>\$ -</b>                         | <b>\$ 452,000,000</b> |

| <b>D<br/>E<br/>B<br/>T</b> | Additional Financial Data               | FY2024 Budget         | FY2024 Estimate                    | FY2025 Budget                      |
|----------------------------|---|-----------------------|------------------------------------|------------------------------------|
|                            |   | <b>Debt Service</b>   |                                    |                                    |
|                            | Principal                               | \$ -                  | \$ -                               | \$ -                               |
|                            | Interest                                | \$ -                  | \$ -                               | \$ -                               |
|                            |   | Balance as of 6/30/23 | Projected Balance as of<br>6/30/24 | Projected Balance as of<br>6/30/25 |
|                            | <b>Year End Outstanding (Principal)</b> |                       |                                    |                                    |
|                            | 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: Medical Center Area  
 TIRZ: 28-Medical Center Area Zone  
 7585/50

| TIRZ Budget Line Items                  | FY2024 Budget | FY2024 Estimate | FY2025 Budget |
|---|---------------|-----------------|---------------|
| <b>RESOURCES</b>                        |               |                 |               |
| RESTRICTED Funds - Capital Projects     | \$ -          | \$ -            | \$ 232,340    |
| RESTRICTED Funds - Affordable Housing   | \$ -          | \$ -            | \$ -          |
| RESTRICTED Funds - Bond Debt Service    | \$ -          | \$ -            | \$ -          |
| <b>Beginning Balance</b>                | \$ -          | \$ -            | \$ 232,340    |
| City tax revenue                        | \$ 242,850    | \$ 242,850      | \$ 276,044    |
| County tax revenue                      | \$ -          | \$ -            | \$ -          |
| <b>Incremental property tax revenue</b> | \$ 242,850    | 242,850         | 276,044       |
|   | \$ -          | \$ -            | \$ -          |
| <b>Miscellaneous revenue</b>            | \$ -          | \$ -            | \$ -          |
| COH TIRZ interest                       | \$ -          | \$ -            | \$ -          |
| Interest Income                         | \$ -          | \$ 1,633        | \$ 10,000     |
| <b>Other Interest Income</b>            | \$ -          | \$ 1,633        | \$ 10,000     |
|   | \$ -          | \$ -            | \$ -          |
|   | \$ -          | \$ -            | \$ -          |
| <b>Grant Proceeds</b>                   | \$ -          | \$ -            | \$ -          |
|   | \$ -          | \$ -            | \$ -          |
| <b>Proceeds from Bank Loan</b>          | \$ -          | \$ -            | \$ -          |
|   | \$ -          | \$ -            | \$ -          |
|   | \$ -          | \$ -            | \$ -          |
| <b>Contract Revenue Bond Proceeds</b>   | \$ -          | \$ -            | \$ -          |
| <b>TOTAL AVAILABLE RESOURCES</b>        | \$ 242,850    | \$ 244,483      | \$ 518,384    |

CITY OF HOUSTON  
ECONOMIC DEVELOPMENT DIVISION  
FISCAL YEAR 2025 BUDGET DETAIL

Fund Summary  
Fund Name: Medical Center Area  
TIRZ: 28-Medical Center Area Zone  
7585/50

| TIRZ Budget Line Items                        | FY2024 Budget     | FY2024 Estimate   | FY2025 Budget     |
|---|-------------------|-------------------|-------------------|
| <b>EXPENDITURES</b>                           |                   |                   |                   |
| Administrator                                 | \$ 48,000         | \$ -              | \$ 48,000         |
| Bookkeeper                                    | \$ 10,000         | \$ -              | \$ 10,000         |
| Financial Statement Preparation               | \$ 10,000         | \$ -              | \$ 10,000         |
| Insurance                                     | \$ 2,000          | \$ -              | \$ 2,000          |
| Auditor                                       | \$ 15,000         | \$ -              | \$ 15,000         |
| Tax Consultant                                | \$ 6,000          | \$ -              | \$ 6,000          |
| Financial Advisor/Bond Paying Agent           | \$ 10,000         | \$ -              | \$ 10,000         |
| <b>TIRZ Administration and Overhead</b>       | <b>\$ 101,000</b> | <b>\$ -</b>       | <b>\$ 101,000</b> |
| Engineering Consultants                       | \$ -              | \$ -              | \$ 70,000         |
| Legal   | \$ 50,000         | \$ -              | \$ 60,000         |
| Construction Audit                            | \$ -              | \$ -              | \$ -              |
| Planning Consultants                          | \$ 50,000         | \$ -              | \$ 70,000         |
| <b>Program and Project Consultants</b>        | <b>\$ 100,000</b> | <b>\$ -</b>       | <b>\$ 200,000</b> |
| <b>Management consulting services</b>         | <b>\$ 201,000</b> | <b>\$ -</b>       | <b>\$ 301,000</b> |
| Capital Expenditures (See CIP Schedule)       | \$ -              | \$ -              | \$ -              |
|   | \$ -              | \$ -              | \$ -              |
| <b>TIRZ Capital Expenditures</b>              | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b>       |
| <b>Developer / Project Reimbursements</b>     | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b>       |
| Bond Debt Service (Series ##)                 |                   |                   |                   |
| Principal                                     | \$ -              | \$ -              | \$ -              |
| Interest                                      | \$ -              | \$ -              | \$ -              |
| <b>System debt service</b>                    | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b>       |
| <b>TOTAL PROJECT COSTS</b>                    | <b>\$ 201,000</b> | <b>\$ -</b>       | <b>\$ 301,000</b> |
| Administration Fees:                          |                   |                   |                   |
| City  | \$ 12,143         | \$ 12,143         | \$ 13,802         |
| County  | \$ -              | \$ -              | \$ -              |
| ISD   | \$ -              | \$ -              | \$ -              |
| Affordable Housing:                           |                   |                   |                   |
| City  | \$ -              | \$ -              | \$ -              |
| County  | \$ -              | \$ -              | \$ -              |
| ISD to City of Houston                        | \$ -              | \$ -              | \$ -              |
| Municipal Services (Payable to COH)           | \$ -              | \$ -              | \$ -              |
| <b>Total Transfers</b>                        | <b>\$ 12,143</b>  | <b>12,143</b>     | <b>13,802</b>     |
| <b>Total Budget</b>                           | <b>\$ 213,143</b> | <b>12,143</b>     | <b>314,802</b>    |
| RESTRICTED Funds - Capital Projects           | \$ 29,707         | \$ 232,340        | \$ 203,582        |
| RESTRICTED Funds - Affordable Housing         | \$ -              | \$ -              | \$ -              |
| RESTRICTED Funds - Bond Debt Service          | \$ -              | \$ -              | \$ -              |
| <b>Ending Fund Balance</b>                    | <b>\$ 29,707</b>  | <b>\$ 232,340</b> | <b>203,582</b>    |
| <b>Total Budget &amp; Ending Fund Balance</b> | <b>242,850</b>    | <b>244,483</b>    | <b>518,384</b>    |

Notes: