



CITY OF HOUSTON

Sylvester Turner

Mayor

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To: Mayor Sylvester Turner

From: Andrew F. Icken
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Subject: TIRZ FY24 Budgets

Date: September 14, 2023

As required by the newly approved TIRZ policy, the Budget and CIP will reflect only projects that have a defined funding source including increment revenue, "council approved" bond proceeds or grant funding. Each TIRZ is required to submit CIP supplemental schedules reflecting the source of funding for capital projects. Any additional funding required for CIP projects must be clearly disclosed.

TIRZ budget to be presented to City Council on *September 19, 2023*, for consideration and approval are listed below:

TIRZ #6 – EASTSIDE (DISTRICT E, I) 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.

The actual incremental property tax revenue is \$11.4M, comprised of \$3.78M in City increment and \$7.7M in Houston ISD increment.

The FY24 budget is \$11.4M, which is allocated entirely as payment to Houston ISD for the construction of Cesar Chavez High School and an administrative fee to Houston ISD.

TIRZ 6 does not have a FY24 Five-Year CIP.

TIRZ #9 – SOUTH POST OAK (DISTRICT K) was created to facilitate the development of a master-planned community that included commercial, recreational, and residential improvements and amenities, of which 80% of the homes constructed would be available as affordable housing.

The actual incremental property tax revenue is \$1.7M, comprised entirely of City increment.

The FY24 budget is \$5.8M, which allocates \$239K for management and consulting services, \$5M for capital projects, and \$469K for debt service. The budget also includes a transfer to the City for administration fees (\$86K).

The FY24 capital projects include improvements to South Post Oak Intersection Improvements (\$1.3M); Affordable Housing Infrastructure (\$1.1M); Curb and Sidewalk Repairs and Improvements (\$600K); and Greenspace and Landscape Improvements (\$550K).

The Five-Year CIP is \$14.3M.

CIP Projects have an existing funding source.

FY23 – FY27 CIP: \$10.4M

FY24 – FY28 CIP: \$14.3M

Projects ADDED for FY24 – FY28:

- New signature bus shelters will provide comfort and safety from the elements at six existing METRO bus stops along major thoroughfares to match and complement the Five Corners District brand. Includes pavement markings and trash cans.

TIRZ #15 – EAST DOWNTOWN (DISTRICT H, I) was created to facilitate the development of public infrastructure improvements, parking facilities, and assist with the revitalization of old Chinatown from an abandoned and deteriorated neighborhood into a mixed-use district that includes retail, commercial, residential and entertainment development land uses.

The actual incremental property tax revenue is \$6.3M, comprised of \$3.3M in City increment, \$1.6M in County increment, and \$1.5M in Houston ISD increment.

The FY24 budget is \$14M, which allocates \$241K for management and consulting services, \$9.7M for capital projects, \$132K for developer agreements, and \$2.7M for debt service. The budget also includes transfers to Houston ISD for educational facilities (\$505K), to the City for administration fees (\$165K), to Houston ISD for administration fees (\$25K), and the municipal services charge (\$314K).

The FY24 capital projects include roadway, public utility, and sidewalk improvements on Hutchins between Polk and Leeland, Clay between St Emanuel and Hutchins and Bell between St Emanuel and Bastrop (\$6.3M); Walker Street Roadway Rehabilitation (\$850K); Bastrop Promenade/Greenspace (\$850K); and improvements to Columbia Tap (\$550K).

The Five-Year CIP is \$23.9M.

CIP Projects have an existing funding source.

FY23 – FY27 CIP: \$18M

FY24 – FY28 CIP: \$23.9M

Projects ADDED for FY24 – FY28:

- None

TIRZ #26 – SUNNYSIDE (DISTRICT D) 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.

The actual incremental property tax revenue is \$4.56M, comprised of \$4.1M in City increment and \$500K in County increment.

The FY24 budget is \$2.2M, which allocates \$774K for management and consulting services and \$1.5M for capital projects. The budget also includes transfers to the city for administration fees (\$203K).

The FY24 capital projects include improvements to Sunnyside Park (\$600K); improvements to Heritage Green (\$530K); Zone-wide beautification projects (\$270K); and Cullen Blvd Beautification (\$50K).

The Five-Year CIP is \$10.2M.

CIP Projects have an existing funding source.

FY23 – FY27 CIP: \$10.2M

FY24 – FY28 CIP: \$10.2M

Projects ADDED for FY24 – FY28:

None