

REQUEST FOR COUNCIL ACTION

TO: Mayor via City Secretary

RCA #

SUBJECT: Ordinance approving the Fiscal Year 2015 Operating Budget for the Lake Houston Redevelopment Authority and Fiscal Years 2015 - 2019 Capital Improvement Plan (CIP) Budget for Reinvestment Zone Number Ten (Lake Houston Zone).

Category #

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Agenda Item#

FROM: (Department or other point of origin):

Andrew F. Icken
Chief Development Officer

Origination Date

Agenda Date

DIRECTOR'S SIGNATURE:

Council Districts affected:

E

For additional information contact:

Gwen Tillotson

Phone: (832) 393-0937

Date and identification of prior authorizing Council Action:

Ord. No. 2013-0984, 11/06/13, Ord. No. 2014-0521, 05/28/14

RECOMMENDATION: (Summary)

City Council adopt an ordinance approving the Fiscal Year 2015 Operating Budget for the Lake Houston Redevelopment Authority and the Fiscal Years 2015 - 2019 CIP Budget for Reinvestment Zone Number Ten (Lake Houston Zone).

Amount of Funding: No Funding Required

SOURCE OF FUNDING:

General Fund Grant Fund Enterprise Fund
 Other (Specify)

SPECIFIC EXPLANATION:

The Administration has undertaken a comprehensive review of the proposed FY15 TIRZ budgets and recommends approval of the FY15 Operating Budget for the Lake Houston Redevelopment Authority and FY15 - FY19 CIP Budget for Tax Increment Reinvestment Zone Number Ten (Lake Houston Zone).

- Total Operating Budget for FY15 is \$12,418,181, which includes \$9,595,405 for required fund transfers and \$2,822,776 for Project Costs.
- The FY15 Operating Budget includes \$46,150 for administration and overhead. The Zone must advise the Chief Development Officer of any budget amendments. Adjustments to the budget that exceed the lesser of \$400,000 or 5% of project costs require City Council approval.
- The budget includes a municipal services cost payment in FY15 of \$490,000 to pay for the incremental costs of providing services in the area of the Zone.

Attachments: FY15 Operating Budget and FY15 - FY19 CIP Budget

cc: Marta Crinejo, Agenda
Anna Russell, City Secretary
David Feldman, City Attorney
Gary Dzierlenga, Senior Assistant City Attorney

REQUIRED AUTHORIZATION

Other Authorization:

Other Authorization:

Other Authorization:

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2015 BUDGET PROFILE

Fund Summary
 Fund Name: Lake Houston Redevelopment Authority
 TIRZ: 10
 Fund Number: 7558/50

P R O F I L E	Base Year:		1997
	Base Year Taxable Value:	\$	616,686,747
	Projected Taxable Value (TY2014):	\$	787,905,381
	Current Taxable Value (TY2013):	\$	741,665,561
	Acres:		3,382.38
	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 Ten, City of Houston, Texas was created to provide plans and programs needed to facilitate planned residential and commercial developments and in a manner consistent with the Kingwood Annexation Service Plan which annexed the area into the City of Houston.

P R O J E C T P L A N		Total Plan	Cumulative Expenses (to 6/30/13)	Variance
	Capital Projects:			
Public Utilities	\$	38,030,640	\$ 17,812,418	\$ 20,218,222
Street Reconstruction		25,000,000	3,798,000	21,202,000
Cultural and Public Facilities		20,559,850	7,705,754	12,854,096
Wastewater Treatment		7,000,000	-	7,000,000
		-	-	-
		-	-	-
		-	-	-
		-	-	-
Total Capital Projects	\$	90,590,490	\$ 29,316,172	\$ 61,274,318
Affordable Housing		-	-	-
School & Education/Cultural Facilities		60,000,000	64,898,240	(4,898,240)
Financing Costs		-	1,231,000	(1,231,000)
Administration Costs/ Professional Services		1,540,000	881,138	658,862
Creation Costs		260,000	260,000	-
Total Project Plan	\$	152,390,490	\$ 96,586,550	\$ 55,803,940

D E B T	Additional Financial Data	FY2014 Budget	FY2014 Estimate	FY2015 Budget
	<u>Debt Service Other</u>	\$	1,690,626	\$ 2,785,274
Principal	\$	1,572,169	\$ 2,600,000	\$ 1,572,169
Interest	\$	118,457	\$ 185,274	\$ 118,457
		Balance as of 6/30/13	Projected Balance as of 6/30/14	Projected Balance as of 6/30/15
<u>Year End Outstanding (Principal)</u>				
Bond Debt	\$	-	\$ -	\$ -
Bank Loan	\$	-	\$ -	\$ -
Line of Credit	\$	-	\$ -	\$ -
Developer Agreement	\$	16,290,085	\$ 15,426,756	\$ 14,622,756
Other	\$	4,820,454	\$ 2,220,454	\$ 648,285

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2015 BUDGET PROFILE

Fund Summary
 Fund Name: Lake Houston Redevelopment Authority
 TIRZ: 10
 Fund Number: 7558/50

TIRZ Budget Line Items	FY2014 Budget	FY2014 Estimate	FY2015 Budget
RESOURCES			
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Bond Debt Service	\$ 1,100,000	\$ -	\$ -
UNRESTRICTED Funds	\$ 1,024,613	\$ 4,315,902	\$ 3,521,657
Beginning Balance	\$ 2,124,613	\$ 4,315,902	\$ 3,521,657
City tax revenue	\$ 3,468,847	\$ 3,605,350	\$ 3,894,299
County tax revenue	\$ -	\$ -	\$ -
ISD tax revenue	\$ 8,593,724	\$ 8,553,473	\$ 8,910,690
ISD tax revenue - Pass Through	\$ -	\$ -	\$ -
Community College tax revenue	\$ -	\$ -	\$ -
Incremental property tax revenue	\$ 12,062,571	\$ 12,158,823	\$ 12,804,989
Miscellaneous revenue	\$ -	\$ -	\$ -
COH TIRZ interest	\$ 14,761	\$ 43,675	\$ 14,761
Interest Income	\$ -	\$ -	\$ -
Other Interest Income	\$ 14,761	\$ 43,675	\$ 14,761
	\$ -	\$ -	\$ -
Grant Proceeds	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Proceeds from Bank Loan	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Contract Revenue Bond Proceeds	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
TOTAL AVAILABLE RESOURCES	\$ 14,201,945	\$ 16,518,400	\$ 16,341,407

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2015 BUDGET PROFILE

Fund Summary
 Fund Name: Lake Houston Redevelopment Authority
 TIRZ: 10
 Fund Number: 7558/50

TIRZ Budget Line Items	FY2014 Budget	FY2014 Estimate	FY2015 Budget
EXPENDITURES			
Accounting	\$ 9,000	\$ -	\$ 10,250
Administration Salaries & Benefits	\$ 20,000	\$ 10,253	\$ 15,000
Auditor	\$ 9,000	\$ 8,000	\$ 11,000
Tax Consultant	\$ 8,500	\$ 8,330	\$ 8,500
Insurance	\$ 900	\$ 900	\$ 900
Office Administration	\$ 500	\$ 11,663	\$ 500
TIRZ Administration and Overhead	\$ 47,900	\$ 39,146	\$ 46,150
Engineering Consultants	\$ 100,000	\$ 75,000	\$ 250,000
Legal	\$ 43,000	\$ 10,253	\$ 30,000
Construction Audit	\$ -	\$ -	\$ 2,000
Planning Consultants	\$ -	\$ -	\$ -
Program and Project Consultants	\$ 143,000	\$ 85,253	\$ 282,000
Management consulting services	\$ 190,900	\$ 124,399	\$ 328,150
Capital Expenditures (See CIP Schedule)	\$ 1,085,000	\$ -	\$ -
TIRZ Capital Expenditures	\$ 1,085,000	\$ -	\$ -
Friendswood	\$ -	\$ -	\$ -
Holley-Guniganti	\$ 3,768	\$ 657	\$ 1,550
Forestar Group/Kingwood Partners	\$ 196,040	\$ 235,134	\$ 281,550
Classic Contractors/Gene Mendel	\$ 50,583	\$ 58,358	\$ 73,600
Amvest-Skylark	\$ 229,787	\$ 269,525	\$ 226,800
Meritage	\$ 165,039	\$ 299,655	\$ 220,500
Developer / Project Reimbursements	\$ 645,217	\$ 863,329	\$ 804,000
CO Debt Service			
Principal	\$ 1,572,169	\$ 2,600,000	\$ 1,572,169
Interest	\$ 118,457	\$ 185,274	\$ 118,457
System debt service	\$ 1,690,626	\$ 2,785,274	\$ 1,690,626
TOTAL PROJECT COSTS	\$ 3,611,743	\$ 3,773,002	\$ 2,822,776
Payment/transfer to ISD - educational facilities	\$ 8,593,724	\$ 8,553,473	\$ 8,910,690
Payment/transfer to ISD - educational facilities (Pass Through)	\$ -	\$ -	\$ -
Administration Fees:			
City	\$ 173,442	\$ 180,268	\$ 194,715
County	\$ -	\$ -	\$ -
ISD	\$ -	\$ -	\$ -
HCC	\$ -	\$ -	\$ -
Affordable Housing:			
City	\$ -	\$ -	\$ -
County	\$ -	\$ -	\$ -
ISD to City of Houston	\$ -	\$ -	\$ -
Municipal Services (Payable to COH)	\$ 490,000	\$ 490,000	\$ 490,000
Total Transfers	\$ 9,257,166	\$ 9,223,741	\$ 9,595,405
Total Budget	\$ 12,868,909	\$ 12,996,743	\$ 12,418,181
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Debt Service	\$ 1,100,000	\$ -	\$ -
UNRESTRICTED Funds	\$ 233,036	\$ 3,521,657	\$ 3,923,227
Ending Fund Balance	\$ 1,333,036	\$ 3,521,657	\$ 3,923,227
Total Budget & Ending Fund Balance	\$ 14,201,945	\$ 16,518,400	\$ 16,341,407

Notes:

2015 - 2019 CAPITAL IMPROVEMENT PLAN
TIRZ NO. 10 - LAKE HOUSTON REDEVELOPMENT AUTHORITY

CITY OF HOUSTON - TIRZ PROGRAM
Economic Development Division

Council District	CIP No.	Project	Fiscal Year Planned Appropriations										FY15- FY19 Total	Cumulative Total (To Date)	
			Through 2013	Projected 2014	2015	2016	2017	2018	2019						
E	T-1003	Kingwood Park and Community Center	\$ 176,000	-	-	-	-	-	-	-	-	-	-	-	176,000
E	T-1005	Kingwood West Fire Station Land Acquisition	\$ 400,000	-	-	-	-	-	-	-	-	-	-	-	400,000
E	T-1006	Intersection/Pedestrian Safety Improvements	\$ -	-	-	-	-	-	-	-	-	-	-	-	-
Totals			\$ 576,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 576,000

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Source of Funds	Fiscal Year Planned Appropriations									FY15- FY19 Total	Cumulative Total (To Date)
	Through 2013	Projected 2014	2015	2016	2017	2018	2019				
TIRZ Funds	576,000	-	-	-	-	-	-	-	-	576,000	576,000
City of Houston	-	-	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Project Total	576,000	-	-	-	-	-	-	-	-	576,000	576,000