


**REQUEST FOR COUNCIL ACTION**

<b>TO: Mayor via City Secretary</b>		<b>RCA #</b>	
<b>SUBJECT:</b> Ordinance approving the Fiscal Year 2015 Operating Budget for the Gulfgate Redevelopment Authority		<b>Category #</b>	<b>Page</b> 1 of 1
<b>FROM: (Department or other point of origin):</b> Andrew F. Icken Chief Development Officer		<b>Origination Date</b>	<b>Agenda Date</b>
<b>DIRECTOR'S SIGNATURE:</b> 		<b>Council Districts affected:</b> 1	
<b>For additional information contact:</b> Gwen Tillotson		<b>Phone:</b> (832) 393-0937	<b>Date and identification of prior authorizing Council Action:</b> Ord. No. 2013-0982, 11/06/13

**RECOMMENDATION: (Summary)**  
City Council adopt an ordinance approving the Fiscal Year 2015 Operating Budget for the Gulfgate Redevelopment Authority

**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 Gulfgate Redevelopment Authority (the Authority).

- Total Operating Budget for FY15 is \$1,815,169, which includes \$453,207 for required fund transfers and \$1,361,962 for Project Costs.
- The FY15 Operating Budget includes \$27,800 for administration and overhead. The Authority must advise the Chief Development Officer of any budget amendments. Adjustments to the budget that exceed \$400,000 require City Council approval.

Attachments: FY15 Operating Budget.

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

<b>REQUIRED AUTHORIZATION</b>		
<b>Other Authorization:</b>	<b>Other Authorization:</b>	<b>Other Authorization:</b>

CITY OF HOUSTON  
 ECONOMIC DEVELOPMENT DIVISION  
 FISCAL YEAR 2015 BUDGET PROFILE

Fund Summary  
 Fund Name: **Gulfgate Redevelopment Authority**  
 TIRZ: **08**

P R O F I L E	Base Year:		1997
	Base Year Taxable Value:	\$	25,127,840
	Projected Taxable Value (TY2014):	\$	96,334,454
	Current Taxable Value (TY2013):	\$	88,747,048
	Acres:		296.18
	Administrator (Contact):		City of Houston
	Contact Number:		(832) 393-0985

N A R R A T I V E	<b>Zone Purpose:</b>
	Tax Increment Reinvestment Zone Number Eight, City of Houston, Texas was created with the purpose of acquiring and repositioning the ailing Gulfgate Shopping Center. The Zone was enlarged in 1999 with the purpose of facilitating the redevelopment of the surrounding areas by providing for utility relocation, traffic signalization & realignments, refurbishment of the Loop 610 Pedestrian Bridge and landscaping.

P R O J E C T  P L A N		Cumulative Expenses		Variance
		Total Plan	(to 6/30/13)	
	<b>Capital Projects:</b>			
	Property Acquisition	\$ 5,250,000	\$ 5,391,214	\$ (141,214)
	Proposed Annexation Project Costs	4,587,686	2,222,385	2,365,301
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
	<b>Total Capital Projects</b>	\$ 9,837,686	\$ 7,613,599	\$ 2,224,087
	Affordable Housing	-	-	-
	School & Education/Cultural Facilities	15,867,163	2,970,437	12,896,726
	Financing Costs	14,481,953	4,569,857	9,912,096
	Creation Costs	1,250,000	1,011,674	238,326
	<b>Total Project Plan</b>	\$ 41,436,802	\$ 16,165,567	\$ 25,271,235

D E B T	Additional Financial Data	FY2014 Budget	FY2014 Estimate	FY2015 Budget
		<u>Debt Service</u>	\$ 1,015,571	\$ 1,268,843
	Principal	\$ 882,802	\$ 1,098,622	\$ 1,191,393
	Interest	\$ 132,769	\$ 170,221	\$ 132,769
		<b>Balance as of 6/30/13</b>	<b>Projected Balance as of 6/30/14</b>	<b>Projected Balance as of 6/30/15</b>
	Year End Outstanding (Principal)			
	Bond Debt	\$ -	\$ -	\$ -
	Bank Loan - Wells Fargo	\$ 2,439,537	\$ 2,014,537	\$ 1,589,537
	Developer Agreement - HGP Land Note	\$ -	\$ -	\$ -
	Developer Agreement - HGP Developer Advance	\$ 1,835,925	\$ 1,347,585	\$ 581,192
	Other	\$ -	\$ -	\$ -

CITY OF HOUSTON  
 ECONOMIC DEVELOPMENT DIVISION  
 FISCAL YEAR 2015 BUDGET PROFILE

Fund Summary  
 Fund Name: Gulfgate Redevelopment Authority  
 TIRZ: 08

TIRZ Budget Line Items	FY2014 Budget	FY2014 Estimate	FY2015 Budget
<b>RESOURCES</b>			
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Debt Service (Wells Fargo Loan)	\$ -	\$ -	\$ -
RESTRICTED Funds - HGP Land Note	\$ -	\$ -	\$ -
UNRESTRICTED Funds	\$ 597,879	\$ 1,052,898	\$ 906,470
<b>Beginning Balance</b>	<b>\$ 597,879</b>	<b>\$ 1,052,898</b>	<b>\$ 906,470</b>
City tax revenue	\$ 501,928	\$ 453,529	\$ 558,541
County tax revenue	\$ 318,277	\$ 298,528	\$ 366,671
ISD tax revenue	\$ 834,606	\$ 765,173	\$ 941,509
ISD tax revenue - Pass Through	\$ -	\$ 144,462	\$ -
Community College tax revenue	\$ -	\$ -	\$ -
<b>Incremental property tax revenue</b>	<b>\$ 1,654,811</b>	<b>\$ 1,661,693</b>	<b>\$ 1,866,722</b>
<b>Miscellaneous revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
COH TIRZ interest	\$ 2,571	\$ 821	\$ 3,898
Interest Income	\$ -	\$ -	\$ -
<b>Other Interest Income</b>	<b>\$ 2,571</b>	<b>\$ 821</b>	<b>\$ 3,898</b>
TxDOT Reconciliation	\$ -	\$ -	\$ -
<b>Grant Proceeds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Proceeds from Bank Loan	\$ -	\$ -	\$ -
Contract Revenue Bond Proceeds	\$ -	\$ -	\$ -
<b>TOTAL AVAILABLE RESOURCES</b>	<b>\$ 2,255,261</b>	<b>\$ 2,715,411</b>	<b>\$ 2,777,089</b>

CITY OF HOUSTON  
 ECONOMIC DEVELOPMENT DIVISION  
 FISCAL YEAR 2015 BUDGET PROFILE

Fund Summary  
 Fund Name: Gulfgate Redevelopment Authority  
 TIRZ: 08

TIRZ Budget Line Items	FY2014 Budget	FY2014 Estimate	FY2015 Budget
<b>EXPENDITURES</b>			
Accounting	\$ 6,500	\$ 6,500	\$ 6,500
Administration Salaries & Benefits	\$ 10,000	\$ 6,056	\$ 10,000
Auditor	\$ 10,000	\$ 5,500	\$ 10,000
Bond Services/Trustee/Financial Advisor	\$ -	\$ -	\$ -
Insurance	\$ 800	\$ 765	\$ 800
Office Administration	\$ 1,000	\$ -	\$ 500
<b>TIRZ Administration and Overhead</b>	<b>\$ 28,300</b>	<b>\$ 18,821</b>	<b>\$ 27,800</b>
Engineering Consultants	\$ -	\$ -	\$ -
Legal	\$ 10,000	\$ 3,264	\$ 10,000
Construction Audit	\$ -	\$ -	\$ -
Planning Consultants	\$ -	\$ -	\$ -
<b>Program and Project Consultants</b>	<b>\$ 10,000</b>	<b>\$ 3,264</b>	<b>\$ 10,000</b>
<b>Management consulting services</b>	<b>\$ 38,300</b>	<b>\$ 22,085</b>	<b>\$ 37,800</b>
Capital Expenditures (See CIP Schedule)	\$ -	\$ -	\$ -
<b>TIRZ Capital Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Houston Gulfgate Partners - Land Note Principal	\$ -	\$ 185,282	\$ -
Houston Gulfgate Partners - Land Note Interest	\$ -	\$ -	\$ -
Houston Gulfgate Partners - Developer Advance Principal	\$ 457,802	\$ 488,340	\$ 766,393
Houston Gulfgate Partners - Developer Advance Interest	\$ 90,077	\$ 116,221	\$ 90,077
<b>Developer / Project Reimbursements</b>	<b>\$ 547,879</b>	<b>\$ 789,843</b>	<b>\$ 856,470</b>
Wells Fargo Loan debt service			
Principal	\$ 425,000	\$ 425,000	\$ 425,000
Interest	\$ 42,692	\$ 54,000	\$ 42,692
<b>System debt service</b>	<b>\$ 467,692</b>	<b>\$ 479,000</b>	<b>\$ 467,692</b>
<b>TOTAL PROJECT COSTS</b>	<b>\$ 1,053,871</b>	<b>\$ 1,290,928</b>	<b>\$ 1,361,962</b>
Payment/transfer to ISD - educational facilities	\$ 331,337	\$ 310,950	\$ 381,946
Payment/transfer to ISD - educational facilities (Pass Through)		\$ 144,462	\$ -
Administration Fees:			
City	\$ 25,096	\$ 22,676	\$ 27,927
County	\$ 15,914	\$ 14,926	\$ 18,334
ISD	\$ 25,000	\$ 25,000	\$ 25,000
	\$ -	\$ -	\$ -
Affordable Housing:			
City	\$ -	\$ -	\$ -
County	\$ -	\$ -	\$ -
ISD to City of Houston	\$ -	\$ -	\$ -
Municipal Services (Payable to COH)	\$ -	\$ -	\$ -
<b>Total Transfers</b>	<b>\$ 397,347</b>	<b>\$ 518,014</b>	<b>\$ 453,207</b>
<b>Total Budget</b>	<b>\$ 1,451,218</b>	<b>\$ 1,808,942</b>	<b>\$ 1,815,169</b>
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Debt Service (Wells Fargo Loan)	\$ -	\$ -	\$ -
UNRESTRICTED Funds	\$ 804,043	\$ 906,470	\$ 961,920
<b>Ending Fund Balance</b>	<b>\$ 804,043</b>	<b>\$ 906,470</b>	<b>\$ 961,920</b>
<b>Total Budget &amp; Ending Fund Balance</b>	<b>\$ 2,255,261</b>	<b>\$ 2,715,411</b>	<b>\$ 2,777,089</b>

Notes: