

804

AN ORDINANCE RELATING TO THE FISCAL AFFAIRS OF THE GULFGATE REDEVELOPMENT AUTHORITY ON BEHALF OF REINVESTMENT ZONE NUMBER EIGHT, CITY OF HOUSTON, TEXAS (GULFGATE ZONE); APPROVING THE FISCAL YEAR 2015 OPERATING BUDGET FOR THE AUTHORITY; CONTAINING FINDINGS AND OTHER PROVISIONS RELATED TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.

* * * * *

WHEREAS, the City designated the Zone on December 10, 1997, by Ordinance No. 97-1524, over a certain area within the City (the "Original Area") and added additional area to the Zone in 1999 pursuant to Ordinance No. 99-706 (the "Annexed Area"); and

WHEREAS, the Gulfgate Redevelopment Authority (the "Authority"), a local government corporation acting on behalf of the City in connection with Reinvestment Zone Number Eight, City of Houston, Texas (the "Zone"), has submitted an Operating Budget for Fiscal Year 2015 (the "Budget") to the City for approval pursuant to that certain agreement among the City, the Authority, and the Zone approved by Ordinance No. 97-1571, as amended by Ordinance No. 2001-411; and

WHEREAS, the City's Chief Development Officer has reviewed that Budget and submitted to the City Council a Fiscal Year 2015 Operating Budget for the Zone ("Budget") that the City Council desires to approve; **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 Reinvestment Zone Financing Plan 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, provided that the aggregate of such transfers does not exceed the lesser of Four Hundred Thousand Dollars (\$400,000) or five percent (5%) of the Project Costs during Fiscal Year 2015. 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, 2015, the Zone shall, in cooperation with City representatives: (1) identify surplus funds in the Zone's Fiscal Year 2015 Operating Budget based on the difference between Zone revenues and the Fiscal Year 2015 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 the Zone's Project Plan and Reinvestment

Zone Financing Plan that may be necessary to accomplish this purpose, and shall expedite any such amendments.

Section 4. That the Zone is authorized to spend any grant money not reflected in the Operating Budget that it receives during Fiscal Year 2015 in the manner prescribed by law. In the event the Zone is required to pay a matching share of any such grant, the Zone, after consultation with and approval by the City's Chief Development Officer, may spend an amount not to exceed ten (10%) of the Operating Budget for such match.

Section 5. That 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 6. 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

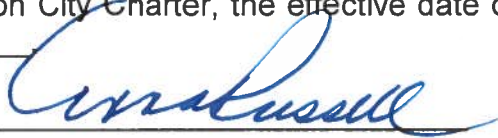
Mayor fails to sign this Ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED this 3rd day of September 2014.

APPROVED this _____ day of _____, 2014.

Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is SEP 09 2014



City Secretary

(Prepared by Legal Department Donna Capps *ewb*)
(DRC:drc August 22, 2014) Assistant City Attorney
(Requested by Andrew F. Icken, Chief Development Officer, Office of the Mayor)
(L.D. File No. 0421300159002)

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AYE	NO	
✓		MAYOR PARKER
....		COUNCIL MEMBERS
✓		STARDIG
✓		DAVIS
✓		COHEN
✓		BOYKINS
✓		MARTIN
✓		NGUYEN
✓	ABSENT ON PERSONAL BUSINESS	PENNINGTON
✓		GONZALEZ
	ABSENT	GALLEGOS
✓		LASTER
✓		GREEN
✓		COSTELLO
✓		ROBINSON
	ABSENT	KUBOSH
✓		BRADFORD
✓		CHRISTIE
CAPTION	ADOPTED	

CAPTION PUBLISHED IN DAILY COURT
REVIEW
DATE: SEP 09 2014

EXHIBIT "A"

**Fiscal Year 2015 Operating Budget for
Gulfgate Zone**

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	Zone Purpose:
	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		Total Plan	Cumulative Expenses (to 6/30/13)	Variance
	Capital Projects:			
	Property Acquisition	\$ 5,250,000	\$ 5,391,214	\$ (141,214)
	Proposed Annexation Project Costs	4,587,686	2,222,385	2,365,301
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
	Total Capital Projects	\$ 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
	Total Project Plan	\$ 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	\$ 1,288,843	\$ 1,324,162
	Principal	\$ 882,802	\$ 1,098,622	\$ 1,191,393
	Interest	\$ 132,769	\$ 170,221	\$ 132,769
	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 - 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
RESOURCES			
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	\$ 908,470
Beginning Balance	\$ 597,879	\$ 1,052,898	\$ 908,470
City tax revenue	\$ 501,928	\$ 453,529	\$ 558,541
County tax revenue	\$ 318,277	\$ 298,528	\$ 368,671
ISD tax revenue	\$ 834,806	\$ 765,173	\$ 941,509
ISD tax revenue - Pass Through	\$ -	\$ 144,462	\$ -
Community College tax revenue	\$ -	\$ -	\$ -
Incremental property tax revenue	\$ 1,654,811	\$ 1,661,693	\$ 1,866,722
Miscellaneous revenue	\$ -	\$ -	\$ -
COH TIRZ Interest	\$ 2,571	\$ 821	\$ 3,898
Interest Income	\$ -	\$ -	\$ -
Other Interest Income	\$ 2,571	\$ 821	\$ 3,898
TxDOT Reconciliation	\$ -	\$ -	\$ -
Grant Proceeds	\$ -	\$ -	\$ -
Proceeds from Bank Loan	\$ -	\$ -	\$ -
Contract Revenue Bond Proceeds	\$ -	\$ -	\$ -
TOTAL AVAILABLE RESOURCES	\$ 2,255,281	\$ 2,715,411	\$ 2,777,089

**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
EXPENDITURES			
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
TIRZ Administration and Overhead	\$ 28,300	\$ 18,821	\$ 27,800
Engineering Consultants	\$ -	\$ -	\$ -
Legal	\$ 10,000	\$ 3,264	\$ 10,000
Construction Audit	\$ -	\$ -	\$ -
Planning Consultants	\$ -	\$ -	\$ -
Program and Project Consultants	\$ 10,000	\$ 3,264	\$ 10,000
Management consulting services	\$ 38,300	\$ 22,085	\$ 37,800
Capital Expenditures (See CIP Schedule)	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
TIRZ Capital Expenditures	\$ -	\$ -	\$ -
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
Developer / Project Reimbursements	\$ 547,879	\$ 789,843	\$ 856,470
Wells Fargo Loan debt service			
Principal	\$ 425,000	\$ 425,000	\$ 425,000
Interest	\$ 42,692	\$ 54,000	\$ 42,692
System debt service	\$ 467,692	\$ 479,000	\$ 467,692
TOTAL PROJECT COSTS	\$ 1,053,871	\$ 1,290,928	\$ 1,361,962
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)	\$ -	\$ -	\$ -
Total Transfers	\$ 397,347	\$ 518,014	\$ 453,207
Total Budget	\$ 1,451,218	\$ 1,808,942	\$ 1,815,169
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Debt Service (Wells Fargo Loan)	\$ -	\$ -	\$ -
UNRESTRICTED Funds	\$ 804,043	\$ 906,470	\$ 961,920
Ending Fund Balance	\$ 804,043	\$ 906,470	\$ 961,920
Total Budget & Ending Fund Balance	\$ 2,255,261	\$ 2,715,411	\$ 2,777,089

Notes: