

City of Houston, Texas, Ordinance No. 2014 - 835

AN ORDINANCE RELATING TO THE FISCAL AFFAIRS OF THE SAINT GEORGE PLACE REDEVELOPMENT AUTHORITY ON BEHALF OF REINVESTMENT ZONE NUMBER ONE, CITY OF HOUSTON, TEXAS (SAINT GEORGE PLACE ZONE); APPROVING THE FISCAL YEAR 2015 OPERATING BUDGET FOR THE AUTHORITY AND THE FISCAL YEARS 2015-2019 CAPITAL IMPROVEMENTS BUDGET FOR THE ZONE; CONTAINING FINDINGS AND OTHER PROVISIONS RELATED TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.

* * * * *

WHEREAS, the Saint George Place Redevelopment Authority (the "Authority"), a local government corporation acting on behalf of the City in connection with Reinvestment Zone Number One, City of Houston, Texas (the "Zone"), has submitted an Operating Budget for Fiscal Year 2015 (the "Operating Budget") and a five-year Capital Improvements Budget for Fiscal Years 2015-2019 (the "CIP Budget" and, collectively with the Operating Budget, the "Budgets") to the City Council for approval pursuant to that certain agreement among the City, the Authority, and the Zone approved by Ordinance No. 2000-597; and

WHEREAS, the Budgets are based on the following assumptions:

1. The timely implementation of capital improvement projects in the Budgets may require the Authority to incur debt; and
2. The City's Chief Development Officer will assist the Authority in identifying a cost-efficient method to finance the costs of the capital improvement projects; and

WHEREAS, the City Council desires to approve the Budgets; **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 Authority, upon the approval of the City's Chief Development Officer, may 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 during Fiscal Year 2015. Subject to the foregoing, the Operating Budget attached hereto as Exhibit "A" is hereby approved for the Authority.

Section 3. That the CIP Budget attached hereto as Exhibit "B" is hereby approved for the Zone.

Section 4. That not later than March 31, 2015, the Zone and the Authority shall, in cooperation with City representatives (1) identify surplus funds in the Authority's Fiscal Year 2015 Operating Budget based on the difference between Zone revenues and the Fiscal Year 2015 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 and Reinvestment Zone Financing Plan for the Zone that may be necessary to accomplish this purpose, and shall expedite any such amendments.

Section 5. That the City's Chief Development Officer is directed to assist the Authority in identifying a cost-efficient method of financing public infrastructure consistent with financing principles used by the City.

Section 6. That approval of this Budget is contingent upon receipt by the 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 7. 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 10th day of September, 2014.

APPROVED this _____ day of _____, 2014.

Mayor

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is SEP 16 2014



City Secretary

(Prepared by Legal Department Mary Buzak *CWG*)
(MFB:mfb September 2, 2014) Senior Assistant City Attorney
(Requested by Andrew F. Icken, Chief Development Officer)
(L.D. File No. 0421400110001)
G:\REAL ESTATE\TIRZ\TIRZ 1 Lamar Terrace\Budgets\FY15 Budget\ORD Budget FY15 TIRZ #1.docx

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

EXHIBIT "A"

**Fiscal Year 2015 Operating Budget for
Saint George Place Redevelopment Authority**

CITY OF HOUSTON
ECONOMIC DEVELOPMENT DIVISION
FISCAL YEAR 2015 BUDGET PROFILE

Fund Summary
Fund Name: St Georges Place Redevelopment Authority
TIRZ: 01
Fund Number: 7512/50

P R O F I L E	Base Year:	1991
	Base Year Taxable Value:	\$ 27,150,340
	Projected Taxable Value (TY2014):	\$ 257,787,678
	Current Taxable Value (TY2013):	\$ 245,928,959
	Acres:	121.57
	Administrator (Contact):	Hawes Hill Calderon
	Contact Number:	(713) 595-1209

N A R R A T I V E	Zone Purpose:
	Tax Increment Reinvestment Zone Number One, City of Houston, Texas was created to stabilize property values, address deteriorated buildings and incompatible land uses and provide for the design and construction of roadway and streets, public utility systems, sidewalks, landscaping and land acquisition a District of the City known as St. George Place (formerly known as Lamar Terrace).
	Accomplishments In FY14 (Projects Underway):
	The Zone approved sixteen new building permits within its boundary. This was a slight decrease from the past year, indicating a continued strong resurgence in the home construction industry. Also, the Zone approved replats that affected 9 lots. The Zone continued its efforts enforcing the city's zoning ordinance with regard to blighted properties. The Zone's board worked with its engineering consultants and the city to finalize a neighborhood mobility construction plan. This plan will be implemented in FY 2015 through its capital improvement budget. The Zone board of directors continue to effectively manage the Public Improvement District (PID) Budget and services. The TIRZ Board is under contract with the city to manage the PID services. The primary PID services include zoning enforcement, landscape maintenance and additional public safety efforts. The TIRZ Board utilize the PID Funds to market the area.

P R O J E C T P L A N		Total Plan	Cumulative Expenses (to 6/30/13)	Variance
	Capital Projects:			
	Water, Sanitary Sewer and Storm Sewer	\$ 1,085,000	\$ 166,228	\$ 918,772
	Street Paving	3,540,000	2,910,578	629,422
	Brick Sound Wall	420,000	1,135,533	(715,533)
	Landscaping	450,000	406,412	43,588
	Cul-de-sacs	200,000	-	200,000
	Other Work Items	355,000	405,636	(50,636)
	Contingencies	451,000	-	451,000
	Land Acquisition	1,000,000	1,704,118	(704,118)
	Total Capital Projects	\$ 7,501,000	\$ 6,728,505	\$ 772,495
	Affordable Housing	31,785,702	8,161,394	23,624,308
	School & Education/Cultural Facilities	18,771,094	4,411,324	14,359,770
	Financing Costs	2,280,000	8,061,959	(5,781,959)
	Professional Services	793,000	365,532	427,468
	Administration/ Creation Costs	542,000	1,915,142	(1,373,142)
	Total Project Plan	\$ 61,672,796	\$ 29,643,856	\$ 32,028,940

D E B T	Additional Financial Data	FY2014 Budget	FY2014 Estimate	FY2015 Budget
	Debt Service	\$ 1,012,607	\$ 739,168	\$ 1,369,233
	Principal	\$ 935,000	\$ 655,000	\$ 1,298,698
	Interest	\$ 77,607	\$ 84,168	\$ 70,535
		Balance as of 6/30/13	Projected Balance as of 6/30/14	Projected Balance as of 6/30/15
	Year End Outstanding (Principal)			
	Bond Debt	\$ 1,923,954	\$ 1,793,954	\$ 1,645,257
	City of Houston CO	\$ 3,549,250	\$ 3,024,250	\$ 1,874,250
	City of Houston ROW	\$ 2,779,224	\$ 2,779,224	\$ 2,779,224
	Developer Agreement	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	

CITY OF HOUSTON
ECONOMIC DEVELOPMENT DIVISION
FISCAL YEAR 2015 BUDGET PROFILE

Fund Summary
Fund Name: St Georges Place Redevelopment Authority
TIRZ: 01
Fund Number: 7512/50

TIRZ Budget Line Items	FY2014 Budget	FY2014 Estimate	FY2015 Budget
RESOURCES			
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Bond Debt Service	\$ 226,514	\$ 443,742	\$ 226,514
UNRESTRICTED Funds	\$ 1,605,051	\$ 1,651,263	\$ 2,126,584
Beginning Balance	\$ 1,831,565	\$ 2,095,005	\$ 2,353,098
City tax revenue	\$ 1,351,493	\$ 1,381,238	\$ 1,456,107
County tax revenue	\$ -	\$ -	\$ -
ISD tax revenue	\$ 1,244,347	\$ 1,275,725	\$ 1,327,951
ISD tax revenue - Pass Through	\$ -	\$ 462,140	\$ -
Community College tax revenue	\$ -	\$ -	\$ -
Incremental Property Tax Revenue	\$ 2,595,840	\$ 3,119,103	\$ 2,784,058
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Miscellaneous revenue	\$ -	\$ -	\$ -
COH TIRZ interest	\$ -	\$ -	\$ -
Interest Income	\$ 6,902	\$ 7,361	\$ 4,220
Other Interest Income	\$ 6,902	\$ 7,361	\$ 4,220
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Grant Proceeds	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Proceeds from Bank Loan	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Contract Revenue Bond Proceeds	\$ -	\$ -	\$ -
TOTAL AVAILABLE RESOURCES	\$ 4,434,307	\$ 5,221,469	\$ 5,141,376

CITY OF HOUSTON
ECONOMIC DEVELOPMENT DIVISION
FISCAL YEAR 2015 BUDGET PROFILE

Fund Summary
Fund Name: St Georges Place Redevelopment Authority
TIRZ: 01
Fund Number: 7512/50

TIRZ Budget Line Items	FY2014 Budget	FY2014 Estimate	FY2015 Budget
EXPENDITURES			
Accounting	\$ 9,300	\$ 10,545	\$ 10,500
Administration Consultant	\$ 11,500	\$ 11,500	\$ 11,500
Auditor/Financial Statements	\$ 11,900	\$ 11,550	\$ 11,900
Bond Services/Trustee/Financial Advisor	\$ 9,384	\$ 8,805	\$ 9,000
Insurance	\$ 3,800	\$ 4,128	\$ 4,200
Office Administration	\$ 7,000	\$ 6,973	\$ 7,000
TIRZ Administration and Overhead	\$ 52,884	\$ 53,501	\$ 54,100
Engineering Consultants	\$ -	\$ -	\$ -
Legal	\$ 20,000	\$ 16,465	\$ 20,000
Construction Audit	\$ -	\$ -	\$ -
Planning Consultants	\$ 44,900	\$ 44,900	\$ 44,900
Program and Project Consultants	\$ 64,900	\$ 61,365	\$ 64,900
Management Consulting Services	\$ 117,784	\$ 114,866	\$ 119,000
Capital Expenditures (See CIP Schedule)	\$ 396,570	\$ 179,636	\$ 534,007
TIRZ Capital Expenditures	\$ 396,570	\$ 179,636	\$ 534,007
Developer / Project Reimbursements	\$ -	\$ -	\$ -
Bond Series (2001)			
Principal	\$ 135,000	\$ 130,000	\$ 148,698
Interest	\$ 77,607	\$ 84,168	\$ 70,535
City of Houston CO			
Principal	\$ 800,000	\$ 525,000	\$ 1,150,000
Interest	\$ -	\$ -	\$ -
City of Houston ROW Payment			
Principal	\$ -	\$ -	\$ -
Interest	\$ -	\$ -	\$ -
System Debt Service	\$ 1,012,607	\$ 739,168	\$ 1,369,233
TOTAL PROJECT COSTS	\$ 1,526,961	\$ 1,033,670	\$ 2,022,240
Payment/transfer to ISD - educational facilities	\$ 371,603	\$ 392,844	\$ 408,884
Payment/transfer to ISD - educational facilities (Pass Through)	\$ -	\$ 308,093	\$ -
Administration Fees:			
City	\$ 67,575	\$ 69,062	\$ 72,805
County	\$ -	\$ -	\$ -
ISD	\$ 25,000	\$ 25,000	\$ 25,000
HCC	\$ -	\$ -	\$ -
Affordable Housing:			
City	\$ 450,498	\$ 460,413	\$ 485,369
County	\$ -	\$ -	\$ -
ISD to City of Houston	\$ 414,782	\$ 579,289	\$ 442,650
Municipal Services (Payable to COH)	\$ -	\$ -	\$ -
Total Transfers	\$ 1,329,458	\$ 1,834,701	\$ 1,434,708
Total Budget	\$ 2,856,419	\$ 2,868,371	\$ 3,456,948
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Bond Debt Service	\$ 226,514	\$ 226,514	\$ 226,514
UNRESTRICTED Funds	\$ 1,351,374	\$ 2,126,584	\$ 1,457,915
Ending Fund Balance	\$ 1,577,888	\$ 2,353,098	\$ 1,684,429
Total Budget & Ending Fund Balance	\$ 4,434,307	\$ 5,221,469	\$ 5,141,376

Notes:

EXHIBIT "B"

**Fiscal Years 2015-2019 Capital Improvement Projects Budget for
Saint George Place Zone**

2015 - 2019 CAPITAL IMPROVEMENT PLAN
TIRZ NO. 1 - ST GEORGE PLACE REDEVELOPMENT AUTHORITY
CIP by Project

CITY OF HOUSTON - TIRZ PROGRAM
Economic Development Division

Council District	CIP No.	Project	Fiscal Year Planned Appropriations										FY16- FY19 Total	Cumulative Total (To Date)
			Through 2013	Projected 2014	2015	2016	2017	2018	2019					
G.J	T-0101	Intersection Reconstruction	\$ -	-	-	-	-	-	-	-	-	-	-	-
G.J	T-0103	McCulloch Circle/Fairdale Sound Barrier	\$ 6,720	156,636	57,500	-	-	-	-	-	-	57,500	220,856	-
G.J	T-0104	Park Noise Control	\$ -	-	-	-	-	-	-	-	-	-	-	-
G.J	T-0105	Neighborhood Traffic Plan	\$ 330,067	23,000	436,507	-	-	-	-	-	-	436,507	788,574	-
G.J	T-0106	Richmond Avenue Tree Replacement	\$ -	-	40,000	-	-	-	-	-	-	40,000	40,000	-
Totals			\$ 336,787	\$ 179,636	\$ 534,007	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 534,007	\$ 1,050,430	

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2015 - 2019 CAPITAL IMPROVEMENT PLAN
TIRZ NO. 1 - ST GEORGE PLACE REDEVELOPMENT AUTHORITY

CITY OF HOUSTON - TIRZ PROGRAM
Economic Development Division

Source of Funds	Fiscal Year Planned Appropriations								Cumulative Total (To Date)
	Through 2013	Projected 2014	2015	2016	2017	2018	2019	FY15 - FY19 Total	
TIRZ Funds	336,787	179,636	534,007	-	-	-	-	534,007	1,050,430
City of Houston	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Project Total	336,787	179,636	534,007	-	-	-	-	534,007	1,050,430

Project:		McCulloch Circle/Fairdale Sound Barrier		City Council District		Key Map:		491		WBS.:		T-0103			
		Location:		G, J		Geo. Ref.:									
		Served:		G, J		Neighborhood:		21							
Description:		Operating and Maintenance Costs: (\$ Thousands)													
				2015		2016		2017		2018		2019		Total	
Justification:	This project would construct a sound barrier connecting to and going north from the existing wall located at the McCulloch Circle at Fairdale Lane. Landscaping and Irrigation design/construction for public right of way is included for FY2015.														
	The justification for this project is to provide noise reduction between commercial and neighborhood land uses. This cost is provided for in the original TIRZ Project Plan and Reinvestment Zone Financing Plan.														

Project:		Neighborhood Traffic Plan			City Council District		Key Map:		491		WBS.:		T-0105								
		Location:		G.J		Geo. Ref.:															
		Served:		G.J		Neighborhood:				21											
		Operating and Maintenance Costs: (\$ Thousands)																			
				2015		2016		2017		2018		2019		Total							
				Personnel																	
				Supplies																	
				Svcs. & Chgs.																	
				Capital Outlay																	
				Total		\$		-		\$		-		\$							
				FTEs																	
Fiscal Year Planned Expenses																					
Project Allocation		Projected Expenses thru 6/30/13		2014 Budget		2014 Estimate		2015		2016		2017		2018		2019		FY15 - FY19 Total		Cumulative Total (To Date)	
1 Planning		-		-		-		-		-		-		-		-		\$		\$	
2 Acquisition		-		-		-		-		-		-		-		-		\$		\$	
3 Design		191,087		67,570		23,000		17,000		-		-		-		-		\$		\$ 17,000	
4 Construction		138,980		329,000		-		419,507		-		-		-		-		\$		\$ 419,507	
5 Equipment		-		-		-		-		-		-		-		-		\$		\$	
6 Close-Out		-		-		-		-		-		-		-		-		\$		\$	
7 Other		-		-		-		-		-		-		-		-		\$		\$	
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Project:		Richmond Avenue Tree Replacement		City Council District		Key Map:		WBS.:		T-0106	
				Location: G,J		Geo. Ref.:					
				Served: ALL		Neighborhood:					
Description:		Operating and Maintenance Costs: (\$ Thousands)									
				2015	2016	2017	2018	2019	Total		
Justification:	Project to replace damaged trees and to plant additional trees on Richmond Avenue.	Personnel	-	-	-	-	-	-	\$		
		Supplies	-	-	-	-	-	-	\$		
		Svcs. & Chgs	-	-	-	-	-	-	\$		
		Capital Outlay	-	-	-	-	-	-	\$		
		Total	\$	-	\$	-	\$	-	\$	\$	
		FTEs									
Fiscal Year Planned Expenses											
Project Allocation		Projected Expenses thru 6/30/13	2014 Budget	2014 Estimate	2015	2016	2017	2018	2019	FY15 - FY19 Total	Cumulative Total (To Date)
Phase											
1	Planning	-	-	-	-	-	-	-	-	\$	\$
2	Acquisition	-	-	-	-	-	-	-	-	\$	\$
3	Design	-	-	-	-	-	-	-	-	\$	\$
4	Construction	-	-	-	40,000	-	-	-	-	40,000	40,000
5	Equipment	-	-	-	-	-	-	-	-	\$	\$
6	Close-Out	-	-	-	-	-	-	-	-	\$	\$
7	Other	-	-	-	-	-	-	-	-	\$	\$
Other Sub-Total:		-	-	-	-	-	-	-	-	\$	\$
Total Allocations		\$	-	\$	\$	\$	\$	\$	\$	40,000	\$ 40,000
Source of Funds											
TIRZ Funds		-	-	-	40,000	-	-	-	-	40,000	\$ 40,000
City of Houston		-	-	-	-	-	-	-	-	\$	\$
Grants		-	-	-	-	-	-	-	-	\$	\$
Other		-	-	-	-	-	-	-	-	\$	\$
Total Funds		\$	-	\$	\$	\$	\$	\$	\$	40,000	\$ 40,000