REQUEST FOR COUNCIL ACTION

TO: Mayor via City Secretary **RCA #**

SUBJECT: Ordinance approving the Fiscal Year 2017 Operating Budget for Main Street/Market Square Redevelopment Authority d/b/a Downtown Redevelopment Authority and Fiscal Years 2017 -2021 Capital Improvement Plan (CIP) Budget for Reinvestment Zone Number Three (Downtown Zone).	**Category #**	**Page** 1 of 1	**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:** C, I		
For additional information contact: Gwendolyn F. Tillotson **Phone:** (832) 393-0937	**Date and identification of prior authorizing Council Action:** Ord. No. 2015-0863, 9/22/15		

RECOMMENDATION: (Summary)

City Council adopt an ordinance approving the Fiscal Year 2017 Operating Budget for Main Street/Market Square Redevelopment Authority d/b/a Downtown Redevelopment Authority and the Fiscal Years 2017 - 2021 CIP Budget for Reinvestment Zone Number Three (Downtown Zone).

Amount of Funding: No Funding Required

SOURCE OF FUNDING: [ ] General Fund [ ] Grant Fund [ ] Enterprise Fund [X] Other (Specify)

SPECIFIC EXPLANATION:

The Administration has undertaken a comprehensive review of the proposed FY17 TIRZ budgets and recommends approval of the FY17 Operating Budget for Main Street/Market Square Redevelopment Authority d/b/a Downtown Redevelopment Authority (the "Authority") and FY17 – FY21 CIP for Reinvestment Zone Number Three (the "Zone").

- **The Total Operating Budget for FY17 is $34,907,411, consisting of the following:**
  - **$17.6M** for Capital Expenditures which includes completing the Allen Parkway reconfiguration ($4.1M), completing the Main Street Corridor improvements ($1.5M), completing the Shopping District Improvements ($1.4M) and developing public greenspace at the southern end of the business district ($9.6M).
  - **$4.1M** for Developer/Project Reimbursments including Buffalo Bayou Park ($2.3M), 806 Main ($.486k), GreenStreet ($.417k), and Skyhouse Houston ($.376k)
  - **$4.2M** for Debt Service
  - **$8M** for transfers including educational transfers ($4.2M), City administrative fees ($1M)
- **Total Resources for FY17 is $61,122,305 consisting of the following:**
  - **$38M** fund balance from FY16
  - **$23M** Increment ($14M City, $1M Harris County, $6M HISD)
- **Ending Fund Balance for FY17 is $26M** of which $11M is unrestricted.
- The Authority must advise the Chief Development Officer of any budget amendments. Adjustments to the budget that exceed $400,000 require City Council approval.
- The budget includes a municipal services charge payment in FY17 of $1,065,000 to pay for the incremental cost of providing services to the area and $980,000 for supplemental services.

Attachments: FY17 Operating Budget and FY17 – FY21 CIP Budget

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

REQUIRED AUTHORIZATION

Finance Authorization:	**Other Authorization:**	**Other Authorization:**