

REQUEST FOR COUNCIL ACTION

TO: Mayor via City Secretary

RCA #

SUBJECT: Ordinance approving the Fiscal Year 2018 Operating Budget for the Hardy/Near Northside Redevelopment Authority and the Fiscal Years 2018 - 2022 Capital Improvement Plan (CIP) Budget for Tax Increment Reinvestment Zone Number Twenty-One, Houston, Texas (Hardy/Near Northside Zone).

Category #

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Agenda Item#

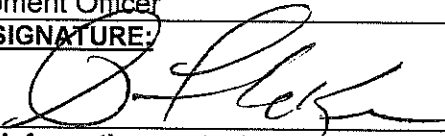
FROM: (Department or other point of origin):

Andrew F. Icken
Chief Development Officer

Origination Date

Agenda Date

DIRECTOR'S SIGNATURE:



Council Districts affected:
H

For additional information contact:

Gwendolyn F. Tillotson

Phone: (832) 393-0937

Date and identification of prior authorizing Council Action:
Ord. No. 2016-0598, 8/16/16

RECOMMENDATION: (Summary)

City Council adopt an ordinance approving the Fiscal Year 2018 Operating Budget for the Hardy/Near Northside Redevelopment Authority and the Fiscal Years 2018 - 2022 CIP Budget for Tax Increment Reinvestment Zone Number Twenty-One, Houston, Texas (Hardy/Near Northside 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 proposed FY18 TIRZ budgets and recommends approval of the FY18 Operating Budget for the Hardy/Near Northside Redevelopment Authority and the Fiscal Years 2018 - 2022 CIP Budget for Tax Increment Reinvestment Zone Number Twenty-One, Houston, Texas (Hardy/Near Northside Zone).

- Total Operating Budget for FY18 is \$2,543,966 which includes \$262,070 for required fund transfers and \$2,281,896 for Project Costs.
- The FY18 – FY22 CIP Budget totals \$1,286,961, and includes provisions for the Hernandez Tunnel Rehabilitation with funding from Ike Recovery Funds grant.
- The FY18 Operating Budget provides for the transfer of \$227,887 to the City's Housing and Community Development Department for Affordable Housing.
- The FY18 Operating Budget includes \$46,250 for administration and overhead. The Authority 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 FY 18 Operating Budget includes an estimated developer reimbursement of \$878,685 for the Hardy Yards development.
- The FY18 Operating Budget does not have a municipal services charge.

Attachments: FY18 Operating Budget, and FY18 – FY22 CIP Budget

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

REQUIRED AUTHORIZATION

Other Authorization:

Other Authorization:

Other Authorization:

Fund Summary
Fund Name: **Hardy Yards/Near Northside**
TIRZ: **21**
Fund Number: **7569/50**

P R O F I T E	Base Year:	2003
	Base Year Taxable Value:	\$ 40,313,080
	Projected Taxable Value (TY2017):	\$ 161,746,546
	Current Taxable Value (TY2016):	\$ 152,591,081
	Acres:	326.1
	Administrator (Contact):	City of Houston
	Contact Number:	(832) 393-0985

N A R R A T I V E	<p>Zone Purpose:</p> <p>Tax Increment Reinvestment Zone Number Twenty-One, City of Houston, Texas was created to provide plans and programs needed to reposition a former Union Pacific rail yard site into a mixed-use development consisting of affordable housing and transit oriented mixed-use development through the design and construction of roadways and streets, utility systems, parks, hike and bike trails, mobility improvements, land acquisition and environmental remediation.</p>
	<p>402/518</p> <p>7958481</p>

P R O J E C T P L A N		Total Plan	Cumulative Expenses (to 6/30/16)	Variance
	Capital Projects:			
	Roadway and Sidewalk Improvements	\$ 37,692,000	\$ 10,074,912	\$ 27,617,088
	Public Utility Improvements	7,884,000	-	7,884,000
	Parks, Plazas and Recreational Facilities	4,328,000	-	4,328,000
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	Total Capital Projects	\$ 49,904,000	\$ 10,074,912	\$ 39,829,088
	Affordable Housing	24,920,874	928,789	23,992,085
	School & Education/Cultural Facilities	-	-	-
	Financing Costs	1,700,000	-	1,700,000
	Administration Costs/ Professional Services	2,200,000	391,047	1,808,953
	Creation Costs	-	-	-
	Total Project Plan	\$ 78,724,874	\$ 11,394,748	\$ 67,330,126

D E B T	Additional Financial Data	FY2017 Budget	FY2017 Estimates	FY2018 Budget
	Debt Service	\$ -	\$ -	\$ -
	Principal	\$ -	\$ -	\$ -
	Interest	\$ -	\$ -	\$ -
		Balance as of 6/30/16	Projected Balance as of 6/30/16	Projected Balance as of 6/30/17
	Year End Outstanding (Principal)			
	Bond Debt	\$ -	\$ -	\$ -
	Bank Loan	\$ -	\$ -	\$ -
	Line of Credit	\$ -	\$ -	\$ -
	Developer Agreement	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	

**CITY OF HOUSTON
ECONOMIC DEVELOPMENT DIVISION
FISCAL YEAR 2018 BUDGET DETAIL**

Fund Summary
Fund Name: **Hardy Yards/Near Northside**
TIRZ: **21**
Fund Number: **7569/50**

TIRZ Budget Line Items	FY2017 Budget	FY2017 Estimates	FY2018 Budget
RESOURCES			
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Developer Reimbursement	\$ -	\$ -	\$ -
UNRESTRICTED Funds	\$ 1,087,852	\$ 1,129,885	\$ 1,482,469
Beginning Balance	\$ 1,087,852	\$ 1,129,885	\$ 1,482,469
City tax revenue	\$ 306,914	\$ 635,178	\$ 683,662
County tax revenue	\$ -	\$ -	\$ -
ISD tax revenue	\$ -	\$ -	\$ -
ISD tax revenue - Pass Through	\$ -	\$ -	\$ -
Community College tax revenue	\$ -	\$ -	\$ -
Incremental property tax revenue	\$ 306,914	\$ 635,178	\$ 683,662
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Miscellaneous revenue	\$ -	\$ -	\$ -
COH TIRZ interest	\$ 170	\$ 170	\$ 170
Interest Income	\$ 162	\$ 2,818	\$ 162
Other Interest Income	\$ 332	\$ 2,988	\$ 332
	\$ -	\$ -	\$ -
Ike Recovery Funds - COH Housing	\$ 4,027,518	\$ 7,958,481	\$ 1,286,961
Grant Proceeds	\$ 4,027,518	\$ 7,958,481	\$ 1,286,961
	\$ -	\$ -	\$ -
Proceeds from Bank Loan	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Contract Revenue Bond Proceeds	\$ -	\$ -	\$ -
TOTAL AVAILABLE RESOURCES	\$ 5,422,616	\$ 9,726,533	\$ 3,453,424

**CITY OF HOUSTON
ECONOMIC DEVELOPMENT DIVISION
FISCAL YEAR 2018 BUDGET DETAIL**

Fund Summary
Fund Name: **Hardy Yards/Near Northside**
TIRZ: **21**
Fund Number: **7569/50**

TIRZ Budget Line Items	FY2017 Budget	FY2017 Estimates	FY2018 Budget
EXPENDITURES			
Accounting	\$ 10,000	\$ 11,553	\$ 10,000
Administration Salaries & Benefits	\$ 25,000	\$ 12,128	\$ 25,000
Auditor	\$ 10,000	\$ 10,500	\$ 10,000
Bond Services/Trustee/Financial Advisor	\$ -	\$ -	\$ -
Insurance	\$ 1,000	\$ 925	\$ 1,000
Office Administration	\$ 250	\$ -	\$ 250
TIRZ Administration and Overhead	\$ 46,250	\$ 35,106	\$ 46,250
Engineering Consultants	\$ 45,000	\$ -	\$ -
Legal	\$ 25,000	\$ 1,142	\$ 25,000
Construction Audit	\$ -	\$ -	\$ -
Planning Consultants	\$ 45,000	\$ 5,850	\$ 45,000
Program and Project Consultants	\$ 115,000	\$ 6,992	\$ 70,000
Management consulting services	\$ 161,250	\$ 42,098	\$ 116,250
Capital Expenditures (See CIP Schedule)	\$ 382,600	\$ -	\$ 1,286,961
TIRZ Capital Expenditures	\$ 382,600	\$ -	\$ 1,286,961
	\$ -	\$ -	\$ -
Hardy Yards/Cypress Development	\$ 4,027,518	\$ 7,958,481	\$ 878,685
Developer / Project Reimbursements	\$ 4,027,518	\$ 7,958,481	\$ 878,685
System debt service	\$ -	\$ -	\$ -
TOTAL PROJECT COSTS	\$ 4,571,368	\$ 8,000,579	\$ 2,281,896
Payment/transfer to ISD - educational facilities	\$ -	\$ -	\$ -
Payment/transfer to ISD - educational facilities (Pass Through)	\$ -	\$ -	\$ -
Administration Fees:			
City	\$ 15,346	\$ 31,759	\$ 34,183
County	\$ -	\$ -	\$ -
ISD	\$ -	\$ -	\$ -
HCC	\$ -	\$ -	\$ -
Affordable Housing:			
City	\$ 102,305	\$ 211,726	\$ 227,887
County	\$ -	\$ -	\$ -
ISD to City of Houston	\$ -	\$ -	\$ -
Municipal Services (Payable to COH)	\$ -	\$ -	\$ -
Total Transfers	\$ 117,651	\$ 243,485	\$ 262,070
Total Budget	\$ 4,689,019	\$ 8,244,064	\$ 2,543,966
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ 706,523
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Developer Reimbursement	\$ -	\$ -	\$ -
UNRESTRICTED Funds	\$ 733,597	\$ 1,482,469	\$ 202,935
Ending Fund Balance	\$ 733,597	\$ 1,482,469	\$ 909,458
Total Budget & Ending Fund Balance	\$ 5,422,616	\$ 9,726,533	\$ 3,453,424

Notes:

2018 - 2022 CAPITAL IMPROVEMENT PLAN
TIRZ NO.21 - HARDY YARDS/NEAR NORTHSIDE

CITY OF HOUSTON - TIRZ PROGRAM
Economic Development Division

Council District	CIP No.	Project	Fiscal Year Planned Appropriations								
			Through 2016	Projected 2017	2018	2019	2020	2021	2022	FY18 - FY22 Total	Cumulative Total (To Date)
H	T-2101	Near Northside Hernandez Tunnel	\$ -	-	1,286,961	-	-	-	-	1,286,961	1,286,961
H	T-2199	Concrete Panel Replacement Program	\$ -	-	-	-	-	-	-	-	-
Totals			\$ -	\$ -	\$ 1,286,961	\$ -	\$ -	\$ -	\$ -	\$ 1,286,961	\$ 1,286,961

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Source of Funds	Fiscal Year Planned Appropriations								
	Through 2016	Projected 2017	2018	2019	2020	2021	2022	FY18 - FY22 Total	Cumulative Total (To Date)
TIRZ Funds	-	-	-	-	-	-	-	-	-
City of Houston	-	-	-	-	-	-	-	-	-
Grants	-	-	1,286,961	-	-	-	-	1,286,961	1,286,961
Other	-	-	-	-	-	-	-	-	-
Project Total	-	-	1,286,961	-	-	-	-	1,286,961	1,286,961

Project: Near Northside Hernandez Tunnel				City Council District		Key Map:		491		WBS.:	T-2101	
				Location: H		Geo. Ref.:						
				Served: H		Neighborhood:						
Description:	Tunnel rehabilitation and South Ramp rehabilitation. Pavement resurfacing, concrete wall surface repairs, pedestrian railing replacements, safety lighting and warning system, graffiti removal			Operating and Maintenance Costs: (\$ Thousands)								
					2018	2019	2020	2021	2022	Total		
				Personnel	-	-	-	-	-	\$ -		
				Supplies	-	-	-	-	-	\$ -		
Justification:	Improve walkable and livable communities. Promote common good and general welfare of the community.			Svcs. & Chgs.	-	-	-	-	-	\$ -		
				Capital Outlay	-	-	-	-	-	\$ -		
				Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
				FTEs						-		
Fiscal Year Planned Expenses												
Project Allocation		Projected Expenses thru 6/30/16	2017 Budget	2017 Estimate	2018	2019	2020	2021	2022	FY18 - FY22 Total	Cumulative Total (To Date)	
Phase												
1	Planning	-	-	-	-	-	-	-	-	\$ -	\$ -	
2	Acquisition	-	-	-	-	-	-	-	-	\$ -	\$ -	
3	Design		-	-	-	-	-	-	-	\$ -	\$ -	
4	Construction		-	-	1,199,580	-	-	-	-	\$ 1,199,580	\$ 1,199,580	
5	Equipment	-	-	-	-	-	-	-	-	\$ -	\$ -	
6	Close-Out	-	-	-	-	-	-	-	-	\$ -	\$ -	
7	Other: Construction Mgmt	-	-	-	87,381	-	-	-	-	\$ 87,381	\$ 87,381	
		-	-	-	-	-	-	-	-	\$ -	\$ -	
		-	-	-	-	-	-	-	-	\$ -	\$ -	
		-	-	-	-	-	-	-	-	\$ -	\$ -	
		-	-	-	-	-	-	-	-	\$ -	\$ -	
Other Sub-Total:		-	-	-	87,381	-	-	-	-	\$ 87,381	\$ 87,381	
Total Allocations		\$ -	\$ -	\$ -	\$ 1,286,961	\$ -	\$ -	\$ -	\$ -	\$ 1,286,961	\$ 1,286,961	
Source of Funds												
TIRZ Funds			-	-	-	-	-	-	-	\$ -	\$ -	
City of Houston		-	-	-	-	-	-	-	-	\$ -	\$ -	
Grant Funds		-	-	-	1,286,961	-	-	-	-	\$ 1,286,961	\$ 1,286,961	
Other		-	-	-	-	-	-	-	-	\$ -	\$ -	