

City of Houston, Texas, Ordinance No. 2021- 1042

AN ORDINANCE RELATING TO THE FISCAL AFFAIRS OF TAX INCREMENT REINVESTMENT ZONE NUMBER TWENTY-SIX, CITY OF HOUSTON, TEXAS (SUNNYSIDE ZONE); APPROVING THE FISCAL YEAR 2022 OPERATING BUDGET FOR THE ZONE AND THE FISCAL YEARS 2022-2026 CAPITAL IMPROVEMENT PLAN BUDGET FOR THE ZONE; CONTAINING FINDINGS AND OTHER PROVISIONS RELATED TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.

* * * * *

WHEREAS, the City created Tax Increment Reinvestment Zone Number Twenty-Six, City of Houston, Texas (the "Zone") by Ordinance No. 2015-1092 on November 16, 2015; and

WHEREAS, the Zone has submitted an Operating Budget for Fiscal Year 2022 (the "Operating Budget") and a Capital Improvement Plan Budget for Fiscal Years 2022-2026 (the "CIP Budget" and, collectively with the Operating Budget, the "Budgets") to the City Council for approval; and

WHEREAS, the City Council desires to approve the Budgets for the Zone; **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 to implement the Operating Budget 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, if the aggregate of such transfers does not exceed \$400,000

during Fiscal Year 2022. Subject to the foregoing, the Operating Budget attached hereto as Exhibit "A" is hereby approved for the Zone.

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, 2022, the Zone shall, in cooperation with City representatives (1) identify surplus funds in the Zone's Fiscal Year Operating Budget based on the difference between Zone revenues and the Fiscal Year 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 its Operating Budget that may be necessary to accomplish this purpose, and shall expedite any such amendments.

Section 5. That the 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
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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, if 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 8th day of December, 2021.

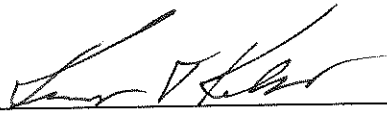
APPROVED this _____ day of _____, 2021.

Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is _____.

Patricia H. Hanel
Interim City Secretary

(Prepared by Legal Department
(KK;gd November 29, 2021)
(Requested by Andrew F. Icken, Chief Development Officer)
(L.D. File No. 042-1500191-010)



_____)

Senior Assistant City Attorney

Meeting

Aye	No	
✓		Mayor Turner
....	Council Members
✓		Peck
✓		Jackson
✓		Kamin
✓		Evans-Shabazz
✓		Martin
✓		Thomas
✓		Travis
✓		Cisneros
✓		Gallegos
✓		Pollard
✓		Castex-Tatum
✓		Knox
✓		Robinson
✓		Kubosh
✓		Plummer
✓		Alcorn
Caption	Adopted	

Captions Published in DAILY COURT REVIEW

Date: 12/14/2021

EXHIBIT "A"

Fiscal Year 2022 Operating Budget for the Sunnyside Zone

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2022 BUDGET PROFILE

Fund Summary
 Fund Name: Sunnyside
 TIRZ: 26
 Fund Number: 7583/50

P R O F I L E	Base Year:		2015
	Base Year Taxable Value:	\$	200,950,432
	Projected Taxable Value (TY2021):	\$	710,150,288
	Current Taxable Value (TY2020):	\$	345,514,607
	Acres:		4,597.05
	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 Twenty-Six, City of Houston, Texas was created for the purpose of leveraging the expenditure of public funds for eligible project costs including the planning, engineering and construction of new streets, water distribution facilities, wastewater collection facilities, storm drainage improvements, roadway and street reconstruction projects, cultural and public facility improvements, parks and other related improvements.

P R O J E C T P L A N		Total Plan	Cumulative Expenses (to 6/30/20)	Variance
	Capital Projects:			
Heritage Green Option A	\$	1,834,760	\$ 317,059	\$ 1,517,701
Heritage Green Option B		1,920,990	-	1,920,990
Gateway on Airport Boulevard		96,815	-	96,815
Area - Wide Intersection Improvements		629,413	-	629,413
Cullen Boulevard Beautification		177,013	-	177,013
		-	-	-
		-	-	-
		-	-	-
Total Capital Projects	\$	4,658,991	\$ 317,059	\$ 4,341,932
Financing Costs		-	-	-
Zone Administration		-	-	-
Total Project Plan	\$	4,658,991	\$ 317,059	\$ 4,341,932

D E B T	Additional Financial Data	FY2021 Budget	FY2021 Estimate	FY2022 Budget
	Debt Service			
Principal	\$	-	\$ -	\$ -
Interest	\$	-	\$ -	\$ -
		Balance as of 6/30/20	Projected Balance as of 6/30/21	Projected Balance as of 6/30/22
Year End Outstanding (Principal)	\$	-	\$ -	\$ -
	\$	-	\$ -	\$ -
	\$	-	\$ -	\$ -
	\$	-	\$ -	\$ -
Other	\$	-	\$ -	\$ -

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2022 BUDGET PROFILE

Fund Summary
 Fund Name: Sunnyside
 TIRZ: 26
 Fund Number: 7583/50

TIRZ Budget Line Items	FY2021 Budget	FY2021 Estimate	FY2022 Budget
RESOURCES			
RESTRICTED Funds - Capital Projects	\$ 836,683	\$ 845,979	\$ 1,324,905
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Bond Debt Service	\$ -	\$ -	\$ -
Beginning Balance	\$ 836,683	\$ 845,979	\$ 1,324,905
City tax revenue	\$ 639,456	\$ 777,150	\$ 898,446
County tax revenue	\$ 115,000	\$ -	\$ 115,000
Incremental property tax revenue	\$ 754,456	\$ 777,150	\$ 1,013,446
Miscellaneous revenue	\$ -	\$ -	\$ -
COH TIRZ interest	\$ 9,600	\$ 3,998	\$ 9,600
Interest Income	\$ -	\$ -	\$ -
Other Interest Income	\$ 9,600	\$ 3,998	\$ 9,600
	\$ -	\$ -	\$ -
Grant Proceeds	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Proceeds from Bank Loan	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Contract Revenue Bond Proceeds	\$ -	\$ -	\$ -
TOTAL AVAILABLE RESOURCES	\$ 1,600,739	\$ 1,627,127	\$ 2,347,951

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2022 BUDGET PROFILE

Fund Summary
 Fund Name: Sunnyside
 TIRZ: 26
 Fund Number: 7583/50

TIRZ Budget Line Items	FY2021 Budget	FY2021 Estimate	FY2022 Budget
EXPENDITURES			
Accounting	\$ -	\$ -	\$ -
Administration Salaries & Benefits	\$ 36,000	\$ 64,397	\$ 96,000
Auditor	\$ -	\$ -	\$ -
Bond Services/Trustee/Financial Advisor	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ 2,500
Office Administration	\$ 500	\$ -	\$ 500
TIRZ Administration and Overhead	\$ 36,500	\$ 64,397	\$ 99,000
Engineering Consultants	\$ -	\$ -	\$ -
Legal	\$ -	\$ -	\$ 60,000
Construction Audit	\$ -	\$ -	\$ -
Public Engagement Expenses	\$ -	\$ -	\$ 5,000
Planning Consultants	\$ 180,000	\$ 198,967	\$ 260,000
Program and Project Consultants	\$ 180,000	\$ 198,967	\$ 325,000
Management consulting services	\$ 216,500	\$ 263,364	\$ 424,000
Capital Expenditures (See CIP Schedule)	\$ 500,000	\$ -	\$ 500,000
TIRZ Capital Expenditures	\$ 500,000	\$ -	\$ 500,000
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Developer / Project Reimbursements	\$ -	\$ -	\$ -
System debt service	\$ -	\$ -	\$ -
TOTAL PROJECT COSTS	\$ 716,500	\$ 263,364	\$ 924,000
Payment/transfer to ISD - educational facilities	\$ -	\$ -	\$ -
Administration Fees:			
City	\$ 31,973	\$ 38,858	\$ 44,922
County	\$ 5,750	\$ -	\$ 5,750
ISD	\$ -	\$ -	\$ -
Affordable Housing:			
City	\$ -	\$ -	\$ -
County	\$ -	\$ -	\$ -
ISD to City of Houston	\$ -	\$ -	\$ -
Municipal Services Charge	\$ -	\$ -	\$ -
Total Transfers	\$ 37,723	\$ 38,858	\$ 50,672
Total Budget	\$ 754,223	\$ 302,222	\$ 974,672
RESTRICTED Funds - Capital Projects	\$ 846,516	\$ 1,324,905	\$ 1,373,279
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Bond Debt Service	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 846,516	1,324,905	1,373,279
Total Budget & Ending Fund Balance	\$ 1,600,739	\$ 1,627,127	\$ 2,347,951

Notes:

EXHIBIT "B"

Fiscal Years 2022-2026 Capital Improvement Plan Budget for the Sunnyside Zone

2022 - 2026 CAPITAL IMPROVEMENT PLAN
TIRZ 26 - Sunnyside

CITY OF HOUSTON - TIRZ PROGRAM
Economic Development Division

Council District	CIP No.	Project	Fiscal Year Planned Appropriations							FY22 - FY26 Total	Cumulative Total (To Date)	
			Through 2020	Projected 2021	2022	2023	2024	2025	2026			
D	T-2601	Heritage Green	\$ -	-	230,000	1,090,000	1,000,000	-	-	-	2,320,000	2,320,000
D	T-2602	Phase I Area-Wide Beautification	\$ -	-	270,000	-	145,000	365,000	-	-	780,000	780,000
D	T-2603	Gateway at Airport Boulevard	\$ -	-	-	-	-	125,000	-	-	125,000	125,000
D	T-2604	Cullen Boulevard Beautification	\$ -	-	-	-	-	-	140,000	120,000	260,000	260,000
Totals			\$ -	\$ -	\$ 500,000	\$ 1,090,000	\$ 1,145,000	\$ 630,000	\$ 120,000	\$ 3,485,000	\$ 3,485,000	

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Source of Funds	Fiscal Year Planned Appropriations										Cumulative Total (To Date)	
	Through 2020	Projected 2021	2022	2023	2024	2025	2026	FY22 - FY26 Total				
TIRZ Funds	-	-	385,000	545,000	645,000	630,000	120,000				2,325,000	2,325,000
City of Houston	-	-	-	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	115,000	545,000	500,000	-	-	-	-	-	1,160,000	1,160,000
Project Total	-	-	500,000	1,090,000	1,145,000	630,000	120,000	-	-	-	3,485,000	3,485,000

Project: Heritage Green	City Council District		Key Map:		WBS.:	T-2601
	Location: D	D	Geo. Ref.:			
	Served: D	D	Neighborhood:			
Description:	Operating and Maintenance Costs: (\$ Thousands)					Total
Justification: A gateway to Sunnyside that celebrates the local heritage and culture. A destination space that enhances quality of life by providing a walking/jogging trail, benches, pedestrian lighting, a space for activities such as pop up Art festivals, local vendors, and food trucks. Based on the public meetings and workshops, maintaining and enhancing the culture and heritage of the Sunnyside community is a priority. The gateway will celebrate the local culture and heritage while encouraging economic development.	Personnel	2022	2023	2024	2025	2026
	Supplies	-	-	-	-	-
	Svcs. & Chgs.	-	-	-	-	-
	Capital Outlay	-	-	-	-	-
Total	\$	\$	\$	\$	\$	\$
FTEs						

Fiscal Year Planned Expenses

Project Allocation	Projected Expenses thru 6/30/20	2021 Budget	2021 Estimate	2022	2023	2024	2025	2026	FY22 - FY26 Total	Cumulative Total (To Date)
Phase										
1 Planning	-	-	-	30,000	-	-	-	-	\$ 30,000	\$ 30,000
2 Acquisition	-	-	-	-	-	-	-	-	\$ -	\$ -
3 Design	-	-	-	200,000	50,000	-	-	-	\$ 250,000	\$ 250,000
4 Construction	-	-	-	-	1,040,000	1,000,000	-	-	\$ 2,040,000	\$ 2,040,000
5 Equipment	-	-	-	-	-	-	-	-	\$ -	\$ -
6 Close-Out	-	-	-	-	-	-	-	-	\$ -	\$ -
7 Other	-	-	-	-	-	-	-	-	\$ -	\$ -
	-	-	-	-	-	-	-	-	\$ -	\$ -
	-	-	-	-	-	-	-	-	\$ -	\$ -
	-	-	-	-	-	-	-	-	\$ -	\$ -
Other Sub-Total:	-	-	-	-	-	-	-	-	\$ -	\$ -
Total Allocations	\$ -	\$ -	\$ -	\$ 230,000	\$ 1,090,000	\$ 1,000,000	\$ -	\$ -	\$ 2,320,000	\$ 2,320,000

Source of Funds	2022	2023	2024	2025	2026	FY22 - FY26 Total	Cumulative Total (To Date)
TIRZ Funds	-	-	-	-	-	\$ -	\$ -
City of Houston	-	-	-	-	-	\$ -	\$ -
Grant Funds	-	-	-	-	-	\$ -	\$ -
Other	115,000	545,000	500,000	-	-	\$ 1,160,000	\$ 1,160,000
Total Funds	\$ 115,000	\$ 545,000	\$ 500,000	\$ -	\$ -	\$ 1,160,000	\$ 1,160,000

*NOTE:

Project:	Phase I Area-Wide Beautification		City Council District	Key Map:	WBS.:		T-2602
	Location:	D	Geo. Ref.:				
	Served:	D	Neighborhood:				
Description:	To improve the visual appearance of the area, strategic locations have been identified for a phase I area-wide beautification.						
Justification:	Improve the visual appearance of the area to encourage economic development and public safety.						
	Operating and Maintenance Costs: (\$ Thousands)						
	2022	2023	2024	2025	2026	Total	
Personnel	-	-	-	-	-	-	
Supplies	-	-	-	-	-	-	
Svcs. & Chgs.	-	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	-	
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
FTEs							

Fiscal Year Planned Expenses

Project Allocation	Projected Expenses thru 6/30/20	2021 Budget	2021 Estimate	2022	2023	2024	2025	2026	FY22 - FY26 Total	Cumulative Total (To Date)
Phase										
1 Planning	-	-	-	20,000	-	5,000	5,000	-	\$ 30,000	\$ 30,000
2 Acquisition	-	-	-	-	-	-	-	-	\$ -	\$ -
3 Design	-	-	-	50,000	-	50,000	40,000	-	\$ 140,000	\$ 140,000
4 Construction	-	-	-	200,000	-	90,000	320,000	-	\$ 610,000	\$ 610,000
5 Equipment	-	-	-	-	-	-	-	-	\$ -	\$ -
6 Close-Out	-	-	-	-	-	-	-	-	\$ -	\$ -
7 Other	-	-	-	-	-	-	-	-	\$ -	\$ -
	-	-	-	-	-	-	-	-	\$ -	\$ -
	-	-	-	-	-	-	-	-	\$ -	\$ -
	-	-	-	-	-	-	-	-	\$ -	\$ -
	-	-	-	-	-	-	-	-	\$ -	\$ -
	-	-	-	-	-	-	-	-	\$ -	\$ -
Other Sub-Total:	-	-	-	-	-	-	-	-	\$ -	\$ -
Total Allocations	\$ -	\$ -	\$ -	\$ 270,000	\$ -	\$ 145,000	\$ 365,000	\$ -	\$ 780,000	\$ 780,000

Source of Funds	2022	2023	2024	2025	2026	FY22 - FY26 Total
TIRZ Funds	270,000	-	145,000	365,000	-	\$ 780,000
City of Houston	-	-	-	-	-	\$ -
Grant	-	-	-	-	-	\$ -
Other	-	-	-	-	-	\$ -
Total Funds	\$ 270,000	\$ -	\$ 145,000	\$ 365,000	\$ -	\$ 780,000

Project:	Gateway at Airport Boulevard	City Council District	D	Key Map:		WBS.:	T-2603
		Location:	D	Geo. Ref.:			
		Served:	D	Neighborhood:			
Description:	A secondary gateway into the area for visitors traveling along SH-288 or west on Airport Boulevard.	Operating and Maintenance Costs: (\$ Thousands)					
		2022	2023	2024	2025	2026	Total
Justification:	Gateway and median improvements to encourage economic development.	Personnel	-	-	-	-	\$ -
		Supplies	-	-	-	-	\$ -
		Svcs. & Chgs.	-	-	-	-	\$ -
		Capital Outlay	-	-	-	-	\$ -
		Total	\$ -	\$ -	\$ -	\$ -	\$ -
		FTEs					-

Fiscal Year Planned Expenses

Project Allocation	Projected Expenses thru 6/30/20	2021 Budget	2021 Estimate	2022	2023	2024	2025	2026	FY22 - FY26 Total	Cumulative Total (To Date)
Phase										
1 Planning	-	-	-	-	-	-	5,000	-	\$ 5,000	\$ 5,000
2 Acquisition	-	-	-	-	-	-	-	-	\$ -	\$ -
3 Design	-	-	-	-	-	-	20,000	-	\$ 20,000	\$ 20,000
4 Construction	-	-	-	-	-	-	100,000	-	\$ 100,000	\$ 100,000
5 Equipment	-	-	-	-	-	-	-	-	\$ -	\$ -
6 Close-Out	-	-	-	-	-	-	-	-	\$ -	\$ -
7 Other	-	-	-	-	-	-	-	-	\$ -	\$ -
									\$ -	\$ -
									\$ -	\$ -
									\$ -	\$ -
									\$ -	\$ -
									\$ -	\$ -
Other Sub-Total:									\$ -	\$ -
Total Allocations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,000	\$ -	\$ 125,000	\$ 125,000

Source of Funds	2022	2023	2024	2025	2026	FY22 - FY26 Total	Cumulative Total (To Date)
TIRZ Funds	-	-	-	125,000	-	\$ 125,000	\$ 125,000
City of Houston	-	-	-	-	-	\$ -	\$ -
Grants	-	-	-	-	-	\$ -	\$ -
Other	-	-	-	-	-	\$ -	\$ -
Total Funds	\$ -	\$ -	\$ -	\$ 125,000	\$ -	\$ 125,000	\$ 125,000

Project:	Cullen Boulevard Beautification		City Council District	Key Map:		WBS.:		T-2604	
Description:	Landscape, sidewalk, curb, and curb ramp improvements between E Orem Road and Fuqua Street.		Location:	Geo. Ref.:					
Justification:	The beautification and amenity improvements will help enhance the area's visual appearance and walkability for pedestrians.		Served:	Neighborhood:					
			Operating and Maintenance Costs: (\$ Thousands)						
			2022	2023	2024	2025	2026	Total	
	Personnel		-	-	-	-	-	-	\$ -
	Supplies		-	-	-	-	-	-	\$ -
	Svcs. & Chgs.		-	-	-	-	-	-	\$ -
	Capital Outlay		-	-	-	-	-	-	\$ -
	Total		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	FTEs								-

Fiscal Year Planned Expenses

Project Allocation	Projected Expenses thru 6/30/20	2021 Budget	2021 Estimate	2022	2023	2024	2025	2026	FY22 - FY26 Total	Cumulative Total (To Date)
Phase										
1 Planning	-	-	-	-	-	-	10,000	-	\$ 10,000	\$ 10,000
2 Acquisition	-	-	-	-	-	-	-	-	\$ -	\$ -
3 Design	-	-	-	-	-	-	30,000	20,000	\$ 50,000	\$ 50,000
4 Construction	-	-	-	-	-	-	100,000	100,000	\$ 200,000	\$ 200,000
5 Equipment	-	-	-	-	-	-	-	-	\$ -	\$ -
6 Close-Out	-	-	-	-	-	-	-	-	\$ -	\$ -
7 Other	-	-	-	-	-	-	-	-	\$ -	\$ -
									\$ -	\$ -
									\$ -	\$ -
Other Sub-Total:									\$ -	\$ -
Total Allocations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 140,000	\$ 120,000	\$ 260,000	\$ 260,000

Source of Funds	2022	2023	2024	2025	2026	FY22 - FY26 Total	Cumulative Total (To Date)
TIRZ Funds	-	-	-	140,000	120,000	\$ 260,000	\$ 260,000
City of Houston	-	-	-	-	-	\$ -	\$ -
Grants	-	-	-	-	-	\$ -	\$ -
Other	-	-	-	-	-	\$ -	\$ -
Total Funds	\$ -	\$ -	\$ -	\$ 140,000	\$ 120,000	\$ 260,000	\$ 260,000