



## REINVESTMENT ZONE NUMBER TWO, CITY OF MISSOURI CITY MEETING AGENDA

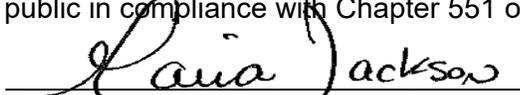
Notice is hereby given of a meeting of the Board of Directors of Reinvestment Zone Number Two, City of Missouri City to be held on **June 10, 2020**, at **4:00 p.m.** by teleconference at: (415) 655-0003 (access code: 133 483 5892) due to emergency conditions, for the purpose of considering the following agenda items. All agenda items are subject to action. The Board of Directors reserves the right to meet in a closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

1. ROLL CALL
2. Consider approving the minutes of the meeting of April 30, 2020.
3. Public comments.
4. Consider authorizing a development agreement with A-S 151 NWC Fort Bend Pkwy-Hwy 6, L.P. for project costs related to a movie theater project.
5. Consider proposed changes to the Project and Financing Plan for the Zone.
6. Review the Fiscal Year 2020 budget and consider the Fiscal Year 2021 proposed budget.
7. ADJOURN

**In compliance with the Americans with Disabilities Act, the City of Missouri City will provide for reasonable accommodations for persons attending Reinvestment Zone Number Two, City of Missouri City meetings. To better serve you, requests should be received 24 hours prior to the meetings. Please contact Maria Jackson, City Secretary, at 281.403.8685.**

### CERTIFICATION

I certify that a copy of the June 10, 2020, agenda of items to be considered by Reinvestment Zone Number Two, City of Missouri City was posted in a place convenient to the public in compliance with Chapter 551 of the Texas Government Code on June 5, 2020, at 4:00 p.m.

  
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Maria Jackson, City Secretary



## REINVESTMENT ZONE NUMBER TWO, CITY OF MISSOURI CITY MEETING MINUTES

Notice is hereby given of a meeting of the Board of Directors of Reinvestment Zone Number Two, City of Missouri City to be held on **April 30, 2020**, at **3:00 p.m.** via teleconference at: 281-403-8985, for the purpose of considering the following agenda items. All agenda items are subject to action. The Board of Directors reserves the right to meet in a closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

Chairman Hester called the meeting to order at 3:00 pm.

### 1. ROLL CALL

City Attorney E. Joyce Iyamu called the roll. Chairman Frank Hester and Directors Gloria Lucas, Kingsley Idemudia, Roy Gilbert, Buford Jurica, and Thomasine Johnson were present.

Staff members Interim City Manager Bill Atkinson, Financial Services Director Allena Portis, City Attorney E. Joyce Iyamu, and Assistant City Attorney Joseph Quintal were also present.

### 2. Public comment.

There were no public comments.

### 3. Consider authorizing a reimbursement to Fort Bend County for Vicksburg Boulevard road improvements.

Financial Services Director Portis presented on the proposed reimbursement for Fort Bend County for Vicksburg Boulevard road improvements.

Chairman Hester inquired about the interest amount listed in the cover memo. Director Jurica asked about the potential increase in the interest amount after board consideration. Director Lucas asked about the use of the interest payment to Fort Bend County for future mobility projects in Missouri City. Director Idemudia and Director Gilbert asked about the payment of late fees. Assistant City Attorney Joseph Quintal commented on proposed limitations on interest payments in future development contracts.

Director Lucas made a motion to authorize the reimbursement. Director Jurica made the second. The motion passed unanimously.

### 4. ADJOURN

Director Lucas made a motion to adjourn the meeting. Director Gilbert made the second. The meeting was adjourned at 3:15 p.m.



## AGENDA ITEM COVER MEMO

June 10, 2020

**To:** Board of Directors of Reinvestment Zone Number Two

**Agenda Item:** Review FY 2021 Proposed Budget

**Submitted by:** Allena Portis, Director of Financial Services

### SYNOPSIS

According to State statute, the Board of Directors of a reinvestment zone shall make recommendations to the governing body of the municipality that created the zone concerning the administration of the zone. The FY 2021 Proposed Budget will be reviewed with the Board prior to presentation to the MCDA Board and City Council.

### STRATEGIC PLAN 2019 GOALS ADDRESSED

- Maintain a financially sound City
- Have quality development through buildout

### BACKGROUND

#### Revenue

TIRZ No 2 participants include the City of Missouri City and Fort Bend County. The budgeted revenue is estimated based on prior tax receipts. Certified tax rolls will not be received until late July 2020, thus the revenue estimate is subject to change. Upon receipt of the certified rolls, the total estimated revenue is calculated by multiplying the captured appraised value (divided by \$100) by the adopted property tax rate. This produces the City's property tax revenue that is transferred from the general fund (M&O) and debt service fund (I&S). The other participant revenues are projected based on prior year activity.

#### Expenditure

Expenditures for TIRZ No. 2 include obligations for debt service, administrative costs, and costs related to reimbursements per development agreements. The Proposed FY 2021 budget is included as an attachment to this report.

Per the City's agreement with the TIRZ, the City may transfer funds for administration in an amount that does not exceed 5% of revenues. Included in the budget is the addition of a third party administrator whose role will be to assist with tracking all obligations of the TIRZ, arranging periodic meetings, and other reporting requirements as directed by City staff responsible for the TIRZ. Including this expense, the total administrative costs do not exceed 5% of estimated revenues. Administrative costs include engineering, legal services, accounting services, and administration.

As the TIRZ commits funds for economic development agreements, we believe the additional assistance will be valuable. This will ensure continuity of administration of the TIRZ. Although we are requesting appropriations, any agreement with a third party will be brought to the board at a later date for approval. The third party administrator would be responsible for assisting with all City TIRZ and Public Improvements Districts, and the costs will be allocated amongst all based on the services provided.

For reference, the approved active developer agreement within the TIRZ is as follows:

- Perry Homes - Creekmont

#### **SUPPORTING MATERIALS**

1. FY 2021 Proposed Budget
2. Long Range Financial Forecast – For Discussion Purposes Only

#### **STAFF'S RECOMMENDATION**

Staff requests the Board's recommendation for submittal of the FY 2021 Proposed Budget.

**TIRZ #2**  
**FY2021 BUDGET**

Object Code	Description	FY2020 Budget	FY2020 Projected	FY2021 Proposed
<b>REVENUE</b>				
262-41101-01-001-	INCREMENTAL PROP TAX-FB COUNTY*	\$ 836,859	\$ 770,000	\$ 770,000
262-47000-01-001	INVESTMENT INCOME	\$ 150,000	\$ 150,000	\$ 75,000
262-49101-01-001-	TRANS FROM 101-GENERAL FUND	\$ 1,468,211	\$ 1,447,868	\$ 1,448,000
262-49301-01-001-	TRANS FROM 301-DEBT SERVICE FD	\$ 542,600	\$ 507,913	\$ 508,000
<b>TOTAL REVENUE</b>		<b>\$ 2,997,670</b>	<b>\$ 2,875,781</b>	<b>\$ 2,801,000</b>
<b>EXPENDITURES</b>				
262-53045-10-262	AUDIT SERVICES	\$ 15,000		\$ 15,000
262-57050-10-262-	BOND INTEREST EXPENSE	\$ 130,981	\$ 130,981	\$ 113,545
262-57550-10-262-	PAY AGENT/REGISTRAR/ESC EXP.	\$ 750	\$ 750	\$ 750
262-53504-10-262	CONTRACTUAL SERVICES			\$ 46,190
262-57600-10-262-	GO REFUND PRINCIPAL EXP.	\$ 220,000	\$ 220,000	\$ 230,000
262-57675-10-262-	CERT OF OBLIG PRINCIPAL EXP.	\$ 180,000	\$ 180,000	\$ 85,000
262-53509-10-262-	DEVELOPER AGREEMENT EXP	\$ 650,000	\$ 588,924	\$ 2,216,655
262-58700-10-999	INFRASTRUCTURE IMPROVEMENTS	\$ 1,707,079		
262-59101-10-262-	TRANS TO 101-GENERAL FUND	\$ 73,860	\$ 73,860	\$ 73,860
262-59260-10-262-	TRANS TO FUND 260-MC DEV AUTH	\$ 20,000	\$ 20,000	\$ 20,000
<b>TOTAL EXPENDITURE</b>		<b>\$ 2,997,670</b>	<b>\$ 1,214,516</b>	<b>\$ 2,801,000</b>
<b>CHANGE IN FUND BALANCE</b>		<b>\$ -</b>	<b>\$ 1,661,265</b>	<b>\$ 0</b>
<b>FUND BALANCE</b>				
BEGINNING FUND BALANCE		\$ 6,534,007	\$ 6,534,007	\$ 8,195,272
ADDITION TO FUND BALANCE		\$ -	\$ 1,661,265	\$ 0
<b>ENDING FUND BALANCE</b>		<b>\$ 6,534,007</b>	<b>\$ 8,195,272</b>	<b>\$ 8,195,273</b>

Outstanding Obligations:

Admin costs limit 5%

Perry Homes - Creekmont: Estimate \$6,924,700 plus Interest

Property Tax revenue subject to change upon receipt of certified values

Infrastructure Improvement budget is at an amount that will not impact Fund Balance

TIRZ #2 FY2021 BUDGET					FOR DISCUSSION PURPOSES ONLY									20 YEAR TIRZ EXTENSION			
Object Code	Description	FY2020 Budget	FY2020 Projected	FY2021 Proposed	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected	FY2027 Projected	FY2028 Projected	FY2029 Projected	FY2030-2034 Projected	FY2035-2039 Projected	FY2040-2044 Projected	FY2045-2049 Projected	
<b>REVENUE</b>																	
262-41101-01-001-	INCREMENTAL PROP TAX-FB COUNTY*	\$ 836,859	\$ 770,000	\$ 770,000	\$ 840,000	\$ 840,000	\$ 840,000	\$ 840,000	\$ 840,000	\$ 840,000	\$ 840,000	\$ 840,000	\$ 4,200,000	\$ 4,200,000	\$ 4,200,000	\$ 4,200,000	
262-47000-01-001	INVESTMENT INCOME	\$ 150,000	\$ 150,000	\$ 75,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	
262-49101-01-001-	TRANS FROM 101-GENERAL FUND	\$ 1,468,211	\$ 1,447,868	\$ 1,448,000	\$ 1,470,000	\$ 1,470,000	\$ 1,470,000	\$ 1,470,000	\$ 1,470,000	\$ 1,470,000	\$ 1,470,000	\$ 1,470,000	\$ 7,350,000	\$ 7,350,000	\$ 7,350,000	\$ 7,350,000	
262-49301-01-001-	TRANS FROM 301-DEBT SERVICE FD	\$ 542,600	\$ 507,913	\$ 508,000	\$ 543,000	\$ 543,000	\$ 543,000	\$ 543,000	\$ 543,000	\$ 543,000	\$ 543,000	\$ 543,000	\$ 2,715,000	\$ 2,715,000	\$ 2,715,000	\$ 2,715,000	
<b>TOTAL REVENUE</b>		<b>\$ 2,997,670</b>	<b>\$ 2,875,781</b>	<b>\$ 2,801,000</b>	<b>\$ 3,003,000</b>	<b>\$ 3,003,000</b>	<b>\$ 3,003,000</b>	<b>\$ 3,003,000</b>	<b>\$ 3,003,000</b>	<b>\$ 3,003,000</b>	<b>\$ 3,003,000</b>	<b>\$ 3,003,000</b>	<b>\$ 15,015,000</b>	<b>\$ 15,015,000</b>	<b>\$ 15,015,000</b>	<b>\$ 15,015,000</b>	
<b>EXPENDITURES</b>																	
262-53045-10-262	AUDIT SERVICES	\$ 15,000		\$ 15,000													
262-57050-10-262-	BOND INTEREST EXPENSE	\$ 130,981	\$ 130,981	\$ 113,545	\$ 543,120	\$ 86,500	\$ 73,750	\$ 60,500	\$ 46,500	\$ 31,750	\$ 16,250						
262-57550-10-262-	PAY AGENT/REGISTRAR/ESC EXP.	\$ 750	\$ 750	\$ 750	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250						
262-53504-10-262	CONTRACTUAL SERVICES			\$ 46,190	\$ 56,290	\$ 56,290	\$ 56,290	\$ 56,290	\$ 56,290	\$ 56,290	\$ 56,290	\$ 56,290	\$ 243,950	\$ 243,950	\$ 243,950	\$ 243,950	
262-57600-10-262-	GO REFUND PRINCIPAL EXP.	\$ 220,000	\$ 220,000	\$ 230,000	\$ 245,000	\$ 255,000	\$ 265,000	\$ 280,000	\$ 295,000	\$ 310,000	\$ 325,000						
262-57675-10-262-	CERT OF OBLIG PRINCIPAL EXP.	\$ 180,000	\$ 180,000	\$ 85,000													
262-53509-10-262-	DEVELOPER AGREEMENT EXP	\$ 650,000	\$ 588,924	\$ 2,216,655													
262-58700-10-999	INFRASTRUCTURE IMPROVEMENTS	\$ 1,707,079															
262-59101-10-262-	TRANS TO 101-GENERAL FUND	\$ 73,860	\$ 73,860	\$ 73,860	\$ 73,860	\$ 73,860	\$ 73,860	\$ 73,860	\$ 73,860	\$ 73,860	\$ 73,860	\$ 73,860	\$ 369,300	\$ 369,300	\$ 369,300	\$ 369,300	
262-59260-10-262-	TRANS TO FUND 260-MC DEV AUTH	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	
<b>TOTAL EXPENDITURE</b>		<b>\$ 2,997,670</b>	<b>\$ 1,214,516</b>	<b>\$ 2,801,000</b>	<b>\$ 938,520</b>	<b>\$ 491,900</b>	<b>\$ 489,150</b>	<b>\$ 490,900</b>	<b>\$ 491,900</b>	<b>\$ 492,150</b>	<b>\$ 491,650</b>	<b>\$ 150,150</b>	<b>\$ 713,250</b>	<b>\$ 713,250</b>	<b>\$ 713,250</b>	<b>\$ 713,250</b>	
<b>CHANGE IN FUND BALANCE</b>		<b>\$ -</b>	<b>\$ 1,661,265</b>	<b>\$ 0</b>	<b>\$ 2,064,480</b>	<b>\$ 2,511,100</b>	<b>\$ 2,513,850</b>	<b>\$ 2,512,100</b>	<b>\$ 2,511,100</b>	<b>\$ 2,510,850</b>	<b>\$ 2,511,350</b>	<b>\$ 2,852,850</b>	<b>\$ 14,301,750</b>	<b>\$ 14,301,750</b>	<b>\$ 14,301,750</b>	<b>\$ 14,301,750</b>	
<b>FUND BALANCE</b>																	
<b>BEGINNING FUND BALANCE</b>		<b>\$ 6,534,007</b>	<b>\$ 6,534,007</b>	<b>\$ 8,195,272</b>	<b>\$ 8,195,273</b>	<b>\$ 10,259,753</b>	<b>\$ 12,770,853</b>	<b>\$ 15,284,703</b>	<b>\$ 17,796,803</b>	<b>\$ 20,307,903</b>	<b>\$ 22,818,753</b>	<b>\$ 25,330,103</b>	<b>\$ 28,182,953</b>	<b>\$ 42,484,703</b>	<b>\$ 56,786,453</b>	<b>\$ 71,088,203</b>	
<b>ADDITION TO FUND BALANCE</b>		<b>\$ -</b>	<b>\$ 1,661,265</b>	<b>\$ 0</b>	<b>\$ 2,064,480</b>	<b>\$ 2,511,100</b>	<b>\$ 2,513,850</b>	<b>\$ 2,512,100</b>	<b>\$ 2,511,100</b>	<b>\$ 2,510,850</b>	<b>\$ 2,511,350</b>	<b>\$ 2,852,850</b>	<b>\$ 14,301,750</b>	<b>\$ 14,301,750</b>	<b>\$ 14,301,750</b>	<b>\$ 14,301,750</b>	
<b>ENDING FUND BALANCE</b>		<b>\$ 6,534,007</b>	<b>\$ 8,195,272</b>	<b>\$ 8,195,273</b>	<b>\$ 10,259,753</b>	<b>\$ 12,770,853</b>	<b>\$ 15,284,703</b>	<b>\$ 17,796,803</b>	<b>\$ 20,307,903</b>	<b>\$ 22,818,753</b>	<b>\$ 25,330,103</b>	<b>\$ 28,182,953</b>	<b>\$ 42,484,703</b>	<b>\$ 56,786,453</b>	<b>\$ 71,088,203</b>	<b>\$ 85,389,953</b>	

Outstanding Obligations:

Admin costs limit 5%

Perry Homes - Creekmont: Estimate \$6,924,700 plus Interest

Property Tax revenue subject to change upon receipt of certified values

Infrastructure Improvement budget is at an amount that will not impact Fund Balance