



REINVESTMENT ZONE NUMBER THREE, CITY OF MISSOURI CITY MEETING AGENDA

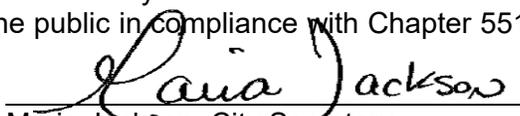
Notice is hereby given of a meeting of the Board of Directors of Reinvestment Zone Number Three, City of Missouri City to be held on **June 10, 2020**, at **3:00 p.m.** by teleconference at: (415) 655-0003 (access code: 133 084 8037) due to emergency conditions, for the purpose of considering the following 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 approval of the minutes of the meeting of April 30, 2020.
3. Public comments.
4. Review the Fiscal Year 2020 budget and consider the Fiscal Year 2021 proposed budget.
5. 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 One, 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 Three, 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.


Maria Jackson, City Secretary



REINVESTMENT ZONE NUMBER THREE, CITY OF MISSOURI CITY MEETING MINUTES

April 30, 2020, at 4:00 p.m via teleconference at: 281-403-8985

1. ROLL CALL

Chairman Workman called the meeting to order at 4:00 p.m.

2. Consider approval of the minutes of the meeting of August 12, 2019.

Director Jurica made a motion to approve the minutes. Director Abraham made the second.

The motion passed unanimously.

3. Public comment.

There were no public comments.

4. Review and consider approving the Report on Agreed Upon Procedures related to the review of expenditures for certain educational facilities.

Financial Services Director Portis presented Virginia Blake of McCall Gibson Swelund Barfoot PLLC. Ms. Blake presented the agreed upon procedures for the reimbursement of Houston Community College System educational facilities.

Director Raynor asked about whether debt issued by the zone includes the Houston Community College System increment. City Attorney Iyamu clarified that it does not because the Houston Community College System increment is limited to educational facilities by contract.

Director Sepulveda asked about whether the entire amount due to the zone from the Houston Community College System would be paid and refunded at a later time. Financial Services Director Portis clarified that it would not pursuant to the termination agreement.

Director Raynor made a motion to approve the report. Director Jurica made the second.

The motion passed. Director Heins abstained.

5. Consider authorizing a reimbursement to the Houston Community College System for certain educational facilities.

Financial Services Director Portis presented on the reimbursement of certain educational facilities pursuant to the 2008 Houston Community College System participation agreement.

Director Abraham made a motion to authorize the reimbursement of \$350,424.09. Director Kemp made the second.

The motion passed. Director Heins abstained.

6. Consider authorizing the termination of the interlocal agreement between Reinvestment Zone Number Three, City of Missouri City, the City of Missouri City, Texas, and the Houston Community College System for the Houston Community College System's participation in Reinvestment Zone Number Three, City of Missouri City.

City Attorney E. Joyce Iyamu presented on Houston Community College System's request to terminate the system's participation in Reinvestment Zone Number Three, City of Missouri City.

Director Kemp asked about the impact of withdrawal to the rest of the zone. Director Abraham asked for confirmation on the impact of the proposed withdrawal to the rest of the zone. City Attorney Iyamu stated that there should not be an impact to the zone because the Houston Community College System's increment is limited to its educational facilities.

Director Jurica made a motion to authorize the termination of the interlocal agreement between the Reinvestment Zone Number Three, City of Missouri City and the Houston Community College System. Director Abraham made the second.

The motion passed. Director Heins abstained.

7. Consider proposed changes to the Project and Financing Plan for the Zone.

Director Jurica made a motion to adopt the revised Project and Financing Plan. Director Hester made the second.

Director Heins asked about whether he could still serve on the board because of the termination of the participation agreement with the Houston Community College System. Chairman Workman mentioned that former Director Reitz had passed away. Director Kemp commented on whether residing in the zone was required for board membership. City Attorney Iyamu clarified that Director Heins' inquiry related to Houston Community College System's authority to appoint a member to the zone board and that he may continue to serve until the reconfiguration of the board.

The motion passed unanimously.

8. ADJOURN

The meeting was adjourned at 4:36 p.m. without objection.



AGENDA ITEM COVER MEMO

June 10, 2020

To: Board of Directors of Reinvestment Zone Number Three

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. 3 participants include the City of Missouri City, Sienna Levee Improvement District 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. 3 includes 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.

There are no active developer agreements within TIRZ No. 3.

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 #3
FY2021 PROPOSED BUDGET

Object Code	Description	FY2020 Budget	FY2020 Estimate	FY2021 Proposed
REVENUE				
265-41101-01-001	INCREMENTAL PROP TAX-FB COUNTY	\$ 525,000	\$ 654,640	\$ 655,000
265-41115-01-001	INCREMENTAL PROP TAX-SIENNA LID	\$ 640,000	\$ 732,680	\$ 733,000
265-41113-01-001	INCREMENTAL PROP TAX-HCC	\$ 482,578	\$ -	
265-47000-01-001	INVESTMENT INCOME	\$ 85,000	\$ 85,000	\$ 40,000
265-49101-01-001	TRANS FROM 101-GENERAL FUND	\$ 755,844	\$ 742,760	\$ 743,000
265-49301-01-001	TRANS FROM 301-DEBT SERVICE FD	\$ 265,157	\$ 260,560	\$ 261,000
TOTAL REVENUE		\$ 2,753,579	\$ 2,475,640	\$ 2,432,000
EXPENDITURES				
265-53045-10-265	AUDIT SERVICES	\$ 7,500	\$ -	
265-57800-10-265	DEBT SERVICE PRINCIPAL EXPENSE	\$ 440,000	\$ 440,000	\$ 470,000
265-57850-10-265	DEBT SERVICE INTEREST	\$ 573,713	\$ 556,528	\$ 540,275
265-53504-10-265	CONTRACTUAL SERVICES	\$ -	\$ 17,184	\$ 30,306
265-53509-10-265	DEVELOPER AGREEMENT EXPENSE	\$ 947,115	\$ 350,424	\$ -
265-58700-10-999	INFRASTRUCTURE IMPROVEMENTS		\$ -	
265-59101-10-265	TRANS TO 101-GENERAL FUND	\$ 73,600	\$ 73,600	\$ 73,600
265-59260-10-265	TRANS TO FUND 260-MC DEV AUTH	\$ 20,000	\$ 20,000	\$ 20,000
TOTAL EXPENDITURE		\$ 2,061,928	\$ 1,457,736	\$ 1,134,181
CHANGE IN FUND BALANCE		\$ 691,651	\$ 1,017,904	\$ 1,297,819
FUND BALANCE				
BEGINNING FUND BALANCE		\$ 4,240,730	\$ 4,240,730	\$ 5,258,634
ADDITION/(REDUCTION) TO FUND BALANCE		\$ 691,651	\$ 1,017,904	\$ 1,297,819
ENDING FUND BALANCE		\$ 4,932,381	\$ 5,258,634	\$ 6,556,453

Notes:

Admin costs limited to 5%

Debt Service - Per SPMD Debt Schedule

Amount previously recorded in escrow, now contractual services

Property tax budget subject to change when certified values received

TIRZ #3 FY2021 PROPOSED BUDGET				FOR DISCUSSION PURPOSES ONLY										
Object Code	Description	FY2020 Budget	FY2020 Estimate	FY2021 Proposed	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected	FY2027 Projected	FY2028 Projected	FY2029 Projected	FY2030-2034 Projected	FY2035-2039 Projected
REVENUE														
265-41101-01-001	INCREMENTAL PROP TAX-FB COUNTY	\$ 525,000	\$ 654,640	\$ 655,000	\$ 655,000	\$ 655,000	\$ 655,000	\$ 655,000	\$ 655,000	\$ 655,000	\$ 655,000	\$ 655,000	\$ 3,275,000	\$ 1,965,000
265-41115-01-001	INCREMENTAL PROP TAX-SIENNA LID	\$ 640,000	\$ 732,680	\$ 733,000	\$ 733,000	\$ 733,000	\$ 733,000	\$ 733,000	\$ 733,000	\$ 733,000	\$ 733,000	\$ 733,000	\$ 3,665,000	\$ 2,199,000
265-41113-01-001	INCREMENTAL PROP TAX-HCC	\$ 482,578	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
265-47000-01-001	INVESTMENT INCOME	\$ 85,000	\$ 85,000	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
265-49101-01-001	TRANS FROM 101-GENERAL FUND	\$ 755,844	\$ 742,760	\$ 743,000	\$ 743,000	\$ 743,000	\$ 743,000	\$ 743,000	\$ 743,000	\$ 743,000	\$ 743,000	\$ 743,000	\$ 3,715,000	\$ 2,229,000
265-49301-01-001	TRANS FROM 301-DEBT SERVICE FD	\$ 265,157	\$ 260,560	\$ 261,000	\$ 261,000	\$ 261,000	\$ 261,000	\$ 261,000	\$ 261,000	\$ 261,000	\$ 261,000	\$ 261,000	\$ 1,305,000	\$ 783,000
TOTAL REVENUE		\$ 2,753,579	\$ 2,475,640	\$ 2,432,000	\$ 2,392,000	\$ 2,392,000	\$ 2,392,000	\$ 2,392,000	\$ 2,392,000	\$ 2,392,000	\$ 2,392,000	\$ 2,392,000	\$ 11,960,000	\$ 7,176,000
EXPENDITURES														
265-53045-10-265	AUDIT SERVICES	\$ 7,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
265-57800-10-265	DEBT SERVICE PRINCIPAL EXPENSE	\$ 440,000	\$ 440,000	\$ 470,000	\$ 490,000	\$ 515,000	\$ 545,000	\$ 570,000	\$ 600,000	\$ 640,000	\$ 675,000	\$ 710,000	\$ 5,034,610	\$ 985,000
265-57850-10-265	DEBT SERVICE INTEREST	\$ 573,713	\$ 556,528	\$ 540,275	\$ 522,121	\$ 502,380	\$ 480,562	\$ 456,616	\$ 430,625	\$ 402,354	\$ 371,585	\$ 337,682	\$ 1,606,270	\$ 96,998
265-53504-10-265	CONTRACTUAL SERVICES	\$ -	\$ 17,184	\$ 30,306	\$ 32,575	\$ 36,226	\$ 27,317	\$ 104,612	\$ 40,661	\$ 31,289	\$ 27,372	\$ 32,050	\$ 208,581	\$ 157,406
265-53509-10-265	DEVELOPER AGREEMENT EXPENSE	\$ 947,115	\$ 350,424	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
265-58700-10-999	INFRASTRUCTURE IMPROVEMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
265-59101-10-265	TRANS TO 101-GENERAL FUND	\$ 73,600	\$ 73,600	\$ 73,600	\$ 73,600	\$ 73,600	\$ 73,600	\$ 73,600	\$ 73,600	\$ 73,600	\$ 73,600	\$ 73,600	\$ 368,000	\$ 220,800
265-59260-10-265	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	\$ 60,000
TOTAL EXPENDITURE		\$ 2,061,928	\$ 1,457,736	\$ 1,134,181	\$ 1,138,296	\$ 1,147,206	\$ 1,146,479	\$ 1,224,828	\$ 1,164,886	\$ 1,167,243	\$ 1,167,557	\$ 1,173,332	\$ 7,317,461	\$ 1,520,204
CHANGE IN FUND BALANCE		\$ 691,651	\$ 1,017,904	\$ 1,297,819	\$ 1,253,704	\$ 1,244,794	\$ 1,245,521	\$ 1,167,172	\$ 1,227,114	\$ 1,224,757	\$ 1,224,443	\$ 1,218,668	\$ 4,642,539	\$ 5,655,796
FUND BALANCE														
BEGINNING FUND BALANCE		\$ 4,240,730	\$ 4,240,730	\$ 5,258,634	\$ 6,556,453	\$ 7,810,157	\$ 9,054,951	\$ 10,300,472	\$ 11,467,644	\$ 12,694,758	\$ 13,919,515	\$ 15,143,958	\$ 16,362,626	\$ 21,005,165
ADDITION/(REDUCTION) TO FUND BALANCE		\$ 691,651	\$ 1,017,904	\$ 1,297,819	\$ 1,253,704	\$ 1,244,794	\$ 1,245,521	\$ 1,167,172	\$ 1,227,114	\$ 1,224,757	\$ 1,224,443	\$ 1,218,668	\$ 4,642,539	\$ 5,655,796
ENDING FUND BALANCE		\$ 4,932,381	\$ 5,258,634	\$ 6,556,453	\$ 7,810,157	\$ 9,054,951	\$ 10,300,472	\$ 11,467,644	\$ 12,694,758	\$ 13,919,515	\$ 15,143,958	\$ 16,362,626	\$ 21,005,165	\$ 26,660,961

Notes:
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