

YOLANDA FORD
Chair
CHRIS PRESTON
Vice-Chair
VASHAUNDR A EDWARDS
Director
CHERYL STERLING
Director
JEFFREY L. BONEY
Director



ANTHONY G. MAROULIS
Director/Secretary
FLOYD EMERY
Director
BILL ATKINSON
Interim General Manager
MARIA JACKSON
Assistant Secretary

MISSOURI CITY DEVELOPMENT AUTHORITY MEETING AGENDA

Notice is hereby given of a meeting of the Board of Directors of the Missouri City Development Authority to be held on **Monday, June 15, 2020, at 5:45 p.m.** at: **City Hall, Council Chamber, 2nd Floor**, 1522 Texas Parkway, Missouri City, Texas, 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.

NOTICE REGARDING PUBLIC PARTICIPATION

Due to the COVID 19 Disaster and the Center for Disease Control's recommendation regarding social distancing measures, the public will not be allowed to be physically present at this meeting.

The meeting will be available to members of the public and allow for two-way communications for those desiring to participate. Any person interested in speaking on any item on the agenda must notify the City by one of the following methods **before 4:00 p.m. on the day of the meeting**:

1. Email or call the City Secretary at CSO@missouricitytx.gov or 281-403-8686; or,
2. Submit a "Public Comment Form" to the City Secretary from the following webpage: <https://bit.ly/39pw73Q>.

The request must include the speaker's name, address, email address, phone number and the agenda item number.

To livestream the meeting, the public may access the following link:
<https://www.missouricitytx.gov/780/MCTV>.

To access the meeting agenda packet in PDF format, the public may access the following link:
<https://www.missouricitytx.gov/575/Missouri-City-Development-Authority>.

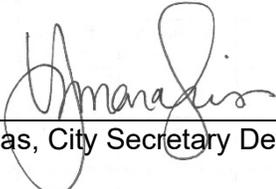
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1. ROLL CALL
 2. Consider approving the minutes of the meeting of May 4, 2020.
 3. Public comments.
 4. Consider and discuss the Fiscal Year 2021 proposed budget for the Missouri City Development Authority.

5. Consider and discuss the Fiscal Year 2021 proposed budgets for the Public Improvement District (PID) No. 2 and PID No. 4.
6. Consider and discuss the Fiscal Year 2021 proposed budgets for Tax Increment Reinvestment Zone (TIRZ) No. 1, TIRZ No. 2, and TIRZ No. 3.
7. **CLOSED EXECUTIVE SESSION**
The Board of Directors may go into Executive Session regarding any item posted on the Agenda as authorized by Chapter 551 of the Texas Government Code.
8. ADJOURN

In compliance with the Americans with Disabilities Act, the City of Missouri City will provide for reasonable accommodations for persons attending Missouri City Development Authority meetings. To better serve you, requests should be received 24 hours prior to the meetings. Please contact Maria Jackson, City Secretary, at 281.403.8500.

CERTIFICATION

I certify that a copy of the June 15, 2020 agenda of items to be considered by the Missouri City Development Authority was posted in a place convenient to the public in compliance with Chapter 551 of the Texas Government Code on June 11, 2020, at 4:00 p.m.



Yomara Frias, City Secretary Department

YOLANDA FORD
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MISSOURI CITY DEVELOPMENT AUTHORITY MINUTES

The Board of Directors of the Missouri City Development Authority held a meeting on **Monday, March 4, 2020**, at **6:45 p.m.** in the City Hall, Council Chamber, 1522 Texas Parkway, Missouri City, Texas, to consider the following:

Due to the COVID 19 Disaster and the Center for Disease Control's recommendation regarding social distancing measures, the Chair, Vice-Chair, Directors, City Staff members, and members of the public were not physically present during this meeting. The meeting was made possible through the cloud-based video conferencing platform Zoom.

1. CALL TO ORDER

Chair Ford called the meeting to order at 7:39 p.m.

Those also present: Vice-Chair Preston, Directors Edwards, Sterling, Boney, Maroulis, and Emery; Interim General Manager Atkinson, Assistant Secretary Jackson, City Attorney Iyamu, Director of Financial Services Portis and Director of Communications Walker.

2. Consider approving the minutes of the meeting of March 2, 2020.

Director Emery moved to approve the minutes of the March 2, 2020 meeting. Director Maroulis seconded.
MOTION PASSED UNANIMOUSLY.

Ayes: Mayor Ford, Vice Chair Preston, Director Edwards, Director Sterling,
Director Boney, Director Maroulis and Director Emery
Nays: None

3. Public comments.

There were no public comments.

4. Consider authorizing a reimbursement to Fort Bend County from Tax Increment Reinvestment Zone Number Two.

Director of Financial Services Portis presented an overview on the reimbursement to Fort Bend County from Tax Increment Reinvestment Zone Number Two. Portis noted the TIRZ Board No. 2 met and approved the reimbursement on April 29, 2020 for \$58,692 plus \$29.04 interest per day for each day after April 30, 2020 until payment was made. Director Sterling asked why they had not been reimbursed until now. Portis noted the turnover in the Financial Services Department and stated she was not sure why the payment was not made in Fiscal Year 2017. Sterling asked for the difference in the reimbursement from 2017 to 2020. Portis stated the reimbursement would be of \$58,692 plus a 2% interest, which the City benefits from.

Chair Ford asked if this was an example of not having any processes to catch items as such. Portis stated that there were a lot of contracts and prior to a person coming onboard, they may not know about it unless it was brought to their attention. She stated she knew about this item last year and worked through reviewing contracts and expenditures to get to this point. City Attorney Iyamu stated most contracts include a trigger, which pertains to the developer submitting a request for reimbursement. Director Emery asked if they received a notice. Portis stated this agreement seemed to be different from other developer agreements, as it was only a reimbursement to Fort Bend County and it was not noted in the contract that they would need to notify the City about the reimbursement. Interim General Manager Atkinson noted that in the 2016-17 timeframe, there was a review happening of the TIRZ accounts to see what the obligations were.

Director Edwards asked who was the supervisor that allowed the project to go through without being notified. Portis stated she believed the agreement was executed in December 31, 2013 and she was not sure who was the supervisor at that time. Edwards asked if anyone was monitoring it and if they had any type of internal monitoring of such projects. Portis stated they have it in place when she came on board. Portis noted there was a consultant that reviewed all of the TIRZ agreements for any outstanding payments.

Chair Ford asked if they had to pay that amount in interest because they waited two years. Atkinson stated that with the way the agreement was constructed, that amount would come back to the City for other projects. Director Sterling stated there should be parameters put in place to avoid these situations. Ford stated the funds would go back into a transportation project but it would not go into a project of the City's choice but instead of the County's choice. She requested a process in place for items like this in order not to pay penalties. Atkinson agreed with Chair Ford and noted Director Portis would put a process in place to have these items done in a timely manner. Iyamu stated internally they would be making contractual policies to cap the interest payment to two years.

Director Boney agreed with his colleagues that a procedure should be put in place and that this particular contract would not cost the City money. Boney asked if the reimbursement was being done because of the interest or did it need to be done anyway. Portis stated they were supposed to give them \$530,000 from TIRZ revenue. Atkinson clarified the only difference was the \$58K. Portis confirmed the reimbursement was due anyway.

Director Boney moved to approve a reimbursement to Fort Bend County from Tax Increment Reinvestment Zone Number Two. Director Emery seconded. **MOTION PASSED.**

Ayes: Mayor Ford, Vice Chair Preston, Director Sterling, Director Boney, Director Maroulis and Director Emery
Nays: Director Edwards

5. Consider authorizing a reimbursement to Houston Community College System from Tax Increment Reinvestment Zone Number Three.

Director Portis presented an overview on a reimbursement to Houston Community College System from Tax Increment Reinvestment Zone Number Three. Director Emery asked about the total amount to be considered. Portis stated the total amount of expenditures of \$945,815.09. The amount to be paid to them was based on the amount they paid in. Emery asked about their commitments in 2015 and 2016. Portis stated they had not been billed for \$70,041.73 in 2015 and \$125,991.97 for 2016. Portis noted they had not been billed for 2017-19. Director Sterling asked about them not being billed. Portis stated they were not billed as they requested to no pay since they were waiting on the reimbursement. Director Boney asked about the Financial Services recommendation. Portis stated the recommendation was to authorize the reimbursement to Houston Community College System in an amount not to exceed their contribution

to the Tax Increment Reinvestment Zone Number Three or \$945,815.09. Interim General Manager Atkinson asked if it included educational facilities. City Attorney Iyamu confirmed.

Director Boney moved to approve a reimbursement to Houston Community College System from Tax Increment Reinvestment Zone Number Three. Director Sterling seconded. **MOTION PASSED UNANIMOUSLY.**

Ayes: Mayor Ford, Vice Chair Preston, Director Edwards, Director Sterling, Director Boney, Director Maroulis and Director Emery
Nays: None

6. Discuss 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 Iyamu presented an overview on 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.

Director Sterling asked if they terminate the agreement, would it have any bearing on the collection of the funds. Iyamu stated the contract stated they did not have to fulfill any obligations of the contract once it was terminated. She noted the payments could only be used for their facility, but because they no longer own a facility in the zone, the collection of the funds would cause no impact to the zone itself.

Sterling asked if there would be an impact on the reimbursement. Iyamu stated the City would expend dollars to reimburse something whereas the contract provides a relief as they would not have to pay. Portis explained the inefficiency of not terminating the agreement.

7. ADJOURN

Without objection, Chair Ford adjourned the meeting at 8:13 p.m.

BY: _____
Yolanda Ford, Chair

ATTEST: _____
Anthony G. Maroulis, Secretary



MISSOURI CITY DEVELOPMENT AUTHORITY AGENDA ITEM COVER MEMO

June 15, 2020

To: Board of Directors of Missouri City Development Authority
Agenda Item: 4 Review and Approve the FY 2021 Proposed Budget for the Missouri City Development Authority
Submitted by: Allena Portis, Director of Financial Services

SYNOPSIS

The Tri-Party agreements between the City, MCDA, and TIRZ Boards and PIDs provide the MCDA Board the authority to assist with the management and administration of the TIRZ and PIDs and act as consultant in the implementation of the Reinvestment Zone Project Plans, Financing Plans, and PID service and assessment plans. Authority is also given to provide other services including assistance with plan amendments, preparation of tax and assessment rolls and documentation and coordination with other taxing units, construction of infrastructure, purchase of equipment and supplies and buying and selling real property as necessary to implement the plans as permitted by the TIRZ and PID Acts.

The proposed budget attached hereto is for the purpose of carrying out these responsibilities.

STRATEGIC PLAN 2019 GOALS ADDRESSED

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

BACKGROUND

Estimated revenue includes transfers per agreements with the Tax Increment Investment Zones and Public Improvement Districts for administrative costs. Due to the low fund balance within the fund and declining interest rates, investment income is projected to be zero for the fiscal year.

Expenditures within the fund include a transfer to the general fund to pay for the costs related to administration of the TIRZs and PIDs. Also included is a reimbursement to Park 8 Ninety. Since FY2018, the Metro Tax Fund has transferred funding for the Park 8 Ninety economic incentive agreement to MCDA for payment to the developer. The development agreement includes a calculation for the payment based on taxable value within the project. The preliminary taxable values for FBCAD and HCAD were used to estimate the payment for FY2021. It is projected that the taxable value will exceed the threshold required for an additional payment. Detail of this calculation is included as an attachment to this report.

SUPPORTING MATERIALS

1. MCDA – FY 2021 Proposed Budget
2. Park 8 Ninety Draft Calculation – 2020 Tax Year

STAFF'S RECOMMENDATION

Staff recommends approval of the Proposed FY 2021 Budget for the Missouri City Development Authority.

Director Approval:

Allena Portis, Director of Financial Services

**Assistant City Manager/
City Manager Approval:**

Bill Atkinson, Interim City Manager

**MISSOURI CITY DEVELOPMENT AUTHORITY
FY2021 PROPOSED BUDGET**

| Object Code | Description | FY2020 Budget | FY2020 Estimate | FY2021 Proposed |
|--------------------------------------|-------------------------------|---------------------|--------------------|---------------------|
| REVENUE | | | | |
| 260-49261-01-001- | TRANS FROM FUND 261-TIRZ #1 | \$ 20,000 | \$ 20,000 | \$ 20,000 |
| 260-49262-01-001- | TRANS FROM FUND 262-TIRZ #2 | \$ 20,000 | \$ 20,000 | \$ 20,000 |
| 260-49263-01-001- | TRANS FROM FUND 263-PID #2 | \$ 20,000 | \$ 20,000 | \$ 20,000 |
| 260-49265-01-001- | TRANS FROM 265-TIRZ #3 FUND | \$ 20,000 | \$ 20,000 | \$ 20,000 |
| 260-49266-01-001- | TRANS FROM FUND 266-PID #4 | \$ 20,000 | \$ 20,000 | \$ 20,000 |
| 260-49401-01-001- | TRANS FROM FUND 401-METRO PRJ | \$ 1,000,000 | | \$ 3,000,000 |
| 260-48500-01-001 | MISC/OTHER REVENUE | | \$ 20,000 | |
| 260-47000-01-001- | INTEREST INCOME | \$ 169 | \$ 169 | \$ - |
| TOTAL REVENUE | | \$ 1,100,169 | \$ 120,169 | \$ 3,100,000 |
| EXPENDITURES | | | | |
| 260-53045-10-260 | AUDIT SERVICES | | \$ 20,000 | |
| 260-53509-10-260 | DEVELOPER AGREEMENT EXPENSE | \$ 1,000,000 | | \$ 3,000,000 |
| 260-59101-10-260 | TRANS TO 101-GENERAL FUND | \$ 100,000 | \$ 100,000 | \$ 100,000 |
| TOTAL EXPENDITURE | | \$ 1,100,000 | \$ 120,000 | \$ 3,100,000 |
| CHANGE IN FUND BALANCE | | \$ 169 | \$ 169 | \$ - |
| FUND BALANCE | | | | |
| BEGINNING FUND BALANCE | | \$ 20,053 | \$ 20,053 | \$ 20,222 |
| ADDITION/(REDUCTION) TO FUND BALANCE | | \$ 169 | \$ 169 | \$ - |
| ENDING FUND BALANCE | | \$ 20,222 | \$ 20,222 | \$ 20,222 |

Notes:

Park 8 Ninety Economic Development Agreement

Agreed Upon Procedures report cost to be reimbursed by Park 8 Ninety in FY2020

PARK 8NINETY PROPERTIES

2020 Property Valuations

| Reserve # | Parcel Number | Entity | Account | SF | Acres | Land | Improvements | Total Value | % | Weighted Average Value |
|--------------|----------------------|--------------------|---------|------------------|-------------------|-------------|--------------|--------------|--------|------------------------|
| 1 | 5711-00-001-0010-907 | Patsy Schultz | Phase I | 196,673 | 4.52 | \$10,982 | \$303,341 | \$314,323 | 6.0% | \$18,859 |
| 1 | 1379-28-001-0001 | Ann Harris Bennett | Phase I | | | \$364,249 | \$5,470,541 | \$5,834,790 | 94.0% | \$5,484,703 |
| 2 | 5711-00-001-0020-907 | Patsy Schultz | Phase I | 190,173 | 4.37 | \$44,383 | \$1,606,549 | \$1,650,932 | 25.0% | \$412,733 |
| 2 | 1379-28-001-0002 | Ann Harris Bennett | Phase I | | | \$209,393 | \$4,181,800 | \$4,391,193 | 75.0% | \$3,293,395 |
| 3 | 5711-00-001-0030-907 | Patsy Schultz | Land | 200,513 | 4.60 | \$79,959 | \$3,351,070 | \$3,431,029 | 43.0% | \$1,475,342 |
| 3 | 1379-28-001-0003 | Ann Harris Bennett | Land | | | \$110,207 | \$2,535,505 | \$2,645,712 | 57.0% | \$1,508,056 |
| 4 | 5711-00-001-0040-907 | Patsy Schultz | Land | 196,447 | 4.51 | \$113,249 | \$4,344,599 | \$4,457,848 | 62.0% | \$2,763,866 |
| 4 | 1379-28-001-0004 | Ann Harris Bennett | Land | | | \$19,646 | \$284,227 | \$303,873 | 38.0% | \$115,472 |
| 5 | 5711-00-002-0050-907 | Patsy Schultz | Land | 144,922 | 8.20 | \$1,100,718 | \$5,428,715 | \$6,529,433 | 90.0% | \$5,876,490 |
| 9 | 5711-00-002-0090-907 | Patsy Schultz | Land | 202,693 | 6.13 | \$239,630 | \$4,695,414 | \$4,935,044 | 100.0% | \$4,935,044 |
| 10 | 5711-00-002-0100-907 | Patsy Schultz | Land | 252,297 | 22.03 | \$556,010 | \$26,134,724 | \$26,690,734 | 100.0% | \$26,690,734 |
| 14 | 5711-00-003-0140-907 | Patsy Schultz | Phase I | 137,316 | 18.23 | \$520,450 | \$28,990,593 | \$29,511,043 | 100.0% | \$29,511,043 |
| 20 | 5711-00-003-0200-907 | Patsy Schultz | Land | 100,010 | 2.36 | \$100,010 | | \$100,010 | 100.0% | \$100,010 |
| 21 | 5711-00-003-0210-907 | Patsy Schultz | Land | 175,329 | 4.08 | \$166,780 | | \$166,780 | 100.0% | \$166,780 |
| 22 | 5711-00-003-0220-907 | Patsy Schultz | Land | 211,808 | 4.86 | \$195,360 | | \$195,360 | 100.0% | \$195,360 |
| 23 | 5711-00-003-0230-907 | Patsy Schultz | Land | 141,009 | 3.24 | \$134,810 | | \$134,810 | 100.0% | \$134,810 |
| 24 | 5711-00-003-0240-907 | Patsy Schultz | Land | 261,346 | 3.24 | \$134,810 | | \$134,810 | 100.0% | \$134,810 |
| 25 | 5711-00-003-0250-907 | Patsy Schultz | Land | 261,655 | 6.01 | \$235,560 | | \$235,560 | 100.0% | \$235,560 |
| 26 | 5711-00-003-0260-907 | Patsy Schultz | Land | 261,963 | 6.01 | \$235,560 | | \$235,560 | 100.0% | \$235,560 |
| 27 | 5711-00-003-0270-907 | Patsy Schultz | Land | 262,272 | 6.02 | \$235,900 | | \$235,900 | 100.0% | \$235,900 |
| 28 | 5711-00-003-0280-907 | Patsy Schultz | Land | 171,149 | 3.13 | \$130,660 | | \$130,660 | 100.0% | \$130,660 |
| 29 | 5711-00-003-0290-907 | Patsy Schultz | Land | 233,720 | 9.51 | \$343,660 | | \$343,660 | 100.0% | \$343,660 |
| 30 | 5711-00-003-0300-907 | Patsy Schultz | Land | 145,502 | 3.34 | \$138,680 | | \$138,680 | 100.0% | \$138,680 |
| Total | | | | 5,388,045 | 124.390101 | | | | | \$84,137,526.24 |

2020 Personal Property Valuations

| Tenant | Account # | Total Amount | Exemptions Amount | Net Amount |
|-----------------------------------|----------------------|---------------------|-------------------|---------------------|
| Rexel USA Inc. | 9960-18-218-0075-907 | \$24,773,230 | \$0 | \$24,773,230 |
| Rexel USA Inc. | 9960-18-218-0074-907 | \$708,010 | \$0 | \$708,010 |
| Rexel USA Inc. (leased PP) | 9963-11-218-0036-907 | \$336,760 | \$0 | \$336,760 |
| Rexel USA Inc. (leased PP) | 9964-05-219-0009-907 | \$2,780 | \$0 | \$2,780 |
| Natures Best | 9960-14-214-0044-907 | \$1,590,730 | \$0 | \$1,590,730 |
| 700 Valve Supply, LLC | 9960-19-220-0096-907 | \$185,000 | \$0 | \$185,000 |
| Ham-Let USA | 9960-08-219-0146-907 | \$39,850 | \$0 | \$39,850 |
| Ham-Let USA | 9960-08-219-0147-907 | \$5,524,900 | \$0 | \$5,524,900 |
| Comcast | 9960-03-220-0096-907 | \$410,000 | TBD | \$410,000 |
| Exclusive Furniture | 9960-05-220-0032-907 | \$1,851,710 | \$0 | \$1,851,710 |
| VWR International LLC (leased PP) | 9963-18-218-0054-907 | \$11,230 | \$0 | \$11,230 |
| VWR International LLC | 9960-22-218-0027-907 | \$758,890 | \$0 | \$758,890 |
| VWR International LLC | 9960-22-218-0028-907 | \$6,617,010 | \$0 | \$6,617,010 |
| Total | | \$42,810,100 | \$0 | \$42,810,100 |

2014 Valuations (Baseline Year)

| Reserve # | Parcel Number | Entity | Account | SF | Acres | Land | Improvements | Total Value | % | Weighted Average Value |
|--------------|----------------------|---------------|---------|-----------|-----------------|-------------|--------------|-------------|--------|------------------------|
| | 0116-00-000-7600-907 | Patsy Schultz | Land | 1,765,574 | 40.532 | \$882,790 | \$0 | \$882,790 | 100.0% | \$882,790 |
| | 0116-00-000-7800-907 | Patsy Schultz | Land | 32,191 | 0.739 | \$16,100 | \$0 | \$16,100 | 100.0% | \$16,100 |
| | 0116-00-000-8110-907 | Patsy Schultz | Land | 1,305,580 | 29.972 | \$652,790 | \$0 | \$652,790 | 100.0% | \$652,790 |
| | 0116-00-000-8112-907 | Patsy Schultz | Land | 172,628 | 3.963 | \$86,310 | \$0 | \$86,310 | 100.0% | \$86,310 |
| | 0116-00-000-8208-907 | Patsy Schultz | Land | 954,896 | 21.9214 | \$966,830 | \$0 | \$966,830 | 100.0% | \$966,830 |
| | 0116-00-000-8203-907 | Patsy Schultz | Land | 998,217 | 22.9159 | \$1,010,690 | \$0 | \$1,010,690 | 70.0% | \$707,483 |
| | 116-665-000-0001 | Mike Sullivan | Land | | | \$230,588 | \$0 | \$268,626 | 30.0% | \$230,588 |
| | 0116-00-000-8401-907 | Patsy Schultz | Land | 327,035 | 7.5077 | \$331,120 | \$0 | \$331,120 | 12.0% | \$39,734 |
| | 042-036-000-0002 | Mike Sullivan | Land | | | \$402,907 | \$0 | \$457,849 | 88.0% | \$402,907 |
| | 0116-00-000-8200-907 | Patsy Schultz | Land | 91,681 | 2.1047 | \$179,690 | \$0 | \$179,690 | 100.0% | \$179,690 |
| Total | | | | | 129.6557 | | | | | \$4,165,222.32 |

| | |
|--|-------------------------|
| 2020 Preliminary Property Valuation | \$84,137,526.24 |
| 2020 Preliminary Personal Property Valuation | \$42,810,100.00 |
| Total | \$126,947,626.24 |
| Less: Baseline Year Valuation | \$41,722,322.32 |
| Incremental Value | \$85,225,304.92 |
| Prior Payment Valuation | \$54,645,514.17 |
| Incremental Value | \$68,136,889.75 |
| Missouri City Payment \$1:\$22.73 | \$2,997,663.43 |

| | |
|-----------------|-----------------|
| Prior Payment | \$ 2,404,114.17 |
| FY2021 Estimate | \$2,997,663.43 |

| | |
|-----------------------------|--------------------------------|
| Total Payments | \$ 5,401,777.66 |
| Total Contract Value | \$ 1,000,000.00 plus interest? |
| Remaining Balance Available | \$ 1,998,222.44 |

| | |
|-----------------|---------------------------------|
| 150,000,000.00 | Value at 4th payment |
| \$27,782,403.92 | Incremental Value to Date |
| \$27,217,596.08 | Remaining value |
| \$1,197,430.54 | Payment \$1:\$22.73 |
| \$6,599,208.10 | Total Payments at \$150,000,000 |

\$2,997,663.43 Balance Due on the current valuations



MISSOURI CITY DEVELOPMENT AUTHORITY AGENDA ITEM COVER MEMO

June 15, 2020

To: Board of Directors of Missouri City Development Authority
Agenda Item: 5 Review and Approve the FY 2021 Proposed Budget for the PID No. 2 and PID No. 4
Submitted by: Allena Portis, Director of Financial Services

SYNOPSIS

The Tri-Party agreements between the City, MCDA, and PIDs provide the MCDA Board the authority to assist with the management and administration of the PIDs and act as consultant in the implementation of the PID service and assessment plans. Authority is also given to provide other services including assistance with plan amendments, preparation of assessment rolls and documentation and coordination with other taxing units, construction of infrastructure, purchase of equipment and supplies and buying and selling real property as necessary to implement the plans as permitted by the PID Acts.

The proposed budget attached hereto is for the purpose of carrying out these responsibilities.

STRATEGIC PLAN 2019 GOALS ADDRESSED

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

BACKGROUND

Estimated revenue includes assessments for 583 lots in PID No. 2 and 299 lots in PID No. 4. These assessments are estimated using the current assessment rolls. PID No. 2 has a total of 621 lots, the budget does not include the revenue for the 38 lots in Section 8, as all of these properties are not occupied.

Expenditures within the funds include transfers to the general fund and MCDA to pay for the costs related to administration of the PIDs. Also, included is a direct expense for a PID administrator that will assist with annual assessment plan and assessment roll updates as well as tracking of assessment balances and payoff information. In addition to administrative expenses, the budget for both PIDs include debt service payments and arbitrage compliance fees, when applicable.

PID No. 2 includes payment to Vicksburg Estate per the development agreement. This amount is the balance of the obligation. This amount is budgeted in FY2020, but to ensure adequate cash within the fund to pay debt service in December 2020, it is anticipated that payment will not be made until FY2021.

Updated Service & Assessment Plans, with assessment rolls, will be presented to Council in the upcoming months.

SUPPORTING MATERIALS

1. PID No. 2– FY 2021 Proposed Budget
2. PID No. 4 – FY 2021 Proposed Budget

STAFF'S RECOMMENDATION

Staff recommends approval of the Proposed FY 2021 Budget for PID No. 2 and PID No. 4.

Director Approval: Allena Portis, Director of Financial Services

**Assistant City Manager/
City Manager Approval:** Bill Atkinson, Interim City Manager

PUBLIC IMPROVEMENT DISTRICT NO. 2
FY2021 PROPOSED BUDGET

| Object Code | Description | FY2020 Budget | FY2020 Estimate | FY2021 Proposed |
|--------------------------------------|-------------------------------|-------------------|--------------------|--------------------|
| REVENUE | | | | |
| 263-41012-01-001 | SPECIAL ASSESSMENTS | \$ 692,225 | \$ 722,907 | \$ 741,420 |
| 263-41013-01-001 | SA- PENALTIES & INTEREST | \$ 2,000 | \$ 2,011 | \$ 2,000 |
| 263-47000-01-001 | INTEREST INCOME | \$ 20,538 | \$ 9,000 | \$ 4,500 |
| TOTAL REVENUE | | \$ 714,763 | \$ 733,918 | \$ 747,920 |
| EXPENDITURES | | | | |
| 263-53005-10-263 | PROFESSIONAL SERVICES | \$ 9,804 | | |
| 263-53509-10-263 | DEVELOPER AGREEMENT EXPENSE | \$ 246,278 | | \$ 246,278 |
| 263-53598-10-263 | ADMIN EXPENDITURES | \$ 16,000 | \$ 10,000 | \$ 25,000 |
| 263-57050-10-263 | BOND INTEREST EXPENSE | \$ 266,025 | \$ 266,025 | \$ 261,875 |
| 263-57100-10-263 | ARBITRAGE COMPLIANCE FEES | \$ 4,500 | \$ 4,500 | |
| 263-57675-10-263 | CERT. OF OBLIGATION PRINCIPAL | \$ 125,000 | \$ 125,000 | \$ 225,000 |
| 263-59101-10-263 | TRANSFER TO 101-GENERAL FUND | \$ 13,600 | \$ 13,600 | \$ 13,600 |
| 263-59260-10-263 | TRANSFER TO 260 - MCDA | \$ 20,000 | \$ 20,000 | \$ 20,000 |
| TOTAL EXPENDITURE | | \$ 701,207 | \$ 439,125 | \$ 791,753 |
| CHANGE IN FUND BALANCE | | \$ 13,556 | \$ 294,793 | \$ (43,833) |
| FUND BALANCE | | | | |
| BEGINNING FUND BALANCE | | \$ 20,053 | \$ 20,053 | \$ 314,846 |
| ADDITION/(REDUCTION) TO FUND BALANCE | | \$ 13,556 | \$ 294,793 | \$ (43,833) |
| ENDING FUND BALANCE | | \$ 33,609 | \$ 314,846 | \$ 271,013 |

Notes:

Outstanding Obligation - Vicksburg Estates

PUBLIC IMPROVEMENT DISTRICT NO. 4
FY2021 PROPOSED BUDGET

| Object Code | Description | FY2020 Budget | FY2020 Estimate | FY2021 Proposed |
|--------------------------------------|-------------------------------|-------------------|--------------------|--------------------|
| REVENUE | | | | |
| 266-41012-01-001 | SPECIAL ASSESSMENTS | \$ 395,000 | \$ 394,332 | \$ 398,542 |
| 266-41013-01-001 | SA- PENALTIES & INTEREST | \$ 700 | \$ 444 | \$ 500 |
| 266-47000-01-001 | INTEREST INCOME | \$ 4,467 | \$ 5,046 | \$ 2,500 |
| TOTAL REVENUE | | \$ 400,167 | \$ 399,821 | \$ 401,542 |
| EXPENDITURES | | | | |
| 266-53005-10-266 | PROFESSIONAL SERVICES | \$ 9,896 | | |
| 266-53504-10-266 | CONTRACTUAL SERVICES | \$ 104 | | |
| 266-53598-10-266 | ADMIN EXPENDITURES | \$ 9,000 | \$ 5,500 | \$ 15,000 |
| 266-57050-10-266 | BOND INTEREST EXPENSE | \$ 196,444 | \$ 196,444 | \$ 188,944 |
| 266-57100-10-266 | ARBITRAGE COMPLIANCE FEES | \$ - | \$ - | \$ 4,500 |
| 266-57675-10-266 | CERT. OF OBLIGATION PRINCIPAL | \$ 150,000 | \$ 150,000 | \$ 155,000 |
| 266-59101-10-266 | TRANSFER TO 101-GENERAL FUND | \$ 13,600 | \$ 13,600 | \$ 13,600 |
| 266-59260-10-266 | TRANSFER TO 260 - MCDA | \$ 20,000 | \$ 20,000 | \$ 20,000 |
| TOTAL EXPENDITURE | | \$ 399,044 | \$ 385,544 | \$ 397,044 |
| CHANGE IN FUND BALANCE | | \$ 1,123 | \$ 14,277 | \$ 4,498 |
| FUND BALANCE | | | | |
| BEGINNING FUND BALANCE | | \$ 285,196 | \$ 296,566 | \$ 310,843 |
| ADDITION/(REDUCTION) TO FUND BALANCE | | \$ 1,123 | \$ 14,277 | \$ 4,498 |
| ENDING FUND BALANCE | | \$ 286,319 | \$ 310,843 | \$ 315,342 |



MISSOURI CITY DEVELOPMENT AUTHORITY AGENDA ITEM COVER MEMO

June 15, 2020

To: Board of Directors of Missouri City Development Authority
Agenda Item: 6 Review and Approve the FY 2021 Proposed Budgets for TIRZ No. 1, No. 2, and No. 3
Submitted by: Allena Portis, Director of Financial Services

SYNOPSIS

The Tri-Party agreements between the City, MCDA, and TIRZ Boards provide the MCDA Board the authority to assist the Zone Boards and act as consultant to the Zone Board in the implementation of the Reinvestment Zone Project Plans and Financing Plans. Authority is also given to provide other services set forth in the agreements, including the construction of improvements and issuance of its bonds to facilitate the plans. Due to this oversight, the Proposed FY 2021 TIRZ Budgets are being presented to the MCDA Board for consideration.

STRATEGIC PLAN 2019 GOALS ADDRESSED

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

BACKGROUND

Revenue

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.

- TIRZ No. 1 participants include the City of Missouri City and Fort Bend County.
- TIRZ No. 2 participants include the City of Missouri City and Fort Bend County.
- TIRZ No. 3 participants include the City of Missouri City, Sienna Levee Improvement District, and Fort Bend County.

Expenditure

Expenditures for all TIRZs include obligations for debt service, administrative costs, and reimbursements per development agreements. The Proposed FY 2021 budgets are included as attachments 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 budgets 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.

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 TIRZs and PIDs. 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 City TIRZ and Public Improvements Districts, and the costs will be allocated amongst all based on the services provided.

Active developer agreements are as follows:

TIRZ No. 1

City of Missouri City – Veterans Memorial Project
City of Missouri City – Independence Boulevard Project
City of Missouri City – Parks Maintenance Facility
Fort Bend County – Missouri City Gym
Grand Parkway Commercial T&Q LLC - Grand Park Center Redevelopment Project

TIRZ No. 2

Perry Homes – Creekmont

TIRZ No. 3

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

SUPPORTING MATERIALS

1. TIRZ No. 1 – FY 2021 Proposed Budget
2. TIRZ No. 2 – FY 2021 Proposed Budget
3. TIRZ No. 3 – FY 2021 Proposed Budget

STAFF'S RECOMMENDATION

Staff recommends approval of the Proposed FY 2021 Budget for TIRZ No. 1, No.2, and No. 3.

Director Approval: Allena Portis, Director of Financial Services

**Assistant City Manager/
City Manager Approval:** Bill Atkinson, Interim City Manager

TAX INCREMENT REINVESTMENT ZONE #1 FY2021 BUDGET

| | FY2020 Budget | FY2020 Estimate | FY2021 Proposed |
|---|---------------------|---------------------|---------------------|
| BEGINNING FUND BALANCE | \$ 666,943 | \$ 666,943 | \$ 1,333,603 |
| REVENUE | | | |
| Missouri City | \$ 829,498 | \$ 759,070 | \$ 760,000 |
| FBC General Fund | \$ 350,000 | \$ 382,157 | \$ 385,000 |
| Investment Earnings | \$ 18,269 | \$ 21,045 | \$ 10,000 |
| Total Revenue | \$ 1,197,767 | \$ 1,162,272 | \$ 1,155,000 |
| EXPENDITURES | | | |
| Audit Services | \$ 10,000 | \$ - | \$ 10,000 |
| Bank Fees | | | |
| Admin Expenditures | | | |
| Contractual Services | | | \$ 4,150 |
| Bond Interest Expense | \$ 71,262 | \$ 71,262 | \$ 63,048 |
| Arbitrage Compliance Expense | | | |
| Payment to refund escrow | | | |
| Bond Issue Costs | | | |
| Paying Agent | \$ 750 | \$ 750 | \$ 750 |
| Revenue Bond Principal | | | |
| Revenue Refunding Principal | \$ 370,000 | \$ 370,000 | \$ 380,000 |
| Developer Agreement Expense | | | \$ 850,703 |
| Infrastructure Improvements | \$ 450,000 | | |
| Transfer to General Fund | \$ 33,600 | \$ 33,600 | \$ 33,600 |
| Transfer to MCDA | \$ 20,000 | \$ 20,000 | \$ 20,000 |
| Transfer to Metro Tax Fund | | | |
| Transfer to Project Fund | | | |
| Total Expenditures | \$ 955,612 | \$ 495,612 | \$ 1,362,251 |
| Increase/(Decrease) in Fund Balance | \$ 242,155 | \$ 666,660 | \$ (207,251) |
| ENDING FUND BALANCE | \$ 909,098 | \$ 1,333,603 | \$ 1,126,352 |
| <i>Reserve Requirement (Debt Service)</i> | \$ 443,048 | \$ 443,048 | \$ 439,612 |
| Funds Available | \$ 466,050 | \$ 890,555 | \$ 686,740 |
| Outstanding Obligations | | | |
| Veterans Memorial | | | A |
| Final Independence Blvd. Reimbursement to City | | | B |
| Parks Facility (Texas Parkway) Debt Service | | | C |
| Grand Park Center Project | | | D |
| Missouri City Gym | | | E |
| Adjusted Funds Available | \$ 466,050 | \$ 890,555 | \$ 686,740 |
| Anticipated Upcoming Requests (Not Approved Yet) | | | |
| <hr/> | | | |
| Worst Case Adjusted Funds Available | \$ 466,050 | \$ 890,555 | \$ 686,740 |
| Reserve Requirement Not Utilized or Needed | \$ 443,048 | \$ 443,048 | \$ 439,612 |
| Total (including Reserve Requirement) | \$ 909,098 | \$ 1,333,603 | \$ 1,126,352 |

Notes:

FY2020 Infrastructure Improvements - Veterans Memorial (\$250,000) & Missouri City Gym (\$200,000)

FY2021 Developer Agreement Expense - Veterans Memorial (\$250K), Missouri

City Gym (\$200,000), Grand Park Center (\$200,000), Independence Blvd (\$200,703)

A - Veteran's Memorial - \$250K in FY2021

B - Balance Due Missouri City for Independence Blvd Project \$200,703 in FY2021, \$802,810 Future Obligation

C - annual debt service for \$2.6 million

D - Cash Payments for Project (no financing) - Texas Pkway- \$200,000 in FY2021, \$200,000 Future

E - Cash Payments for Missouri City Gym (no financing) - \$200K in FY2021, \$800,000 Future Obligation

Audit Services - AUP for Missouri City Gym Project, Veteran's memorial

Contributions are not received from WCID #2 - possibly because their tax rate consist of I&S only

Principal and Bond Interest - per Debt Schedule

Property Tax Budget subject to change upon receipt of certified values in July

TIRZ #2
FY2021 BUDGET

| Object Code | Description | FY2020 Budget | FY2020 Projected | FY2021 Proposed |
|-------------------------------|---------------------------------|---------------------|---------------------|---------------------|
| REVENUE | | | | |
| 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 |
| TOTAL REVENUE | | \$ 2,997,670 | \$ 2,875,781 | \$ 2,801,000 |
| EXPENDITURES | | | | |
| 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 |
| TOTAL EXPENDITURE | | \$ 2,997,670 | \$ 1,214,516 | \$ 2,801,000 |
| CHANGE IN FUND BALANCE | | \$ - | \$ 1,661,265 | \$ 0 |
| FUND BALANCE | | | | |
| BEGINNING FUND BALANCE | | \$ 6,534,007 | \$ 6,534,007 | \$ 8,195,272 |
| ADDITION TO FUND BALANCE | | \$ - | \$ 1,661,265 | \$ 0 |
| ENDING FUND BALANCE | | \$ 6,534,007 | \$ 8,195,272 | \$ 8,195,273 |

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 #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