



AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting of December 11, 2018
Second Reading Ordinance for the City Council Meeting of January 08, 2019

DATE: November 28, 2018

TO: Keith Selman, Interim City Manager

FROM: Arlene Medrano, Business Liaison, City Manager's Office
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Operating Budget Amendment

CAPTION:

Ordinance appropriating \$2,072,500 from the unreserved balance of the Downtown TIF #3 fund for approved incentive agreements; and amending the budget.

PURPOSE:

The purpose of this item is to amend the FY19 TIF #3 Operating budget to reflect incentive and program commitments made and to recommend City Council approve an FY19 operating budget amendment.

BACKGROUND AND FINDINGS:

Since 2016, the TIRZ #3 Board has approved numerous contracts and commitments to developers (see Contracts & Commitments Report). The commitments below should be encumbered via purchase orders in order to hold funding for these commitments and to reflect an accurate fund balance for the TIRZ #3. In the event that any of these contracts are terminated, the encumbered funds will be released back to the TIF #3 fund balance and made available for other projects.

The TIRZ #3 Board approved this item on November 27, 2018.

Developer	Project	Date Approved	By Right Amount Approved
Stonewater	Studio 21 (Phase 1) 2 nd Payment of \$92,500	04/12/2016 (FY16)	\$92,500
Stonewater	Broadway Lofts (Phase 2)	04/12/2016 (FY16)	\$420,000
Wisznia	600 Building	11/15/2016 (FY 17)	\$1,260,00
TBD	One-Way Conversion	03/27/2018 (FY18)	\$200,000
PATCH	Ritz Theatre MOU only	07/24/2018 (FY18)	\$100,000
			\$2,072,500

ALTERNATIVES:

Not approve and continue to manage via Excel sheet instead of in formal channels (not

recommended).

OTHER CONSIDERATIONS:

Budgeted TIF #3 revenue for FY19 is \$1,409,018 and is reflected in the FY19 ending balance.

CONFORMITY TO CITY POLICY:

Conforms with the Tax Code and City Charter.

EMERGENCY / NON-EMERGENCY:

Not Applicable

DEPARTMENTAL CLEARANCES:

Budget
Finance
Legal

FINANCIAL IMPACT:

☒ Operating ☐ Revenue ☐ Capital ☐ Not applicable

Fiscal Year: 2018-2019	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		\$3,204,470		\$3,204,470
Encumbered / Expended Amount		0		0
This item		\$2,072,500		\$2,072,500
BALANCE		\$1,131,970		\$1,131,970

Fund(s): Downtown TIF #3 1112

Comment: The TIF #3 FY19 ending balance is \$3,204,470. If approved by the TIRZ #3 Board, the budgeted ending balance for FY19 will decrease to \$1,031,970 and this item will proceed to City Council for approval and operating budget amendment.

RECOMMENDATION:

Staff recommends amending the budget.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Budget