

TAX INCREMENT REINVESTMENT ZONES

The City of Houston accomplishes a portion of its Capital Improvement Program through a financing mechanism called a Tax Increment Reinvestment Zone, or "TIRZ". Each of the City's twenty-two TIRZ share common characteristics:

- Each zone is created by action of City Council pursuant to a financing plan contained in a City Ordinance
- Each zone has defined geographical boundaries
- At the time each zone is created, the property taxes due to the City based on the current property valuation within the zone is "frozen", and for the life of the zone, any incremental property tax revenue resulting from revaluation of property is dedicated to public improvements within the zone
- Each TIRZ has a Board of Directors that is responsible for its activities
- Each TIRZ has a termination date incorporated into the ordinance that created it.

TIRZs are reinvestment zones created by the City that use tax increment revenue generated by increased value in the zone to promote development and redevelopment in that zone. As development occurs in each zone, the taxes generated by the increase in value attributable to those improvements, or "tax increment", are captured in separate funds set up for each TIRZ. These funds are then used to pay for approved project costs.

The TIRZ budgets are being reviewed by the Council Committee for Regulation, Development and Neighborhood Protection. In addition, the Planning Department, Finance and Administration and Public Works have met with all of the active TIRZs to review their plans and budgets.

As a result of these meetings, the TIRZ budgets will be developed and approved, and inserted in the Adopted Budget Book once it is prepared for final printing.