

City of Houston, Texas, Ordinance No. 1999- 755

AN ORDINANCE APPROVING THE SECOND AMENDMENT OF THE PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN FOR REINVESTMENT ZONE NUMBER ONE, CITY OF HOUSTON, TEXAS (ST. GEORGE PLACE); AUTHORIZING THE CITY SECRETARY TO DISTRIBUTE SUCH PLANS; CONTAINING VARIOUS PROVISIONS RELATED TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.

* * * * *

WHEREAS, by City of Houston Ordinance No. 92-1234, adopted on September 16, 1992, the City Council approved the Project Plan and Reinvestment Zone Financing Plan for Reinvestment Zone Number One, City of Houston, Texas (the "St. George Place Zone") pursuant to Chapter 311 of the Texas Tax Code (the "Code"); and

WHEREAS, the City enlarged the boundaries of the St. George Place Zone by City of Houston Ordinance No. 92-1674 on December 22, 1992, to include additional areas within the general boundaries of the St. George Place area; and

WHEREAS, the Code authorizes the amendment of an approved project plan and reinvestment zone financing; and

WHEREAS, by City of Houston Ordinance No. 97-564, adopted on May 21, 1997, the City Council approved the first amendment of the Project Plan and Reinvestment Zone Financing Plan for St. George Place Zone, pursuant to Chapter 311 of the Code; and

WHEREAS, the Board of Directors of the St. George Place Zone, at its May 11, 1999, board meeting, considered and adopted proposed amendments to the Plans (the "Amendments"), and recommended the Amendments for approval by the City Council; and

WHEREAS, a public hearing on the Amendments is required to be held by City Council pursuant to the provisions of Section 311.011 of the Code; and

WHEREAS, the City Council finds that notice of the public hearing was published in a newspaper of general circulation within the City in the time and manner required by law; and

WHEREAS, the City Council conducted a public hearing on the proposed Amendments on July 14, 1999; and

WHEREAS, at the public hearing, interested persons were allowed to speak for or against the proposed Amendments and the concept of tax increment financing; and

WHEREAS, evidence was received and presented at the public hearing in favor of the proposed Amendments and the concept of tax increment financing;

WHEREAS, Houston Independent School District ("HISD") has agreed to participate in the St. George Place Zone and has authorized 100 percent of its tax increment, but not more than \$0.96 per \$100 of assessed valuation per year on the captured appraised value of the St. George Place Zone, to be paid into the tax increment fund for the St. George Place Zone; and

WHEREAS, the Project Plan and the Reinvestment Zone Financing Plan reflect the participation of St. George Place Zone; and

WHEREAS, the Board of Directors of the St. George Place Zone has approved and recommended the amendment of Project Plan and Reinvestment Zone Financing Plan (the "Proposed Plans) attached hereto for the development of the St. George Place Zone; and

WHEREAS, before the City and the Board of Directors of the St. George Place Zone may implement the Proposed Plans, the City Council must approve the Proposed Plans; and

WHEREAS, the Proposed Plans provide that at least one-third of the surface area of the St. George Place Zone, excluding roads, streets, utility rights-of-way and other public areas exempt from ad valorem, is dedicated to residential housing, and that one-third of the tax increment is dedicated to the provision of affordable housing during the term of the Village Enclaves Zone; **NOW, THEREFORE**,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:

Section 1. That the findings contained in the preamble of this Ordinance are declared to be true and correct and are hereby adopted as part of this Ordinance.

Section 2. That the Project Plan and Reinvestment Zone Financing Plan attached hereto for Reinvestment Zone Number One, City of Houston, Texas, are hereby determined to be feasible and are approved.

Section 3. That the City Secretary is directed to provide copies of the Project Plan and Reinvestment Zone Financing Plan to each taxing unit levying ad valorem taxes in the Zone.

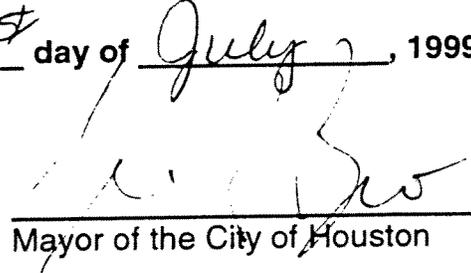
Section 4. That City Council officially finds and determines that actions taken by the Mayor, the Director of the Planning and Development Department, or their designees in giving all required written notices and the contents, posting and publication thereof relating to the subject matter of this Ordinance are hereby ratified, approved and

confirmed.

Section 5. That City Council officially finds, determines, recites and declares a sufficient written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code and that this meeting has been open to the public as required by law at all times during which this ordinance and the subject matter thereof has been discussed, considered and formally acted upon. That City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

Section 6. That there exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND APPROVED this 21st day of July, 1999.



Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is _____.

City Secretary

(Prepared by Legal Dept. *M. D. O'Neil*)
 (MAM/mam 07/16/99) Assistant City Attorney
 (Requested by Robert M. Litke, Director, Planning and Development)
 (L. D. File No. 61-92053-17)

AYE	NO	
—		MAYOR BROWN
••••	••••	COUNCIL MEMBERS
—		TATRO
—		YARBROUGH
—		WONG
—		BONEY
—		TODD
✓		DRISCOLL
—		KELLEY
—		FRAGA
—		CASTILLO
—		PARKER
—		ROACH
✓		SANCHEZ
—		BELL
—		ROBINSON
CAPTION	ADOPTED	

**REINVESTMENT ZONE NUMBER ONE,
CITY OF HOUSTON, TEXAS
Amended Project Plan
May 11, 1999**

This **AMENDED PROJECT PLAN** for Reinvestment Zone Number One, City of Houston, Texas (the "zone") includes the following elements required by Chapter 311, Texas Tax Code.

1. **Maps**
 - a. A map showing the existing uses and conditions of real property in the zone is attached as Exhibit A.
 - b. Maps showing proposed improvements to and proposed uses of real property in the zone are attached in Exhibit B.
2. **Proposed changes of zoning ordinances, the master plan of the municipality, building codes, and other municipal ordinances;**
 - a. The Reinvestment Zone Board anticipates that the City Council will follow its recommendation to create an Urban and a Residential Planned Unit Development within the area north of Dolores Street and west of McCulloch Circle. No other municipal ordinances or building codes are expected to be changed or amended as a result of this Amended Project Plan.
3. **A list of estimated non-project costs, which costs are to be borne by the Lamar Terrace Public Improvement District Number Two or other entities:**
 - a.

Capital Costs:	
Street Lighting Items	\$ 35,700
Paving Items	\$ 2,200,800
Landscaping	\$ 250,000
Fencing	\$ 720,000
Contingencies	\$ 540,000

The above capital improvement costs are expected to be incurred over the next three years (1999 - 2001).

b.	Financing Costs:	
	Organizational Costs	\$ 45,000
	Engineering	\$ 230,000
	Planning	\$ 240,000
	Five Year Costs	
	Legal advises and services	\$ 150,000
	Costs of operating the PID s	\$ 256,000

The above costs are expected to be incurred over the next five years (1999-2003).

4. It is anticipated that no persons will be displaced as a result of the reinvestment zone's implementation of this project plan

Exhibit A

Map Showing Existing Uses and Conditions of Real Property in the Zone

Exhibit B

Maps Showing Proposed Improvements to and Proposed Uses of Real Property in the Zone

Reinvestment Zone Number One Proposed Uses

West Alabama

Kieberg

Fayette

Val Verde

Hidalgo

Navarro

Lampasas

Fairdale

Fayette

Yorktown

Val Verde

Hidalgo

Navarro

Lampasas

Fairdale

McCulloch Circle

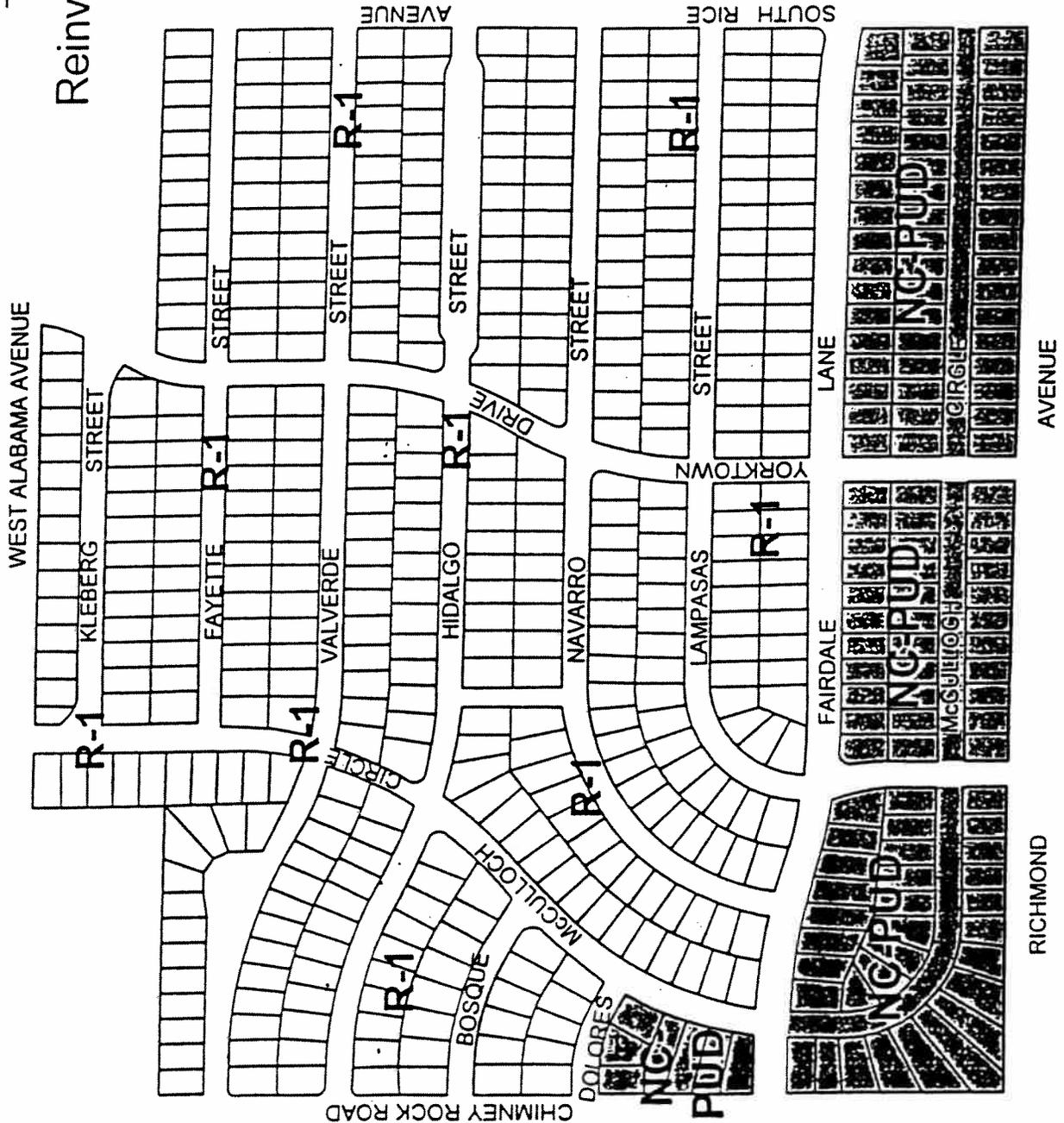
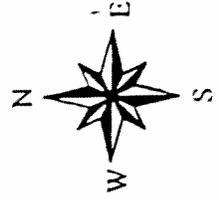
Chimney Rock

South Rice

-  Pedestrian Area
-  Commercial
-  HISD Middle Sch.
-  New Residential



Tax Increment Reinvestment Zone No. 1 Zoning Map



R-1 Residential Zone

NC-PUD Neighborhood Commercial
Planned Unit Development
Zone



RICHMOND

AVENUE

FAIRDALE

YORKTOWN

LANE

SOUTH RICH

AVENUE

WEST ALABAMA AVENUE

KLEBERG STREET

FAYETTE

VALVERDE

HIDALGO

NAVARRO

LAMPASAS

FAIRDALE

YORKTOWN

LANE

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AVENUE

KLEBERG STREET

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LANE

SOUTH RICH

AVENUE

KLEBERG STREET

FAYETTE

VALVERDE

PROJECT: LINDSEY CROSS HIGHWAY
 DATE: 11/15/1961
 DRAWN BY: J. W. MILLER
 CHECKED BY: J. W. MILLER
 CITY ENGINEER: J. W. MILLER

LEGEND
 SYMBOLS: SEE DRAWING
 EXIST. SANITARY SEWER

ST. GEORGE PLACE
 SANITARY SEWER AND
 WATER LINE LAYOUT
 J. W. MILLER & ASSOCIATES
 ENGINEERS
 1111 RICHMOND AVENUE
 HOUSTON, TEXAS 77002
 TEL: 771-1111

CITY OF HOUSTON
 DEPARTMENT OF PUBLIC WORKS
 1111 RICHMOND AVENUE
 HOUSTON, TEXAS 77002
 TEL: 771-1111



RICHMOND AVENUE

**REINVESTMENT ZONE NUMBER ONE,
CITY OF HOUSTON, TEXAS
Amended Reinvestment Zone Financing Plan
May 11, 1999**

This **AMENDED REINVESTMENT ZONE FINANCING PLAN** includes the following elements required by Chapter 311, Texas Tax Code.

1. A detailed list describing the estimated project costs of the zone including administrative expenses;

a. Capital Costs:

Water Main Items	\$ 758,500
Sanitary Sewer Items	\$ 744,100
Storm Sewer Items	\$ 705,000
Street Paving Items	\$ 2,300,000
Cul-de-sacs	\$ 800,000
Contingencies (10%)	\$ 450,700

The above capital improvement costs are expected to be incurred over the next three years (1999 – 2001).

b. Financing Costs:

Real property assembly costs	\$ 1,000,000
Organizational Costs	\$ 50,000
Engineering	\$ 210,000
Planning	\$ 45,000
Legal advises and services	\$ 250,000
Costs of operating the zone	\$ 780,000

The above costs are expected to be incurred over the next twenty years.

- c. It is anticipated that costs may be incurred in the exchange of right-of-way between the City of Houston, the zone and the Houston Independent School District. Interlocal Agreement 97-0118, passed January 29, 1997 set forth the process for this purchase and exchange of property.

2. A statement listing the kind, number and location of all proposed public works or public improvements in the zone;

The following improvements will be constructed on Yorktown and that portion of the zone west of Yorktown (Yorktown, Hidalgo, Navarro, Lampasas, Fairdale, McCulloch Circle, Bosque, Delores, Val Verde, the "Redevelopment Area Streets") and within the area bounded by Yorktown, Fairdale Lane, South Rice, and Richmond Avenue (the "East NC-PUD Area"), and the Intersection of South Rive with Fayette, Val Verde, Navarro, Lampasas, and Fairdale.

<u>Improvements</u>	<u>Location</u>
Removal of existing pavement and Construction of new pavement	Redevelopment Area Streets East NC-PUD Area
New water lines laterals and meters	Redevelopment Area Streets East NC-PUD Area
New sewer lines laterals	Redevelopment Area Streets East NC-PUD Area
Removal of existing storm sewer system And construction of new storm sewers	Redevelopment Area Streets East NC-PUD Area
New street lights	Redevelopment Area Streets East NC-PUD Area
Cul-de-sacs	Redevelopment Area Streets Corner of south Rice & Fayette, Navarro, Val Verde, Lampasas & Fairdale
New fencing	Redevelopment Area Streets East NC-PUD Area
Landscaping	Redevelopment Area Streets East NC-PUD Area

3. The original economic feasibility study dated November 23, 1992 is attached in Exhibit A. The area annexed into the reinvestment zone was included in the target area of the original study.

4. The estimated amount of bonded indebtedness to be incurred by the zone;

Bonds currently secured by the tax increment: \$2,280,000

Bonds proposed to be secured by future tax increment: \$8,000,000

5. A schedule of the times when related costs or monetary obligations are to be incurred;

A copy of the estimated construction and project schedule is attached as Exhibit B.

5. A description of the methods of financing all estimated project costs and the expected sources of revenues to finance or pay project costs including the percentage of tax increment to be derived from the property taxes of each taxing unity that levies on real property in the zone;

The project costs will be financed from the following six sources:

- a. Tax Increment Bonds
- b. Lamar Terrace Public Improvement District Number Two Bonds
- c. City of Houston Water and Sewer System Revenue Bonds
- d. Metropolitan Transit Authority of Harris County, (Hidalgo Street: Yorktown Street to Chimney Rock Road improvements)
- e. Houston Independent School District (Shared Educational Facility infrastructure related improvements)
- f. Funds from the disposition of any real property through the zone

The percentage of tax increment to be derived from property taxes of each taxing unit that levies taxes on real property in the zone is as follows:

	<u>Percentage</u>	<u>Percent of Total</u>	<u>Effective Date</u>
City of Houston	100%	33%	1/1/91
Harris County	50%		1/1/95
Harris County	100%	19%	1/1/96
HISD	69%	48%	1/1/96

7. The 1998 estimated total appraised value of taxable real property in the zone as enlarged is \$48,200,000.
8. The estimated captured appraised value of the zone as of January 1, 1999 is \$26,000,000. The estimated captured appraised value of the reinvestment zone during each year of existence is set forth in Exhibit C.
9. The zone shall terminate on December 31, 2031 or at an earlier time designated by subsequent ordinance, or at such time, subsequent to the issuance of tax increment bonds, as all project costs, tax increment bonds, and the interest on those bonds, have been paid in full.

Exhibit A

Economic Feasibility Study

St. George Place

Addendum to Market Study prepared April, 1991

November 23, 1992

The market study prepared by American Metro/Study Corporation addressing the demand for new homes in the Houston redevelopment project to be known as St. George Place was prepared based on the following assumptions:

- That redeveloped lots will be priced for sale to builders at prices ranging from \$90,000 to \$110,000 in the initial start up year.
- Homes in St. George Place will be offered for sale to home buyers at prices ranging from \$275,000 to \$300,000 for the initial 20 or so homes. Subsequently, the majority of homes offered in the development will be priced from \$300,000 to \$350,000. Ongoing, at least two thirds of the homes will be priced below \$350,000.
- Extensive landscaping and neighborhood identity markers will be installed to provide an attractive setting, and create an obvious demarcation of St. George Place from the surrounding area.
- Every attempt will be made to save the trees which exist on the lots today since trees are a important amenity that carries significant value to prospective home buyers. The trees will also serve to buffer the new homes from traffic and commercial uses on the north and west boundaries of the development.
- Wrought iron and brick fencing will be installed along the perimeter of the development as a community boundary and specially designed safety lighting along the interior streets will be installed as part of the overall design of the development to provide a real and perceived sense of security to residents.
- The unsightly retail properties will be removed and redeveloped at the south end of the development along Richmond Avenue.
- A strong, well coordinated marketing program will be implemented to educate the marketplace about every key feature that St. George Place has to offer. This is especially important with respect to the Realtor community since they control a majority of the buyer traffic in the near town market. This marketing effort should include printed collateral materials and a program of regular direct communication with Realtors through personal sales calls and a direct mail program. The advertising budget should include advertisements in the major newspapers as well as central city publications targeted toward Realtors and upscale home buying prospects. An on-site sales staff is strongly recommended to deliver the message to buyers in a fashion that will assure consistency in the articulation of the community's features and amenities.

Since the original market study was prepared in April, 1991 the local economy has experienced a slowdown in job formation. Nevertheless, the local housing market has remained stable due to

low interest rates. Continued confidence in the local market has been demonstrated by the development of 15 new small scale redevelopment projects in the near town market area, and a portion of the near town demand has been captured by those developments. Recent forecasts by the University of Houston Center for Public Policy project renewed economic growth in Houston with more than 2% annual job growth in 1993 and 1994. Based upon the above assumptions and the expectation of renewed economic growth in 1993, the projections in the original market study are still considered by American Metro/Study to be valid and reasonable in light of current known market factors.

American Metro/Study Corporation
One West Loop South
Suite 813
Houston, Texas 77027