

City of Houston, Texas, Ordinance No. 97-1338

AN ORDINANCE AMENDING THE PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN FOR REINVESTMENT ZONE NUMBER TWO, CITY OF HOUSTON, TEXAS (MIDTOWN); 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. 94-1345, dated December 14, 1994, the City created Reinvestment Zone Number Two, City of Houston, Texas (the "Midtown Zone") pursuant to Chapter 311 of the Texas Tax Code (the "Code") for the purposes of redevelopment in the area of the City generally bounded by I-45 on the north, Highway 288 on the east, U.S. 59 on the south and Bagby Street and Spur 527 on the west, which is also known as the Midtown area; and

WHEREAS, the City enlarged the boundaries of the Midtown Zone by City of Houston Ordinance No. 95-1322 on December 13, 1995, to include additional areas within the general boundaries of the Midtown area and to the northeast of the Midtown area; and

WHEREAS, the Board of Directors of the Midtown Zone has adopted and recommended, and the City has approved, by City of Houston Ordinance No. 97-600, dated May 28, 1997, the Project Plan and Reinvestment Zone Financing Plan (the "Plans") for the Midtown Zone; and

WHEREAS, Chapter 311 of the Code authorizes the amendment of the Plans; and

WHEREAS, the Board of Directors of the Midtown Zone, at its October 14, 1997, board meeting, considered and adopted proposed amendments to the Plans (the "Amendments"), and recommended the Amendments for approval by the City Council; and

WHEREAS, before the Board of Directors of the Midtown Zone may implement the Amendments, the City Council must approve the Amendments; and

WHEREAS, the Plans, as amended by the Amendments, continue to provide that at least one-third of the surface area of the Zone, excluding roads, streets, utility rights-of-way and other public areas exempt from ad valorem taxation, are dedicated to residential housing, and that one-third of the tax increment is dedicated to providing low-income housing during the term of the Midtown Zone; and

WHEREAS, the Amendments do not reduce or increase the geographical area of the Midtown Zone; increase the amount of bonded indebtedness to be incurred; increase or decrease the percentage of a tax increment to be contributed by a taxing unit; increase or decrease the total estimated project costs; or designate additional property in the zone to be acquired by the City; and

WHEREAS, no public hearing on the Amendments is required to be held by the provisions of Section 311.011 of the Code; **NOW, THEREFORE,**

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

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

Section 2. That the Project Plan and the Reinvestment Zone Financing Plan approved by City of Houston Ordinance No. 97-600, passed and adopted on May 28, 1997, are hereby amended as follows:

- A. By substituting the Redevelopment Plan 1997 (August 1997) and page 14R attached hereto as Exhibit "A" for the Redevelopment Plan 1997 and page 14 in the Plans;
- B. By substituting page 18R and sketch (unchanged) attached hereto as Exhibit "B" for page 18 in the Plans;
- C. By substituting the Storm Sewer (8/97) and Wastewater (8/97) maps attached hereto as Exhibit "C" for the Storm Sewer and Wastewater maps in the Plans;
- D. By substituting the Water map (8/97) and page 22 (unchanged) attached hereto as Exhibit "D" for the Water map and page 22 in the Plans; and
- E. By substituting pages 27R and 28R attached hereto as Exhibit "E" for pages 27 and 28 in the Plans.

The Plans as so amended (the "Amended Plans") are hereby determined to be feasible and are approved. The appropriate officials of the City are authorized to take all steps reasonably necessary to implement the Amended Plans.

Section 3. That the City Secretary is directed to provide copies of the Amended Plans to each taxing unit levying ad valorem taxes in the Midtown Zone.

Section 4. 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 5. 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 ADOPTED this 22ND day of October, 1997.

APPROVED this _____ day of _____, 1997.

Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is OCT 23 1997.



City Secretary

Bm

(Prepared by Legal Dept. DEBORAH FAIC APPEL)
(DFM/dfm 10/09/97) Sr. Assistant City Attorney
(Requested by Robert M. Litke, Director, Planning and Development)
(L.D. File No. 34-94360-14)

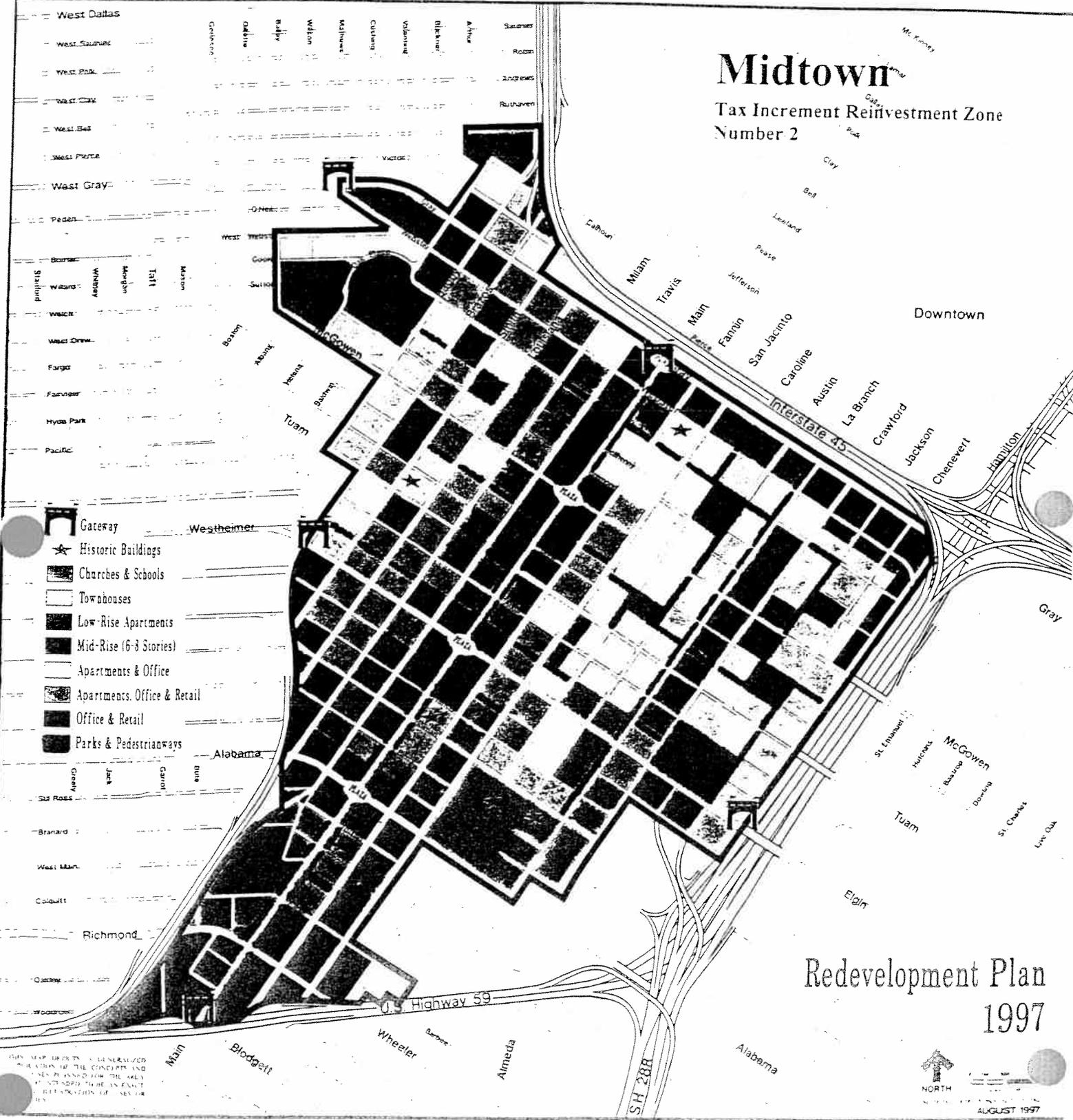
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AYE	NO	
✓		MAYOR LANIER
••••	••••	COUNCIL MEMBERS
✓		HUEY
✓		YARBROUGH
✓		WONG
ABSENT		BONEY
✓		TODD
✓		DRISCOLL
✓		KELLEY
✓		FRAGA
✓		CASTILLO
✓		SAENZ
ABSENT-ON PERSONAL BUSINESS		ROACH
✓		SANCHEZ
✓		BELL
✓		ROBINSON
CAPTION	ADOPTED	

MAY 017 REV. 2/97

Midtown

Tax Increment Reinvestment Zone Number 2



Redevelopment Plan
1997



THIS MAP SHOWS A GENERALIZED
REVISION OF THE CONCEPT AND
IS NOT TO BE USED FOR THE FINAL
DESIGN OR FOR ANY OTHER
PURPOSE WITHOUT THE WRITTEN
CONSENT OF THE CITY OF AUSTIN.

EXHIBIT A

DRAINAGE AND UTILITIES

Drainage

The area is presently served by a drainage infrastructure with principal elements that drain to Buffalo Bayou via trunk storm sewers in Austin, Milam, Smith and Crosby Streets. The METRO Street Reconstruction Program will include enhancements to the existing storm sewer systems within Midtown. These enhancements principally consist of new storm sewer inlets and leads. Additional storm sewers will be constructed in portions of the street program where the existing systems are inadequate. Upon completion of the METRO Street Program, certain other portions of the storm sewer system will still need to be replaced or enlarged. In these situations, the T.I.R.Z. and/or the City of Houston will pay for the appropriate share of storm sewer replacement.

Utilities

Water and wastewater treatment facilities are presently available in adequate quantities to serve the needs of Midtown as planned.

Major trunk sanitary sewer lines have been recently constructed. The METRO Street Program will include the construction of additional sanitary sewers which fall within the scope of the street program. Still some elements of the remaining sanitary sewer collection system will be inadequate to serve projected needs. In some locations no sewers presently exist where service may be required. In these situations, the T.I.R.Z. and/or the City of Houston will pay for the appropriate share of the necessary sanitary sewer enhancements.

There is an existing water distribution network presently serving Midtown. Deficiencies identified within the areas covered by the METRO Street Program will be corrected by building new water mains. In some locations the existing network has undersized lines which must be replaced and in others no water mains exist at all. The T.I.R.Z. and/or the City of Houston will pay for the appropriate share to construct additional water system enhancements as required for development.

Midtown

Tax Increment Reinvestment Zone
Number 2



Storm Sewer

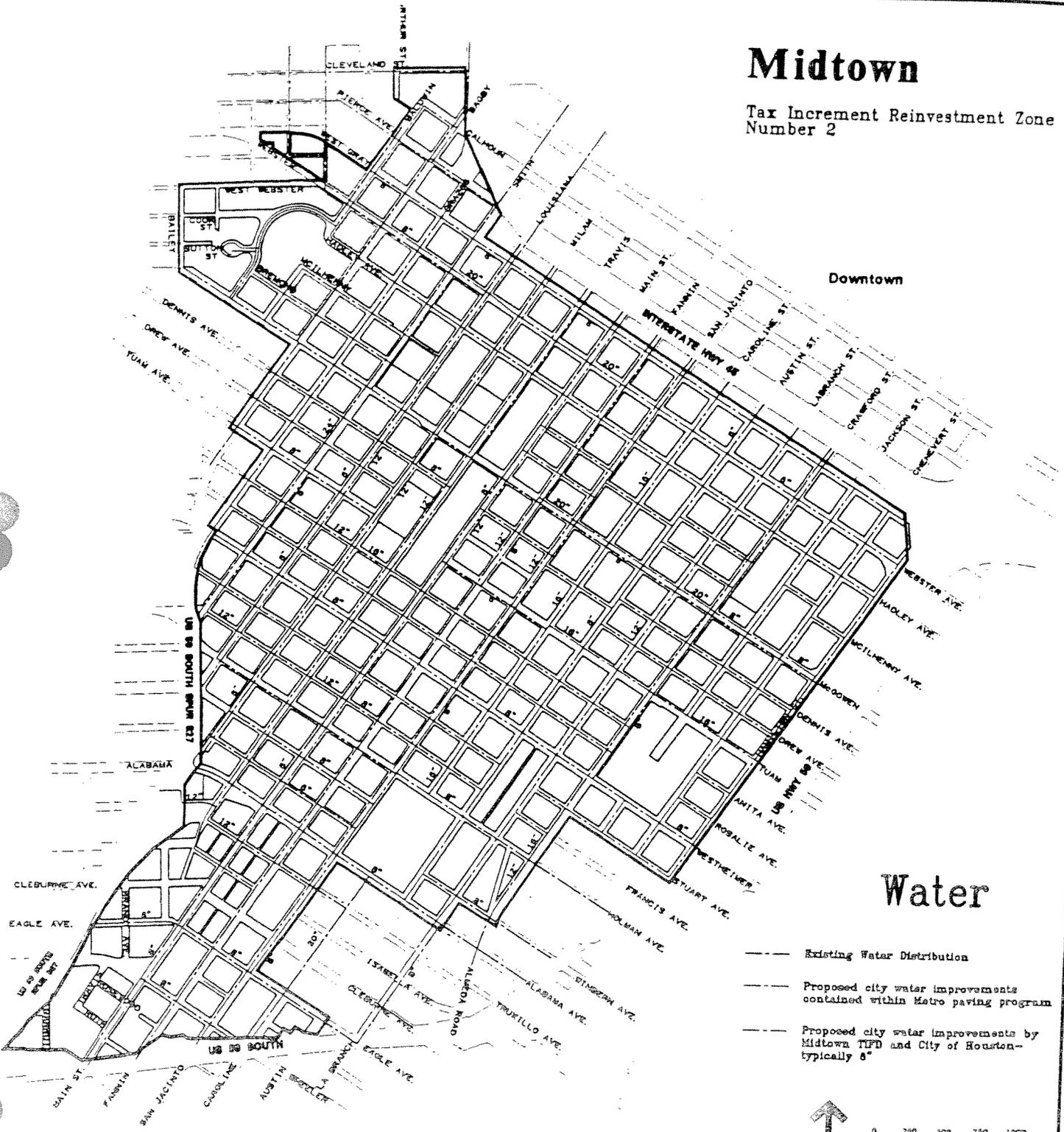


NORTH

CARTER & BURGESS, INC. 9/97

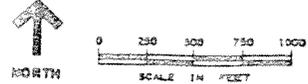
Midtown

Tax Increment Reinvestment Zone Number 2



Water

- Existing Water Distribution
- Proposed city water improvements contained within Metro paving program
- Proposed city water improvements by Midtown TIFD and City of Houston - typically 8"



CARTER & BURGESS, INC. 3/97

PROJECT COSTS TO BE PAID BY OTHERS

There are major capital projects essential to the plan for the Midtown area that will be constructed with City of Houston and METRO funds. The METRO funding includes a grant from the U.S. Department of Transportation. The METRO projects include reconstructing the paving and some storm sewers on the following streets: San Jacinto, Fannin, Main, Travis, Milam, Louisiana, and Smith. The METRO projects will also include bus shelters and benches, new sidewalks, and street trees. Bus shelters with adjacent trees will also be built on LaBranch, Crawford, McGowen, Webster and Gray. The Main Street reconstruction will include special pavers at the four intersections designated as future plaza sites in this project plan. At the time of the street reconstruction projects, the City of Houston will be building new water distribution lines on those same streets, and new sanitary sewers along portions of those streets. The program costs are given below:

METRO	\$39,400,000
City of Houston	\$ 7,500,000

The addition of street light fixtures to replace those removed from Midtown over the years will cost the City of Houston more money for operations. No estimate has been made of this amount because the inventory of existing fixtures is not yet complete.

The City of Houston is funding \$1.8 million from the C.I.P. for street reconstruction and utility upgrades east of Bagby between McGowen and West Gray.

There are five projects included in the City's current Capital Improvement Plan that are partially located in Midtown. These projects were scheduled before the T.I.R.Z. was created to address existing deficiencies. They include \$1.2 million for the installation of lateral sanitary sewers on Elgin and McIlhenny, \$4 million in sewer rehabilitation as a part of the Greater Houston Wastewater Program, and \$35,000 for bikeways on Caroline, Austin, Holman and LaBranch. The City of Houston may elect to fund additional improvements in the T.I.R.Z.

PROJECT COSTS TO BE PAID BY T.I.R.Z. #2

To cover operating and administrative expenses for the first two years, the Midtown Redevelopment Authority borrowed money from the Houston Housing Finance Corporation and from Reliable Life Insurance Company, a property owner in the district. The expenditures have included planning, engineering, legal and other professional expenses associated with preparing the project plan and the financial plan, creation expenses, office and staff costs, accounting expenses, and costs associated with preparing developer reimbursement

agreements. The operating agreement between T.I.R.Z. #2 and the City limits these borrowings to \$1 million. To date, \$750,000 has been borrowed.

The state statute calls for one-third of the tax increment funds (after deducting expenses of creation and operation of the T.I.R.Z.) to be spent on housing for persons and families of low income. "Persons and families of low income" is determined by the Board of the T.I.R.Z. based on family size and income. It is also based on whether an area is an area of chronic economic distress as defined in Section 143 of the Internal Revenue Code or in an Enterprise Zone created under the Texas Enterprise Zone Act. Persons and families of low income will be determined by the T.I.R.Z. Board from time to time according to, among other things, the foregoing factors. At the present time, persons and families of low income according to family size and area are established at 80% of the income limits for Houston Housing Finance Corporation qualified mortgage programs. Housing costs include site acquisition and improvements, building construction, financing, occupancy and maintenance programs. Site improvements can include assessments and clean-up, utilities, grading, paving, landscaping, etc. All forms of housing are eligible: apartments, townhouses, duplexes, single family. The housing may be rental or owner-occupied. The funds can be loans or grants. Preference will be given to programs that will encourage long-term residency in the district. The exception to this policy will be for student housing. Special consideration may be given to people who work in areas adjacent to Midtown: CBD, Medical Center, Colleges and Universities. Large numbers of policemen, firemen, nurses, secretaries and teachers are among the people who would be qualified. T.I.R.Z. assisted housing may be located outside of the district, but the goals of the district will be best served if all or most is within the district. It will be available to all ages, races, and ethnic backgrounds.

Funds to be spent on housing are not specifically identified as such in the accompanying Pro Forma Cash Flow Estimate table. Rather, the housing amounts are included in the various appropriate project cost items. The project cost itemization follows the categories established in Section 311.02 of the Texas Tax Increment Financing Act. The dollar amounts shown are approximate for budgetary purposes. It is anticipated that most spending will be made in association with much larger expenditures by private developers. T.I.R.Z. #2 will generally be facilitating and reacting to these private proposals, rather than instigating its own development. For that reason, money may be shifted from one category to another; only the total expenditure should be regarded as a fixed amount.