

CITY OF HOUSTON, TEXAS, ORDINANCE NO. 96-1014

AN ORDINANCE DESIGNATING A CONTIGUOUS GEOGRAPHIC AREA WITHIN THE CITY OF HOUSTON (VILLAGE ENCLAVES), AS REINVESTMENT ZONE NUMBER FOUR, CITY OF HOUSTON, TEXAS; CREATING A BOARD OF DIRECTORS FOR SUCH ZONE; CONTAINING FINDINGS AND OTHER PROVISIONS RELATED TO THE FOREGOING SUBJECT; PROVIDING A SEVERABILITY CLAUSE; AND DECLARING AN EMERGENCY

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WHEREAS, pursuant to Chapter 311 of the Texas Tax Code, the City may designate a contiguous geographic area within the City as a reinvestment zone if the area satisfies the requirements of certain sections of Chapter 311 of the Texas Tax Code; and

WHEREAS, the City has received a petition, as supplemented, (the "Petition"), requesting that a contiguous geographic area in Houston, Texas, generally bounded by Memorial Drive on the North, Dairy Ashford Road on the East, Westheimer Road on the South, and Eldridge Parkway on the West (Village Enclaves), be designated as a reinvestment zone under the provisions of Chapter 311 of the Texas Tax Code; and

WHEREAS, the Petition was submitted by the owners of property constituting at least fifty percent of the appraised value of the property in the proposed reinvestment zone according to the most recent certified appraisal roll for Harris County, Texas, the county in which the proposed zone is located; and

WHEREAS, the City prepared a preliminary reinvestment zone financing plan and sent the notice of the public hearing on September 11, 1996 on the creation of the proposed zone, to the governing body of each taxing unit that levies taxes on real property in the proposed zone; and

**WHEREAS**, the preliminary reinvestment zone financing plan provides that City of Houston ad valorem taxes are to be deposited into the tax increment fund, and that taxes of other taxing units may be utilized in the financing of the proposed zone; and

**WHEREAS**, a notice of the September 11, 1996 public hearing, on the creation of the proposed zone was published on September 2, 1996, in the Houston Chronicle, a newspaper of general circulation in the City; and

**WHEREAS**, Harris County, pursuant to Section 311.003, Texas Tax Code, has waived the Tax Code requirement that it receive sixty (60) days' notice of the public hearing on the creation of the proposed zone by action of its Commissioner's Court on September 17, 1996; and

**WHEREAS**, the Houston Independent School District, pursuant to Section 311.003, Texas Tax Code, has waived the requirement that it receive sixty (60) days' notice of the public hearing on the creation of the proposed zone by action of its Board of Trustees on August 29, 1996; and

**WHEREAS**, at the public hearing, interested persons were allowed to speak for or against the creation of the proposed zone, its boundaries, or the concept of tax increment financing; and

**WHEREAS**, evidence was received and presented at the public hearing in favor of the creation of the proposed zone under the provisions of Chapter 311, Texas Tax Code, and no one appeared or presented evidence in opposition to the creation of the proposed zone; and

**WHEREAS**, no owner of real property in the proposed zone protested the inclusion of their property in the proposed zone; **NOW, THEREFORE,**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS;**

**Section 1. Findings.**

(a) That the facts and recitations contained in the preamble of this Ordinance are hereby found and declared to be true and correct and are adopted as part of this Ordinance for all purposes.

(b) That the City Council further finds and declares that the proposed improvements in the zone will significantly enhance the value of all the taxable real property in the proposed zone and will be of general benefit to the City.

(c) That the City Council further finds and declares that the proposed reinvestment zone meets the criteria of Section 311.005 of the Texas Tax Code because:

- (1) The proposed zone is predominantly open and is underdeveloped, and because it lacks public water distribution, wastewater collection and storm drainage facilities, it substantially impairs and arrests the sound growth of the City; and
- (2) The proposed zone is an area described in a petition submitted by the owners of property constituting at least 50 percent of the appraised value of the property in the area requesting that the area be designated as a reinvestment zone.

(d) That the City Council, pursuant to the requirements of Chapter 311, Texas Tax Code, further finds and declares:

- (1) That the proposed zone is a contiguous geographic area located wholly within the corporate limits of the City of Houston;
- (2) That the total appraised value of taxable real property in the proposed zone, and in the City's existing reinvestment zones, does not exceed fifteen percent of the total appraised value of taxable real property in the City and in industrial districts created by the City;

- (3) That the proposed zone does not contain more than fifteen percent of the total appraised value of real property taxable by Harris County or the Houston Independent School District; and
- (4) That the development or redevelopment of the property in the proposed zone will not occur solely through private investment in the reasonably foreseeable future.

**Section 2. Exception to Guidelines**

That the City hereby excepts the proposed zone from compliance with any City tax increment reinvestment zone guidelines established by the City pursuant to Resolution No. 90-203 that are applicable to the proposed zone and that the zone does not satisfy. Section 1 of Resolution No. 90-203 specifically authorizes the City Council to grant exceptions on a zone-by-zone basis.

**Section 3. Designation of the Zone**

That the City, acting under the provisions of Chapter 311, Texas Tax Code (the "Act"), including Section 311.005(a)(5), does hereby create and designate a reinvestment zone over the area described in Exhibit "A" and depicted in the map attached hereto as Exhibit "B." The reinvestment zone shall hereafter be identified as Reinvestment Zone Number Four, City of Houston, Texas (the "Zone"). The City Council specifically declares that the Zone is designated pursuant to Section 311.005(a)(5) of the Texas Tax Code.

**Section 4. Board of Directors**

That there is hereby created a Board of Directors for the Zone, which shall consist of nine (9) members. Position One on the Board of Directors shall be filled by the State Senator representing the area included within the Zone or his designee. Position Two on the Board of

Directors shall be filled by the State Representative representing the area included within the Zone or his designee. The Mayor is hereby authorized to nominate and appoint the remaining seven (7) members of the Board of Directors to Positions Three through Nine, subject to the consent and approval of the City Council; provided, however, that Harris County shall be entitled to appoint a director to Position Nine if Harris County approves the payment of all or part of the tax increment attributable to Harris County; and that the Houston Independent School District ("HISD") shall be entitled to appoint a director to Position Eight if HISD approves the payment of all or part of the tax increment attributable to HISD.

The directors or their designees in Position One and Position Two shall be members of the Board by operation of law pursuant to Section 311.009(b), Texas Tax Code. The directors appointed to Positions Three, Four, and Five shall be appointed for two year terms, beginning January 1, 1997, while the directors appointed to Positions Six, Seven, Eight and Nine shall be appointed to a one year term beginning January 1, 1997. All subsequent appointments shall be for two-year terms. The member of the Board of Directors appointed to Position Three is hereby designated to serve as the chair of the Board of Directors for a term beginning January 1, 1997, and ending December 31, 1997. Thereafter, the Mayor shall annually nominate and appoint, subject to City Council approval, a member to serve as chair for a term of one year beginning January 1 of the following year. The City Council authorizes the Board of Directors to elect from its members a vice chairman and such other officers as the Board of Directors sees fit.

The Board of Directors shall make recommendations to the City Council concerning the administration of the Zone. The Board of Directors shall prepare or cause to be prepared and adopt a project plan and a reinvestment zone financing plan for the Zone as described in Section 311.011, Texas Tax Code, and shall submit such plans to the City Council for its

approval. The City hereby delegates to the Board of Directors all powers necessary to prepare and implement the project plan and reinvestment zone financing plan, subject to approval by the City Council, including the power to employ any consultants or enter into any reimbursement agreements payable solely from the Tax Increment Fund established pursuant to Section 7 of this Ordinance, subject to the approval of the Director of Finance and Administration Department, that may be reasonably necessary to assist the Board of Directors in the preparation of the project plan and reinvestment zone financing plan and in the issuance of tax increment obligations.

**Section 5. Duration of the Zone.**

That the Zone shall take effect on January 1, 1997, and termination of the operation of the Zone shall occur on December 31, 2016, or at an earlier time designated by subsequent ordinance, or at such time, subsequent to the issuance of tax increment bonds, if any, that all project costs, tax increment bonds, and the interest of the bonds, have been paid in full.

**Section 6. Tax Increment Base.**

That the Tax Increment Base for the Zone is the total appraised value of all real property taxable by the City and located in the Zone, determined as of January 1, 1996, the year in which the Zone was designated as a reinvestment zone (the "Tax Increment Base").

**Section 7. Tax Increment Fund.**

That there is hereby created and established a Tax Increment Fund for the Zone which may be divided into subaccounts as authorized by subsequent ordinances. All Tax Increments, as defined below, shall be deposited in the Tax Increment Fund. The Tax Increment Fund and any subaccounts shall be maintained at the depository bank of the City and shall be secured in the manner prescribed by law for Texas cities. The annual Tax Increment shall equal the amount by

which the then-current appraised value of all taxable real property located in the Zone exceeds the Tax Increment Base of the Zone less any amounts that are to be allocated from the Tax Increment pursuant to the Act. All revenues from the sale of any tax increment bonds or other notes hereafter issued by the City, if any, and other revenues to be used in the Zone shall be deposited into the Tax Increment Fund. Money shall be distributed from the Tax Increment Fund only to pay project costs as defined by the Texas Tax Code, for the Zone, to satisfy the claims of holders of tax increment bonds or notes issued for the Zone, or to pay obligations incurred pursuant to agreements entered into to implement the project plan and reinvestment zone financing plan pursuant to Section 311.011(b) of the Texas Tax Code. Pursuant to the provisions of Section 311.011(f), Texas Tax Code, one third of the Tax Increment Fund is hereby dedicated to providing low-income housing in the City during the term of the Zone, and shall be set aside in a separate subaccount or fund within the Tax Increment Fund established for that purpose.

**Section 8. Severability.**

If any provision, section, subsection, sentence, clause or phrase of this Ordinance, or the application of same to any person or set of circumstances, is for any reason held to be unconstitutional, void or invalid, the validity of the remaining provisions of this Ordinance or their application to other persons or set of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no portion hereof or regulations contained herein shall become inoperative or fail by reason of any unconstitutionality voidness or invalidity of any portion hereof, and all provision of this Ordinance are declared severable for that purpose.

**Section 9. Open Meetings.**

It is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject of the meeting of the City Council at which this Ordinance was adopted was posted at a place convenient and rapidly accessible at all times to the general public at the City Hall of the City for the Time required by law preceding this meeting, as required by the Open Meetings Law, TEX GOV'T CODE ANN., ch. 551, 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 hereof has been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

**Section 10. Emergency.**

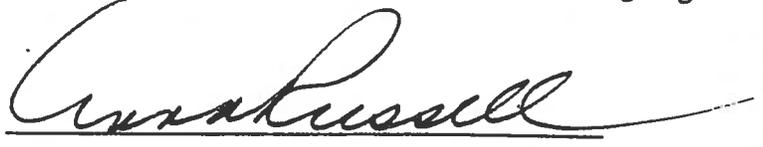
There exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor; however, in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

**PASSED AND ADOPTED** this 25<sup>th</sup> day of Sept, 1996.

**APPROVED** this \_\_\_ day of \_\_\_\_\_, 1996.

\_\_\_\_\_  
Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is OCT 01 1996.

  
 \_\_\_\_\_  
 City Secretary

*gm*  
  
 \_\_\_\_\_  
 Assistant City Attorney

(Prepared by Legal Dept. (MAM/cj 09/24/96)  
 (Requested by Robert Litke, Director, Planning and Development Department)  
 L. D. File No. 61-96031-01

a:\0003.wpd

AYE	NO	
		<b>ABSENT</b>
••••	••••	<b>MAYOR LANIER</b>
		<b>COUNCIL MEMBERS</b>
/		HUEY
/		YARBROUGH
/		WONG
		<b>ABSENT</b>
/		BONEY
/		TODD
/		DRISCOLL
/		KELLEY
/		FRAGA
/		CASTILLO
/		<b>MAYOR PRO TEM PRESIDING</b>
/		SAENZ
/		ROACH
/		SANCHEZ
		<b>ABSENT</b>
/		PEAVY
/		ROBINSON
CAPTION	ADOPTED	

CAPTION PUBLISHED IN DAILY COURT  
 REVIEW  
 DATE: OCT 01 1996

MAY-017 REV. 12/95

PROPOSED REINVESTMENT ZONE  
40.9758 ACRES, JOEL WHEATON SURVEY, ABSTRACT 80  
HARRIS COUNTY, TEXAS

8-29-96  
82-058

DESCRIPTION of 40.9758 Acres of land out of the Joel Wheaton Survey, Abstract 80, Harris County, Texas and unrestricted Reserve "D", Block 2, Parkway Cove, as recorded under Film Code No. 348095 of the Map Records of Harris County, Texas, and more particularly described as follows:

BEGINNING at the northwest corner of said unrestricted Reserve "D", Block 2, said corner also being in the south of Forkland Drive 60-foot right-of-way;

THENCE N.87°23'05"E., 33.51 feet along the north line of the herein described tract, said line also being the north line of said unrestricted Reserve "D" and the south line of Forkland Drive, to the point of curvature of a curve to the right;

THENCE continuing along the south line of said Forkland Drive 161.85-feet following the arc of said curve to the right having a radius of 770.00 feet and subtending a central angle of 12°02'35" to its Point of Tangency;

THENCE S.80°34'20"E., 62.96 feet along the south line of said Forkland Drive to the point of curvature of a curve to the left;

THENCE in an easterly direction 130.92 feet continuing along the south line of Forkland Drive following the arc of a curve to the right having a radius of 830.00 feet and subtending a central angle of 09°02'15" to the northeast corner of said unrestricted Reserve "D", Block 2 of Parkway Cove, said corner also being the northwest corner of said restricted Reserve "F";

THENCE S.01°58'42"E., 311.70 feet along the east line of said unrestricted Reserve "D", said line also being the west line of said restricted Reserve "F";

THENCE S.88°01'18"W., 90.00 feet to an interior corner of the herein described tract;

THENCE S.01°58'42"E., 200.00 feet along the west line of said restricted Reserve "F" to an interior corner of the herein described tract;

THENCE N.88°01'18"E., 150.00 feet along the south line of restricted Reserve "F" to its southeast corner, said corner also being the northwest corner of Reserve "H-2" of Reserve "H-1" and H-2", as recorded in Volume 331, Page 117, H.C.M.R.;

THENCE S.01°58'42"E., along the west line of said reserves "H-1" and "H-2", pass at 309.17 feet the north line of Olive Hill Drive, 60 foot right-of-way, pass at 369.17 feet the south line of said Olive Hill Drive, continuing along the west line of Partial Replat of Enclave, as recorded in Volume 328, Page 13, H.C.M.R., 775.00 feet in all to an interior corner of the herein described tract;

THENCE S.87°22'44"E., 88.92 feet along a north line of said Partial Replat of Enclave, said line also being a north line of the herein described tract to a point for corner;

THENCE S.01°58'42"E., 476.85 feet along an east line of the herein described tract, said line also being the west line of said Partial Replat of Enclave, to a point for corner, said corner being in the north line of Briar Forest Drive 100 foot right-of-way;

THENCE S.87°24'35"W., 88.09 feet along the north line of said Briar Forest Drive, to a point for corner;

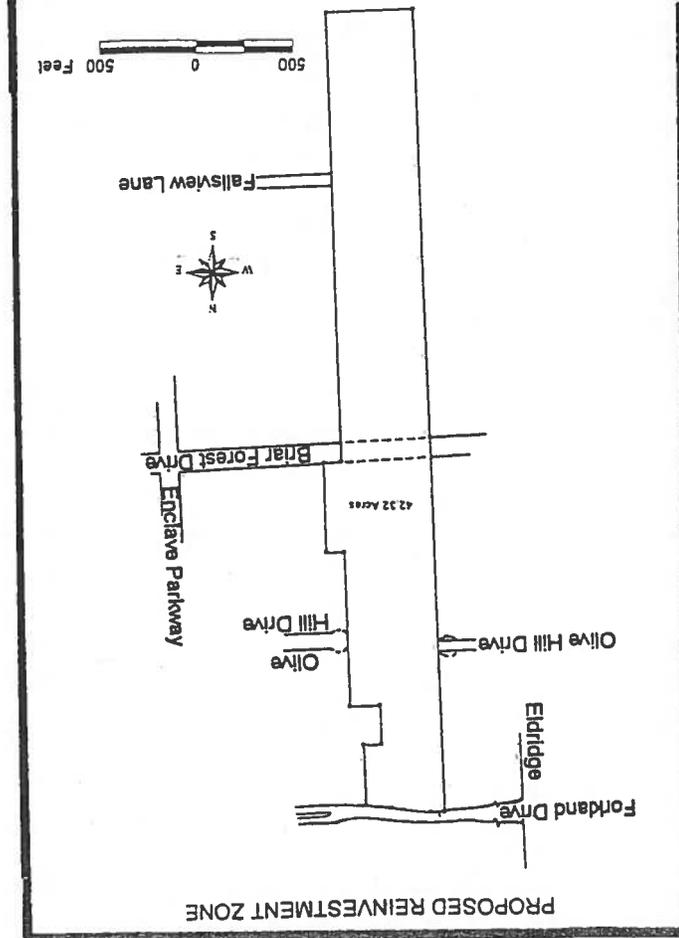
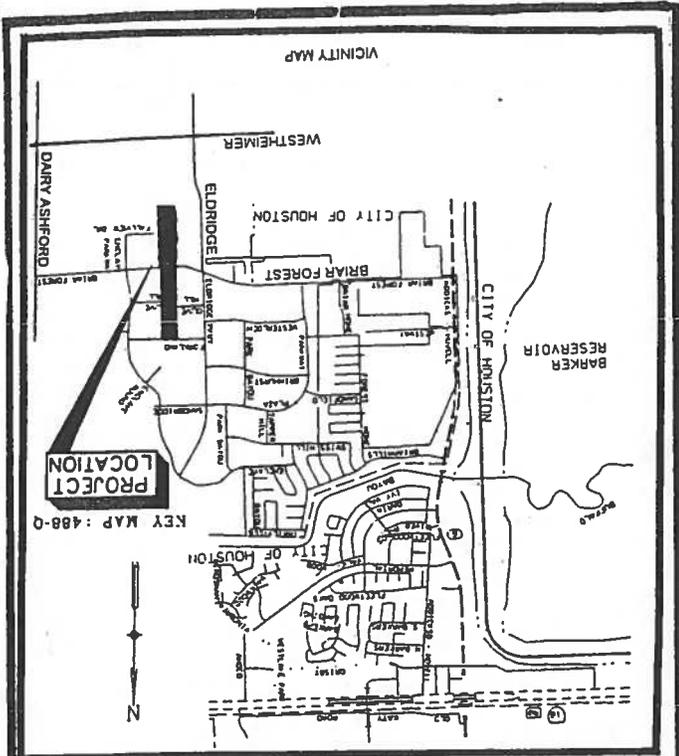
THENCE S.02°01'54"E., along the west line of Myraid Apartments, Section One as recorded in Volume 317, Page 103, H.C.M.R., and the west line of a Partial Replat of Myriad Apartments, Section Two, as recorded in Volume 345, Page 26, H.C.M.R., and the east line of the herein described tract, pass at 100 feet the south line of said Briar Forest Drive, pass at 1,434.68 feet the north line of Fallsview Drive, 60 foot right-of-way, 2,318.14 feet in all to the southeast corner of the herein described tract;

THENCE S.87°54'50"W., 426.38 feet along the south line of the herein described tract to its southwest corner, said corner being in the east line of a United Texas Transmission Company 50 foot easement recorded in Volume 4254, Page 540, H.C.D.R.;

THENCE N.02°19'39"W., 2,214.33 feet along the west line of the herein described tract, said line also being the east line of said United Texas Transmission Company 50 foot easement to an angle point, said point being in the south line of the aforementioned Briar Forest Drive;

THENCE N.02°26'47"W., 99.97 feet to an angle point, said angle point being in the north line of said Briar Forest Drive;

THENCE N.02°14'16"W., 1,811.12 feet along the west line of the herein described tract, said line also being the east line of the aforementioned United Texas Transmission Company 50 foot easement to the Point of Beginning and containing 40.9758 acres.



*Handwritten signature*

<b>SUBJECT:</b> Approve an Ordinance Designating Reinvestment Zone Number Four, Houston, Texas (The Village Enclaves TIRZ), and Establishing a TIRZ Board of Directors	Category # <i>BOV</i>	Page 1 of <i>1</i>	Agenda Item # <i>43-1</i>
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<b>FROM (Department or other point of origin):</b> Planning and Development Department	<b>Origination Date:</b> 09-20-96	<b>Agenda Date:</b> SEP 25 1996
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<b>DIRECTOR'S SIGNATURE:</b> <i>[Signature]</i>	<b>Council District affected:</b> G - John Kelley
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<b>For additional information contact:</b> Phone: Robert M. Litke 754-0008	<b>Date and identification of prior authorizing Council action:</b> <i>[Signature]</i>
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**RECOMMENDATION: (Summary)**  
 Recommend that Council approve an ordinance designating Reinvestment Zone Number Four, City of Houston, Texas, also known as The Village Enclaves Tax Increment Reinvestment Zone and creating a Board of Directors for the zone.

<b>Amount and Source of Funding:</b> <i>- 1014</i>	<b>F&amp;A Budget:</b>
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**SPECIFIC EXPLANATION:**

On September 11, 1996, City Council held a hearing to receive public comment regarding the designation of an approximately 41 acre site as Reinvestment Zone Number Four, City of Houston, Texas, also known as the Village Enclaves.

The Village Enclaves is a proposed 190-unit residential project planned for far west Houston, near Eldridge and Briar Forest Roads. This proposal anticipates that the TIRZ will have a duration of twenty (20) years or, if earlier, such time that adequate tax increments are generated. The proposed TIRZ also is based on the participation of HISD and Harris County at 50% of their respective tax increments. The tax increment will be used to finance \$1.4 million in eligible improvements.

In addition to the creation of the Village Enclaves Tax increment Reinvestment Zone, the ordinance establishes a nine member Board of Directors. Positions One through Five on the Board of Directors are reserved for appointments by the City.

This TIRZ project reflects a policy proposal of providing financial incentives that will enable development within the City to better compete with out-of-City MUD developments if they meet specific criteria regarding need, fiscal impact and legality. The Village Enclaves TIRZ is consistent with this policy direction and will help to stimulate housing development at the City's fringe and contribute toward increasing the City's share of regional growth. To the extent that the City's existing TIRZ guidelines do not reflect this new policy thrust, they will be revised.

cc: Dan Jones, Agenda Director  
 Jimmie Schindewolf, Chief of Staff  
 Richard Lewis, F&A Director  
 Gene L. Locke, City Attorney  
 Anna Russell, City Secretary

REQUIRED AUTHORIZATION		
<b>F&amp;A Director:</b>	<b>Other Authorization:</b>	<b>Other Authorization:</b>