

City of Houston, Texas, Ordinance No. 2011- 908

AN ORDINANCE APPROVING THE FIFTH AMENDED PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN FOR REINVESTMENT ZONE NUMBER FIVE, CITY OF HOUSTON, TEXAS (MEMORIAL HEIGHTS ZONE); AUTHORIZING THE CITY SECRETARY TO DISTRIBUTE SUCH PLANS; CONTAINING FINDINGS AND OTHER PROVISIONS RELATED TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.

* * * * *

WHEREAS, by Ordinance No. 96-1337 adopted on December 18, 1996, the City Council of the City of Houston ("City") created Reinvestment Zone Number Five, City of Houston, Texas ("Zone") pursuant to Chapter 311 of the Texas Tax Code, as amended ("Code"), for the purposes of redevelopment in the area of the City generally referred to as the Memorial Heights area; and

WHEREAS, on May 21, 1997, by Ordinance No. 97-594, the Board of Directors of the Zone adopted, and the City approved, the Project Plan and Reinvestment Zone Financing Plan for the Zone (hereinafter, as amended, "Plans"); and

WHEREAS, Code Section 311.011 authorizes the Board of Directors of the Zone to adopt an amendment to its project plan with approval by City Council; and

WHEREAS, the Board of Directors of the Zone adopted, and the City approved, the First Amendment to the Plans on August 11, 1999, by Ordinance No. 1999-823; and

WHEREAS, the City approved the annexation of additional area into the Zone on October 10, 2007, by Ordinance No. 2007-1142 ("First Annexed Area"); and

WHEREAS, the Board of Directors of the Zone adopted and the City approved the Second Amendment to the Plans on September 3, 2008, by Ordinance No. 2008-784; and

WHEREAS, the City approved the annexation of additional area into the Zone on December 17, 2008, by Ordinance No. 2008-1204 ("Second Annexed Area") and again on March 25, 2009, by Ordinance No. 2009-235 ("Third Annexed Area," and, collectively with the First Annexed Area and the Second Annexed Area, the "Annexed Areas"); and

WHEREAS, the Board of Directors of the Zone adopted and the City approved the Third Amendment to the Plans on April 8, 2009, by Ordinance No. 2009-299; and

WHEREAS, the Board of Directors of the Zone adopted and the City approved the Fourth Amendment to the Plans on December 8, 2010, by Ordinance No. 2010-997; and

WHEREAS, at its September 13, 2011 board meeting, the Board of Directors of the Zone considered and adopted a Fifth Amendment to the Plans that included the removal of territory from the Zone's boundaries, and has requested the Fifth Amendment for approval by the City Council; and

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

WHEREAS, the Fifth Amendment includes the implementation and continuation of projects in the original area as well as in the Annexed Areas of the Zone; and

WHEREAS, Code Section 311.011 requires that a public hearing be held on the Fifth Amendment; 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 Fifth Amendment on October 19, 2011; and

WHEREAS, at the public hearing, interested persons were allowed to speak for or against the proposed Fifth Amendment, the reduction of the Zone's boundaries, and the concept of tax increment financing; and

WHEREAS, evidence was received and presented at the public hearing in favor of the proposed Fifth Amendment, the reduction of the Zone's boundaries, and the concept of tax increment financing; and

WHEREAS, the City Council approved reduction of the boundaries of the Zone pursuant to Ordinance No. 2011-_____¹;

WHEREAS, the City desires to approve the Fifth Amendment; **NOW, THEREFORE**,

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

Section 1. Findings. 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. Approval of the Amendment. That the Plans are hereby amended by adding "Part F," attached to this Ordinance as Exhibit "A." The Fifth Amendment is hereby determined to be feasible and is approved. The appropriate officials of the City are authorized to take all steps reasonably necessary to implement the Fifth Amendment.

Section 3. Distribution to Taxing Units. That the City Secretary is directed to provide copies of the Fifth Amendment to each taxing unit levying ad valorem taxes in the Zone.

Section 4. Public Hearing. That the 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 and readily 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 Act, Chapter 551, TEX. GOV'T CODE, as amended, 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. The City Council further ratifies, approves, and confirms such written notice and the contents and posting thereof.

Section 5. 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;

¹ Ordinance number of the ordinance reducing the Zone's boundaries to be inserted by the City Secretary.

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 26th day of October, 2011.

APPROVED this _____ day of _____, 2011.

Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is NOV 07 2011.



City Secretary

(Prepared by Legal Department Donna Capps)
(DRC:drc October 25, 2011) Assistant City Attorney
(Requested by Andy Icken, Chief Development Officer, Office of the Mayor)
(L.D. File No. 0610800066023)

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CAPTION PUBLISHED IN DAILY COURT

REVIEW

DATE: NOV 07 2011

AYE	NO	
✓		MAYOR PARKER
••••	••••	COUNCIL MEMBERS
✓		STARDIG
✓		JOHNSON
✓		CLUTTERBUCK
✓		ADAMS
✓		SULLIVAN
✓		HOANG
✓		PENNINGTON
✓		GONZALEZ
✓		RODRIGUEZ
✓		COSTELLO
✓		LOVELL
✓		NORIEGA
✓		BRADFORD
✓		JONES
CAPTION	ADOPTED	

EXHIBIT "A"

Fifth Amended Project Plan and
Reinvestment Zone Financing Plan (Part "F")

**TAX INCREMENT REINVESTMENT ZONE NUMBER FIVE
CITY OF HOUSTON, TEXAS**

MEMORIAL HEIGHTS ZONE

Fifth Amended
Project Plan and Reinvestment Zone Financing Plan

September 13, 2011

REINVESTMENT ZONE NUMBER FIVE, CITY OF HOUSTON, TEXAS
 MEMORIAL HEIGHTS ZONE
 Part F – Fifth Amended Project Plan and Reinvestment Zone Financing Plan

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Introduction

The Project Plan and Reinvestment Zone Financing Plan and amendments (“Plans”) for Reinvestment Zone Number Five, City of Houston, Texas (“Zone”) sets forth goals, expectations, and redevelopment plans and programs to create and support an environment attractive to private investment in the greater Memorial Heights area and in portions of the Buffalo Bayou and the White Oak Bayou inner loop recreational corridor. The intent of the Plans is to implement improvements that will result in the long-term stability and viability of the area.

The Zone was created by Ordinance No. 96-1337, on December 18, 1996, to facilitate the master-planned, mixed-use, residential redevelopment of approximately 112 acres bounded generally by Washington Avenue, Washington Cemetery, Memorial Drive, and Heights Boulevard. The Plans were adopted by City Council on May 21, 1997 by Ordinance No. 1997-594 (“Part A Plan”). In the Part A Plan, two alternatives were identified that were predicated on the relocation/abandonment of an existing rail spur. Because the rail spur was not abandoned within a time frame that would allow the development contemplated, the Plans were amended on August 11, 1999 by City Council by Ordinance No. 1999-823 (“Part B Plan”).

On October 10, 2007, City Council approved the annexation of approximately 800 acres into the Zone by Ordinance No. 2007-1142, and approved the Second Amended Project Plan and Reinvestment Zone Financing Plan by Ordinance No. 2008-784 on September 3, 2008 (“Part C Plan”). On December 17, 2008, City Council approved a second annexation of 38.4 acres into the Zone by Ordinance No. 2008-1204, for a proposed mixed-used development. On March 25, 2009, an additional .10 acres consisting of sidewalk/public trail access easements was added to the Zone’s boundaries by Ordinance No. 2009-235. On April 8, 2009, City Council approved the Third Amended Project Plan and Reinvestment Zone Financing Plan by Ordinance No. 2009-299, (“Part D Plan”). On December 8, 2010, City Council approved the Fourth Amended Project Plan and Reinvestment Zone Financing Plan by Ordinance No. 2010-997 for the Zone (“Part E Plan”).

This Fifth Amendment to the Plans (“Part F” Plan) consists of two parts, Section One and Section Two.

Section One:

The Part A Plan: The Part A Plan covered approximately 112 acres bounded generally by Washington Avenue, Washington Cemetery, Memorial Drive, and Heights Boulevard. The Part A Plan contemplated the financing and management tools needed to help alleviate blight, deteriorated site conditions, relieve obsolete platting; and encourage sound growth of residential development and supporting uses within the Zone. The aforementioned goals were to be achieved primarily through the financing of:

- Real property assemblage and associated costs
- Environmental remediation
- Public utilities including water, sewer, and drainage facilities
- Utility Impact Fees
- Paving
- Landscaping
- Improvements to Spotts Park
- Intersection improvements
- Pedestrian Bridge and improvements to tie into Houston Bikeways/Memorial Trail system.

Much of what was formerly vacant land previously occupied by industrial uses has been converted into high-density residential and commercial development. This development, which occurred within the

original boundaries of the Zone, has acted as a catalyst for additional redevelopment throughout the surrounding area. A new initiative proposed to occur within the original boundaries of the Zone will convert an additional 28 acres of multi-family housing from 616 units to an estimated 1,860 units. The Zone will continue to implement and pay for the project costs for the Part A Plan.

The Part B Plan: The Part B Plan both restated and further defined the fundamental goals and objectives identified in the Part A Plan. However, the primary intent of the Part B Plan was to reflect the inclusion of Houston Independent School District's ("HISD") participation in the Zone.

The Part C Plan: The Second Amendment to the Plans included provisions for a Zone area expansion and projects for the enhancement of and improvements to the newly annexed public land. The geographic area covered by the Part C Plan includes the areas covered by the Part A and Part B Plans, as well as the recently annexed 800 acres of land.

The Part D Plan: The Third Amended Project Plan includes provisions for a Zone area expansion and projects for the enhancement of and improvements to the newly annexed territory. The geographic area covered by the Part D Plan includes the areas covered by the Part A, Part B, and Part C Plans, as well as the approximately 39 acres of land recently annexed at Regent Square and sidewalk/trail easements at Studemont Street and Memorial Drive. The proposed improvements in the annexed area are associated with the Regent Square project and will allow the Zone to enter into a development agreement with the owner of most of this property to develop a mixed-use project that includes for-sale and rental residential units, retail and restaurant development, and office space. The development agreement would reimburse the developer for various public improvements including, but not limited to, underground utility improvements (water, wastewater, and storm drainage), street lighting and landscaping, sidewalks, and utility impact fees. Public improvements proposed in the Part D Plan relate to the original goals of the Zone. Part D Plan tax increment revenues that are not utilized for the project costs associated with the Part D Plan annexed area may be utilized for project costs in the Part A Plan, Part B Plan, and Part C Plan areas of the Zone.

The Part E Plan: The Part E Plan includes provisions in anticipation of funds associated with extending the duration of the Zone. The additional funds derived from the Part E Plan will be utilized for public improvement project costs consistent with the Part A, Part B, Part C, and Part D Plans. Additionally, funding increases for other project costs, administrative expenses, and operational costs were included, resulting in an overall increase in project costs of \$47,797,291.

Section Two:

The Zone and the City now desire to further amend the Plans as described herein ("Part F Plan"). The Part F Plan provides for enhancement of and improvements in the Zone, and contemplates reducing the boundaries of the Zone by approximately 253 acres of land that was previously included in the Part A-Part E Plans. The Part A-F Plans combined will provide the necessary tools to alleviate blight, deteriorated street and site conditions, and obsolete public services and facilities and will encourage growth of residential, retail, and commercial development within the Zone.

The Part F Plan:

Goals: Public improvements proposed in the Part F Plan relate to the goals of the Original and amended Plans and are as follows:

Goal 1: Infrastructure Improvements:

Public streets and public utility systems are required to create an environment that will stimulate private investment in retail, residential, and multi-family developments. Reconstruction (major and minor) of key streets and utility systems will be undertaken to enhance the level of service in the area, improve functionality, replace aged facilities, and increase aesthetics. All roadway improvements will be integrated with street reconstruction projects of the City of Houston and others, as needed, and where possible, include elements not included in those programs.

Goal 2: Parks and Related Amenities:

The creation of pedestrian-friendly safe environments, public open green space, and access and egress improvements including land acquisition, dedication of public easements, parking, and the construction of enhancements with an emphasis on the watershed of the Lower White Oak Bayou, are important components of the Part F Plan. All improvements will be integrated with adjacent land uses and provide upgrades focused on connectivity, pedestrian safety, and the visual environment.

Goal 3: Non-Vehicular/Multi-Modal Transportation Systems:

Development of on-road and off-road hike and bike trails including sidewalks, pedestrian bridges, lighting, street trees, landscaping, wayfinding signage, benches, street furniture, public art and other pedestrian amenities. Improvements include establishment of off-street hike and bike lanes where adequate right-of-way/public easements are available, widening of existing sidewalks/roadway bridge decks to accommodate both pedestrian and bicyclists, and modification of lane design within existing pavement.

Goal 4: Cultural and Public Facilities:

Efforts to enhance the quality of life of area residents through the rehabilitation of cultural and public facilities are anticipated in the Part F Plan. Repositioning of historic cemeteries is a component part of this category.

Goal 5: Drainage and Detention Facilities:

The fundamental goal of the Part F Plan will be to address issues related to storm water management. This will be achieved through the construction of flood mitigation utility systems, including the design and construction of new storm water systems, retention basins, channel and environmental/ecological restoration projects, reclamation and other methodologies proven to reduce volumes of runoff from drainage areas. Flood risk management will be implemented so as to minimize increased risk of flooding either locally or elsewhere.

Goal 6: Affordable Housing:

Provisions for a commitment to the City of Houston for an affordable housing contribution is included in the Part F Plan.

Project Plan and Reinvestment Zone Financing Plan for the Zone

A. Project Plan

Existing Uses of Land (Texas Tax Code §311.011(b)(1)): Map 1 (attached) depicts the existing land and proposed uses in the Zone. The existing and proposed land uses include multi-family residential,

commercial, office, public and institutional, transportation and utility, park and open spaces, and undeveloped land uses.

Proposed Changes of Zoning Ordinances, Master Plan of Municipality, Building Codes, and other Municipal Ordinances (Texas Tax Code §311.011(b)(2)): All construction will be performed in conformance with the City's existing rules and regulations. There are no proposed changes to any City ordinance, master plan, or building code.

Estimated Non-Project Costs (Texas Tax Code §311.011(b)(3)): Resolution 1997-0001, adopted by City Council on January 8, 1997, created the Memorial Heights Public Improvement District (PID). The viability of submitting to City Council a PID Assessment has been discussed among single family and multi-family residents within the original boundaries of the Zone. No known assessment rate or collection amount is known at this time.

Method of Relocating Persons to be Displaced, if any, as a Result of Implementing the Plan (Texas Tax Code §311.011(b)(4)): It is not anticipated that any residents will be displaced by any of the projects to be undertaken in the Zone.

B. Reinvestment Zone Financing Plan

Estimated Project Costs (Texas Tax Code §311.011(c)(1)): Exhibit 1 (attached) details the proposed public improvement and administrative project costs. The dollar amounts are approximate and may be amended from time to time by City Council. The financing costs are a function of project financing needs and will vary with market conditions from the estimates shown on Exhibit 1. The estimated project descriptions in the Part A Plan, Part B Plan, Part C Plan, Part D Plan, and Part E Plan remain valid for those projects at this time.

Proposed Kind, Number, and Location of all Proposed Public Works or Public Improvements to be Financed in the Zone (Texas Tax Code §311.011(c)(2)): These details are described throughout the Plan.

Economic Feasibility (Texas Tax Code §311.011(c)(3)): An economic feasibility study was completed for the Memorial Heights area in 1996 by CDS Market Research. The study documents the economic potential of the Zone. Exhibits 2 through 5 constitute incremental revenue estimates for the Zone. The incremental revenue estimates are projected to be sufficient to cover the costs of the proposed redevelopment and infrastructure improvements in the Zone. The Plan estimates total project costs of \$139,680,493. The Zone and the City find and determine that the Part A Plan, Part B Plan, Part C Plan, Part D Plan, Part E Plan, and Part F Plan are economically feasible.

Estimated Amount of Bond Indebtedness; Estimated Time When Related Costs or Monetary Obligations Incurred (Texas Tax Code §311.011(c)(4), §311.011(c)(5)): Issuance of notes and bonds by the Zone will occur as tax increment revenues allow. The value and timing of the issuance of notes or bonds will correlate to debt capacity as derived from the attached revenue and project schedules, as well as actual market conditions for the issue and sale of such notes and bonds.

Methods and Sources of Financing Project Costs and Percentage of Increment from Taxing Units Anticipated to Contribute Tax Increment to the Zone (Texas Tax Code §311.011(c)(6)): Methods and sources of financing include the issuance of notes and bonds, as well as collaboration with developers and other entities for grant funding and partnerships. Tax Year 1997 was the base year for the Zone, and Tax Year 2029 is the scheduled termination date. As outlined in Exhibits 2 through 5, at least \$82.7 million of increment is estimated to be generated by the Zone for use in funding project costs. This figure is calculated using an estimated collection rate of 95% and a City contribution of \$0.63875/\$100 of assessed

valuation in the Original and 2007, 2008, and 2009 Annexed Areas and, a HISD contribution of \$1.15670/\$100 of assessed valuation in the Original Area. HISD participation in the Zone will terminate with the collection of the Tax Year 2017 increment payment.

Current Total Appraised Value of Taxable Real Property (Texas Tax Code §311.011(c)(7)): The current projected appraised value of taxable real property in the Zone as of April 15, 2011 is \$365,975.043.

Estimated Captured Appraised Value of Zone During Each Year of Existence (Texas Tax Code §311.011(c)(8)): The estimated captured appraised value for the remaining duration of the Zone is set forth in Exhibit 2.

Zone Duration (Texas Tax Code §311.011(c)(9)): When the Zone was initially created by City Council on December 10, 1997, its duration was established at 19 years. Due to the magnitude of development within and adjacent to the Zone and the increased demand on the already-distressed infrastructure, by Ordinance 2010-996, adopted by City Council on December 8, 2010, the duration of the Zone was extended to December 31, 2029.

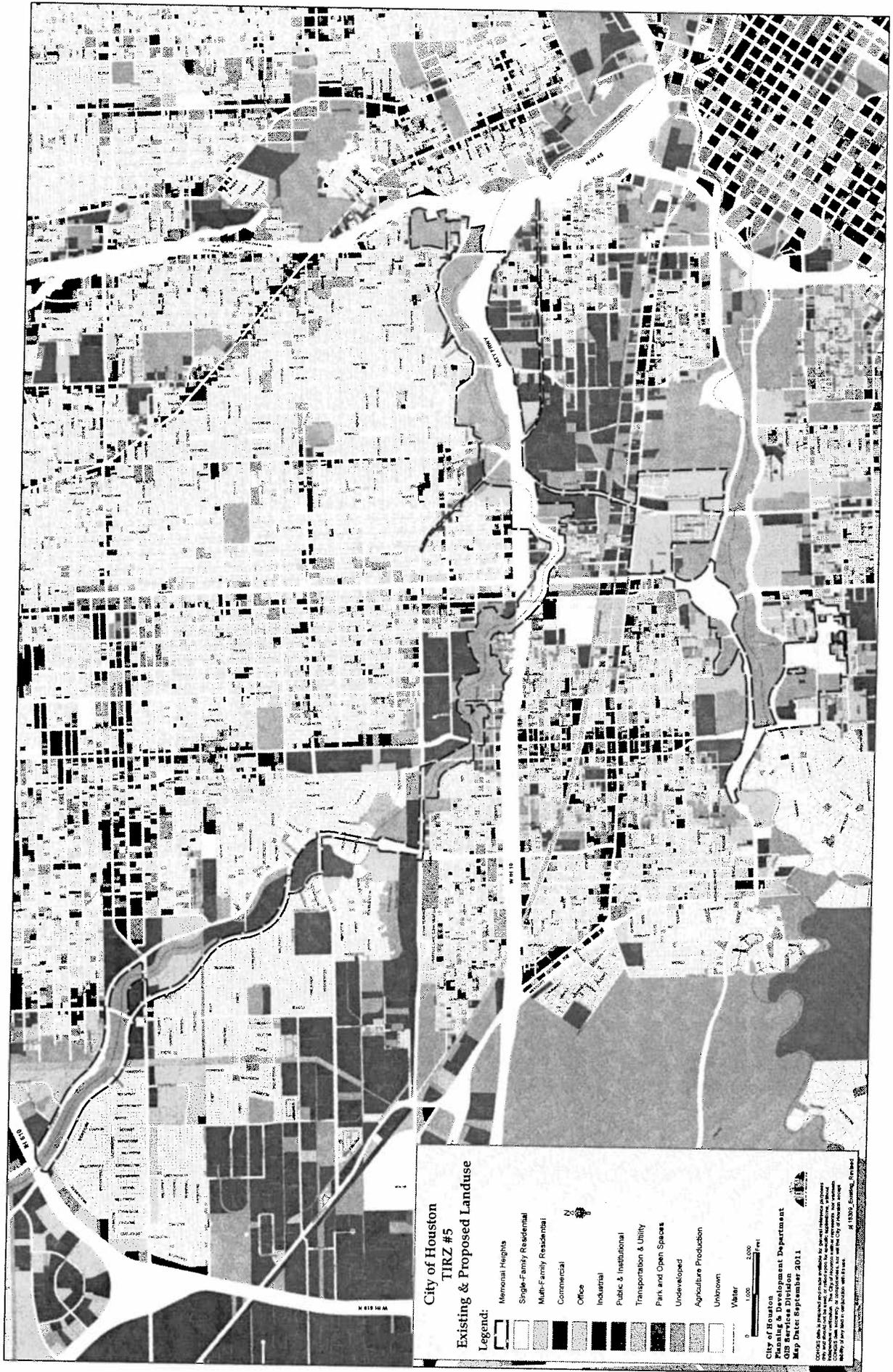
MAPS AND EXHIBITS

EXHIBIT I

Project Cost Amendments: The following table includes the approved project cost for the Part A, Part B, Part C and Part D Plans and the changes made to those budgets through this Part E amendment:

	1997 (B) Plan Estimated Costs	1999 Plan Estimated Costs	2008 Plan Estimated Costs	2009 Plan Estimated Costs	2010 Plan Estimated Costs	2012 Plan Estimated Costs	Total Plan	Cost through 06/30/10	Remaining Costs
Infrastructure Improvements:									
Public Utilities - Parts A, B, C, D and E									
Water Single Family/Townhome	\$ 262,000	\$ 262,000	\$ -	\$ -	\$ -	\$ -	\$ 262,000	\$ -	\$ 262,000
Water Multi Family	\$ 123,000	\$ 123,000	\$ -	\$ -	\$ -	\$ -	\$ 123,000	\$ -	\$ 123,000
Sanitary Sewer	\$ 383,625	\$ 383,625	\$ -	\$ -	\$ -	\$ -	\$ 383,625	\$ -	\$ 383,625
Water Impact Fees	\$ 158,800	\$ 158,800	\$ -	\$ -	\$ -	\$ -	\$ 158,800	\$ -	\$ 158,800
Wastewater Impact Fees	\$ 555,800	\$ 555,800	\$ -	\$ -	\$ -	\$ -	\$ 555,800	\$ -	\$ 555,800
Stormwater	\$ 511,500	\$ 511,500	\$ -	\$ -	\$ -	\$ -	\$ 511,500	\$ -	\$ 511,500
Streetslights	\$ 5,400	\$ 5,400	\$ -	\$ -	\$ -	\$ -	\$ 5,400	\$ -	\$ 5,400
Public Utilities	\$ -	\$ -	\$ 1,644,510	\$ 4,500,000	\$ -	\$ 10,000,000	\$ 16,144,510	\$ -	\$ 16,144,510
Total Public Utilities - Parts A, B, C, D and E	\$ 2,000,125	\$ 2,000,125	\$ 1,644,510	\$ 4,500,000	\$ -	\$ 10,000,000	\$ 18,144,635	\$ 2,885,228	\$ 15,259,407
Roadway and Sidewalk Improvements - Parts A, B, C, D and E									
Intersection Improvements (Studemont@Washington)	\$ 150,000	\$ 150,000	\$ 125,000	\$ -	\$ -	\$ -	\$ 275,000	\$ -	\$ 275,000
Public 41" Paving Sect.	\$ 281,250	\$ 281,250	\$ -	\$ -	\$ -	\$ -	\$ 281,250	\$ -	\$ 281,250
Private/UE/28" Paving sect.	\$ 781,850	\$ 781,850	\$ -	\$ -	\$ -	\$ -	\$ 781,850	\$ -	\$ 781,850
Public right-of-way improvements	\$ -	\$ -	\$ 500,000	\$ 6,500,000	\$ 13,400,000	\$ 10,000,000	\$ 30,400,000	\$ -	\$ 30,400,000
Total Roadway and Sidewalk Improvements - Parts A, B, C, D and E	\$ 1,213,100	\$ 1,213,100	\$ 625,000	\$ 6,500,000	\$ 13,400,000	\$ 10,000,000	\$ 31,738,100	\$ 4,446,666	\$ 27,291,434
Total Infrastructure Improvements - Parts A, B, C, D and E	\$ 3,213,225	\$ 3,213,225	\$ 2,269,510	\$ 11,000,000	\$ 13,400,000	\$ 20,000,000	\$ 49,882,735	\$ 7,331,894	\$ 42,550,841
Other Project Costs:									
Park Improvements - Parts A, B, C, D and E									
Landscape/Irrigation	\$ 1,065,000	\$ 1,065,000	\$ -	\$ -	\$ -	\$ -	\$ 1,065,000	\$ -	\$ 1,065,000
Perimeter Fencing	\$ 284,375	\$ 284,375	\$ -	\$ -	\$ -	\$ -	\$ 284,375	\$ -	\$ 284,375
Park Improvements	\$ 500,000	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ 500,000
Pedestrian Bridge	\$ 300,000	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ -	\$ 300,000
Parks/Pedestrian Amenities/Hike and Bike Trails	\$ -	\$ -	\$ 15,000,000	\$ -	\$ -	\$ -	\$ 15,000,000	\$ -	\$ 15,000,000
Total Park Improvements - Parts A, B, C, D and E	\$ 2,149,375	\$ 2,149,375	\$ 15,000,000	\$ -	\$ -	\$ -	\$ 17,148,375	\$ 11,112,516	\$ 6,035,859
Professional Services/TIRZ Administration Parts - A, B, C, D and E									
Professional Services	\$ 1,185,000	\$ 1,185,000	\$ 2,133,460	\$ -	\$ -	\$ -	\$ 3,318,460	\$ -	\$ 3,318,460
TIRZ Administration and Management	\$ -	\$ -	\$ 1,980,393	\$ -	\$ 1,215,000	\$ -	\$ 3,195,393	\$ -	\$ 3,195,393
Total Professional Services/TIRZ Administration - Parts A, B, C, D and E	\$ 1,185,000	\$ 1,185,000	\$ 4,113,853	\$ -	\$ 1,215,000	\$ -	\$ 6,513,853	\$ 2,758,544	\$ 3,755,309
Property Assemblage/Clean-up - Parts A, B, C, D and E									
Land Acquisition/Relocation	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 25,000,000	\$ 25,100,000	\$ -	\$ 25,100,000
Environmental Clean-up	\$ 2,000,000	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	\$ -	\$ 2,000,000
Total Property Assemblage/Clean-up - Parts A, B, C, D and E	\$ 2,100,000	\$ 2,100,000	\$ -	\$ -	\$ -	\$ 25,000,000	\$ 27,100,000	\$ 882,382	\$ 26,217,618
Project Financing Costs - Parts A, B, C, D and E									
Financing Costs	\$ 8,959,321	\$ 8,959,321	\$ 920,192	\$ -	\$ -	\$ -	\$ 9,879,513	\$ -	\$ 9,879,513
Total Project Financing Costs - Parts A, B, C, D and E	\$ 8,959,321	\$ 8,959,321	\$ 920,192	\$ -	\$ -	\$ -	\$ 9,879,513	\$ 3,255,107	\$ 6,624,406
Creation Costs - Parts A, B, C, D and E									
Creation Costs	\$ 165,000	\$ 165,000	\$ -	\$ -	\$ -	\$ -	\$ 165,000	\$ -	\$ 165,000
Total Creation Costs - Parts A, B, C, D and E	\$ 165,000	\$ 165,000	\$ -	\$ -	\$ -	\$ -	\$ 165,000	\$ 175,300	\$ (10,300)
Educational Project Costs - Parts A, B, C, D and E									
Design and Construction of Educational Facilities	\$ -	\$ 10,903,863	\$ 10,903,863	\$ -	\$ -	\$ -	\$ 21,807,726	\$ -	\$ 21,807,726
Total Educational Project Costs - Parts A, B, C, D and E	\$ -	\$ 10,903,863	\$ 10,903,863	\$ -	\$ -	\$ -	\$ 21,807,726	\$ 10,903,863	\$ 10,903,863
Affordable Housing Costs - Parts A, B, C, D and E									
Affordable Housing	\$ -	\$ -	\$ 4,889,127	\$ 6,610,792	\$ 21,832,291	\$ -	\$ 28,332,210	\$ -	\$ 28,332,210
Total Affordable Housing Costs - Parts A, B, C, D and E	\$ -	\$ -	\$ 4,889,127	\$ 6,610,792	\$ 21,832,291	\$ -	\$ 33,332,210	\$ 1,147,142	\$ 32,185,068
Total Other Project Costs - Parts A, B, C, D and E	\$ 14,568,696	\$ 25,462,559	\$ 35,827,035	\$ 6,610,792	\$ 34,397,291	\$ 40,000,000	\$ 119,893,895	\$ 18,926,943	\$ 100,966,952
PROJECT PLAN TOTAL	\$ 17,771,921	\$ 28,675,784	\$ 38,096,545	\$ 17,610,792	\$ 47,797,291	\$ 60,000,000	\$ 169,776,630	\$ 26,258,837	\$ 143,517,793

Map of Existing and Proposed Land Uses



City of Houston
TIRZ #5
Existing & Proposed Landuse

Legend:

- Memorial Heights
- Single-Family Residential
- Multi-Family Residential
- Commercial
- Office
- Industrial
- Public & Institutional
- Transportation & Utility
- Park and Open Spaces
- Undeveloped
- Agriculture Production
- Unknown
- Water

0 1,000 2,000 Feet

City of Houston
GIS Planning & Development Department
Map Date: September 2011

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EXHIBIT 2 – Revenue Schedule All Jurisdictions

Tax Year (1)	Increment Revenue			Net Revenue (Total Increment Revenue Less Transfers)
	City	Houston ISD (2)	Total Increment Revenue	
2011	\$ 1,439,910	\$ 867,653	\$ 2,307,563	\$ 1,822,985
2012	\$ 1,476,938	\$ 880,667	\$ 2,357,605	\$ 1,865,362
2013	\$ 1,683,930	\$ 893,877	\$ 2,577,807	\$ 2,069,314
2014	\$ 2,896,772	\$ 907,285	\$ 3,804,057	\$ 3,228,933
2015	\$ 3,477,548	\$ 920,895	\$ 4,398,442	\$ 3,788,200
2016	\$ 3,584,397	\$ 934,708	\$ 4,519,105	\$ 3,897,349
2017	\$ 3,664,314	\$ 948,729	\$ 4,613,043	\$ 3,981,028
2018	\$ 3,745,830		\$ 3,745,830	\$ 3,558,538
2019	\$ 3,828,975		\$ 3,828,975	\$ 3,637,527
2020	\$ 3,913,784		\$ 3,913,784	\$ 3,718,095
2021	\$ 4,000,289		\$ 4,000,289	\$ 3,800,275
2022	\$ 4,088,524		\$ 4,088,524	\$ 3,884,098
2023	\$ 4,178,524		\$ 4,178,524	\$ 3,969,598
2024	\$ 4,270,324		\$ 4,270,324	\$ 4,056,808
2025	\$ 4,383,850		\$ 4,383,850	\$ 4,164,658
2026	\$ 5,113,665		\$ 5,113,665	\$ 4,857,981
2027	\$ 5,705,161		\$ 5,705,161	\$ 5,419,903
2028	\$ 7,181,456		\$ 7,181,456	\$ 6,822,384
2029	\$ 7,753,815		\$ 7,753,815	\$ 7,366,125
	\$ 76,388,006	\$ 6,353,814	\$ 82,741,820	\$ 75,909,160

Notes:

(1) TIRZ 5 is scheduled to terminate in Tax Year 2029

(2) Houston Independent School District participation in the TIRZ ends with the collection of the Tax Year 2017 payment

EXHIBIT 3 – Transfer Schedule All Jurisdictions

Tax Year (1)	Increment Revenue				Transfers					Net Revenue (Total Increment Revenue less Total Transfers)
	City (2)	Houston ISD(3)	Total Increment Revenue	Houston ISD Educational	Admin Fees			Total Transfers		
					City	Houston ISD	Total			
2011	\$ 1,439,910	\$ 867,653	\$ 2,307,563	\$ 387,582	\$ 71,996	\$ 25,000	\$ 96,996	\$ 484,577	\$ 1,822,985	
2012	\$ 1,476,938	\$ 880,667	\$ 2,357,605	\$ 393,396	\$ 73,847	\$ 25,000	\$ 98,847	\$ 492,243	\$ 1,865,362	
2013	\$ 1,683,930	\$ 893,877	\$ 2,577,807	\$ 399,297	\$ 84,196	\$ 25,000	\$ 109,196	\$ 508,493	\$ 2,069,314	
2014	\$ 2,896,772	\$ 907,285	\$ 3,804,057	\$ 405,286	\$ 144,839	\$ 25,000	\$ 169,839	\$ 575,125	\$ 3,228,933	
2015	\$ 3,477,548	\$ 920,895	\$ 4,398,442	\$ 411,365	\$ 173,877	\$ 25,000	\$ 198,877	\$ 610,243	\$ 3,788,200	
2016	\$ 3,584,397	\$ 934,708	\$ 4,519,105	\$ 417,536	\$ 179,220	\$ 25,000	\$ 204,220	\$ 621,756	\$ 3,897,349	
2017	\$ 3,664,314	\$ 948,729	\$ 4,613,043	\$ 423,799	\$ 183,216	\$ 25,000	\$ 208,216	\$ 632,015	\$ 3,981,028	
2018	\$ 3,745,830		\$ 3,745,830		\$ 187,291		\$ 187,291	\$ 187,291	\$ 3,558,538	
2019	\$ 3,828,975		\$ 3,828,975		\$ 191,449		\$ 191,449	\$ 191,449	\$ 3,637,527	
2020	\$ 3,913,784		\$ 3,913,784		\$ 195,689		\$ 195,689	\$ 195,689	\$ 3,718,095	
2021	\$ 4,000,289		\$ 4,000,289		\$ 200,014		\$ 200,014	\$ 200,014	\$ 3,800,275	
2022	\$ 4,088,524		\$ 4,088,524		\$ 204,426		\$ 204,426	\$ 204,426	\$ 3,884,098	
2023	\$ 4,178,524		\$ 4,178,524		\$ 208,926		\$ 208,926	\$ 208,926	\$ 3,969,598	
2024	\$ 4,270,324		\$ 4,270,324		\$ 213,516		\$ 213,516	\$ 213,516	\$ 4,056,808	
2025	\$ 4,383,850		\$ 4,383,850		\$ 219,193		\$ 219,193	\$ 219,193	\$ 4,164,658	
2026	\$ 5,113,665		\$ 5,113,665		\$ 255,683		\$ 255,683	\$ 255,683	\$ 4,857,981	
2027	\$ 5,705,161		\$ 5,705,161		\$ 285,258		\$ 285,258	\$ 285,258	\$ 5,419,903	
2028	\$ 7,181,456		\$ 7,181,456		\$ 359,073		\$ 359,073	\$ 359,073	\$ 6,822,384	
2029	\$ 7,753,815		\$ 7,753,815		\$ 387,691		\$ 387,691	\$ 387,691	\$ 7,366,125	
	\$ 76,388,006	\$ 6,353,814	\$ 82,741,820	\$ 2,838,261	\$ 3,819,400	\$ 175,000	\$ 3,994,400	\$ 6,832,661	\$ 75,909,160	

Notes:

- (1) TIRZ 5 is scheduled to terminate in Tax Year 2029
- (2) Tax Year 2011 revenues derived from the Harris County Appraisal District August 26, 2011 report
For Tax Years 2012 to 2029, revenue increases reflect Regents Square development in the 2008 Annexed Area
- (3) Houston Independent School District participation in the TIRZ ends with the collection of the Tax Year 2017 payment

EXHIBIT 4A – Revenue Schedule
City of Houston – Original Area 1996

Tax Year(1)	Base Value (2)	Projected Value (3)	Captured Appraised Value	Collection Rate (4)	Tax Rate	Increment Revenue
2011	\$ 26,633,950	\$ 254,682,526	\$ 228,048,576	95.00%	0.63875	\$ 1,383,827
2012	\$ 26,633,950	\$ 259,776,177	\$ 233,142,227	95.00%	0.63875	\$ 1,414,736
2013	\$ 26,633,950	\$ 264,971,700	\$ 238,337,750	95.00%	0.63875	\$ 1,446,263
2014	\$ 26,633,950	\$ 270,271,134	\$ 243,637,184	95.00%	0.63875	\$ 1,478,421
2015	\$ 26,633,950	\$ 275,676,557	\$ 249,042,607	95.00%	0.63875	\$ 1,511,222
2016	\$ 26,633,950	\$ 281,190,088	\$ 254,556,138	95.00%	0.63875	\$ 1,544,678
2017	\$ 26,633,950	\$ 286,813,890	\$ 260,179,940	95.00%	0.63875	\$ 1,578,804
2018	\$ 26,633,950	\$ 292,550,167	\$ 265,916,217	95.00%	0.63875	\$ 1,613,613
2019	\$ 26,633,950	\$ 298,401,171	\$ 271,767,221	95.00%	0.63875	\$ 1,649,117
2020	\$ 26,633,950	\$ 304,369,194	\$ 277,735,244	95.00%	0.63875	\$ 1,685,332
2021	\$ 26,633,950	\$ 310,456,578	\$ 283,822,628	95.00%	0.63875	\$ 1,722,271
2022	\$ 26,633,950	\$ 316,665,710	\$ 290,031,760	95.00%	0.63875	\$ 1,759,949
2023	\$ 26,633,950	\$ 322,999,024	\$ 296,365,074	95.00%	0.63875	\$ 1,798,380
2024	\$ 26,633,950	\$ 329,459,004	\$ 302,825,054	95.00%	0.63875	\$ 1,837,580
2025	\$ 26,633,950	\$ 336,048,184	\$ 309,414,234	95.00%	0.63875	\$ 1,877,564
2026	\$ 26,633,950	\$ 342,769,148	\$ 316,135,198	95.00%	0.63875	\$ 1,918,348
2027	\$ 26,633,950	\$ 349,624,531	\$ 322,990,581	95.00%	0.63875	\$ 1,959,947
2028	\$ 26,633,950	\$ 356,617,022	\$ 329,983,072	95.00%	0.63875	\$ 2,002,379
2029	\$ 26,633,950	\$ 363,749,362	\$ 337,115,412	95.00%	0.63875	\$ 2,045,658
						\$ 32,228,092

Notes:

- (1) TIRZ 5 is scheduled to terminate in Tax Year 2029
- (2) Base Year is Tax Year 1996
- (3) Tax Year 2011 Property Values based on the Harris County Appraisal District August 26, 2011 report
For Tax Years 2012 to 2029, the property value increases at an annual rate of 2%
- (4) Collection rate for Tax Year 2011 to Tax Year 2029 estimated at 95%

EXHIBIT 4B – Revenue Schedule
City of Houston – Annexed Area 2007

Tax Year(1)	Base Value (2)	Projected Value (3)	Captured Appraised Value	Collection Rate (4)	Tax Rate	Increment Revenue
2011	0	\$ 5,852,004	\$ 5,852,004	95.00%	0.63875	\$ 35,511
2012	0	\$ 5,969,044	\$ 5,969,044	95.00%	0.63875	\$ 36,221
2013	0	\$ 6,088,425	\$ 6,088,425	95.00%	0.63875	\$ 36,945
2014	0	\$ 6,210,193	\$ 6,210,193	95.00%	0.63875	\$ 37,684
2015	0	\$ 6,334,397	\$ 6,334,397	95.00%	0.63875	\$ 38,438
2016	0	\$ 6,461,085	\$ 6,461,085	95.00%	0.63875	\$ 39,207
2017	0	\$ 6,590,307	\$ 6,590,307	95.00%	0.63875	\$ 39,991
2018	0	\$ 6,722,113	\$ 6,722,113	95.00%	0.63875	\$ 40,791
2019	0	\$ 6,856,555	\$ 6,856,555	95.00%	0.63875	\$ 41,606
2020	0	\$ 6,993,686	\$ 6,993,686	95.00%	0.63875	\$ 42,439
2021	0	\$ 7,133,560	\$ 7,133,560	95.00%	0.63875	\$ 43,287
2022	0	\$ 7,276,231	\$ 7,276,231	95.00%	0.63875	\$ 44,153
2023	0	\$ 7,421,756	\$ 7,421,756	95.00%	0.63875	\$ 45,036
2024	0	\$ 7,570,191	\$ 7,570,191	95.00%	0.63875	\$ 45,937
2025	0	\$ 7,721,595	\$ 7,721,595	95.00%	0.63875	\$ 46,856
2026	0	\$ 7,876,027	\$ 7,876,027	95.00%	0.63875	\$ 47,793
2027	0	\$ 8,033,547	\$ 8,033,547	95.00%	0.63875	\$ 48,749
2028	0	\$ 8,194,218	\$ 8,194,218	95.00%	0.63875	\$ 49,724
2029	0	\$ 8,358,103	\$ 8,358,103	95.00%	0.63875	\$ 50,718
						\$ 811,084

Notes:

- (1) TIRZ 5 is scheduled to terminate in Tax Year 2029
- (2) Base Year is Tax Year 2007
- (3) Tax Year 2011 Property Values based on the Harris County Appraisal District August 26, 2011 report
For Tax Years 2012 to 2029, the property value increases at an annual rate of 2%
- (4) Collection rate for Tax Year 2011 to Tax Year 2029 estimated at 95%

EXHIBIT 4C – Revenue Schedule
City of Houston – Annexed Area 2008

Tax Year(1)	Base Value (2)	Projected Value (3)	Captured Appraised Value	Collection Rate (4)	Tax Rate	Increment Revenue
2011	\$ 41,173,587	\$ 44,563,791	\$ 3,390,204	95.00%	0.63875	\$ 20,572
2012	\$ 41,173,587	\$ 45,455,067	\$ 4,281,480	95.00%	0.63875	\$ 25,981
2013	\$ 41,173,587	\$ 74,251,558	\$ 33,077,971	95.00%	0.63875	\$ 200,721
2014	\$ 41,173,587	\$ 268,701,293	\$ 227,527,706	95.00%	0.63875	\$ 1,380,667
2015	\$ 41,173,587	\$ 358,880,956	\$ 317,707,369	95.00%	0.63875	\$ 1,927,888
2016	\$ 41,173,587	\$ 370,849,000	\$ 329,675,413	95.00%	0.63875	\$ 2,000,512
2017	\$ 41,173,587	\$ 378,265,980	\$ 337,092,393	95.00%	0.63875	\$ 2,045,519
2018	\$ 41,173,587	\$ 385,831,300	\$ 344,657,713	95.00%	0.63875	\$ 2,091,426
2019	\$ 41,173,587	\$ 393,547,926	\$ 352,374,339	95.00%	0.63875	\$ 2,138,252
2020	\$ 41,173,587	\$ 401,418,885	\$ 360,245,298	95.00%	0.63875	\$ 2,186,013
2021	\$ 41,173,587	\$ 409,447,262	\$ 368,273,675	95.00%	0.63875	\$ 2,234,731
2022	\$ 41,173,587	\$ 417,636,207	\$ 376,462,620	95.00%	0.63875	\$ 2,284,422
2023	\$ 41,173,587	\$ 425,988,932	\$ 384,815,345	95.00%	0.63875	\$ 2,335,108
2024	\$ 41,173,587	\$ 434,508,710	\$ 393,335,123	95.00%	0.63875	\$ 2,386,807
2025	\$ 41,173,587	\$ 446,476,754	\$ 405,303,167	95.00%	0.63875	\$ 2,459,430
2026	\$ 41,173,587	\$ 559,871,553	\$ 518,697,966	95.00%	0.63875	\$ 3,147,524
2027	\$ 41,173,587	\$ 650,334,598	\$ 609,161,011	95.00%	0.63875	\$ 3,696,465
2028	\$ 41,173,587	\$ 886,468,374	\$ 845,294,787	95.00%	0.63875	\$ 5,129,354
2029	\$ 41,173,587	\$ 973,494,341	\$ 932,320,754	95.00%	0.63875	\$ 5,657,439
						\$ 43,348,830

Notes:

- (1) TIRZ 5 is scheduled to terminate in Tax Year 2029
- (2) Base Year is Tax Year 2008
- (3) Tax Year 2011 Property Values based on the Harris County Appraisal District August 26, 2011 report
For Tax Years 2012 to 2029, revenue increases incorporates Regents Square development
- (4) Collection rate for Tax Year 2011 to Tax Year 2029 estimated at 95%

EXHIBIT 5 – Revenue Schedule
Houston Independent School District – Original Area 1997

Tax Year(1)	Base Value (2)	Lesser of:			Collection Rate (4)	Tax Rate	Increment Revenue
		Captured Appraised Value		Project Plan Appraised Value			
		Projected Value	Captured Appraised Value				
2011	\$ 26,633,950	\$ 252,103,042	\$ 225,469,092	\$ 78,958,974	95.00%	1.1567	\$ 867,653
2012	\$ 26,633,950	\$ 257,145,103	\$ 230,511,153	\$ 80,143,359	95.00%	1.1567	\$ 880,667
2013	\$ 26,633,950	\$ 262,288,005	\$ 235,654,055	\$ 81,345,509	95.00%	1.1567	\$ 893,877
2014	\$ 26,633,950	\$ 267,533,765	\$ 240,899,815	\$ 82,565,692	95.00%	1.1567	\$ 907,285
2015	\$ 26,633,950	\$ 272,884,440	\$ 246,250,490	\$ 83,804,177	95.00%	1.1567	\$ 920,895
2016	\$ 26,633,950	\$ 278,342,129	\$ 251,708,179	\$ 85,061,240	95.00%	1.1567	\$ 934,708
2017	\$ 26,633,950	\$ 283,908,972	\$ 257,275,022	\$ 86,337,159	95.00%	1.1567	\$ 948,729
							\$ 6,353,814

Notes:

- (1) Houston Independent School District participation in the TIRZ ends with the collection of the Tax Year 2017 payment
- (2) Base Year is Tax Year 1997
- (3) Tax Year 2011 Property Values based on the Harris County Appraisal District August 26, 2011 report
For Tax Years 2012 to 2017, the property value increases at an annual rate of 2%
- (4) Collection rate for Tax Year 2011 to Tax Year 2017 estimated at 95%