

FORM 132.M

(Approving/Authorizing)

City of Houston Ordinance No. 97-565

AN ORDINANCE APPROVING AND AUTHORIZING INTERLOCAL AGREEMENTS BETWEEN THE CITY OF HOUSTON, TEXAS, THE HOUSTON INDEPENDENT SCHOOL DISTRICT AND REINVESTMENT ZONE NUMBER FOUR, CITY OF HOUSTON, TEXAS (VILLAGE ENCLAVES ZONE), REINVESTMENT ZONE NUMBER FIVE, CITY OF HOUSTON, TEXAS (MEMORIAL-HEIGHTS ZONE), REINVESTMENT ZONE NUMBER SIX, CITY OF HOUSTON, TEXAS (EASTSIDE ZONE) AND REINVESTMENT ZONE NUMBER SEVEN, CITY OF HOUSTON, TEXAS (OLD SPANISH TRAIL/ALMEDA CORRIDORS ZONE) FOR THE PARTICIPATION OF THE HOUSTON INDEPENDENT SCHOOL DISTRICT IN THE REINVESTMENT ZONES; MAKING VARIOUS FINDINGS AND PROVISIONS RELATING TO THE SUBJECT; AND DECLARING AN EMERGENCY.

* * * *

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

Section 1. The City Council hereby approves and authorizes the contracts, agreements or other undertakings described in the title of this Ordinance, in substantially the form as shown in the documents which are attached hereto and incorporated herein by this reference. The Mayor is hereby authorized to execute such documents and all related documents on behalf of the City of Houston. The City Secretary is hereby authorized to attest to all such signatures and to affix the seal of the City to all such documents.

Section 2. The Mayor is hereby authorized to take all actions necessary to effectuate the City's intent and objectives in approving such agreement, agreements or other undertaking described in the title of this ordinance, in the event of changed circumstances.

Section 3. The City Attorney is hereby authorized to take all action necessary to enforce all legal obligations under said contracts without further authorization from Council.

Section 4. 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

Old Spanish Trail/Almeda Corridors Zone

Old Spanish Trail/Almeda Corridors Reinvestment Zone
Zinetta Burney, Chair
Burney & Foreman
5445 Almeda Road, Suite 400
Houston, Texas 77004

B. Index

The City, HISD and the Old Spanish Trail/Almeda Corridors Zone hereby agree to the terms and conditions of this Agreement. This Agreement consists of the following sections:

Section	Description	Page
I.	Parties	1
II.	Definitions	5
III.	Background	6
IV.	Obligations of HISD	7
V.	Obligations of City and Old Spanish Trail/Almeda Corridors Zone	9
VI.	Term and Termination	10
VII.	Miscellaneous	10

Exhibit "A" — City of Houston Ordinance No. 97-478

C. Parts Incorporated

All of the above described sections and documents are hereby incorporated into this Agreement by this reference for all purposes.

FORM 132.M

(Approving/Authorizing)

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 21st day of May, 1997.

APPROVED this _____ day of _____, 19____.

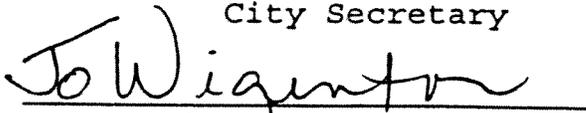
Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is MAY 27 1997.



City Secretary

(Prepared by Legal Dept.
(JSW:WHU: May 15, 1997)
(Requested by Director, Finance & Administration)
(L.D. File No. _____)



Assistant City Attorney

c:®wpdocs®whor1426

IN WITNESS HEREOF, the City, HISD and the Old Spanish Trail/Almeda Corridors Zone have made and executed this Agreement in multiple copies, each of which is an original.

CITY OF HOUSTON

HOUSTON INDEPENDENT SCHOOL DISTRICT

Bob Lanier _____
Mayor Date President, Board of Trustees Date

ATTEST/SEAL:

[Signature] _____
City Secretary Date Secretary, Board of Trustees Date

COUNTERSIGNED:

[Signature] _____
City Controller Date Superintendent of Schools Date

APPROVED:

APPROVED AS TO FORM:

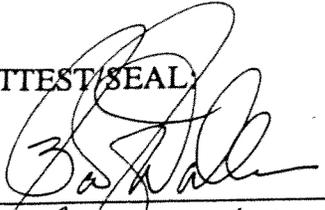
[Signature] _____
Director Date Attorney Date
Department of Finance and Administration

APPROVED AS TO FORM:

[Signature] _____
Sr. Assistant City Attorney Date
L.D. No. 349713002

REINVESTMENT ZONE NUMBER SEVEN,
CITY OF HOUSTON, TEXAS (Old Spanish Trail/Almeda Corridors Zone)

Synthia A Burey 7/8/97
By: _____ Date
Title: Chairman, Board of Directors

ATTEST/SEAL


By: Barton Wallace Date 7/8/97
Title: Secretary, Board of Directors

[The remainder of this page is intentionally left blank.]

II. DEFINITIONS

As used in this Agreement, the following terms shall have the meanings set out below:

"Administrative Costs" means the costs of organizing the Old Spanish Trail/Almeda Corridors Zone, the costs of operating the Old Spanish Trail/Almeda Corridors Zone and the imputed administrative costs associated with the Old Spanish Trail/Almeda Corridors Zone, including reasonable charges, but not to exceed \$25,000 per year, for the time spent by employees of the City in connection with the implementation of the Project Plan.

"Agreement" means this agreement between the City, HISD and the Old Spanish Trail/Almeda Corridors Zone.

"Agreement Term" is defined in Section VI.

"Captured Appraised Value" means the captured appraised value of the Old Spanish Trail/Almeda Corridors Zone as defined by Chapter 311, Texas Tax Code.

"City" is defined in Section I of this Agreement and includes its successors and assigns.

"Countersignature Date" means that date shown as the date countersigned by the City Controller on the signature page of this Agreement.

"Developer Debt" means the amount of money required to repay any outstanding obligation of the Old Spanish Trail/Almeda Corridors Zone or the City incurred to pay project costs pursuant to contract, loan agreement or other binding agreement.

"HISD" is defined in Section I of this Agreement and includes its successors and assigns.

"HISD Tax Increment Participation" means the amount of the HISD tax levy on the Captured Appraised Value which HISD agrees to contribute to the Old Spanish Trail/Almeda Corridors Zone pursuant to Subsections A and B of Section IV of this Agreement.

"Old Spanish Trail/Almeda Corridors Area" shall mean the Old Spanish Trail/Almeda Corridors area of the City and neighboring areas, as more particularly described in City of Houston Ordinance No. 97-478.

"Old Spanish Trail/Almeda Corridors Zone" means Reinvestment Zone Number Seven, City of Houston, Texas (Old Spanish Trail/Almeda Corridors), created by the City on May 7, 1997, by Ordinance No. 97-478, attached as Exhibit "A," and includes its successors and assigns.

"Project Plan" means the project plan and reinvestment zone financing plan for the Old Spanish Trail/Almeda Corridors Zone adopted by the board of directors of the Old Spanish Trail/Almeda Corridors Zone and approved by the City Council of the City.

"Tax Increment Fund" means the tax increment fund created by the City in the City Treasury for the Old Spanish Trail/Almeda Corridors Zone.

Otherwise, the terms used herein shall have the meanings ascribed to them in Chapter 311, Texas Tax Code, or the Texas Education Code, as applicable.

III. BACKGROUND

By Ordinance No. 97-478, adopted May 7, 1997, the City created the Old Spanish Trail/Almeda Corridors Zone for the purposes of redevelopment in the Old Spanish Trail/Almeda Corridors Area. The City will contribute tax increments produced in the Old Spanish Trail/Almeda Corridors Zone to the Tax Increment Fund after January 1, 1998. HISD desires to participate in the Old Spanish Trail/Almeda Corridors Zone in consideration for the agreements set forth below.

IV. OBLIGATIONS OF HISD

A. Tax Increment Participation by HISD

For and in consideration of the agreements of the parties set forth herein, and subject to the remaining subsections of this section, HISD agrees to participate in the Old Spanish Trail/Alameda Corridors Zone by contributing one hundred percent (100%) of the tax increment produced in the Old Spanish Trail/Alameda Corridors Zone attributable to HISD to the Tax Increment Fund during the term of this Agreement.

B. Tax Increment Limitation

The amount to be contributed by HISD (the "HISD Tax Increment Participation") is the amount of taxes collected by HISD each year during the term of this Agreement at an HISD tax rate of \$0.96 per \$100 valuation on the Captured Appraised Value. If the HISD tax rate is less than \$0.96 per \$100 valuation, then the HISD Tax Increment Participation is the amount of taxes collected by HISD at the actual tax rate of HISD on the Captured Appraised Value. Taxes collected by HISD on the Captured Appraised Value as a result of an HISD tax levy at a tax rate greater than \$0.96 per \$100 valuation shall be retained by HISD.

HISD's Tax Increment Participation and obligation to participate in the Old Spanish Trail/Alameda Corridors Zone shall be restricted to its tax increment collected on the Captured Appraised Value in the Old Spanish Trail/Alameda Corridors Zone. HISD shall not be obligated to pay its HISD Tax Increment Participation from other HISD taxes or revenues or until the HISD Tax Increment Participation in the Old Spanish Trail/Alameda Corridors Zone is actually collected. The obligation to pay the HISD Tax Increment Participation shall accrue as taxes representing the HISD tax increment are collected by HISD and payment shall be due on the first day of each

calendar quarter beginning April 1, 1998. The City and the Old Spanish Trail/Almeda Corridors Zone agree that no interest or penalty will be charged to HISD.

C. Changes in Applicable Laws

In the event that the laws applicable to HISD or tax increment reinvestment zones are changed so that the participation of HISD in the Old Spanish Trail/Almeda Corridors Zone decreases the amount of state and local funds available to HISD, the City and the Old Spanish Trail/Almeda Corridors Zone agree that the HISD Tax Increment Participation shall be decreased by the amount of the decrease in HISD state and local funding as a result of HISD's participation in the Old Spanish Trail/Almeda Corridors Zone.

D. Expansion of Old Spanish Trail/Almeda Corridors Zone

The obligation of HISD to participate in the Old Spanish Trail/Almeda Corridors Zone is limited to the area described in Exhibit "A" attached hereto. HISD's participation shall not extend to the tax increment on any additional property added to the Old Spanish Trail/Almeda Corridors Zone by the City unless HISD approves the participation.

E. Board of Directors

Notwithstanding anything to the contrary in City of Houston Ordinance No. 97-478, which created the Old Spanish Trail/Almeda Corridors Zone, HISD shall have the unequivocal right to appoint to and maintain one (1) member on the Old Spanish Trail/Almeda Corridors Zone Board of Directors. Failure of HISD to appoint a person to the Board of Directors of the Old Spanish Trail/Almeda Corridors Zone by July 1, 1998, shall not be deemed a waiver of HISD's right to make an appointment by a later date. HISD may also appoint and maintain as many nonvoting

ex officio members on the Old Spanish Trail/Almeda Corridors Board of Directors as HISD may desire.

V. OBLIGATIONS OF CITY AND OLD SPANISH TRAIL/ALMEDA

CORRIDORS ZONE

A. Street Right of Way

To the extent requested by HISD, the City and the Old Spanish Trail/Almeda Corridors Zone agree that monies from the Tax Increment Fund shall be used, at no cost to HISD, to pay to the City the following costs that otherwise would be incurred by HISD with respect to the construction and operation of any educational facilities constructed by or on behalf of HISD in the Old Spanish Trail/Almeda Corridors Zone pursuant to the Project Plan: (a) the cost of abandonment of any street right of way by the City on behalf of HISD and (b) the cost of water and sewer utility connections and construction outside the boundaries of HISD property (collectively, "School Support Expenses"). The City shall use proceeds obtained from payments made pursuant to the preceding sentence for infrastructure improvements or other projects identified in the Old Spanish Trail/Almeda Corridors Zone Project Plan.

B. Project Plan

The parties agree that the Superintendent of Schools of HISD shall be permitted to review and comment upon the Old Spanish Trail/Almeda Corridors Zone Project Plan and any amendments thereto before the Project Plan or any amendments thereto are submitted to the City Council for City approval. Any Old Spanish Trail/Almeda Corridors Zone Project Plan shall provide for the use of funds for the purposes specified in the preceding Subsection within the Old Spanish Trail/Almeda Corridors Zone.

VI. TERM AND TERMINATION

A. Agreement Term

This Agreement shall become effective as of the date of the final signature hereto, and shall remain in effect until December 31, 2029, unless earlier terminated by HISD. HISD shall have the right to terminate this Agreement upon the payment of all project costs, including any bonds issued to pay project costs and the reimbursement of any person for the payment of project costs, as identified in or contemplated by the initial Project Plan for the Old Spanish Trail/Alameda Corridors Zone approved by the City Council on May 14, 1997.

The first payment of increment taxes by HISD under this Agreement shall be for those taxes levied by HISD in the year 1998 and the last payment by HISD under this Agreement is for those taxes levied by HISD in the year 2028.

VII. MISCELLANEOUS

A. Severability

In the event any term, covenant or condition herein contained shall be held to be invalid by any court of competent jurisdiction, such invalidity shall not affect any other term, covenant or condition herein contained, provided that such invalidity does not materially prejudice either HISD, the City or the Old Spanish Trail/Alameda Corridors Zone in their respective rights and obligations contained in the valid terms, covenants or conditions hereof.

In the event any term, covenant or condition shall be held invalid and affects in any manner the limitations on HISD's contributions or participation, then this Agreement shall be void as to HISD and HISD shall have no liability for any incremental or other payments as may otherwise be provided for in this Agreement.

B. Entire Agreement

This Agreement merges the prior negotiations and understandings of the parties hereto and embodies the entire agreement of the parties, and there are no other agreements, assurances, conditions, covenants (express or implied) or other terms with respect to the covenants, whether written or verbal, antecedent or contemporaneous, with the execution hereof.

C. Written Amendment

Unless otherwise provided herein, this Agreement may be amended only by written instrument duly executed on behalf of each party.

D. Notices

All notices required or permitted hereunder shall be in writing and shall be deemed delivered when actually received or, if earlier, on the third (3rd) day following deposit in a United States Postal Service post office or receptacle with proper postage affixed (certified mail, return receipt requested) addressed to the respective other party at the address prescribed in Section I of this Agreement or at such other address as the receiving party may have theretofore prescribed by notice to the sending party.

E. Non-Waiver

Failure of any party hereto to insist on the strict performance of any of the agreements herein or to exercise any rights or remedies accruing hereunder upon default or failure of performance shall not be considered a waiver of the right to insist on, and to enforce by any appropriate remedy, strict compliance with any other obligation hereunder or to exercise any right or remedy occurring as a result of any future default or failure of performance.

F. Assignment

No party shall assign this Agreement at law or otherwise without the prior written consent of the other parties.

No party shall delegate any portion of its performance under this Agreement without the written consent of the other parties.

G. Successors

This Agreement shall bind and benefit the parties and their legal successors. This Agreement does not create any personal liability on the part of any officer or agent of the City or of any trustee, officer, agent or employee of HISD.

H. No Waiver of Immunity

No party hereto waives or relinquishes any immunity or defense on behalf of itself, its trustees, officers, employees, and agents as a result of its execution of this Agreement and performance of the covenants contained herein.

AN ORDINANCE DESIGNATING A CONTIGUOUS GEOGRAPHIC AREA WITHIN THE CITY OF HOUSTON (OLD SPANISH TRAIL/ALMEDA CORRIDORS AREA) AS REINVESTMENT ZONE NUMBER SEVEN, CITY OF HOUSTON, TEXAS; CREATING A BOARD OF DIRECTORS FOR SUCH ZONE; CONTAINING FINDINGS AND PROVISIONS RELATED TO THE FOREGOING SUBJECT; PROVIDING FOR SEVERABILITY; AND DECLARING AN EMERGENCY.

* * * * *

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 prepared a preliminary reinvestment zone financing plan, which 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, the City provided notice to other taxing units levying taxes on property within the proposed zone of the public hearing on the creation of the proposed zone; and

WHEREAS, a notice of the May 7, 1997, public hearing on the creation of the proposed zone was published on April 30, 1997, 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 any applicable Texas Tax Code requirements that it receive sixty (60) days' notice of the public hearing on the creation of the proposed zone; and

WHEREAS, the Houston Independent School District, pursuant to Section 311.003, Texas Tax Code, has waived any applicable Texas Tax Code requirement that it receive sixty (60) days' notice of the public hearing on the creation of the proposed zone; and

WHEREAS, at the public hearing on May 7, 1997, 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.

WHEREAS, no owner of real property in the proposed zone protested the inclusion of his property in the proposed zone;

WHEREAS, the total appraised value of property in the proposed zone and all other reinvestment zones previously created by the City is approximately \$695,677,810; and

WHEREAS, the total appraised value of taxable real property in the City and in the industrial districts created by the City exceeds \$55,822,800,000; and

WHEREAS, the total appraised value of real property taxable by Harris County, in which the proposed zone is located, is approximately \$110,604,303,000; and

WHEREAS, the total appraised value of real property taxable by the Houston Independent School District, within those boundaries the proposed zone is located, is approximately \$40,193,783,000; and

WHEREAS, the total area within the proposed zone is approximately 455 acres, excluding property that is publicly owned; and

WHEREAS, less than ten percent of the property in the proposed zone, excluding property that is publicly owned, is used for residential purposes, as that term is defined in Section 311.006(d) of the Texas Tax Code; **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 finds that the proposed zone meets the criteria of Section 311.005 of the Texas Tax Code because the proposed zone is an area that substantially impairs or arrests the sound growth of the City, retards the provision of housing accommodations;





constitutes an economic and social liability and is a menace to the public health, safety, morals and welfare in its present condition and use because of the presence of:

- (1) a substantial number of substandard, slum, deteriorated or deteriorating structures;
- (2) the predominance of defective or inadequate sidewalk and street layout;
- (3) faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- (4) unsanitary or unsafe conditions;
- (5) the deterioration of site or other improvements;
- (6) tax or special assessment delinquency exceeding the fair value of the land;
- (7) defective or unusual conditions of title; or
- (8) the existence of conditions that endanger life or property by fire or other cause; and

(d) That City Council further finds and declares that the proposed zone meets the criteria of Section 311.005 of the Texas Tax Code because the area is predominantly open and, because of obsolete platting, deteriorating structures or site improvements and other factors, substantially impairs or arrests the sound growth of the municipality; and

(e) 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 less than ten percent of the property in the proposed zone is used for residential purposes, as the term "residential" is defined in Section 311.06(d) of the Texas Tax Code.
- (3) That the total appraised value of taxable real property in the proposed zone, and in existing reinvestment zones, if any, 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;
- (4) That the proposed zone does not contain more than fifteen percent of the total appraised value of real property taxable by Harris County or in the Houston Independent School District;
- (5) That development or redevelopment within the boundaries of the proposed zone will not occur solely through private investment in the reasonably foreseeable future.

(f) That the City Council further finds and declares that a portion of the area to be included in the proposed zone is located within the City's federally designated enterprise community which by state law is an enterprise zone under Chapter 2303, Texas Government Code, and is eligible for designation as a reinvestment zone pursuant to Section 311.0031 of the Texas Tax Code.

Section 2. Exception to Guidelines

That the City hereby excepts the proposed zone from compliance with any City 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), 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 Seven, City of Houston, Texas, (the "Zone").

Section 4. Board of Directors

That there is hereby created a Board of Directors for the Zone, which shall consist of seven (7) members. Positions One through Five on the Board of Directors shall be reserved for the City. Positions Six and Seven shall be reserved for other taxing units levying taxes within the Zone, each of which may appoint one director. Any taxing unit that appoints a director shall be assigned a Board position number in the order the appointment is received by the City. Failure of a taxing unit to appoint a director by July 1, 1998, shall be deemed a waiver of the right to appoint a director, and the City shall be entitled to appoint persons to the position, which shall be filled as provided below. If more than two taxing units levying taxes within the Zone appoint a

director, the number of directors on the Board of Directors shall be increased by one for each taxing unit above two that appoints a director to the board, provided that, if more than four taxing units levying taxes within the Zone appoint a director, the number of directors on the Board of Directors shall be increased by two for each taxing unit above four that appoints a director to the board, provided further, that the maximum number of directors shall not exceed fifteen (15). The City shall be entitled to appoint a person to one position of each of the two positions created as a result of more than four taxing units appointing directors, which position shall be filled as provided below.

The Mayor is hereby authorized to nominate and appoint the directors to Positions One through Five of the Board of Directors, any position Six or Seven unfilled on July 1, 1998, and any City position created by the appointment of a director by more than two taxing units levying taxes within the Zone, subject to the consent and approval of the City Council.

The directors appointed to odd-numbered positions shall be appointed for two year terms, beginning on the effective date of this Ordinance, while the directors appointed to even-numbered positions shall be appointed to a one year term, beginning on the effective date of this Ordinance. 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 one-year term beginning on the effective date of this Ordinance. Thereafter, the Mayor shall annually nominate and appoint, subject to City Council approval, the member to serve as chair for a term of one year beginning on the anniversary of the effective date of this Ordinance. 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 payable solely from the Tax Increment Fund established pursuant to Section 7 of this Ordinance, subject to the approval of the Director of the 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, 1998, for the deposit of tax increments into the Tax Increment Fund established pursuant to Section 7 of this Ordinance and termination of the operation of the Zone shall occur on December 31, 2028, 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 on 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, 1997, 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 subaccount 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; revenues from the sale of property acquired as part of the tax increment financing plan, if any, and other revenues to be used in the Zone shall be deposited into the Increment Fund. Money shall be disbursed 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 increments 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 311.010(b) of the Texas Tax Code.

Section 8. Severability

If any provision, section, subsection, sentence, clause or phrase of this Ordinance, or the application of same to any person to set 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 connected herein shall become operative or fail by reason of any unconstitutionality, voidness or invalidity of any portion hereof, and all provisions of this Ordinance are declared severable for that purpose.

Section 9. Open Meetings

It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of the meeting of the City Council at which is Ordinance was adopted as 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 its meeting, as required by the Open Meetings Law, Texas Government Code, 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.

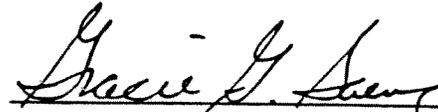
Section 10. Notices

The contents of the notice of the public hearing, which hearing was held before the City Council on May 7, 1997, and the publication of said notice, are hereby ratified, approved and confirmed.

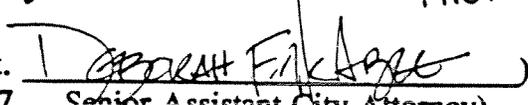
Section 11. Emergency

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.

PASSED AND APPROVED this 7th day of May, 1997.



Mayor of the City of Houston
PROTEM

Senior Assistant City Attorney

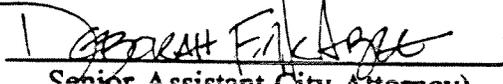
(Prepared by Legal Dept. 
(DFM/dfm, May 6, 1997 Senior Assistant City Attorney)
(Requested by Robert Litke, Director, Planning and Development Department)
L.D. 34-97130-01

EXHIBIT "A"

BOUNDARIES OF REINVESTMENT ZONE NUMBER SEVEN,
CITY OF HOUSTON, TEXAS
(OLD SPANISH TRAIL/ALMEDA CORRIDORS REINVESTMENT ZONE)

BEGINNING at the intersection of the west right-of-way line of Almeda Road and the south right-of-way line of Dixie Drive and proceeding southeasterly along the south right-of-way line of Dixie Drive to the intersection with the east right-of-way line of Grand Boulevard.

THENCE in a southerly direction along the east right-of-way line of Grand Boulevard to its intersection with the northwest corner of Lot 1 of the Greensboro Subdivision.

THENCE in a southeasterly direction along the north property line of Lots 1 through 8 of the Greensboro Subdivision to its intersection with the northeast property line of Lot 8 of the Greensboro Subdivision.

THENCE in a southwesterly direction along the eastern property line of Lots 8 through 16 of the Greensboro Subdivision to the southeast corner of Lot 17 of the Greensboro Subdivision.

THENCE in a westerly direction along the south property line of Lots 17 through 21 of the Greensboro Subdivision to the east right-of-way line of Grand Boulevard.

THENCE in a southerly direction along the east right-of-way line of Grand Boulevard to its intersection with the south right-of-way line of Yellowstone Boulevard.

THENCE in a southeasterly direction along the south right-of-way line of Yellowstone Boulevard to its intersection with the west right-of-way line of Highway 288.

THENCE in a northerly direction along the west right-of-way line of Highway 288 to its intersection with the north property line of Lot 2, Block 9, of the Clinton Old Subdivision.

THENCE in an easterly direction crossing Highway 288 to an intersection of the east right-of-way line of Highway 288 and the southwest corner of Lot 4, Block 6, of the Herman Park Court Subdivision.

THENCE in a southeasterly direction along the southern property lines of Block 6 and Block 5 of Herman Park Court Subdivision, to the east right-of-way line of Allegheny Street.

THENCE in a northerly direction along the east right-of-way line of Allegheny Street to its intersection with the south right-of-way line of Old Spanish Trail.

THENCE in a northeasterly direction along the south right-of-way line of Old Spanish Trail to its intersection with the south right-of-way line of Southland Avenue.

THENCE in a southeasterly direction along the south right-of-way line of Southland Avenue to its intersection with the east right-of-way line of Tierwester Street.

THENCE in a northerly direction along the east right-of-way line of Tierwester Street and crossing Southland Avenue to the intersection of the east right-of-way line of Tierwester with the southwest corner of that certain parcel of land described in a deed recorded under the Harris County Clerk's File No. N631783.

THENCE in an easterly direction along the southern property line of that certain parcel of land described in a deed recorded under the Harris County Clerk's File No. N631783 to the southeast corner of said parcel.

THENCE in a northerly direction along the eastern property line of that certain parcel of land described in a deed recorded under the Harris County Clerk's File No. N631783 to the south right-of-way line of Old Spanish Trail.

THENCE in an easterly direction along the south right-of-way line of Old Spanish Trail to its intersection with the west right-of-way line of La Salette Street.

THENCE in a southerly direction along the west right-of-way line of La Salette Street and crossing Tristan Avenue to the northeast corner of Lot 17, Block 1, of the La Salette Place Subdivision, Section 1.

THENCE in an easterly direction across the right-of-way of La Salette Drive to the intersection of the east right-of-way of La Salette Drive and the northwest corner of Lot 10, Block 14, of Scott Terrace Subdivision, Section 4.

THENCE along the north property lines of the lots comprising Block 14 of Scott Terrace Subdivision, Section 4, to an intersection with the east right-of-way line of Scott Street.

THENCE in a northerly direction along the east right-of-way line of Scott Street to its intersection with the south right-of-way line of Old Spanish Trail.

THENCE in an easterly direction along the south right-of-way line of Old Spanish Trail to its

intersection with the northeast corner of that certain 0.3290 acre parcel of land described in a deed recorded under the Harris County Clerk's File No. G634785.

THENCE in a southerly direction to the southeastern corner of that certain 0.3290 acre parcel of land described in a deed recorded under the Harris County Clerk's File No. G634785 to a point of intersection with the north property line of that certain 2.9834 acre tract of land described in a deed recorded under Harris County Clerk's File No. J929438.

THENCE in an easterly direction along the north property line of that certain 2.9834 acre tract of land described in a deed recorded under Harris County Clerk's File No. J929438 to its intersection with the west property line of Reserve D, Block B, of the Belmont Subdivision, Section 2.

THENCE in a southerly direction along the west property line of Reserve D, Block B of the Belmont Subdivision, Section 2, to the southernmost south property line of Reserve D, Block B, of the Belmont Subdivision, Section 2.

THENCE in an easterly direction along the southernmost south property line of Reserve D, Block B, of the Belmont Subdivision, Section 2, to the westernmost southeastern corner of Reserve D, Block B, of the Belmont Subdivision, Section 2.

THENCE in a southerly direction along the northernmost easterly property line of Reserve E, Block C, of the Belmont Subdivision, Section 2, to its intersection with the south right-of-way line of Dixie Avenue.

THENCE in an easterly direction along the south right-of-way line of Dixie Avenue to its intersection with the east right-of-way line of Cullen Boulevard.

THENCE in a northerly direction along the east right-of-way line of Cullen Boulevard to its intersection with the northwest corner of Lot 1, Block 2, of the Southern Village Subdivision, Section 1.

THENCE in an easterly direction along the north property lines of the lots comprising Block 2 of the Southern Village Subdivision, Section 1, to an intersection with the east right-of-way line of Calhoun Road.

THENCE in a southerly direction along the east right-of-way line of Calhoun Road to its intersection with the southwest corner of Lot 12 of the WCRR CO, Section 2, Ab. 1020.

THENCE in an easterly direction along the southern property line of Lot 12 of the WCRR CO,

Section 2, Ab 1020, to its intersection with Wayland Road and crossing Wayland Road to its intersection with the southwest property line of Lot 12A of the WCRR CO, Section 2, Ab. 1020; continuing easterly along the southern property line of Lot 12A of the WCRR CO, Section 2, Ab. 1020, to the southeast corner of Lot 12 A of the WCRR CO, Section 2, Ab. 1020.

THENCE in a northeasterly direction along the west line of the lots comprising Block 1 of the Griggs Terrace Subdivision to an intersection with the north right-of-way line of Griggs Road.

THENCE in a westerly direction along the north right-of-way line of Griggs Road to its intersection with the west right-of-way line of Calhoun Road.

THENCE in a northerly direction along the west right-of-way line of Calhoun Road and crossing Old Spanish Trail to the intersection of the west right-of-way line of Calhoun Road with the northeast corner of that certain tract described in a deed recorded under Harris County Clerk's File No. P553058.

THENCE in a northwesterly direction along the north property line of that certain tract described in a deed recorded under Harris County Clerk's File No. P553058 to its intersection with the western property line of said tract.

THENCE in a southerly direction along the western property line of that certain tract described in a deed recorded under Harris County Clerk's File No. P553058 and that certain tract described in a deed recorded under Harris County Clerk's File No. R350175 to an intersection with the north right-of-way line of Old Spanish Trail.

THENCE in a southwesterly direction along the north right-of-way line of Old Spanish Trail to the west right-of-way line of Cullen Boulevard.

THENCE in a northerly direction along the west right-of-way line of Cullen Boulevard to its intersection with the north right-of-way line of Glen Cove Drive.

THENCE in a southwesterly direction along the north right-of-way line of Glen Cove Drive to its intersection with the southeast corner of Lot 22, Block 80, of the Riverside Terrace Subdivision, Section 18.

THENCE in a northerly direction along the east property line of Lot 22, Block 80, of the Riverside Terrace Subdivision, Section 18, to the northeast corner of Lot 22, Block 80, of the Riverside Terrace Subdivision, Section 18.

THENCE in a westerly direction along the north property lines of Lots 22, 23, 24, and 25 of

Block 80, Riverside Terrace Subdivision, Section 18 to an intersection with the southeast corner of Lot 12, Block 80, of the Riverside Terrace Subdivision, Section 18.

THENCE in a northerly direction along the east property line of Lot 12, Block 80, of the Riverside Terrace Subdivision, Section 18, to the northeast corner of Lot 12, Block 80, of the Riverside Terrace Subdivision, Section 18, and extending across to an intersection with the north right-of-way line of Charleston Street.

THENCE in a southwesterly direction along the north right-of-way line of Charleston Street to its intersection with the west right-of-way line of England Avenue.

THENCE in a southerly direction along the west right-of-way line of England Avenue to its intersection with the southeast corner of Lot 27, Block 82, of the Riverside Terrace Subdivision, Section 18; continuing in a westerly direction along the south property lines of Lots 27 and 26, Block 82, of the Riverside Terrace Subdivision, Section 18, to the point of intersection with the east property line of Lot 25, Block 82, of the Riverside Terrace Subdivision, Section 18.

THENCE in a southwesterly direction along the southeast property line of Lot 25, Block 82, of the Riverside Terrace Subdivision, Section 18, to the intersection with the southern property line of Lot 25, Block 82, of the Riverside Terrace Subdivision, Section 18.

THENCE continuing in a westerly direction along the southern property lines of Lots 1 through 25, Block 82, of the Riverside Terrace Subdivision, Section 18, and extending across Scott Street a point of intersection with the west right-of-way line of Scott Street.

THENCE in a southerly direction along the west right-of-way line of Scott Street to its intersection with the northeast corner of that certain tract or parcel of land being out of the Henry Tierwester 1/12 League in Houston, Harris County, Texas, being that portion of that tract conveyed to Catherine Loonam by Edward J. McCarthy as described in a deed or deeds recorded in Volume 979, Page 575, and in Volume 1026, Page 738, of the Deed Records of Harris County, Texas, said tract being more particularly described in a deed recorded in Volume 5333, Page 138, of the Deed Records of Harris County, Texas.

THENCE in a westerly direction along the northern property line of that certain tract or parcel of land being out of the Henry Tierwester 1/12 League in Houston, Harris County, Texas, being that portion of that tract conveyed to Catherine Loonam by Edward J. McCarthy as described in a deed or deeds recorded in Volume 979, Page 575, and in Volume 1026, Page 738, of the Deed Records of Harris County, Texas, said tract being more particularly described in a deed recorded in Volume 5333, Page 138, of the Deed Records of Harris County, Texas, its intersection with the east property line of Lot 19, Block 1, of the Riverside Gardens Addition.

intersection with the northeast corner of Lot 7, Block 1, Clinton-Old Subdivision.

THENCE in a northwesterly direction along the north property line of Lot 7, Block 1, Clinton-Old Subdivision to its intersection with the east property line of Lot 2, Block 1, Clinton-Old Subdivision.

THENCE in a northeasterly direction along the east property line of Lot 2, Block 1, of the Clinton-Old Subdivision to its intersection with the north property line of Lot 2, Block 1, Clinton-Old Subdivision.

THENCE in a northwesterly direction along the north property line of Lot 2, Block 1, Clinton-Old Subdivision to its intersection with the west right of way line of Alameda Road.

THENCE in a southwesterly direction along the west right-of-way line of Alameda Road to the POINT OF BEGINNING.

35 and Lots 9, 10, 11, 12, 13, 14, 15 and 16 of Block 36 of the Southland Terrace Subdivision and crossing Bowling Green Drive to an intersection with the northeast property line of Lot 9, Block 38, of the Southland Terrace Subdivision.

THENCE in a westerly direction along the north property line of Lots 9, 10, 11, 12, 13, 14, 15 and 16 of Block 38 of the Southland Terrace Subdivision to a point of intersection with the west right-of-way line of Highway 288.

THENCE in a northerly direction along the west right-of-way line of Highway 288 to its intersection with the north right-of-way line of Southmore Avenue.

THENCE in a westerly direction along the north right-of-way line of Southmore Avenue to its intersection with the east right-of-way line of Alameda Road.

THENCE in a northeasterly direction along the east right-of-way line of Alameda Road to its intersection with the south right-of-way line of Wichita Avenue.

THENCE in a southeasterly direction along the south right-of-way line of Wichita Avenue to its intersection with the west right-of-way line of Highway 288.

THENCE in a northeasterly direction along the west right-of-way line of Highway 288 to its intersection with the north right-of-way line of Wentworth Avenue.

THENCE in a northwesterly direction along the north right-of-way line of Wentworth Avenue to its intersection with the east right-of-way line of Alameda Road.

THENCE in a northeasterly direction along the east right-of-way line of Alameda Road to its intersection with the north right-of-way line of Blodgett Avenue.

THENCE in a southeasterly direction along the north right-of-way line of Blodgett Avenue to its intersection with the east right-of-way line of Chartres Street.

THENCE in a northeasterly direction along the east right-of-way line of Chartres Street to its intersection with the west right-of-way line of State Highway 288.

THENCE in a northerly direction along the west right-of-way line of Highway 288 to its intersection with the south right-of-way line of U.S. Highway 59.

THENCE in a westerly direction along the south right-of-way line of U.S. Highway 59 to its intersection with the west right-of-way line of Eagle Avenue.

THENCE in a southeasterly direction along the southwest right-of-way line of Eagle Avenue to its intersection with the west right-of-way line of Crawford Street.

THENCE in a southwesterly direction along the west right-of-way line of Crawford Street to its intersection with the south right-of-way line of Wheeler Avenue.

THENCE in a southeasterly direction along the south right-of-way line of Wheeler Avenue to its intersection with the west right-of-way line of Alameda Road.

THENCE in a southerly direction along the west right-of-way line of Alameda Road to its intersection with the south right-of-way line of Prospect Avenue.

THENCE in a northwesterly direction along the south right-of-way line of Prospect Avenue to its intersection with the west right-of-way line of Chartres Street.

THENCE in a southwesterly direction along the west right-of-way line of Chartres Street to its intersection with north right-of-way line of Ewing Avenue.

THENCE in a northwesterly direction along the north right-of-way line of Ewing Avenue to the west right-of-way line of Jackson Street.

THENCE in a southwesterly direction along the west right-of-way line of Jackson Street to its intersection with the south right-of-way line of Hermann Drive.

THENCE in a southeasterly direction along the south right-of-way line of Hermann Drive to its intersection with the west right-of-way line of Alameda Road.

THENCE in a southerly direction along the west right-of-way line of Alameda Road to its intersection with the north right-of-way line of Camden Drive.

THENCE in an easterly direction and crossing Alameda Road along the north right-of-way line of Camden Drive to its intersection with the east right-of-way line of Gehring Street.

THENCE in a southerly direction along the east right-of-way line of Gehring Street to its intersection with the southwest corner of Lot 5A, Block 1, Clinton-Old Subdivision.

THENCE in an easterly direction along the south property line of Lot 5A, Block 1, Clinton-Old Subdivision to its intersection with the west right-of-way line of Grand Boulevard.

THENCE in a southwesterly direction along the west right of way line of Grand Boulevard to its