

THE STATE OF TEXAS §  
  §  
COUNTY OF HARRIS §

99-1069

**INTERLOCAL AGREEMENT**

50959

**I. PARTIES**

**A. Address**

**THIS INTERLOCAL AGREEMENT (“Agreement”)** is made by and between the **CITY OF HOUSTON, TEXAS (“City”)**, a municipal corporation and home-rule city of the State of Texas principally situated in Harris County, acting by and through its governing body, the City Council; **HARRIS COUNTY**, a body corporate and politic under the laws of the State of Texas, acting by and through its governing body, the Harris County Commissioners Court (“Harris County”), and **REINVESTMENT ZONE NUMBER EIGHT, CITY OF HOUSTON, TEXAS (“Gulfgate Zone”)**, a reinvestment zone created by the City of Houston pursuant to Chapter 311 of the Texas Tax Code, acting by and through its Board of Directors. This Agreement is made pursuant to Chapter 791 of the Texas Government Code and Chapter 311 of the Texas Tax Code.

The initial addresses of the parties, which any party may change by giving written notice of its changed address to the other parties, are as follows:

City  
Director, Planning and Development  
Department  
City of Houston  
P. O. Box 1562  
Houston, Texas 77251

Harris County  
Harris County  
Harris County Administration Building  
1001 Preston Avenue, Ninth Floor  
Houston, Texas 77002  
Attention: Department of Management Services

**Gulfgate Zone**

Gulfgate Reinvestment Zone  
Knudsen & Associates  
8588 Katy Freeway, Suite 441  
Houston, Texas 77024  
Attention: Patty Knudsen Joiner

**B. Index**

The City, Harris County and the Gulfgate Zone hereby agree to the terms and conditions of this Agreement. This Agreement consists of the following sections:

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**C. Parts Incorporated**

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

IN WITNESS HEREOF, the City, Harris County and the Gulfgate Zone have made and executed this Agreement in multiple copies, each of which is an original.

*Lee P. Brown*  
CITY OF HOUSTON

\_\_\_\_\_  
Mayor Date *11/1/99*

ATTEST/SEAL:

*Ann Russell*  
\_\_\_\_\_  
City Secretary Date *11/1/99*

COUNTERSIGNED:

APPROVED AS TO FORM:

*John H. Jones*  
*Paul H. [unclear]*  
\_\_\_\_\_  
City Controller Date *11/1/99* Senior Assistant City Attorney  
L. D. File No. 61-97066-10

APPROVED:

*[Signature]*  
\_\_\_\_\_  
Director Date *10/29/99*  
Planning and Development Department *KVPR*

**HARRIS COUNTY**



JUN 29 1999

Robert Eckels  
County Judge

Date

**APPROVED AS TO FORM:**

Michael P. Fleming  
County Attorney

By \_\_\_\_\_  
Nicholas J. Lykos                      Date  
Assistant County Attorney

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**REINVESTMENT ZONE NUMBER EIGHT,  
CITY OF HOUSTON, TEXAS (Gulfgate Zone)**

  
By: \_\_\_\_\_ Date: 10/29/99  
Title: Chairman, Board of Directors

**ATTEST/SEAL:**

  
By: \_\_\_\_\_ Date: 10/29/99  
Title: Secretary, Board of Directors

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## II. DEFINITIONS

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

“Agreement” means this agreement between the City, Harris County and the Gulfgate Zone.

“Agreement Term” is defined in Section VI.

“Captured Appraised Value” means the captured appraised value of the Gulfgate 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.

“Harris County” is defined in Section I of this Agreement and includes Harris County and its successors and assigns.

“Harris County Tax Increment Participation” means the amount of the Harris County tax levy on the Captured Appraised Value which Harris County agrees to contribute to the Gulfgate Zone pursuant to Subsections A and B of Section IV of this Agreement.

“Gulfgate Area” shall mean the Gulfgate area of the City and neighboring areas, as more particularly described in City of Houston Ordinance No. 97-1524.

“Gulfgate Zone” means Reinvestment Zone Number Eight, City of Houston, Texas, created by the City on December 10, 1997 by Ordinance No. 97-1524, attached to this Agreement as Exhibit "1" and includes its successors and assigns.

“Project Plan” means the project plan and reinvestment zone financing plan for the Gulfgate Zone adopted by the board of directors of the Gulfgate Zone and approved by the City Council of the City on December 17, 1997 by City of Houston Ordinance No. 97-1572, attached hereto as Exhibit "2".

"Tax Increment Fund" means the tax increment fund created by the City in the City Treasury for the Gulfgate Zone.

Otherwise, the terms used herein have the meanings ascribed to them in Chapter 311, Texas Tax Code.

### **III. BACKGROUND**

On December 10, 1997, the City created the Gulfgate Zone, by adoption of City of Houston Ordinance No. 97-1524, for the purposes of development and redevelopment in the Gulfgate Area. The Board of Directors of the Gulfgate Zone initially adopted a project plan and reinvestment zone financing plan, which was approved by the City on December 17, 1997 by City of Houston Ordinance No. 97-1572. The City has agreed to participate in the Gulfgate Zone by contributing tax increments produced in the Gulfgate Zone to the Tax Increment Fund. Harris County desires to participate in the Gulfgate Zone in consideration for the agreements set forth below. The Gulfgate Zone Project Plan is attached to this Agreement as Exhibit "2" and is incorporated herein for all purposes by this reference.

### **IV. OBLIGATIONS OF HARRIS COUNTY**

#### **A. Tax Increment Participation by Harris County**

For and in consideration of the agreements of the parties set forth herein, and subject to the remaining subsections of this section, Harris County agrees to participate in the Gulfgate Zone to the extent described in this Agreement, by contributing, to the extent authorized by law, to the Tax Increment Fund during the term of this Agreement one hundred percent (100%) of the tax increment attributed to the Captured Appraised Value in the Gulfgate Zone attributable to Harris County, and zero percent (0%) of the tax increment attributed to the Captured Appraised Value in the Gulfgate

Zone attributable to the Port of Houston Authority of Harris County, Texas, the Harris County Flood Control District, the Harris County Hospital District, the Harris County Department of Education, and any other taxing entity for whom Harris County imposes taxes, either now or in the future.

**B. Tax Increment Limitation**

Harris County is not obligated to pay its Harris County Tax Increment Participation from any source other than taxes collected on the Captured Appraised Value. Furthermore, Harris County has no duty or obligation to pay the Harris County Tax Increment Participation from any other Harris County taxes or revenues, or until the Harris County Tax Increment Participation in the Gulfgate Zone is actually collected. Any portion of the taxes representing the Harris County Tax Increment Participation that are paid to Harris County and subsequently refunded pursuant to the provisions of the Texas Tax Code shall be offset against future payments to the Tax Increment Fund. The obligation to pay the Harris County Tax Increment Participation accrues as taxes representing the Harris County Tax Increment Participation are collected by Harris County and payment shall be due as provided in section 311.013(c) of the Texas Tax Code. No interest or penalty will be charged to Harris County for any late payment received from Harris County; provided, however, that penalty and interest on any delinquent taxes from the Harris County Tax Increment Participation shall be paid to the Tax Increment Fund in the amounts required by section 311.013(c) of the Texas Tax Code.

**C. Expansion of Gulfgate Zone**

The obligation of Harris County to participate in the Gulfgate Zone is limited to the area described in Exhibit A of City of Houston Ordinance No. 97-1524, which ordinance is attached to this Agreement as Exhibit "1". Harris County's participation does not extend to the tax increment on any additional property added to the Gulfgate Zone by the City or any amendment to the Project

Plan by the Gulfgate Zone and the City that would increase the total amount of project costs unless Harris County specifically agrees to participate in the additional area or amendment to the Project Plan. In addition, Harris County's participation does not extend to any dedication of revenue from the Tax Increment Fund by the Gulfgate Zone for projects outside the Gulfgate Zone, unless Harris County agrees to participate in the dedication.

**D. Board of Directors**

Notwithstanding anything to the contrary in City of Houston Ordinance No. 97-1524, which created the Gulfgate Zone, pursuant to the provisions of Section 311.009(a), Texas Tax Code, Harris County shall have the unequivocal right to appoint and thereafter at all times maintain one (1) member on the Gulfgate Zone Board of Directors. Failure of Harris County to appoint a person to the Board of Directors of the Gulfgate Zone by January 1, 1999, shall not be deemed a waiver of Harris County's right to make an appointment at a later date. Harris County may also appoint and maintain as many non-voting ex officio members on the Gulfgate Zone Board of Directors as Harris County may desire.

**V. OBLIGATIONS OF CITY AND GULFGATE ZONE**

**A. Project Plan**

Any member of the Harris County Commissioners Court may review and comment upon any amendment to the Project Plan before any amendments thereto are submitted to the City Council for City approval. The City agrees to provide Harris County with a copy of any proposed amendments at least 14 days prior to their submission to the City Council for approval.

**B. Disposition of Tax Increments**

Upon termination of the Gulfgate Zone, and if all bonded indebtedness of the Gulfgate Zone has been paid, the City and the Gulfgate Zone shall pay to Harris County, within sixty (60) days of said termination, all monies remaining in the Tax Increment Fund that are attributable to the Harris County Tax Increment Participation paid by Harris County into the Tax Increment Fund.

**C. Audits**

The City shall provide to Harris County a copy of each of the audits required by Section VI, C and Section VI, D of the Agreement by and between the City of Houston, Texas, Reinvestment Zone Number Eight, City of Houston, Texas and the Gulfgate Redevelopment Authority approved by City of Houston Ordinance No. 97-1571 within thirty (30) days of receipt of each audit.

**VI. TERM AND TERMINATION**

**A. Agreement Term**

This Agreement becomes effective as of the date of the final signature hereto. The term of this Agreement shall commence with the tax year beginning on January 1, 1998. This Agreement shall terminate on December 31, 2020, unless earlier terminated by the parties hereto. It is the intent of the parties that Harris County's participation in the Gulfgate Zone, or any expansion thereof, is limited to the term stated herein. Nothing in this Agreement, however, limits the authority of the Harris County Commissioners Court to extend the term of this Agreement or increase the amount of the Harris County Tax Increment Participation in the Gulfgate Zone, as set forth in Section IV of this Agreement.

**B. Early Termination**

The Gulfgate Zone may terminate pursuant to the provisions of Texas Tax Code Section 311.017.

**VII. MISCELLANEOUS**

**A. Severability**

In the event any term, covenant or condition herein contained is held to be invalid by any court of competent jurisdiction, such invalidity shall not affect any other term, covenant or condition herein contained.

In the event any term, covenant or condition shall be held invalid and affects in any manner the limitations on Harris County's, or any other party's, contributions or participation, then neither Harris County, nor any other party, shall have any 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 other 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, agent or employee of the City, the Gulfgate Zone or Harris County.

**H. No Waiver of Immunity**

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

ORDER APPROVING TAX INCREMENT CONTRIBUTION TO  
REINVESTMENT ZONE NUMBER 8, CITY OF HOUSTON, TEXAS

THE STATE OF TEXAS     §  
  §  
COUNTY OF HARRIS     §

On this the 29<sup>th</sup> of June, 1999, the Commissioners Court of Harris County, sitting as the governing body of Harris County, Texas, being duly convened at a regular meeting of the Court, a quorum present, upon motion of Commissioner Lee, seconded by Commissioner Evarsele, duly put and carried the following was adopted:

**RECITALS:**

WHEREAS, on or about December 10, 1997, the City Council of the City of Houston, Texas, pursuant to chapter 311 of the Texas Tax Code, adopted Ordinance No. 97-1524, designating a certain area as Reinvestment Zone Number Eight, City of Houston, Texas and describing the boundaries of said Zone; and

WHEREAS, on or about December 2, 1997, the Commissioners Court, pursuant to TEX. TAX CODE ANN. § 311.003(e), approved an order waiving the requirement that it receive sixty (60) days' notice of the public hearing; and

WHEREAS, on or about January 13, 1998, the Commissioners Court agreed to participate in Reinvestment Zone Number Eight subject to the approval of an interlocal agreement with the City of Houston and the Board of Directors of the Zone; and

WHEREAS, the Commissioners Court, pursuant to TEX. TAX CODE ANN. § 311.013, makes the determination on behalf of Harris County only and not on behalf of any other political subdivision within Harris County, to contribute, to the extent authorized by law, one hundred percent (100%) of the tax increment attributed to the Captured Appraised Value of Harris County in Reinvestment Zone Number Eight for the tax years commencing on January 1, 1998, and terminating on December 31, 2020; and

WHEREAS, the Commissioners Court desires to approve the County's entering into an interlocal agreement with the City of Houston, Texas and Reinvestment Zone Number Eight, City of Houston, Texas based upon the aforesaid representations.

**NOW, THEREFORE,**

**BE IT ORDERED BY THE COMMISSIONERS COURT OF HARRIS COUNTY, TEXAS THAT:**

**Section 1.** The recitals set forth in this order are true and correct.

**Section 2.** The Interlocal Agreement is approved and the County Judge of Harris County or his designee is authorized to execute the Interlocal Agreement with the City of Houston, Texas and Reinvestment Zone Number Eight, City of Houston, Texas to contribute to the extent authorized by law, all of the tax increment attributed to the Captured Appraised Value in Reinvestment Zone Number Eight, City of Houston, Texas for the 23-year period commencing on January 1, 1998, and terminating on December 31, 2020. The Interlocal Agreement is attached hereto and made a part hereof for all purposes.

**Section 3.** The Clerk of Commissioners Court shall transmit forthwith a copy of this Order to the Harris County Appraisal District, the Assessor and Collector of Taxes for Harris County, the Mayor and City Council of the City of Houston, Texas and the Board of Directors of Reinvestment Zone Number Eight, City of Houston, Texas.