

REQUEST FOR COUNCIL ACTION

TO: Mayor via City Secretary

RCA #

SUBJECT: An Ordinance approving and authorizing Interlocal Agreements between the City of Houston, Texas, Houston Independent School District, and nine tax increment reinvestment zones.

Category #

Page 1 of 1

Agenda Item#

61

FROM: (Department or other point of origin):

Origination Date

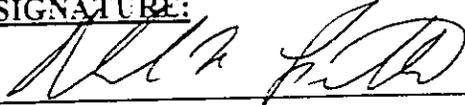
Agenda Date

MS
Planning & Development Department

8/16/99

AUG 18 1999

DIRECTOR'S SIGNATURE:



Council Districts affected:
Districts A, B, C, D, G, H, I

For additional information contact:

Robert M. Litke Phone: 837-7708
Bill Calderon Phone: 837-7787

Date and identification of prior authorizing Council Action:

RECOMMENDATION: (Summary)

That City Council adopt an ordinance that authorizes nine Interlocal Agreements between the City of Houston, the Houston Independent School District, and Reinvestment Zone Number Eight (Gulfgate); Reinvestment Zone Number Nine (South Post Oak); Reinvestment Zone Number Twelve (City Park); Reinvestment Zone Number Thirteen (Old Sixth Ward); Reinvestment Zone Number Fourteen (Fourth Ward); Reinvestment Zone Number Fifteen (East Downtown); Reinvestment Zone Number Sixteen (Uptown); Reinvestment Zone Number Eighteen (Fifth Ward); and Reinvestment Zone Number Nineteen (Upper Kirby).

Amount of Funding:

Not Applicable

F & A Budget:

SOURCE OF FUNDING: [] General Fund [] Grant Fund [] Enterprise Fund

[] Other (Specify)

SPECIFIC EXPLANATION:

Tax Increment Reinvestment Zones are created to encourage and stimulate development/redevelopment. As new development occurs in these zones, property values increase and incremental revenues from the increase in value are used to pay for project costs needed to support the development. This development results in increased property tax revenues to all taxing jurisdictions.

Approval of the proposed Interlocal Agreements between the City of Houston and the Houston Independent School District is necessary to set forth the terms and conditions and various rates of participation by HISD in each of the zones. Pursuant to recent changes in the state law governing school district participation in TIRZ's, these agreements must be in place prior to September 1, 1999 in order to insure ISD participation in these zones without penalty. Following are the rates of participation by zone.

Reinvestment Zone Number Eight (Gulfgate)

The Interlocal Agreement provides for 100% participation of the ad valorem value (\$1.459 per \$100 of valuation), with a set-aside of \$0.8191/ \$100 for educational facilities project costs in the original zone, and \$0.96 per \$100 of valuation, with a set-aside of \$0.32/ \$100 for educational facilities in the annexed area of the zone, and other terms and conditions.

Reinvestment Zone Number Nine (South Post Oak)

The Interlocal Agreement provides for 100% participation of the ad valorem value (\$1.459 per \$100 of valuation) with a set-aside of \$ 0.653/ \$100 for educational facilities project costs, and other terms and conditions.

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Reinvestment Zone Number Thirteen (Old Sixth Ward)

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cc: Agenda Director
 Anthony Hall, City Attorney
 Anna Russell, City Secretary

REQUIRED AUTHORIZATION

F&A Director:	Other Authorization:	Other Authorization:
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FORM 132.M
(Approving/Authorizing)

Controller's Office

To the Honorable Mayor and City Council of the City of Houston:

I hereby certify, with respect to the money required for the contracts, agreements, obligations or expenditures contemplated by the ordinance set out below that:

- () Funds have been encumbered out of funds previously appropriated for such purpose.
- () Funds have been certified and designated to be appropriated by separate ordinance to be approved prior to the approval of the ordinance set out below.
- () Funds will be available out of current or general revenue prior to the maturity of any such obligation.
- () No pecuniary obligation is to be incurred as a result of approving the ordinance set out below.
- () The money required for the expenditure or expenditures specified below is in the treasury, in the fund or funds specified below, and is not appropriated for any other purposes.
- () A certificate with respect to the money required for the expenditure or expenditures specified below is attached hereto and incorporated herein by this reference.
- (X) Other - Contingent on receipt of tax increment.

John A. Garcia
[Signature]

Date: July 12, 1999 City Controller of the City of Houston

FUND REF: N/A AMOUNT: N/A ENCUMB. NO.: RF70001-00

msm
8/12

City of Houston Ordinance No. 1999-413

AN ORDINANCE APPROVING AND AUTHORIZING INTERLOCAL AGREEMENTS BETWEEN THE CITY OF HOUSTON, TEXAS; HOUSTON INDEPENDENT SCHOOL DISTRICT; REINVESTMENT ZONE NUMBER EIGHT, CITY OF HOUSTON, TEXAS (GULFGATE ZONE); REINVESTMENT ZONE NUMBER NINE, CITY OF HOUSTON, TEXAS (SOUTH POST OAK ZONE); REINVESTMENT ZONE NUMBER TWELVE, CITY OF HOUSTON, TEXAS (CITY PARK ZONE); REINVESTMENT ZONE NUMBER THIRTEEN, CITY OF HOUSTON, TEXAS (OLD SIXTH WARD ZONE); REINVESTMENT ZONE NUMBER FOURTEEN, CITY OF HOUSTON, TEXAS (FOURTH WARD ZONE); REINVESTMENT ZONE NUMBER FIFTEEN, CITY OF HOUSTON, TEXAS (EAST DOWNTOWN ZONE); REINVESTMENT ZONE NUMBER SIXTEEN, CITY OF HOUSTON, TEXAS (UPTOWN ZONE); REINVESTMENT ZONE NUMBER EIGHTEEN, CITY OF HOUSTON, TEXAS (FIFTH WARD ZONE) AND REINVESTMENT ZONE NUMBER NINETEEN, CITY OF HOUSTON, TEXAS (UPPER KIRBY ZONE) FOR THE

FORM 132.M
 (Approving/Authorizing)

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is AUG 24 1999.

Con Russell
 City Secretary

(Prepared by Legal Dept. ROBERT F. LITKE)
 (DFM:dfm 8/17/99 Senior Assistant City Attorney
 (Requested by Robert M. Litke, Director, Planning & Development)
 (L.D. File Nos. 61-97066-12; 34-97601-09; 34-98387-04; 61-98038-05;
 61-99058-04; 61-99060-04; 61-99061-04; 61-99057-04)

11 applies to all other orders

AYE	NO	
—		MAYOR BROWN
••••	••••	COUNCIL MEMBERS
—		TATRO
ABSENT-OUT OF THE CITY		YARBROUGH
ABSENT-OUT OF CITY BUSINESS		WONG
✓		BONEY
—		TODD
—		DRISCOLL
✓		KELLEY
✓		FRAGA
ABSENT-ON PERSONAL BUSINESS		CASTILLO
✓		PARKER
✓		ROACH
✓		SANCHEZ
✓		BELL
✓		ROBINSON
CAPTION	ADOPTED	

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- (X) Other - Contingent on receipt of tax increment.

John A. Guice
City Controller of the City of Houston

Date: August 11, 1999

City Controller of the City of Houston

FUND REF: N/A AMOUNT: N/A ENCUMB. NO.: RF70001-00

*ms
8/12*

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 City Secretary

(Prepared by Legal Dept. DEBORAH F. McLAUGHLIN)
 (DFM:dfm 8/17/99 Senior Assistant City Attorney)
 (Requested by Robert M. Litke, Director, Planning & Development)
 (L.D. File Nos. 61-97066-12; 34-97601-09; 34-98387-04; 61-98038-05;
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APPLIES TO THE PREVIOUS PAGE

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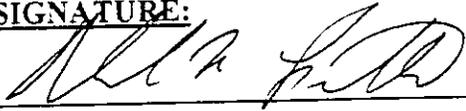
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cc: Agenda Director
 Anthony Hall, City Attorney
 Anna Russell, City Secretary

REQUIRED AUTHORIZATION

F&A Director:	Other Authorization:	Other Authorization:
--------------------------	-----------------------------	-----------------------------

South Post Oak Zone

South Post Oak Reinvestment Zone
Knudson & Associates
8588 Katy Freeway, Suite 441
Houston, Texas 77024
Attention: Patti Knudson Joiner

B. Index

The City, HISD and the South Post Oak Zone hereby agree to the terms and conditions of this Agreement. This Agreement consists of the following sections:

<u>Section</u>	<u>Description</u>	<u>Page</u>
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IV.	Obligations of HISD	8
V.	Obligations of City and South Post Oak Zone	12
VI.	Term and Termination	15
VII.	Miscellaneous	15

C. Parts Incorporated

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

REINVESTMENT ZONE NUMBER NINE
CITY OF HOUSTON, TEXAS (South Post Oak Zone)

By: _____ Date _____
Title: Chairman, Board of Directors

ATTEST SEAL:

By: _____ Date _____
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 South Post Oak Zone, the costs of operating the South Post Oak Zone and the imputed administrative costs associated with the South Post Oak Zone, including reasonable charges, but not to exceed \$25,000 per year for the City, 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 South Post Oak Zone.

"Agreement Term" is defined in Section VI.

"Captured Appraised Value" means the captured appraised value of the South Post Oak Zone as defined by Chapter 311, Texas Tax Code.

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

"Educational Facilities" means the equipment, real property and other facilities including a public school building, that are used or intended to be used jointly by the City and HISD and that are acquired, constructed or reconstructed pursuant to the Project Plan.

"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 South Post Oak Zone pursuant to Subsections A, B and C of Section IV of this Agreement.

"Project Costs" means the costs identified as "project costs" or costs for Educational Facilities in the Project Plan for the South Post Oak Zone.

"Project Plan" means the project plan and the reinvestment zone financing plan for the South Post Oak Zone adopted by the board of directors of the South Post Oak Zone and approved by the

City Council of the City on July 14, 1999, by Ordinance No. 1999-721, as amended by the Board of Directors of the South Post Oak Zone and approved by the City Council of the City and the Superintendent of Schools of HISD before September . . . 1999, and as may be further amended from time to time.

“South Post Oak Area” means the South Post Oak area of the City and neighboring areas, as more particularly described in City of Houston Ordinance No. 97-1570.

“South Post Oak Zone” means Reinvestment Zone Number Nine, City of Houston, Texas, created by the City on December 17, 1997, by Ordinance No. 97-1570, and includes its successors and assigns.

“Tax Increment Fund” means the tax increment fund created by the City in the City Treasury for the South Post Oak 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. 97-1570, adopted December 17, 1997, the City created the South Post Oak Zone for the purposes of development and redevelopment in the South Post Oak Area. The Board of Directors of the South Post Oak Zone initially adopted a project plan and reinvestment zone financing plan, which was approved by the City on July 14, 1999, by City of Houston Ordinance No. 1999-721. The Board of Directors of the South Post Oak Zone has adopted and the City Council has approved the First Amendment to the Project Plan pursuant to City of Houston Ordinance No. 1999-825. The City currently contributes tax increments produced in the South Post Oak Zone to the Tax

Increment Fund. HISD desires to participate in the South Post Oak Zone in consideration for the agreements set forth below.

HISD hereby acknowledges receipt of notice of the initial creation of the South Post Oak Zone prior to May 31, 1999. HISD waived the 60-day notice requirement of Section 311.003(e), Texas Tax Code, with respect to the initial creation of the South Post Oak Zone.

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 South Post Oak Zone by contributing one hundred percent (100%) of the tax increment produced in the South Post Oak Zone attributable to HISD to the Tax Increment Fund during the term of this Agreement.

B. Option to Reduce Participation

In circumstances where there is not a loss caused by a change in law such that Section IV.E. applies, upon written notice to the City, HISD may reduce its HISD Tax Increment Participation from year to year and for any tax year beginning in January of the year after the notice is given and subsequent years to a rate not less than \$0.64 per \$100 valuation. Any such reduction shall reduce the aggregate amount paid to HISD for Educational Facilities Project Costs pursuant to Section V.C. by the total aggregate amount of the reduction of tax increments paid to the City as a result of such reduction in the HISD Tax Increment Participation.

C. Tax Increment Limitation

1. Subject to the limitations set out in this Agreement, 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 by levying a tax on property in the South Post Oak Zone at the then-current tax rate per \$100 valuation on the Captured Appraised Value.

2. HISD's Tax Increment Participation and obligation to participate in the South Post Oak Zone shall be restricted to its tax increment collected on the Captured Appraised Value in the South Post Oak 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 South Post Oak 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 as provided in section 311.013(c) of the Texas Tax Code. The City and the South Post Oak Zone agree that no interest or penalty will be charged to HISD for any late payment received from HISD. Taxes collected by HISD in any year on actual Captured Appraised Value that exceeds the estimate of Captured Appraised Value for that year shown in the Project Plan approved before September 1, 1999, shall be retained by HISD.

D. Shared Educational Facilities

HISD agrees that the City will be permitted to use the grounds and facilities of any Educational Facilities acquired, constructed or reconstructed with or financed by monies from the Tax Increment Fund, and that HISD and the City will negotiate use agreements for such use. HISD will allow the City to use, at no cost to the City other than proportionate utility, maintenance and building personnel costs of HISD, ballfields, tennis courts and other outdoor recreational areas.

indoor recreational areas, lunchrooms, and other assembly areas of the Educational Facilities constructed with or financed by monies from the Tax Increment Fund for municipal recreational and meeting purposes, at all reasonable times to be agreed to by the City and HISD that HISD is not conducting school or other related activities at the facilities. HISD shall identify annually for the City and the South Post Oak Zone those Educational Facilities that are acquired, constructed or reconstructed or financed with monies from any City reinvestment zone created pursuant to Chapter 311 of the Texas Tax Code.

E. Changes in Applicable Laws

Notwithstanding any other provision of this Agreement, in the event and to the extent that Texas law applicable to HISD or tax increment reinvestment zones is changed subsequent to the effective date of this Agreement, or there is any interpretation, ruling, order, decree or court decision interpreting existing or subsequently enacted law applicable to HISD or tax increment reinvestment zones, whether administratively by the Texas Education Agency, the Comptroller of Public Accounts of the State of Texas, the Attorney General of the State of Texas, or by a court of competent jurisdiction, with the result that the participation of HISD in the South Post Oak Zone decreases the aggregate amount of the state and local funds available to or received in any school year by HISD during the term of this Agreement that would otherwise be available to or received by HISD in such school year if HISD was not participating in the South Post Oak Zone during that year, as determined by HISD subject to the review by the City as to the accuracy of the calculations, HISD's Tax Increment Participation shall, at the option of HISD, be reduced in an amount equal to the amount of the decrease in the aggregate state and/or local funding available to or received in that school year by HISD during the term of this Agreement as a result of HISD's participation in the

South Post Oak Zone. HISD shall provide the City sufficient information for the City to review the accuracy of the calculation of loss. Educational Facilities Project Costs shall be reduced by the portion of the reduction that is equal to the amount of the reduction multiplied by a fraction the numerator of which is the amount otherwise to be paid to HISD pursuant to Section V.C. in that year and the denominator of which is the HISD Tax Increment Participation; Non-Educational Facilities Project Costs shall be reduced by the remaining portion of the reduction, provided that the total amount of any reduction in Non-Educational Facilities Project Costs shall not exceed two-thirds of the total amount of any reduction that would have resulted if HISD's participation was at a tax rate of \$0.96 per \$100 valuation. "State and local funds" for purposes of this section are defined in chapters 41, 42 and 46 of the Education Code but do not include the amounts paid by HISD into the Tax Increment Fund pursuant to this Agreement.

Nothing in this Section shall require the City or the South Post Oak Zone to pay HISD Educational Facilities Project Costs with any funds other than the portion of the Tax Increment Fund attributable to the HISD Tax Increment Participation.

For any HISD fiscal year that HISD intends to decrease its participation in the South Post Oak Zone pursuant to this Article, HISD's calculation of the decrease will be provided to the City no later than 15 months following the end of such fiscal year or six months following any such interpretation, ruling, order or decree, and the City shall have 2 months to review HISD's calculations. If HISD submits the calculation after the payment of its tax increment for the applicable year, the deductions shall be made from HISD's future payments of HISD Tax Increment Participation.

F. Expansion of South Post Oak Zone

HISD's participation shall not extend to the tax increment on any additional property added to the South Post Oak Zone by the City unless the Board of Education of HISD approves the participation.

V. OBLIGATIONS OF CITY AND SOUTH POST OAK ZONE

A. Street Right of Way

To the extent requested by HISD, the City and the South Post Oak 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 South Post Oak Zone pursuant to the Project Plan: (a) the cost of abandonment of any street right of way by the City on behalf of HISD for HISD Educational Facilities in the South Post Oak Zone; and (b) the cost of water and sewer utility connections and construction outside the boundaries of HISD property for HISD Educational Facilities in the South Post Oak Zone (collectively, "School Support Expenses"). The City shall use the proceeds obtained from payments made pursuant to the preceding sentence for infrastructure improvements or other projects identified in the South Post Oak Zone Project Plan.

B. Project Plan

The parties agree that the Superintendent of Schools of HISD shall be permitted to review and comment upon any amendments to the South Post Oak Zone Project Plan before any amendments are submitted to the City Council for City approval. Any South Post Oak Zone Project Plan shall provide Educational Facilities Project Costs for HISD Educational Facilities within the South Post Oak Zone or the City. The parties further agree that an amendment to the Project Plan

occurring after September 1, 1999, shall not apply to HISD unless the Board of Trustees of HISD or its duly authorized designee approves the amendment to the Project Plan, if the amendment to the Project Plan:

- (1) has the effect of directly or indirectly increasing the percentage or amount of tax increment to be contributed by HISD;
- (2) requires or authorizes the City to issue additional tax increment bonds or notes; or
- (3) eliminates or reduces Educational Facilities Project Costs.

In the event the City and the South Post Oak Zone use any portion of the Tax Increment Fund for costs of elementary or secondary school facilities for any entity other than HISD without the prior consent of the Board of Trustees of HISD, HISD shall have the right to terminate this Agreement.

The City and the South Post Oak Zone shall not use any portion of the HISD Tax Increment Participation for the construction, renovation, repair, maintenance, lease, purchase or financing of any educational facilities serving postsecondary students without the prior written approval of the HISD Superintendent of Schools, but may use the Tax Increment Participation contributed by participating taxing units other than HISD for such purposes, provided that a taxing unit providing educational services to postsecondary students in such educational facilities contributes one hundred percent (100%) of its tax increment produced in the South Post Oak Zone to the Tax Increment Fund from the date of its participation until the termination of the South Post Oak Zone.

C. Financing and Construction of Educational Facilities

One-third of the HISD Tax Increment Participation, and interest earned thereon, shall be applied to the provision of affordable housing pursuant to Chapter 311 of the Texas Tax Code. Of

the remaining two-thirds of the HISD Tax Increment Participation, the amount of taxes collected at a tax rate of \$0.32 per \$100 valuation, and interest earned thereon, shall be applied to the payment of Non-Educational Facilities Project Costs, including Administrative Costs and School Support Expenses. The remaining HISD Tax Increment Participation shall be paid to HISD by the City, the South Post Oak Zone or the South Post Oak Redevelopment Authority, along with interest earned thereon, on an annual basis to be used by HISD for Educational Facilities Project Costs pursuant to the Project Plan.

All funds paid to HISD pursuant to this Section V.C. shall come from the South Post Oak Zone HISD Tax Increment Participation. Neither the City nor the South Post Oak Zone shall ever be obligated to set aside for or pay to HISD any funds other than HISD's portion of funds derived from the South Post Oak Zone, nor shall the City or the South Post Oak Zone ever be obligated to expend any funds other than funds made available by HISD after payment pursuant to this Section V.C. to finance, acquire, construct or reconstruct any Educational Facilities Project Costs.

D. Control of Educational Facilities

The parties agree that all decisions regarding acquisition, construction, reconstruction and educational content of HISD educational facilities in or to serve the South Post Oak Zone will be in the control of HISD. Nothing in this subsection shall be construed to relieve HISD of the obligation to comply with all City ordinances and regulations applicable to the construction and operation of any educational facility by or on behalf of HISD.

E. Dedication of Land

The Zone agrees that up to 15 acres of property within the South Post Oak Zone, acceptable to HISD, will be dedicated to HISD for the construction of HISD Educational Facilities.

VI. TERM AND TERMINATION

A. Agreement Term

This Agreement shall be effective as of August 31, 1999, and shall remain in effect until December 31, 2023. 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 2022.

B. Early Termination

The City shall not adopt an ordinance terminating the South Post Oak Zone earlier than the duration of the South Post Oak Zone established in Ordinance No. 97-1570, without the prior consent of HISD, provided that the South Post Oak Zone may otherwise terminate by operation of law.

C. Disposition of Tax Increments

Upon termination of the South Post Oak Zone, and if all Project Costs have been paid, the City and the South Post Oak Zone shall pay to HISD all monies, including interest thereon, remaining in the Tax Increment Fund that are attributable to the HISD Tax Increment Participation paid into the Tax Increment Fund and shall pay to the City all monies, including interest thereon, then remaining in the Tax Increment Fund attributable to the City.

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 South Post Oak 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.

I. Access to Financial Information

Each party to this Agreement shall have reasonable access to all financial information and audit reports regarding the operation of the South Post Oak Zone and the expenditures from the Tax Increment Fund.