

City of Houston, Texas, Ordinance No. 1999- 565

AN ORDINANCE DESIGNATING A CONTIGUOUS GEOGRAPHIC AREA WITHIN THE CITY OF HOUSTON (FOURTH WARD AREA) AS A REINVESTMENT ZONE FOR TAX INCREMENT FINANCING PURPOSES PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE; CREATING A BOARD OF DIRECTORS FOR SUCH ZONE; CONTAINING FINDINGS AND PROVISIONS RELATED TO THE FOREGOING SUBJECT; PROVIDING A SEVERABILITY CLAUSE; AND DECLARING AN EMERGENCY.

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

WHEREAS, the City has received a petition (the "Petition") requesting that a contiguous geographic area in Houston, Texas, (the "Fourth Ward Area") be designated as a reinvestment zone under the provisions of Chapter 311 of the Texas Tax Code; and

WHEREAS, the Petition was submitted by the owners of property constituting at least 50 percent of the appraised value of the property in the proposed reinvestment zone according to the most recent certified appraisal roll for Harris County, Texas, the county in which the proposed zone is located; and

WHEREAS, the City prepared a preliminary reinvestment zone financing plan, 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 written notice of the City's intention to create the proposed zone, complying with the requirements of Chapter 311, Texas Tax Code, to the governing body of all taxing units levying taxes on property in the proposed zone more than 60 days before the June 2, 1999, public hearing on the creation of the proposed zone; and

WHEREAS, a notice of the June 2, 1999, public hearing on the creation of the proposed zone was published on May 25, 1999, in the Houston Chronicle; a newspaper of general circulation in the City; and

WHEREAS, at the public hearing on June 2, 1999, 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 and opposed to the creation of the proposed zone under the provisions of Chapter 311, Texas Tax Code; and

WHEREAS, the City has provided all information, and made all presentations, given all notices and done all other things required by Chapter 311, Texas Tax Code, or other law as a condition to the creation of the proposed zone; and

WHEREAS, the total appraised value of taxable real property in the proposed zone and all other reinvestment zones previously created by the City is approximately \$1,429,250,700; and

WHEREAS, the total appraised value of taxable real property in the City and in the industrial districts created by the City is approximately \$59,653,340,000; and

WHEREAS, the total appraised value of taxable real property taxable by Harris County, in which the proposed zone is located, is approximately \$102,486,793,000; and

WHEREAS, the total appraised value of real property taxable by the Houston Independent School District, in which the proposed zone is located, is \$37,033,231,000;

NOW, THEREFORE,

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

Section 1. Findings.

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

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

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

- (1) The proposed zone substantially impairs and 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, or welfare in its present condition and use because of the presence of :
 - a. a substantial number of substandard, slum, deteriorated, or deteriorating structures ;
 - b. the predominance of defective or inadequate sidewalk or street layout;
 - c. faulty lot layout in relation to size, adequacy, accessibility or usefulness;
 - d. unsanitary or unsafe conditions;
 - e. the deterioration of site or other improvements;
 - f. defective of unusual conditions of title; and
 - g. conditions that endanger life or property by fire or other cause; and
- (2) The proposed zone is an area described in a petition submitted by the owners of the property constituting at least 50 percent of the appraised value of the property in the area requesting that the area be designated as a reinvestment zone according to the most recent certified appraisal roll for Harris County.

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

- (1) That the proposed zone is a contiguous geographic area located wholly within the corporate limits of the City of Houston;
- (2) That the total appraised value of taxable real property in the proposed zone, and in the City's existing reinvestment zones, does not exceed fifteen percent of the total appraised value of taxable real property in the City and in the industrial districts created by the City;
- (3) That the proposed zone does not contain more than fifteen percent of the total appraised value of real property taxable by Harris County or the Houston Independent School District; and
- (4) That the development or redevelopment of the property in the proposed zone will not occur solely through private investment in the reasonably foreseeable future.

Section 2. Exception to Guidelines

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

Section 3. Designation of the Zone

That the City, acting under the provisions of Chapter 311, Texas Tax Code (the "Act"), including Section 311.005(a), does hereby designate as a reinvestment zone, and create and designate a reinvestment zone over, the area described in Exhibit "A" and depicted in the map attached hereto as Exhibit "B" to promote the redevelopment of the area. The reinvestment zone shall hereafter be named for identification as Reinvestment Zone Number 1FOURTEEN, City of Houston, Texas, (the "Zone"). The City Council specifically declares that the Zone is designated pursuant to Section 311.005(a)(5) of the Texas Tax Code.

Section 4. Board of Directors

That there is hereby created a Board of Directors for the Zone, which shall consist of nine (9) members. Position One on the Board of Directors shall be filled by the State Senator representing the area included within the Zone or his designee. Position Two on the Board of Directors shall be filled by the State Representative representing the area included within the Zone or his designee. The Mayor is hereby authorized to nominate and appoint the remaining seven (7) members of the Board of Directors to Positions Three through Nine, subject to the consent and approval of the City Council; provided, however, that Harris County shall be entitled to appoint a director to Position Nine if Harris County approves the payment of all or part of the tax increment attributable to Harris County; and

¹ Sequential number of Reinvestment Zone to be inserted by City Secretary upon effective date of ordinance in accordance with Chapter 311, Texas Tax Code.

that the Houston Independent School District ("HISD") shall be entitled to appoint a director to Position Eight if HISD approves payment of all or part of the tax increment attributable to HISD.

The directors or their designees in Position One and Position Two shall be members of the Board by operation of law pursuant to Section 311.009(b), Texas Tax Code. The directors appointed to Positions Three, Four, and Five shall be appointed for two year terms beginning on the ^{6/19/99} effective date of this Ordinance, ^{6/8/99} while the directors appointed to Positions Six, Seven, Eight and Nine shall be appointed to a one year term beginning on the ^{6/19/99} effective date of this Ordinance, ^{6/8/99} All subsequent appointments shall be appointed for two-year terms. The member of the Board of Directors appointed to Position Three is hereby designated to serve as chair of the Board of Directors for the term beginning on the effective date of this Ordinance, and ending December 31, 1999. Thereafter the Mayor shall annually nominate and appoint, subject to City Council approval, a member to serve as chair for a term of one year beginning January 1 of the following year. The City Council authorizes the Board of Directors to elect from its members a vice chairman and such other officers as the Board of Directors sees fit.

The Board of Directors shall make recommendations to the City Council concerning the administration of the Zone. The Board of Directors shall prepare or cause to be prepared and adopt a project plan and a reinvestment zone financing plan for the Zone as described in Section 311.011, Texas Tax Code, and shall submit such plans to the City Council for its approval. The City, pursuant to Section 311.010(a) of the Texas Tax Code

hereby authorizes the Board of Directors to exercise all of the City's powers necessary to administer, manage or operate the Zone and to prepare the project plan and reinvestment zone financing plan, including the power to employ consultants, legal counsel and financial advisors, or enter into any reimbursement agreements with consultants, legal counsel and financial advisors payable solely from the Tax Increment Fund established pursuant to Section 7 of this Ordinance, subject to the approval of the Director of the Planning and Development Department, that may be reasonably necessary or convenient to assist the Board of Directors in the administration, management or operation of the Zone and the preparation of the project plan and reinvestment zone financing plan. Notwithstanding the foregoing, the Board of Directors shall not be authorized to issue bonds, impose taxes or fees, exercise the power of eminent domain or give final approval to the project plan and reinvestment zone financing plan. The Board of Directors of the Zone may not exercise any power granted to the City by Section 311.008 of the Texas Tax Code without additional authorization from the City.

Section 5. Duration of the Zone

That the Zone shall take effect on January 1, 2000, for the deposit of tax increments into the Tax Increment Fund established pursuant to Section 7 of this Ordinance; provided however, that if House Bill 2684 as adopted by the 76th Texas Legislature, Regular Session (1999), is signed by the Governor and becomes effective before the passage and approval of this Ordinance so that the Zone would be required to become effective upon passage of this Ordinance, the Zone shall take effect immediately upon its passage.

Termination of the operation of the Zone shall occur on December 31, 2029, or at an earlier time designated by subsequent ordinance, or at such time, subsequent to the time that all project costs, tax increment bonds, notes and other obligations of the Zone, and the interest thereon, have been paid in full.

Section 6. Tax Increment Base

That the Tax Increment Base of the City or any other taxing unit participating in the Zone for the Zone is the total appraised value of all real property taxable by the City or other taxing unit participating in the Zone and located in the Zone, determined as of January 1, 1999, 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 funds of Texas cities. The annual Tax Increment shall equal the property taxes levied and collected by the City and any other taxing unit participating in the Zone for that year on the captured appraised value, as defined by the Act, of real property located in Zone that is taxable by the City or any other taxing unit participating in 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, notes or other obligations hereafter issued for the benefit of the Zone by the City, if any; revenues from the sale of property acquired as part of the project plan and reinvestment zone financing plan, if any; and other revenues to be used in the Zone shall be deposited into the Tax Increment Fund. Prior to the termination of the Zone, 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 and achieve their purpose 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

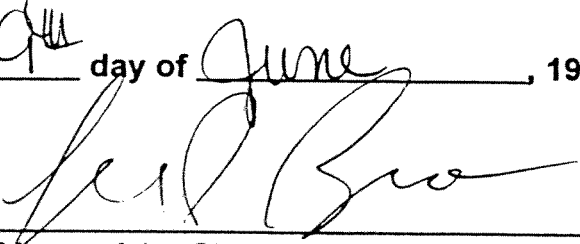
It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of the meeting of the City Council at which this Ordinance

was adopted was posted at a place convenient and readily accessible at all times to the general public at the City Hall of the City for the Time required by law preceding 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. 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 9th day of June, 1999.



Mayor of the City of Houston

(Prepared by Legal Dep't DEBORAH FALK ARBE) 
(DFM/dfm 6/8/99 Senior Assistant City Attorney)
(Requested by Robert Litke, Director, Planning and Development Department)
L.D. No. 34-98487-01

FOURTH WARD TIRZ BOUNDARY DESCRIPTION

Being all of the following described property in the J. Austin Survey, Abstract 1, and the O. Smith Survey, Abstract 696, City of Houston, Harris County Texas and being more particularly described as follows:

BEGINNING at the intersection of the northeast corner of Lot 1, Block 10 of the Temple Terrace subdivision and the southern right-of-way (R.O.W.) of Allen Parkway;

THENCE in an easterly direction along the southern R.O.W. of Allen Parkway to its intersection with the east R.O.W. of Gillette Street;

THENCE in a southerly direction along the east R.O.W. of Gillette Street to its intersection with the north R.O.W. of West Dallas Avenue;

THENCE in an easterly direction along the north R.O.W. of West Dallas Avenue to its intersection with a northerly projection of the east R.O.W. of Crosby Street;

THENCE in a southerly direction along the east R.O.W. of Crosby Street to its intersection with the north line of Andrews Street;

THENCE in an easterly direction along the north R.O.W. of Andrews Street to its intersection with the west R.O.W. of Heiner Street which is adjacent to Interstate Highway 45;

THENCE in a southerly direction along the west R.O.W. of Heiner Street to its intersection with the north R.O.W. of Cleveland Street;

THENCE in a westerly direction along the north R.O.W. of Cleveland Street to its intersection with the west R.O.W. of Arthur Street;

THENCE in a southerly direction along the west R.O.W. of Arthur Street to the southerly dead end thereof;

THENCE in a southeasterly direction at right angles to the northwesterly line of Baldwin Street to its intersection with said line;

THENCE in a southwesterly direction along the north R.O.W. of Baldwin Street to its intersection with the northerly R.O.W. of West Gray Avenue;

THENCE in a northwesterly direction along the north R.O.W. of West Gray Avenue to its intersection with the east R.O.W. of Valentine Street;

THENCE in a northerly direction along the east R.O.W. of Valentine Street to its intersection with the north R.O.W. of West Gray Avenue;

THENCE in a westerly direction along the north R.O.W. of West Gray Avenue to its intersection with the west R.O.W. of Matthews Street;

THENCE in a southerly direction along to the west R.O.W. of Matthews Street to its intersection with the north R.O.W. of West Webster Avenue;

THENCE in a westerly direction along the north R.O.W. of West Webster Avenue to its intersection with the west R.O.W. of Bailey Street;

THENCE in a southerly direction along the west R.O.W. of Bailey Street to the southeast corner of Lot 10 Block 78 of the W.R. Baker Subdivision, unrecorded;

THENCE westerly along the south line of said W.R. Baker Unrecorded Subdivision, crossing Gillette Street and continuing to the west line of Genessee Street;

THENCE in a northerly direction along the west R.O.W. of Genessee Street to its intersection with the north R.O.W. of Cook Street;

THENCE easterly along the north line of Cook Street to the west line of Gillette Street;

THENCE northerly along the west line of Gillette Street to the south line of West Webster Avenue;

THENCE westerly along the south line of West Webster Avenue to the west line of Genessee Street;

THENCE northerly along the west line of Genessee Street to the north line of O'Neil Street;

THENCE easterly along the north line of O'Neil Street to the west line of Wilson Street;

THENCE northerly along the west line of Wilson Street to the south line of West Gray Avenue;

THENCE in a westerly and northwesterly direction along the south R.O.W. of West Gray Avenue to its intersection with the west R.O.W. of Mason Street;

THENCE in a northerly direction along the west R.O.W. of Mason Street to its intersection with the south R.O.W. of Andrews Street;

THENCE in a westerly direction along the south R.O.W. of Andrews Street to its intersection with the west R.O.W. of Taft Street;

THENCE in a northerly direction following the west R.O.W. of Taft Street to its intersection with the south line West Dallas Street;

THENCE in a westerly direction along the south line or West Dallas Street to its intersection with a southerly projection of the east line of the Pizziola and Greco Subdivision according to the map thereof recorded in Volume 378, Page 48 of the Harris County Deed Records;

THENCE northerly along the east line of said Pizziola and Greco Subdivision to the southeast corner of a 4,215 square foot tract of land described in deed recorded in Volume 1764, Page 347 of the Harris County Deed Records;

THENCE westerly 84.73 feet along the south line of said 4,215 square foot tract to the southwest corner thereof located in the east line of a tract of land recorded in the name of G.H. & S.A.R.R. by instrument recorded in Volume 18, Page 763 of the Harris County Deed Records;

THENCE northerly along the east line of said G.H. & S.A.R.R. tract and west line of said 4,215 square foot tract 50 feet to the northwest corner thereof;

THENCE easterly along the north line of said 4,215 square foot tract to the northeast corner thereof and continuing along the north line of a 6.1 acre tract described in Volume 1764, Page 347 of the Harris County Deed Records said line also being the south line of a 231,848 square foot tract described by instrument recorded in Harris County Clerks File N907618, to the northeast corner of said 6.1 acre tract same being the southwest corner of Lot 1, Block 2, Temple Terrace Addition according to the plat thereof recorded in Volume 8, Page 18 of the Harris County Map Records;

THENCE southerly along the west line of said Temple Terrace Addition to the southwest corner of Lot 9 and northwest corner of Lot 8, Block 1 of said subdivision;

THENCE along the common line between Lots 8 and 9, Block 1 of the said Temple Terrace Addition to the westerly line of Stanford Street;

THENCE southerly along the westerly line of Stanford Street to the north line of West Dallas Street;

THENCE easterly along the north line of West Dallas to the east line of the Pizzitola and Rabito Addition according to the map thereof recorded in Volume 514, Page 123 of the Harris County Deed Records;

THENCE northerly along the east line of said Pizzitola and Rabito Addition to the northeast corner of Lot 19 and southeast corner of Lot 20 out of said subdivision;

THENCE westerly along the north line of said Lot 19, crossing Rabito Street, a 50 foot wide private street to the northeast corner of Lot 6 of said Subdivision and continuing along the north line of said Lot 6 to the northwest corner thereof located in the east line of the Settegast and Rhode Addition according to the plat thereof recorded in Volume 312, Page 626 of the Harris County Deed Records;

THENCE northerly along the east line of said Settegast and Rhode Addition to the northwest corner of Lot 17 of said addition;

THENCE westerly along the north line of said Lot 17 to the northwest corner thereof located in the east line of Rhode Place;

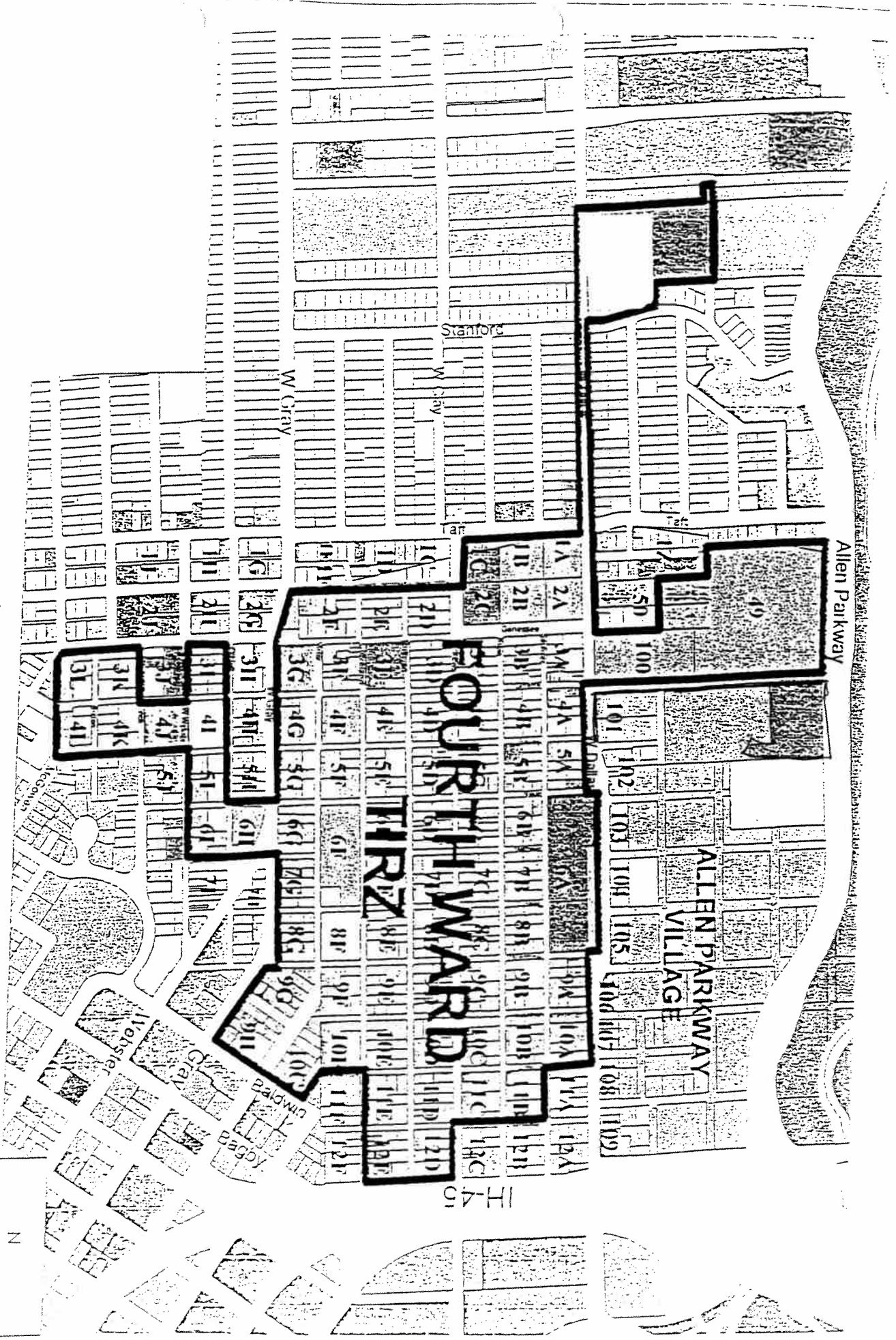
THENCE northerly along the east line of Rhode Place to its dead end;

THENCE westerly along the north end of Rhode Place to its mid point which is the southeast corner of the west half of Lot 19 of said Settegast and Rhode Addition;

THENCE northerly along the east line of the west half of said Lot 19 to the north line thereof;

THENCE westerly along the north line of said Lot 19 to the east line of Block 10 of the aforementioned Temple Terrace Addition;

THENCE northerly along the east line of said Block 10, Temple Terrace Addition to the PLACE OF BEGINNING.



FOURTH WARD
Tax Increment Reinvestment Zone

Source: City of Houston Planning Dept., April 1999