

City of Houston, Texas, Ordinance No. 1999-758

**AN ORDINANCE APPROVING THE PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN FOR REINVESTMENT ZONE NUMBER SIXTEEN, CITY OF HOUSTON, TEXAS (UPTOWN AREA); AUTHORIZING THE CITY SECRETARY TO DISTRIBUTE SUCH PLANS; CONTAINING VARIOUS PROVISIONS RELATED TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.**

\* \* \* \* \*

**WHEREAS**, by City of Houston Ordinance No. 1999-709, adopted July 7, 1999, the City created Reinvestment Zone Number Sixteen, City of Houston, Texas (the "Uptown Zone") for the purposes of development within the area of the City generally referred to as the "Uptown area"; and

**WHEREAS**, the Board of Directors of the Uptown Zone has approved the Project Plan and Reinvestment Zone Financing Plan attached hereto for the development of the Uptown Zone; and

**WHEREAS**, the City Council must approve the Project Plan and Reinvestment Zone Financing Plan; **NOW, THEREFORE**,

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

**Section 1.** That the findings contained in the preamble of this Ordinance are declared to be true and correct and are hereby adopted as part of this Ordinance.

**Section 2.** That the Project Plan and Reinvestment Zone Financing Plan attached hereto for Reinvestment Zone Number Sixteen, City of Houston, Texas, are hereby determined to be feasible and are approved.

**Section 3.** That the City Secretary is directed to provide copies of the Project Plan and Reinvestment Zone Financing Plan to each taxing unit levying ad valorem taxes in the Uptown Zone.

**Section 4.** That City Council officially finds, determines, recites and declares a sufficient written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this ordinance and the subject matter thereof has been discussed, considered and formally acted upon. That City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

**Section 5.** That there exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED this 21<sup>st</sup> day of July, 1999.

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 1999.

\_\_\_\_\_  
Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is JUL 27 1999.

  
\_\_\_\_\_  
City Secretary

(Prepared by Legal Dep't 1 GEORGE F. ALBRECHT)  
(DFM/dfm July 20, 1999) Senior Assistant City Attorney  
(Requested by Robert M. Litke, Director, Planning and Development)  
(L.D. File No. 61-99060-03)

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AYE	NO	
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	<input checked="" type="checkbox"/>	TATRO
<input checked="" type="checkbox"/>		YARBROUGH
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	<input checked="" type="checkbox"/>	SANCHEZ
<input checked="" type="checkbox"/>		BELL
<input checked="" type="checkbox"/>		ROBINSON
CAPTION	ADOPTED	

City of Houston Tax Increment  
Reinvestment Zone #16  
Uptown Houston TIRZ

**Project Plan  
And Reinvestment Zone  
Financing Plan**

Submitted by:  
Uptown Houston District  
1980 Post Oak Boulevard  
Suite 1870  
Houston, Texas 77056  
(713) 621-2011

July, 1999

City of Houston Tax Increment  
Reinvestment Zone #16  
Uptown Houston TIRZ

## Project Plan And Reinvestment Zone Financing Plan

Submitted by:  
Uptown Houston District  
1980 Post Oak Boulevard  
Suite 1870  
Houston, Texas 77056  
(713) 621-2011

July, 1999

Prepared  
in conjunction with:

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ESPA Corp, engineers  
Daniel, Mann, Johnson, and Mendenhall,  
consultants  
Landata Information Services, consultants

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## APPENDICES

The Appendices that were attached to the Preliminary Project Plan and Reinvestment Zone Financing Plan dated June 1999 and approved by City of Houston Ordinance #99-709 are hereby incorporated by cross-reference and included as part of this Project Plan and Reinvestment Zone Financing Plan.

- A. A Petition to the City Council of the City of Houston, Texas, for the Designation of a Reinvestment Zone under Chapter 311, Tax Code
- B. Uptown Houston Tax Increment Reinvestment Zone Boundary Description  
*Landata Information Services, Inc.*
- C. Affidavit of Petition Value Representation  
*Landata Information Services, Inc.*
- D. 1998 Uptown Houston Comprehensive Transportation Strategy Update  
*Uptown Houston District*
- E. Forecast Input into Uptown Houston TIRZ Market Study  
*Dr. Barton Smith, University of Houston Center for Public Policy*
- F. Market Analysis and Projections: Uptown Houston TIRZ Analysis  
*Economics Research Associates*
- G. Hotel Market Overview: Uptown / Galleria Area, Houston, Texas  
*PKF Consulting*
- H. Congestion Impacts on Growth Patterns  
*Daniel, Mann, Johnson, and Mendenhall*
- I. Uptown Houston TIRZ Financing Plan Cash Flow  
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- J. Uptown Local Mobility Improvement Program  
*Uptown Houston District*



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# FOREWORD

## Diagnostic

The Uptown Houston District strives to ensure the long-term economic health and vitality of Uptown Houston. To this end, the District has conducted considerable research. The analysis has found that over the last half century and for the foreseeable future, Houston is losing its dominant share of regional population, employment, and retail sales to the urban fringe. The end result is that Houston is losing the future growth of its tax base to suburban locations beyond the City's reach. Traffic congestion choking Uptown compounds the effects of this trend. Due to the impacts of regional decentralization and congestion, Uptown Houston is at risk, with declining retail sales, declining property values, no new office buildings in 16 years, and no new full service hotels in 15 years.

There is keen interest in developing new office, retail, hotel, and residential projects in Uptown. However, improvements to mitigate traffic congestion must be implemented before developers move forward.

## The Response: A Preservation Plan

In response to these findings, the District has developed a plan to mitigate traffic congestion, encourage new development, and grow Houston's tax base. Central to this plan are mobility improvements at the regional and local levels. The \$235 million Uptown Local Mobility Improvement Program is a vital component of these improvements.

## Funding and Implementation

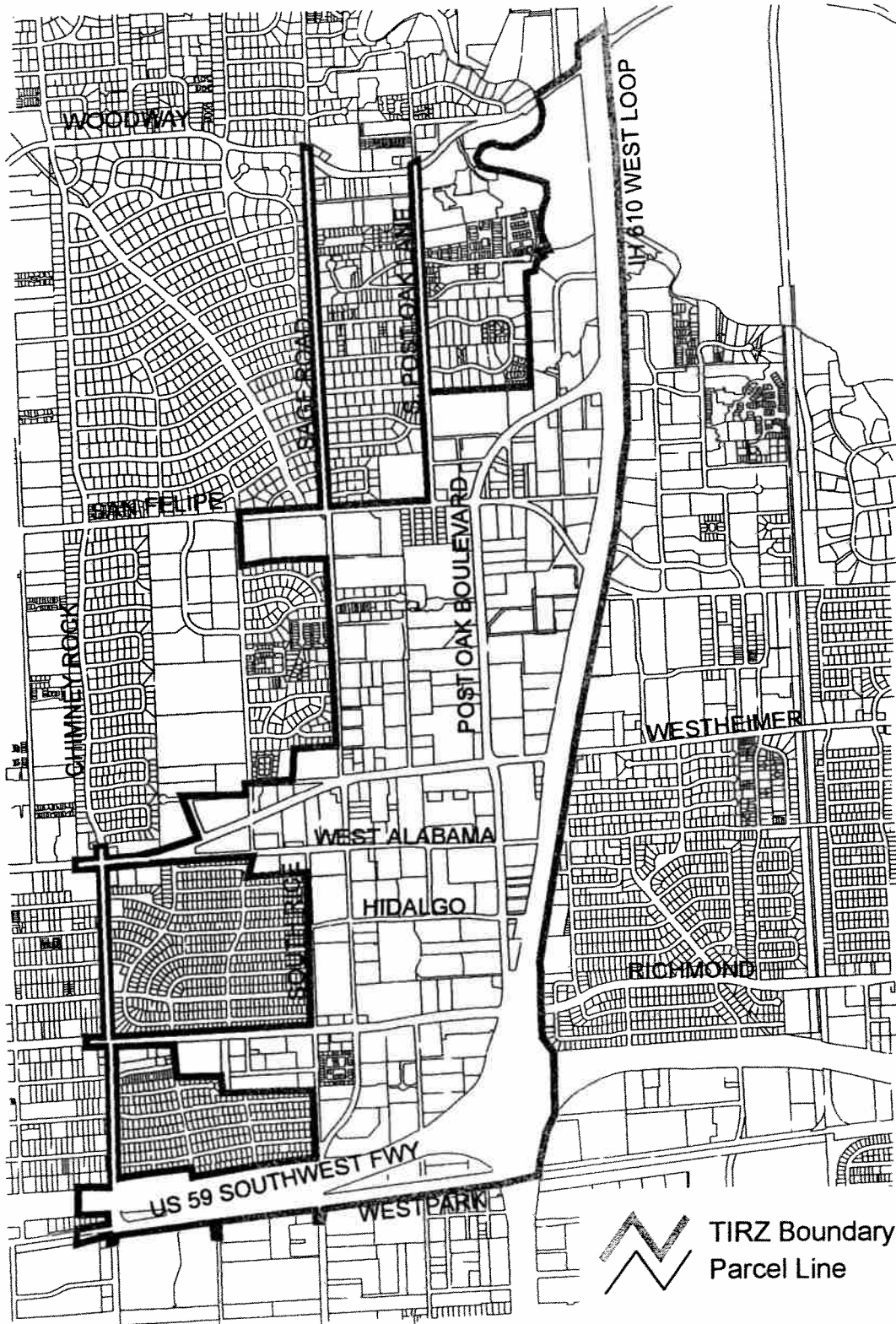
The District has examined numerous mechanisms for funding and implementation, including the private sector, special improvement districts, and city and county capital improvement programs. A *Tax Increment Reinvestment Zone* (TIRZ) (see Figure 1, page 2) was determined to be the most effective option for funding the Local Mobility Improvement Program, thereby protecting the area's long-term economic viability.

## Benefits

Implementation of the Local Mobility Improvement Program, utilizing a TIRZ, will bring substantial benefits to Uptown and to the City of Houston. Economists project \$1.1 billion in new Uptown development stimulated by TIRZ-funded mobility improvements. The resulting increases in sales taxes, hotel occupancy taxes, and property taxes, plus investments in mobility infrastructure, will lead to a total benefit of approximately \$1 billion to the City over the proposed 30-year life of the TIRZ, with \$341 million in direct tax benefits to the City and METRO.

Figure 1

# UPTOWN HOUSTON TIRZ



## I. PROJECT PLAN (section 311.011)

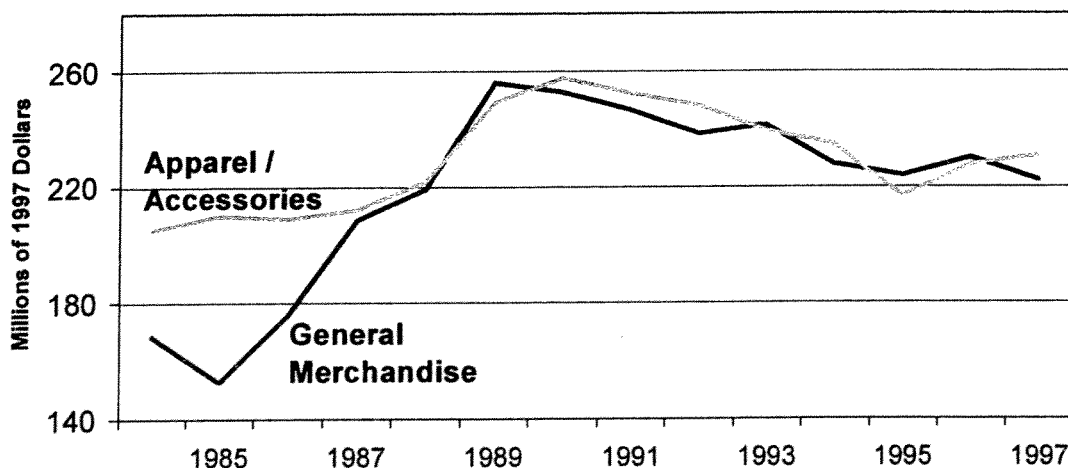
This Project Plan outlines the improvements planned to be funded and implemented by the Uptown Houston Tax Increment Reinvestment Zone (TIRZ). This TIRZ is being created in response to the presentation of petitions addressed to the City of Houston and signed by property owners within the Zone's boundaries. The total assessed value of the properties represented by these petitions constitutes more than 50% of the Zone's total assessed value as determined by the Harris County Appraisal District's certified tax rolls as of January 1, 1998.

### A. INTRODUCTION

Research has shown that Uptown is at risk. Real dollar retail sales at Uptown stores have declined since 1990 as shown in Figure 2 below. Uptown's market shares of the region's employment and retail sales are declining. No new office buildings or full service hotels have opened since 1983 and 1984 respectively. Finally, as illustrated by Figures 3A-3C (pages 4-5), Uptown's assessed values for significant properties have stagnated or declined since the 1980s. To further understand the causes of these negative trends, the District has conducted considerable research.

Figure 2

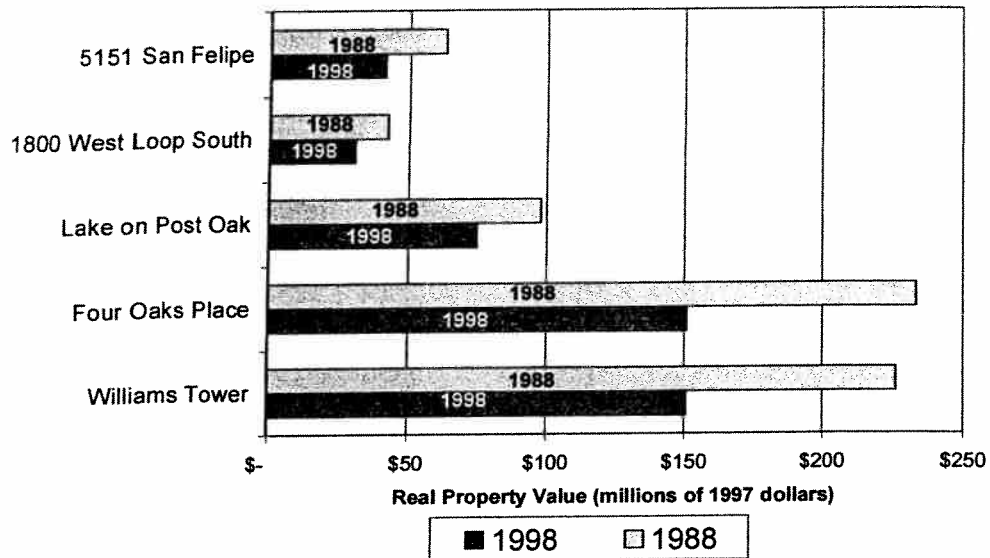
#### UPTOWN HOUSTON REAL DOLLAR RETAIL SALES



Source: State of Texas, Office of the Comptroller.

Figure 3A

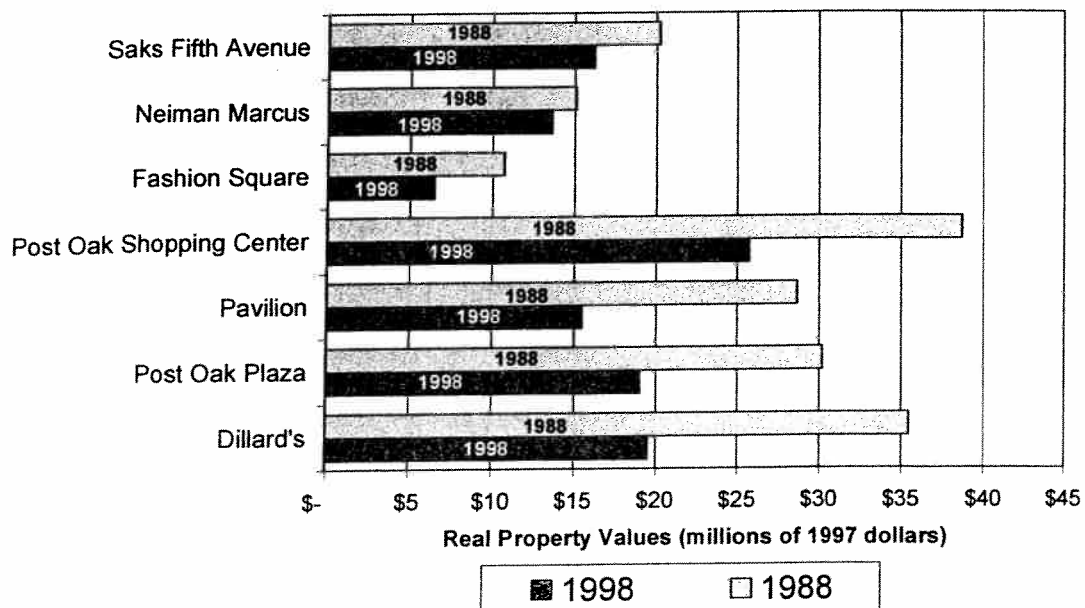
**UPTOWN HOUSTON PROPERTY VALUES:  
OFFICE PROPERTIES, 1988 – 1998**



Source: Harris County Appraisal District.

Figure 3B

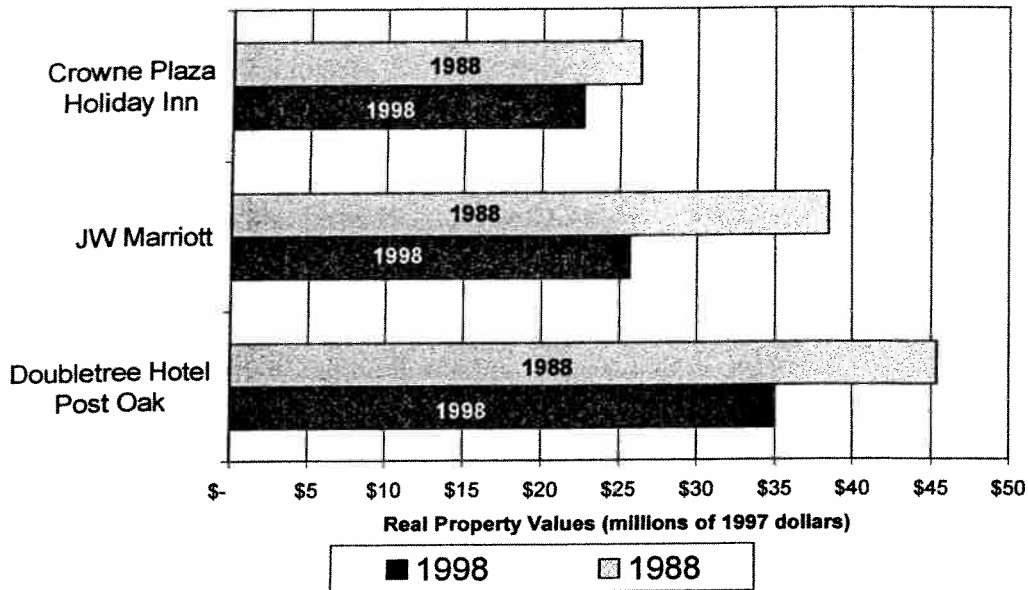
**UPTOWN HOUSTON PROPERTY VALUES:  
RETAIL PROPERTIES, 1988 – 1998**



Source: Harris County Appraisal District.

Figure 3C

**UPTOWN HOUSTON PROPERTY VALUES:  
HOTEL PROPERTIES, 1988 – 1998**



Source: Harris County Appraisal District.

Working with Dr. Barton Smith of the University of Houston's Center for Public Policy, it was found that over the last half century and for the foreseeable future, Houston is losing its dominant share of regional population, employment, and retail sales to the urban fringe. For example, the City of Houston today constitutes less than half of the population of its Primary Metropolitan Statistical Area (PMSA). By 2020, the City is projected to contain only one third of the region's population (see Figure 4, below) and about one half of the region's employment (Figure 5, below).

Figure 4

**SHARES OF  
REGIONAL POPULATION**

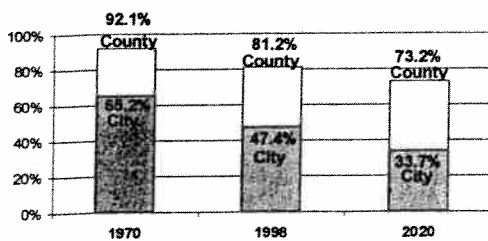
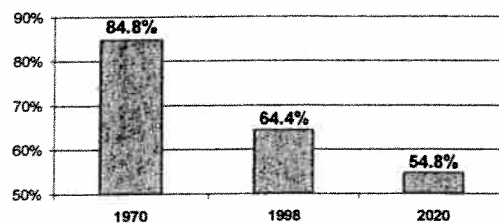


Figure 5

**CITY SHARE OF  
REGIONAL EMPLOYMENT**



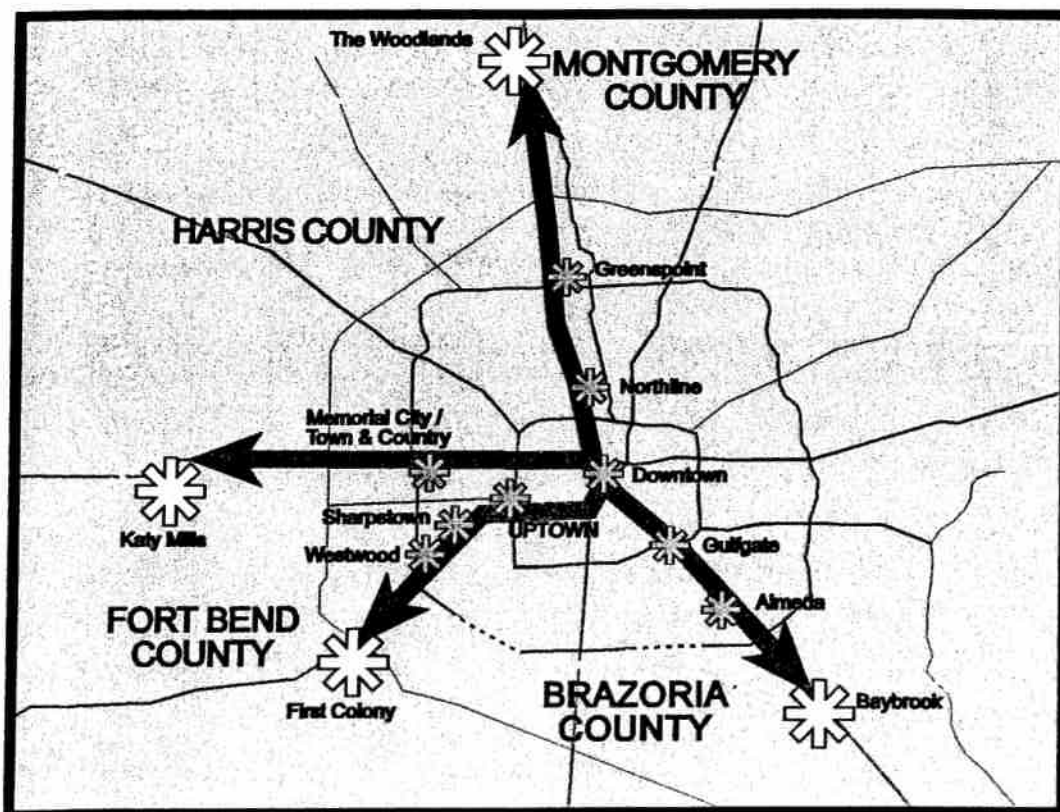
By 2020, the City of Houston is projected to contain only one third of the region's population and one half the region's employment.

Sources: City of Houston; Dr. Barton Smith, University of Houston Center for Public Policy.

Dr. Smith has also found that the City of Houston is losing 1 to 2% of its retail sales tax base annually to the urban fringe. Data from the State of Texas shows that the opening of new urban fringe retail accelerates the decline of retail centers within the City of Houston and Harris County. Figure 6 below shows the geography of this trend in the region's major retail corridors. Retail sales in Uptown and West Houston will likely suffer further declines in the near future due to the opening of Katy Mills in Fort Bend County. These trends have significant potential impacts on not only Uptown but also the growth of the tax bases of the City of Houston, Harris County, and the Houston Independent School District.

Figure 6

### HOUSTON RETAIL CORRIDORS



The opening of new urban fringe retail centers (yellow) has accelerated the decline of older retail centers (orange).

In Uptown, traffic congestion compounds and accelerates the effects of this trend. Confirming the results of a 1987 Rice Center study, a 1999 survey of Houston residents found that traffic congestion was the least liked feature of the Uptown area. A recent study by the Transportation Research Board (TRB) of the National Academy of Sciences found that congestion costs companies through increased compensation, lowered worker productivity, a reduced available labor pool, and reduced sales. According to the TRB report, businesses burdened with the costs of congestion will tend to relocate to areas of less congestion. From a regional perspective, Dr. Smith states that "without such [congestion] relief, employment and population decentralization will accelerate."



Congestion increases business costs and accelerates decentralization.

The end result is that Houston is losing the future growth of its tax base to suburban locations beyond the City's and County's reach. To address the issue of what can be done to save their tax bases, these agencies are faced with two options: preserve existing assets or rebuild areas that have already deteriorated.

The City can preserve its tax base in Uptown. There is keen interest in developing new office, retail, hotel, and residential projects in Uptown. However, improvements to mitigate traffic congestion must be implemented before developers move forward.



In response to these findings, the District has developed a plan to mitigate traffic congestion, encourage new development, and grow Houston's tax base. Central to this plan are mobility improvements at the regional and local levels. The \$235 million Uptown Local Mobility Improvement Program is an essential component of these improvements.

## **B. EXISTING USES AND CONDITIONS**

While Uptown's initial development was fueled by convenient access to the area, access and internal circulation have now become Uptown's main liabilities for continued economic vitality. Having grown around a rural roadway system that became suburban, Uptown Houston continues to struggle to achieve an adequate level of accessibility.

### **1. Land Uses**

Located on Houston's west side near the interchange of the IH-610 and US 59 freeways (see Figure 7, page 9), Uptown Houston has over 23 million square feet of office space, more than 4 million square feet of retail space, approximately 5,300 hotel rooms and more than half of Houston's high rise residential condominiums. A diversified economic center, Uptown balances office, retail, hotel, and residential development.

The Zone consists of 1,010 acres: 576 acres of property parcels and 434 acres of public rights of way. The Zone's existing conditions and current land uses are depicted in Figure 8, Existing Conditions (page 10) and Figure 9, Existing Land Use (page 11).

Over the last fifteen years, the Uptown area has experienced stagnant or declining property values. The recessions of the eighties and nineties have had a major negative impact on the economic vitality of the area. In addition, the absence of needed public infrastructure has been a major deterrent to Uptown's competitiveness relative to commercial development at the region's urban fringe.

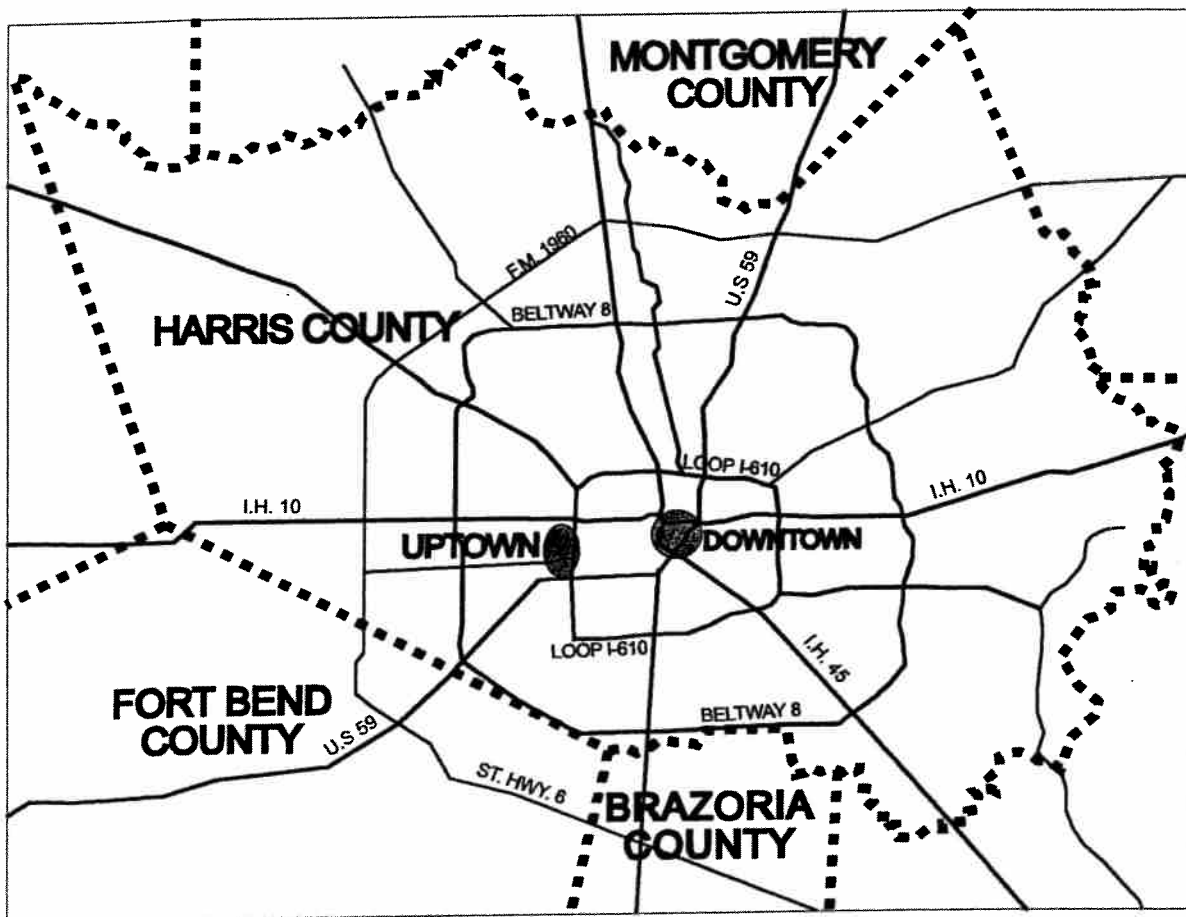
#### **Office**

With 23 million square feet of office space, Uptown is comparable in size to downtown Pittsburgh. Uptown accounts for 13 percent of Houston's office space.

Uptown's first office building was completed in 1962. By the end of 1983, the Uptown market contained approximately 23 million leaseable square feet of office space.

Figure 7

## UPTOWN HOUSTON TIRZ REGIONAL MAP



Uptown Houston is centrally located in the Houston region, about six miles west of Downtown Houston near the intersection of the I-610 West Loop and US 59 freeways.

Figure 8

## UPTOWN HOUSTON TIRZ EXISTING CONDITIONS

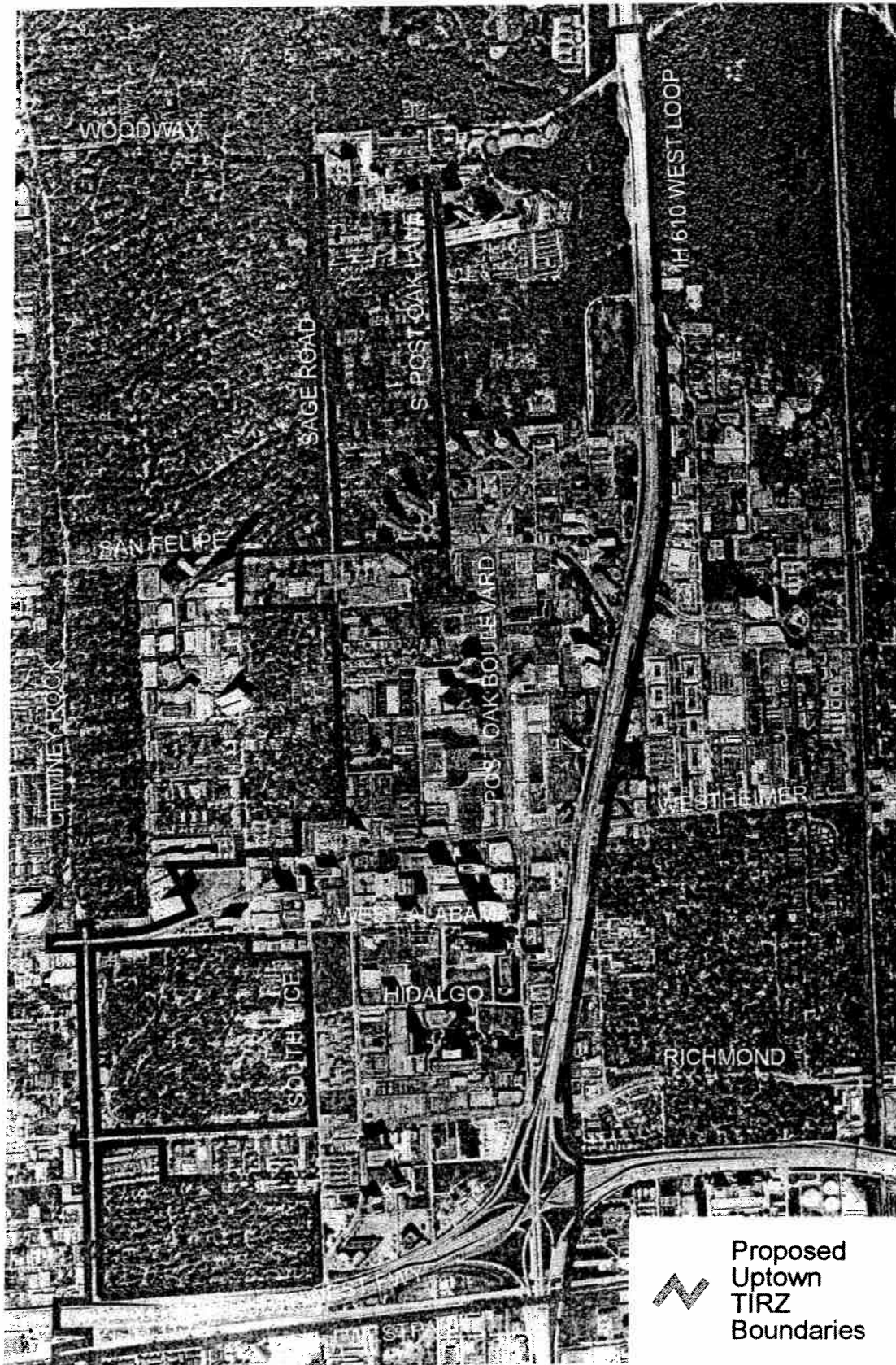
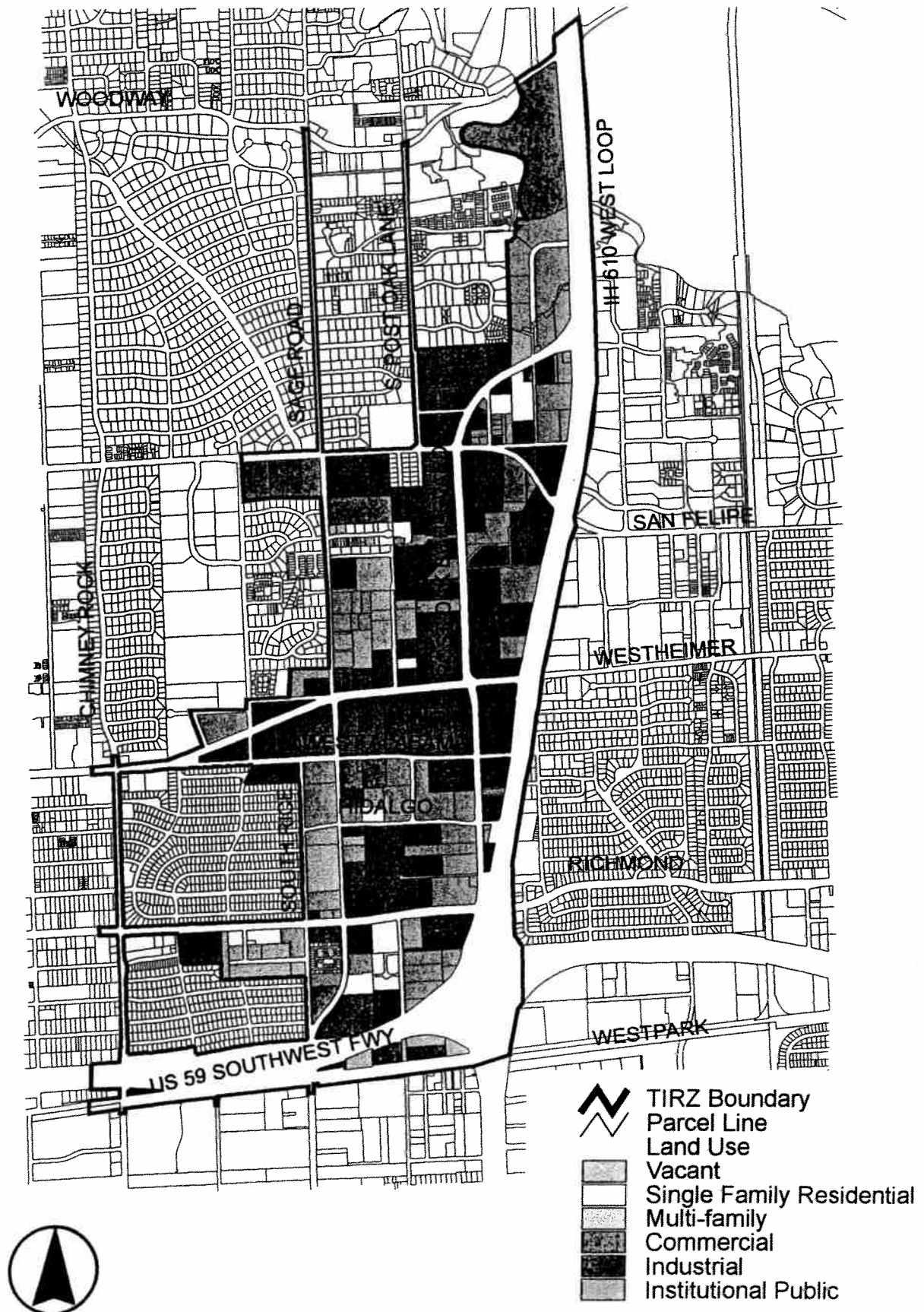


Figure 9

# UPTOWN HOUSTON TIRZ EXISTING LAND USE



No new office buildings have been added to the Uptown area during the last 16 years. During that period, the property values of Uptown's largest Class A office properties have also stagnated or declined, as was shown in Figure 3A (page 4). In constant 1997 dollars, the assessed value of the Williams Tower (formerly Transco Tower) dropped from \$226 million in 1988 to \$151 million by 1998. The Four Oaks Place development dropped from \$234 million in 1988 to \$151 million in 1998.

### **Retail**

Uptown contains more than 4,000,000 square feet of retail space. Uptown generated more than \$1.8 billion in gross and \$1.0 billion in taxable retail sales in 1998. Its retail diversity includes expansive department stores, internationally renowned boutiques, and value-oriented chains. The heart of Uptown's retail marketplace is the Galleria, a 2.1 million square foot mall.

However, as was shown in Figure 2 (page 3), real dollar taxable sales in Uptown's key retail categories of General Merchandise and Apparel/Accessory stores have declined since 1990. Uptown's share of regional retail sales also declined from 4.4% in 1989 to 3.5% in 1997. These trends are reflected in the declining values of Uptown retail properties as was shown in Figure 3B (page 4).

### **Hotel**

With over 5,300 rooms in 23 hotels, Uptown accommodates leisure, business, and meeting group travelers from around the world. The district's hotels range from limited service, business class properties to full service, high rise hotels with conference and banquet facilities. Reflecting a trend taking place across Houston, several limited service, business class hotels, whose property values are far below those of the full service hotel properties, have been constructed in Uptown in the 1990s.

In contrast, Uptown's full service hotels are more dependent on the business travel market, which is directly related to local office space. Concurrent with the stagnation of Uptown office development, the last full service hotel to open in Uptown was in 1984. As with Uptown's office and retail properties, several major full service hotel properties have declined in real dollar assessed value since the 1980s as was shown in Figure 3C (page 5).

## **Residential**

The residential development of Uptown began in the 1950s with single family subdivisions such as Tanglewood and Afton Oaks. As economic activity in the area intensified in the 1960s and 1970s, two-story apartment and condominium complexes were constructed on scattered sites around Uptown. Some of these developments were later demolished to make way for changing uses such as retail centers. In addition, several high-rise condominium properties were developed in the 1970s and early 1980s.

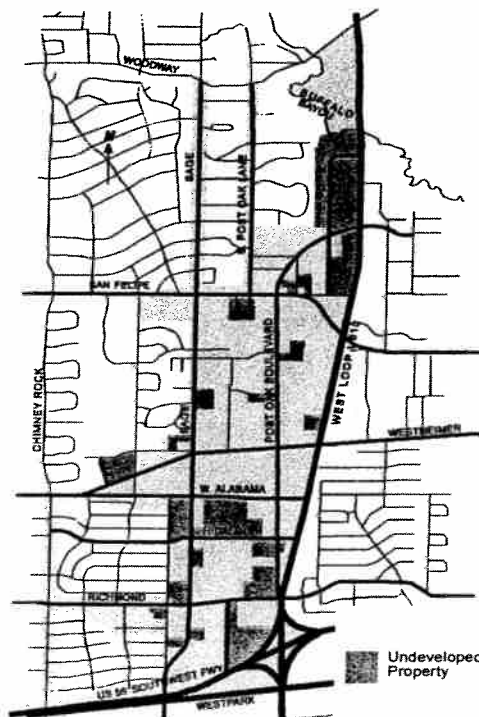
The 1990s have brought a new round of residential development in Uptown. Three- and four-story apartment complexes have been constructed and single family patio homes and townhomes have been built, often replacing older residential properties. From 1992 through 1998, 3,381 new residential units received building permits in Uptown.

## **Vacant / Underdeveloped Land**

Uptown contains 155 acres of undeveloped land (see Figure 10 below). An additional 239 acres is underdeveloped in relation to the current property values in the area.

Figure 10

### **UPTOWN HOUSTON UNDEVELOPED PROPERTIES 1998**





## **2. Mobility Deficiencies**

Uptown's growth has exposed the deficiencies in its transportation infrastructure. These deficiencies occur at all levels of infrastructure: regional freeways, transit, local streets, pedestrian network, and parking systems. The cumulative effect of these multiple deficiencies is choking congestion which deters growth and negatively impacts property values.

A summary of the deficiencies in Uptown's freeway and transit infrastructure is included in Appendix D, *1998 Uptown Comprehensive Transportation Strategy Update*. The deficiencies in these systems are being addressed by the Texas Department of Transportation (TxDOT) and the Metropolitan Transit Authority of Harris County (METRO). This Plan addresses the deficiencies in the local mobility network, which are described in the following sections.

### **Arterial Street Network Deficiencies**

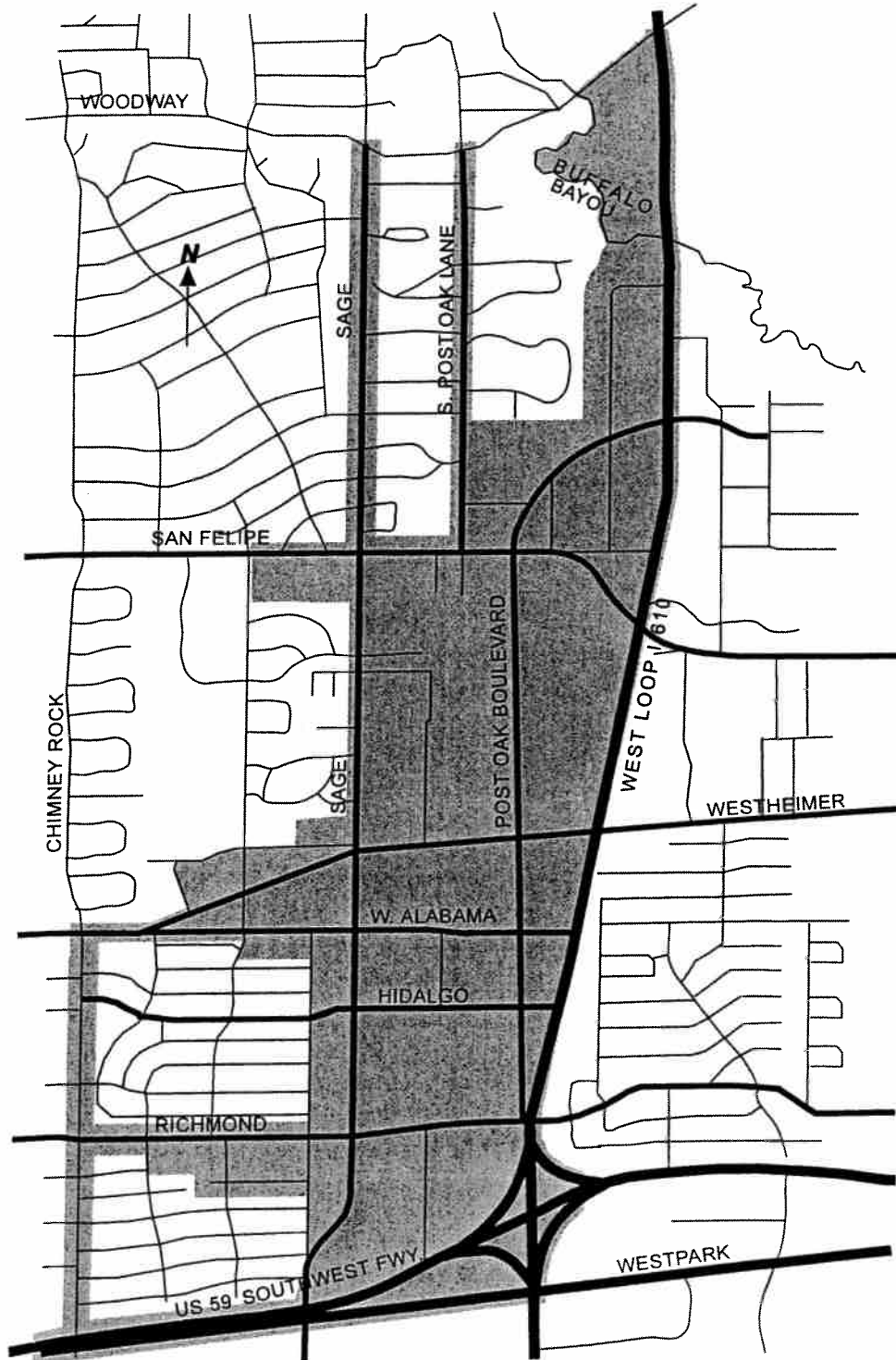
Given the area's rural and suburban roots, Uptown Houston's internal street system (see Figure 11, page 15) was developed for a typical combination of residential subdivisions and neighborhood retail development. Traffic congestion has increased concurrently with the intensified development of the area. In spite of severe constraints on roadway capacity, daily traffic volumes increased as much as sixty percent between 1980 and 1987. Peak traffic periods have expanded from only an hour in the morning and afternoon in the early 1970's to a nearly continuous period between 11:00 a.m. and 6:30 p.m. today.

Level of Service (LOS) calculations, based on traffic volumes and travel times, provide indicators of operating conditions. LOS ratings range from LOS A, free flow, to LOS F, severe congestion. The 1994 Edition of the Highway Capacity Manual, a publication of the Transportation Research Board, describes LOS D, E, and F on arterial streets as follows:

Level of Service D borders on a range in which small increases in flow may cause substantial increases in delay and hence decreases in arterial speed. LOS D may be due to adverse signal progression, inappropriate signal timing, high volumes, or some combination of these factors. Average travel speeds are about 40 percent of free-flow speed.

Figure 11

# UPTOWN HOUSTON TIRZ PUBLIC STREET NETWORK





Level of Service E is characterized by significant delays and average travel speeds of one-third the free-flow speed or less. Such operations are caused by some combination of adverse signal progression, high signal density, high volumes, extensive delays at critical intersections, and inappropriate signal timing.

Level of Service F characterizes arterial flow at extremely low speeds below one-third to one-fourth of the free-flow speed. Intersection congestion is likely at critical signalized locations, with high delays and extensive queuing. Adverse progression is frequently a contributor to this condition.

Measurements taken in 1998 on major arterial streets in Uptown showed LOS E or F, indicating severe congestion, on the following Uptown roadways:

- San Felipe,
- Westheimer,
- Richmond Avenue,
- Post Oak Boulevard, and
- Chimney Rock.

All other major arterials exhibit LOS D or E during peak periods.

In total, 89 percent of today's peak period vehicle-miles within Uptown Houston are operating in congested conditions. Freeways and all east-west major thoroughfares are congested through Uptown Houston, as illustrated in the congestion map and photographs in Figures 12-13 on pages 17-19. This congestion is due to multiple traffic functions operating on a limited roadway network. The major roadways in the area must not only provide access to the area but also accommodate through trips and facilitate much internal circulation.

In summary, the following deficiencies exist in the Uptown arterial street system:

- **Inadequate area dedicated to streets** – Streets comprise approximately 18% of the land use in Uptown Houston, compared to approximately 43% in Downtown Houston. Uptown has 41 lane miles of streets per square mile of land area, compared to 130 in the central business district.

## UPTOWN HOUSTON TIRZ OBSERVED CONGESTION



Figure 13

## UPTOWN HOUSTON TIRZ CONGESTION



1. San Felipe – Post Oak Boulevard  
to S. Post Oak Lane (12:00 p.m.)



2. San Felipe – IH 610 to Post Oak  
Boulevard (5:00 p.m.)



3. Westbound Westheimer at  
McCue (12:00 p.m.)



4. Westbound Westheimer at  
Post Oak Boulevard (5:00 p.m.)



5. Northbound Post Oak Boulevard  
at San Felipe (12:00 p.m.)



6. Northbound Post Oak Boulevard –  
San Felipe to IH 610 (5:00 p.m.)

Figure 13 (cont.)

## UPTOWN HOUSTON TIRZ CONGESTION



7. Southbound Sage Road  
at Richmond (5:00 p.m.)



8. Sage Road – US 59 to Richmond  
(5:00 p.m.)



9. Southbound Chimney Rock -  
Westheimer to Richmond (5:00 p.m.)



10. Same as Photo 9 – looking opposite  
direction (5:00 p.m.)



11. Westbound Richmond at  
Chimney Rock (5:00 p.m.)



12. IH 610 West Loop – San Felipe  
to Westheimer (4:00 p.m.)

- **Limited facilities must serve high volumes of through traffic in addition to local access and internal circulation** – Uptown experiences a combination of heavy east-west through traffic on Westheimer, San Felipe, and Richmond plus the internal traffic generated by a major office district combined with traffic generated by a super-regional shopping destination.
- **No continuous north-south major streets** – Chimney Rock and the West Loop are the only major crossings of Buffalo Bayou between Voss Road and Shepherd Drive, a distance of almost 5 miles.
- **Overburdened intersections** – Uptown's limited street network and lack of alternate routes puts heavy demand on major intersections, which must accommodate excessive turning movements. The overburdened conditions cause significant delays.
- **Limited capacity streets** – Several major arterials such as San Felipe are constrained through Uptown and need widening to relieve traffic bottlenecks.
- **No secondary street network** – Absence of a network of secondary streets forces major arterial streets to handle:
  - access to and from Uptown Houston;
  - through traffic; and
  - internal circulation.

The existing limited network also fails to provide alternates to congested major arterials. Private *alley* streets (e.g., Ambassador Way and Guilford) are underdeveloped but heavily traveled by the general public.

- **Superblock** – The existing *superblock* street network in Uptown does not have the hierarchy of streets to serve present demand or additional growth. The block of Post Oak Boulevard between Westheimer and San Felipe stretches 3,400 feet without access from the east or west on any public street. This single superblock is the equivalent in length to over 13 blocks in downtown Houston. This block is penetrated on both sides by privately owned alley streets that do not provide east-west mobility across Post Oak

Boulevard or connect to thoroughfares to the east and west of Post Oak Boulevard. The City of Houston's Development Ordinance, passed in 1983 after the development of most of Uptown, would not allow this superblock layout to be developed today.

### **Pedestrian Network Deficiencies**

The pedestrian environment in Uptown offers only minimal accommodation to walkers. Several streets lack sidewalks. The sidewalks that do exist are narrow, built to residential standards. Crossings at major intersections are difficult or dangerous due to complex signal phasing and wide street cross sections. Although the diversity of activities in the Uptown District produces a pattern of internal trips similar to that of a downtown, the incomplete pedestrian system encourages most internal trips to be made by automobile.

The following summarizes pedestrian environment deficiencies within the Uptown area:

- **Limited sidewalks** – Sidewalks are not provided on all streets; existing sidewalks are narrow, originally built to residential standards.
- **Deficient pedestrian crossings of major thoroughfares** – Pedestrian crossings are non-existent or difficult and dangerous to use. At major intersections where pedestrians would typically cross, excessive turning movements increase the likelihood of pedestrian / vehicle conflicts. In addition, the width of major streets also discourages pedestrian crossings.
- **Unsafe crossings at mid-block points** – Due to inconvenient intersection crossings and long block lengths, pedestrians attempt unsafe crossings at mid-block locations.
- **Lack of pedestrian system to support transit usage** – The inadequate pedestrian system provides poor walking access to the area's bus stops. This discourages transit use by potential voluntary riders.
- **Conflicts on sidewalks between vehicular and pedestrian traffic** – Numerous curb cuts in retail and office projects interrupt pedestrian traffic along sidewalks.

### **Parking Management Deficiencies**

Uptown has over 70,000 parking spaces in retail and office developments. A total of 45 garages serve all office buildings over 200,000 square feet and major retail centers. Strip shopping centers rely on surface parking.

Traffic going to and from parking facilities, as well as entering and exiting these facilities, is a major generator of congestion in Uptown. Because parking is not coordinated, motorists drive from parking space to parking space at successive destinations, contributing to congestion and increasing demand for parking facilities. There is a need for a parking management system which encourages visitors to park once for multiple destinations.

### **3. Criteria for Designation of a Reinvestment Zone**

Based upon an assessment of the Uptown mobility deficiencies which limit future development and the signing of petitions to the City of Houston, the Uptown area meets the criteria for designation as a tax increment reinvestment zone under Section 311.005, Texas Tax Code, for the following reasons:

- (a) The area substantially arrests or impairs the sound growth of the City and is a menace to the public health, safety, morals, or welfare in its present condition and use because of the presence of:

- (1) The predominance of defective or inadequate sidewalk or street layout.

The Uptown area contains inadequate and insufficient sidewalks and other pedestrian walkways. This limits pedestrian access to and through the Uptown area and endangers pedestrians attempting to access the area. Furthermore, the current street layout prohibits the flow of traffic through the area and causes extreme traffic congestion.

- (2) Faulty lot layout and obsolete platting in relation to accessibility and usefulness of the area.

The lot layout and obsolete platting in the Uptown area hamper the accessibility of vehicles, emergency personnel and pedestrians to the area, and will limit the continuing usefulness of the area as a major activity center in the City.

- (3) Unsanitary or unsafe conditions, and conditions that endanger life or property by fire or other cause.

The traffic congestion in the Uptown area and the inadequate sidewalks and pedestrian walkways produce unsafe conditions, including the interaction between pedestrians and traffic congestion and the pollution caused by increased automobile emissions. The traffic congestion also impairs access to the area by police and emergency vehicles, thus increasing the risk to life and property by fire and other emergencies.

- (b) The area is described in a petition requesting that the area be designated as a reinvestment zone, which was submitted to the City Council of the City by the owners of property constituting at least 50 percent of the appraised value of the property in the area according to Harris County's most recent certified appraisal roll.
- (c) Continuing development in the area will not occur solely through private investment in the reasonably foreseeable future, and the proposed infrastructure improvements in the area 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. PROPOSED IMPROVEMENTS**

The proposed improvements include:

- The Local Mobility Improvement Program,
- Educational facility improvements, and
- Affordable housing improvements.

### **Local Mobility Improvement Program**

An examination of Uptown's mobility needs found that severe congestion persists on key streets, overburdened intersections and on streets with inadequate capacity. A poor pedestrian network and ineffective transit service compound this congestion.

In response to local mobility deficiencies in arterial streets, pedestrian network, and parking, the Uptown Local Mobility Improvement Program has been developed that will:

1. **Improve existing streets,**
2. **Create a street grid network,**
3. **Improve intersections,**
4. **Develop a parking management program, and**
5. **Create a pedestrian network.**

The Uptown Local Mobility Improvement Program is shown in Figures 14 and 15 on Pages 26 and 27. A detailed listing of Program projects is given in Appendix J, Uptown Local Mobility Improvement Program.

#### **1. Improve existing streets**

Streets with insufficient capacity will be widened or improved, adding 11 lane-miles of new roadway. Such key streets as Sage Road, San Felipe, Westheimer, Richmond and Chimney Rock will be improved to:

- Increase capacity,
- Reduce congestion,
- Improve air quality, and
- Encourage additional development.

## **2. Create a street grid network**

Uptown has no street grid. In response, the Local Mobility Improvement Program constructs 15 lane-miles of streets to create a secondary street network, which will:

- Improve local access,
- Reduce reliance on major thoroughfares,
- Provide alternate routes,
- Reduce burdens on key intersections, and
- Create opportunities for development.

## **3. Improve intersections**

Overburdened intersections will be addressed. Physical improvements will be made to improve lane capacity and turning movements. State-of-the-art traffic operations technology such as Transtar will be connected including closed-circuit television, interactive intersection monitoring, and advance traveler information systems. The construction of physical improvements and the application of traffic operations technology will:

- Remove intersection bottlenecks,
- Reduce area-wide delay and congestion,
- Improve air quality,
- Enhance pedestrian safety,
- Increase utilization of existing street capacity, and
- Encourage new development.

## **4. Develop a parking management program**

Traffic going to and from parking facilities is a major component of congestion in Uptown. The development of a parking management program will intercept traffic at the edge of Uptown by providing parking at key gateways. These intercepted vehicles never clog local streets and intersections within the area's core.

The Zone may opt to develop public parking facilities within Uptown. Managed as a parking district, the program would encourage motorists to "park once" then use other forms of transport to move about the District. By reducing the need for one motorist to drive to multiple locations, congestion will also be reduced.

Figure 14

# UPTOWN HOUSTON TIRZ LOCAL MOBILITY IMPROVEMENT PROGRAM

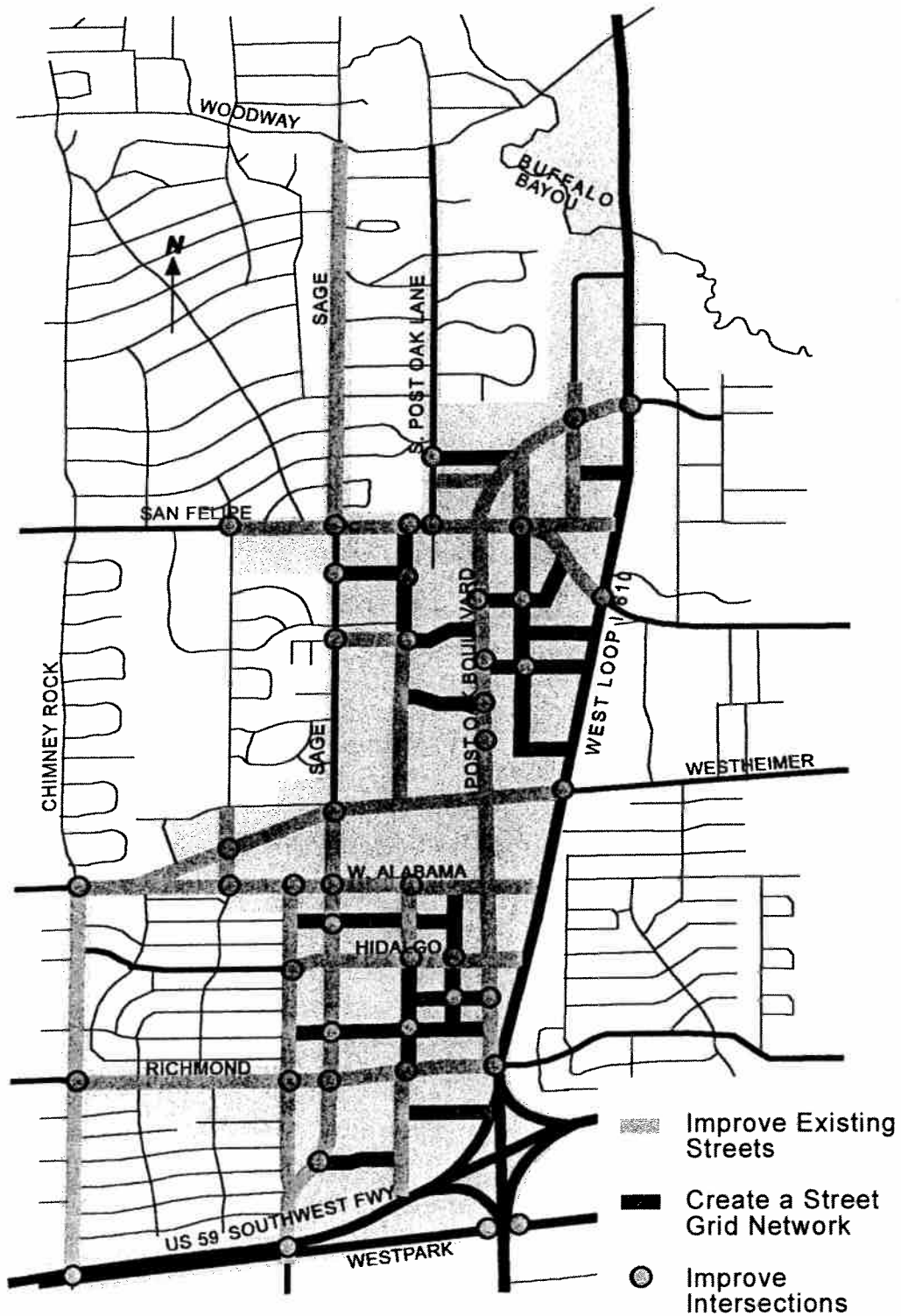
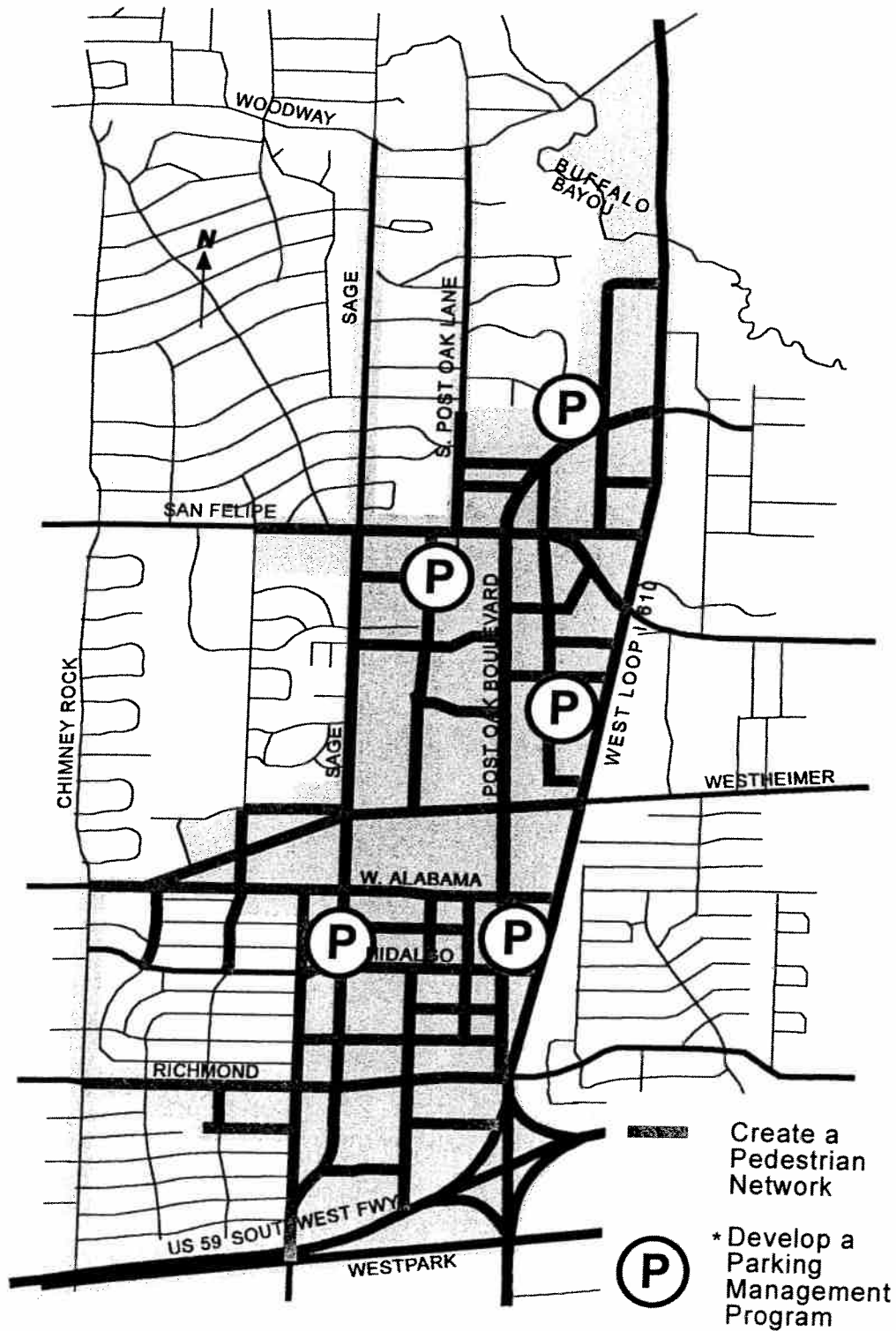


Figure 15

## UPTOWN HOUSTON TIRZ LOCAL MOBILITY IMPROVEMENT PROGRAM



\* Parking symbols used herein are not location specific and are used only to illustrate the program concepts.

In a cooperative agreement with the Zone, the existing Uptown Houston District (improvement district) may provide additional resources to the parking program through mechanisms such as revenue bonds. The combined resources of the two entities would allow the purchase or construction of parking facilities which would remain publicly owned. Revenues generated from these facilities would be used to fund debt service payments and operating expenses.

The Uptown Houston parking management program will:

- Encourage the "park once" concept,
- Reduce internal traffic,
- Encourage shared parking and other management techniques, and
- Encourage new development.

#### **5. Create a pedestrian network**

Long-term local mobility improvements must encompass more than just adding roadway supply. The future growth of Uptown depends upon the ability to move people without using a car. This will require the development of an effective pedestrian network. The Uptown Houston Pedestrian Network will:

- Encourage walking for short trips,
- Reduce internal vehicle traffic,
- Improve access to transit,
- Link developments,
- Make safe intersection and street crossings, and
- Encourage new development.

#### **Educational Facility Improvements**

One-third of tax increments of Houston Independent School District (HISD) paid into the Tax Incremental Fund and any actual HISD tax increment in excess of that projected in the Project Plan will be used by HISD or at the direction of HISD to provide educational facilities, as provided in Chapter 311 of the Tax Code and as required by the Interlocal Agreement with HISD.



## **Affordable Housing Improvements**

One-third of the tax increments will be used to provide affordable housing as required by Chapter 311 of the Tax Code. As permitted by Chapter 311, Tax Code, the affordable housing improvements may be located inside or outside of the Zone.

### **D. MUNICIPAL ORDINANCES**

Other than the ordinances directly associated with the creation of the Zone, no other changes to development ordinances, building codes or master plans are called for to implement the mobility projects of the project plan.

### **E. RELOCATION**

No relocation of existing businesses or residences is anticipated in this Plan.

### **F. ZONE NON-PROJECT COSTS**

The proposed TIRZ improvements will be coordinated with public agencies' regional capital projects and the operations of the Uptown Houston District. Non-project costs are estimated to total over \$500 million. A summary of the projects for each entity is given below.

#### **1. Regional highway access**

##### **TxDOT West Loop TSM – \$140 million**

TxDOT approved \$140 million for the reconstruction of the West Loop, between South Braeswood and I-10. Reconstruction of the West Loop will result in a 25% increase in the corridor's lane miles, new entrances and exits and overall reduced congestion. Construction will begin in Bellaire in 1999 and is estimated to begin in the Uptown area in 2001 with completion expected in 2003.

##### **TxDOT Non-Project Costs**

West Loop TSM	\$ 140,000,000
---------------	----------------

Other regional highway access projects will enhance Uptown's mobility. TxDOT is planning to expand I-10 between downtown and the Brazos River, a \$1 billion project. In addition, the Harris County Toll Road Authority (HCTRA) is examining the development of a \$320 million four-lane tollroad along the Westpark corridor between Highway 6 and the West Loop. Conceptual plans include reservation of a future rail corridor for METRO.

## 2. METRO – \$232.5 Million

METRO is involved in a major investment study of West Loop transit alternatives. In addition, METRO plans to develop major improvements along transit routes as part of its Uptown Transit Improvements program.

### METRO Non-Project Costs

Uptown Transit Improvements	\$ 32,500,000
<u>West Loop transit</u>	<u>200,000,000</u>
Subtotal METRO	\$ 232,500,000

## 3. Uptown Houston District – \$144 Million

The Uptown Houston District was created by the Texas Legislature in 1987. In the 1999 Fiscal Year, the District levied an ad valorem tax of \$.1435 per \$100 of assessed value for services and improvements within its boundaries. The District will provide certain services and improvements for the thirty-year life of the TIRZ. Assuming that the District would keep the existing tax rate, and anticipating the growth projected by the TIRZ financial analysis, property owners in the District would contribute revenues of \$144 million for the following programs:

- Traffic management;
- Maintenance and beautification;
- Planning and engineering;
- Economic development;
- Marketing;
- Administration; and
- Other services and improvements.



The financial commitment by the Uptown Houston District may be more or less than the example stated above.

**Uptown Houston District Non-Project Costs**

Subtotal Uptown Houston District      \$    144,000,000

**4. Summary**

A summary of non-project costs is as follows:

TxDOT	\$ 140,000,000
METRO	232,500,000
<u>Uptown Houston District</u>	<u>144,000,000</u>
Total	\$ 516,500,000

## **II. FINANCING PLAN**

The Uptown Houston TIRZ Financing Plan reflects revenues and costs projected over the proposed life of the TIRZ under guidance from selected consultants.

### **A. ESTIMATED PROJECT COSTS**

Costs are estimates and the City and the TIRZ reserve the right to adjust individual project element costs within the Local Mobility Improvement Program consistent with the costs presented in the Financing Plan.

#### **Local Mobility Improvement Program**

##### **1. Capital costs**

The total of capital costs associated with the implementation of the Local Mobility Improvement Program projects is estimated to be \$229 million.

##### **2. Financing costs**

In order to provide improvements that will stimulate new development which provides tax increment funds in future years, some forms of financing may be necessary. Analysis by the investment advising firm of Legg Mason Wood Walker, Inc. has shown that projected TIRZ revenues can support the \$235 million in capital and administrative costs for the Local Mobility Improvement Program plus financing costs for tax increment bond issues over the duration of the TIRZ as reflected in Appendix I, "Uptown Houston TIRZ Financing Plan Cash Flow."

##### **3. Administrative, creation, organizational, and operating costs**

The administrative, creation, organizational, and operating costs for the Zone are projected to be \$6 million over the life of the TIRZ.

Certain administrative, organizational, and operating costs beyond the above amount will be borne by Harris County Improvement District #1 (Uptown Houston District).

##### **4. Relocation costs**

No relocation costs have been included in the Financing Plan.

## **Educational Facility Improvements**

The educational facilities project costs total an estimated \$129 million.

## **Affordable Housing Improvements**

The affordable housing project costs total an estimated \$270 million.

## **B. PROPOSED IMPROVEMENTS**

### **Local Mobility Improvement Program**

A detailed description of the Local Mobility Improvement Program for the Uptown TIRZ is included in Section I.C, page 24. The estimated costs of these improvements are listed below.

Improve existing streets (including land acquisition)	\$ 67 million
Create a street grid network (including land acquisition)*	33 million
Improve intersections (including land acquisition)	26 million
Develop a parking management program	50 million
Create a pedestrian network	53 million
<u>Administration</u>	<u>6 million</u>
<b>TOTAL</b>	<b>\$ 235 million</b>

\* None of the tax increments will be used to pay developers or commercial property owners for the acquisition cost of the new public streets shown in the Project Plan that will be developed in the future.

## **Educational Facility Improvements**

Educational facilities improvements will be as provided in Chapter 311 of the State of Texas Tax Code and may be located inside or outside of the Zone pursuant thereto.

## **Affordable Housing Improvements**

Affordable housing improvements represent the one-third of the total tax increment of the TIRZ dedicated to the provision of affordable housing, which may be provided inside or outside the TIRZ pursuant to Chapter 311 of the State of Texas Tax Code.

### **C. ECONOMIC FEASIBILITY**

A team of economists was assembled to study the impact that implementation of the Local Mobility Improvement Program would have on private sector development. The team included:

**Dr. Barton Smith**, University of  
Houston Center for Public Policy

Regional economy base  
forecast

**Economics Research Associates**

Office, retail, and  
residential market  
forecasts

**PKF Consulting**

Hotel market forecast

The team made two sets of projections for Uptown office, retail, hotel, and residential development over the next 30 years:

- *Without* TIRZ implementation of the Uptown Local Mobility Improvement Program (*baseline projection*), and
- *With* TIRZ implementation of the Uptown Local Mobility Improvement Program.

The market studies are attached in Appendices E - G. The results of their studies are summarized as follows:

### Thirty-Year Projections

<u>Land Use</u>	<u>Baseline Projection</u>	<u>With TIRZ Projection</u>	<u>Difference</u>
Office (sq.ft.)	None	5,000,000	5,000,000
Retail (sq.ft.)	295,000	2,116,000	1,821,000
Hotel (rooms)	2,003	3,529	1,526
Residential (units)	712	1,399	687

#### D. CURRENT APPRAISED VALUE OF THE ZONE

The certified appraised value as of January 1, 1998 of land and improvements within the Zone was \$1,661,080,937.

#### E. DURATION OF THE ZONE

The proposed duration of the Zone, assumed to be created in 1999, is thirty years from its creation date or until 2029.

#### F. FINANCING PLAN DESCRIPTION

##### 1. Methods of Financing

To ensure timely construction of public improvements, both pay-as-you-go and various methods of financing may be utilized. These include:

**Tax increment bonds.** As allowed by annual incremental increases in Zone assessed value, tax-exempt tax increment bonds may be issued to fund priority improvements. Tax-exempt bonds will have a maximum term of twenty-years.

**Anticipation notes.** Notes issued in anticipation of tax increment or bond revenues may be issued to speed up implementation of particular projects as warranted.

**Grants.** To the extent permitted by law, efforts will be made to leverage TIRZ funds with grants. To the extent possible, grants will reduce the costs to the TIRZ.

**Reimbursements.** Projects that are closely related to particular private development projects or public infrastructure programs of public agencies, municipalities, and authorities may be financed through reimbursement agreements with the developer, public agency, municipality, or authority.

**Other private financing.** Some projects may be financed on a short-term basis through private financial institutions.

## **2. Sources of Revenue**

The primary sources of revenue will be the ad valorem property taxes on the annual value increment by the taxing jurisdictions: City of Houston, Harris County, and the Houston Independent School District (HISD). Each taxing jurisdiction will have a participation agreement stating the share of property taxes which will be deposited in the tax increment funds required by state law. Because the Zone is being created by petition, state law requires the dedication of one-third of tax increment funds to the provision of affordable housing. Their respective participation agreements are projected as follows, with tax rates given per \$100 of assessed value:

### **Taxing Jurisdictions Participation**

	1998 Total Tax Rate	<u>TIRZ</u>	Educational Facilities	Affordable Housing	Total Tax Rate Participation
City of Houston	\$0.66500	<b>\$0.44333</b>	—	\$0.22167	\$0.66500
Harris County	\$0.41660	<b>\$0.25165</b>	—	\$0.12583	\$0.37748
HISD	\$1.45900	<b>\$0.32000</b>	\$0.32000	\$0.32000	\$0.96000
Total	\$2.54060	<b>\$1.01499</b>	\$0.32000	\$0.66750	\$2.00248

Based on projected new development within the Zone and increases in assessed values, total projected sources of revenue over the 30-year duration of the Zone are as follows:

### 30-Year Projected Tax Increment Revenues

	<u>TIRZ</u>	<u>Educational Facilities</u>	<u>Affordable Housing</u>	<u>TOTAL</u>
City of Houston	\$ 179,240,157	\$ —	\$ 89,622,100	\$ 268,862,257
Harris County	101,743,138	—	50,873,591	152,616,729
HISD	129,377,327	129,377,327	129,377,327	388,131,981
Total	\$ 410,360,622	\$ 129,377,327	\$ 269,873,018	\$ 809,610,967

The shares of tax increment funds provided by each participating jurisdiction are given as follows:

### Shares of Tax Increment Funds

	<u>TIRZ</u>	<u>Educational Facilities</u>	<u>Affordable Housing</u>	<u>TOTAL</u>
City of Houston	43.7%	—	33.2%	33.2%
Harris County	24.8%	—	18.9%	18.9%
HISD	31.5%	100.0%	47.9%	47.9%
Total	100.0%	100.0%	100.0%	100.0%

Other sources of revenue may be used as available and permitted by law.

## G. ESTIMATED AMOUNT OF BONDED INDEBTEDNESS

Tax increment bonds will be issued as necessary to fund specific improvements and as allowed by annual Zone tax increment. An estimated \$205 million in bond proceeds could be utilized over the duration of the Zone for the Local Mobility Improvement Program.

## H. ESTIMATED CAPTURED FUTURE VALUE OF ZONE PROPERTY

Economists forecast that mobility improvements that mitigate traffic congestion will not only encourage new development, but also increase the assessed value of existing properties. The projected values of new development and increases in existing property values are shown in the following table.

Year	Increase in Existing Value	New Development	Total
2000	\$ 25,377,677	\$ 69,316,000	\$ 94,693,677
2001	26,798,082	126,325,000	153,123,082
2002	29,094,929	57,000,000	86,094,929
2003	30,386,353	95,950,000	126,336,353
2004	32,281,398	54,500,000	86,781,398
2005	33,583,119	28,500,000	62,083,119
2006	34,514,366	17,850,000	52,364,366
2007	35,299,831	24,375,000	59,674,831
2008	36,194,954	87,600,000	123,794,954
2009	38,051,878	16,900,000	54,951,878
2010	38,876,156	37,850,000	76,726,156
2011	40,027,048	123,875,000	163,902,048
2012	42,485,579	20,700,000	63,185,579
2013	43,433,363	33,670,000	77,103,363
2014	44,589,913	50,375,000	94,964,913
2015	46,014,387	44,300,000	90,314,387
2016	47,369,103	-	47,369,103
2017	48,079,639	5,375,000	53,454,639
2018	48,881,459	60,950,000	109,831,459
2019	50,528,931	73,350,000	123,878,931
2020	52,387,115	5,375,000	57,762,115
2021	53,253,546	15,400,000	68,653,546
2022	54,283,350	28,350,000	82,633,350
2023	55,522,850	50,375,000	105,897,850
2024	57,111,318	-	57,111,318
2025	57,967,987	-	57,967,987
2026	58,837,507	-	58,837,507
2027	59,720,070	-	59,720,070
2028	60,615,871	-	60,615,871
2029	61,525,109	-	61,525,109
Total	\$1,343,092,887	\$ 1,128,261,000	\$2,471,353,887



# **I. PROJECTED TAX INCREMENT REVENUE**

The table below provides the projected schedule of tax increment captured by the Zone over its proposed 30-year duration for the Local Mobility Improvement Program. The total projected tax increment revenue for the Zone is \$410,360,622.

<b>Year</b>	<b>City Of Houston</b>	<b>Harris County</b>	<b>HISD</b>	<b>Total</b>
<b>2000</b>	<b>\$ 411,409</b>	<b>\$ 233,531</b>	<b>\$ 296,959</b>	<b>\$ 941,899</b>
<b>2001</b>	<b>1,076,673</b>	<b>611,158</b>	<b>777,153</b>	<b>2,464,985</b>
<b>2002</b>	<b>1,450,724</b>	<b>823,483</b>	<b>1,047,147</b>	<b>3,321,354</b>
<b>2003</b>	<b>1,999,609</b>	<b>1,135,050</b>	<b>1,443,338</b>	<b>4,577,997</b>
<b>2004</b>	<b>2,376,643</b>	<b>1,349,068</b>	<b>1,715,484</b>	<b>5,441,195</b>
<b>2005</b>	<b>2,646,371</b>	<b>1,502,175</b>	<b>1,910,177</b>	<b>6,058,723</b>
<b>2006</b>	<b>2,873,875</b>	<b>1,631,315</b>	<b>2,074,392</b>	<b>6,579,581</b>
<b>2007</b>	<b>3,133,140</b>	<b>1,778,483</b>	<b>2,261,532</b>	<b>7,173,155</b>
<b>2008</b>	<b>3,670,984</b>	<b>2,083,782</b>	<b>2,649,753</b>	<b>8,404,519</b>
<b>2009</b>	<b>3,909,730</b>	<b>2,219,303</b>	<b>2,822,082</b>	<b>8,951,115</b>
<b>2010</b>	<b>4,243,077</b>	<b>2,408,523</b>	<b>3,062,695</b>	<b>9,714,295</b>
<b>2011</b>	<b>4,955,171</b>	<b>2,812,733</b>	<b>3,576,692</b>	<b>11,344,596</b>
<b>2012</b>	<b>5,229,690</b>	<b>2,968,559</b>	<b>3,774,842</b>	<b>11,973,091</b>
<b>2013</b>	<b>5,564,676</b>	<b>3,158,709</b>	<b>4,016,638</b>	<b>12,740,023</b>
<b>2014</b>	<b>5,977,263</b>	<b>3,392,909</b>	<b>4,314,448</b>	<b>13,684,620</b>
<b>2015</b>	<b>6,369,646</b>	<b>3,615,640</b>	<b>4,597,674</b>	<b>14,582,960</b>
<b>2016</b>	<b>6,575,448</b>	<b>3,732,460</b>	<b>4,746,224</b>	<b>15,054,131</b>
<b>2017</b>	<b>6,807,689</b>	<b>3,864,288</b>	<b>4,913,857</b>	<b>15,585,834</b>
<b>2018</b>	<b>7,284,866</b>	<b>4,135,151</b>	<b>5,258,289</b>	<b>16,678,306</b>
<b>2019</b>	<b>7,823,075</b>	<b>4,440,658</b>	<b>5,646,773</b>	<b>17,910,505</b>
<b>2020</b>	<b>8,074,030</b>	<b>4,583,109</b>	<b>5,827,915</b>	<b>18,485,054</b>
<b>2021</b>	<b>8,372,304</b>	<b>4,752,420</b>	<b>6,043,213</b>	<b>19,167,937</b>
<b>2022</b>	<b>8,731,316</b>	<b>4,956,208</b>	<b>6,302,351</b>	<b>19,989,875</b>
<b>2023</b>	<b>9,191,404</b>	<b>5,217,370</b>	<b>6,634,446</b>	<b>21,043,220</b>
<b>2024</b>	<b>9,439,531</b>	<b>5,358,216</b>	<b>6,813,548</b>	<b>21,611,295</b>
<b>2025</b>	<b>9,691,381</b>	<b>5,501,175</b>	<b>6,995,335</b>	<b>22,187,891</b>
<b>2026</b>	<b>9,947,008</b>	<b>5,646,279</b>	<b>7,179,850</b>	<b>22,773,137</b>
<b>2027</b>	<b>10,206,470</b>	<b>5,793,558</b>	<b>7,367,132</b>	<b>23,367,160</b>
<b>2028</b>	<b>10,469,824</b>	<b>5,943,047</b>	<b>7,557,223</b>	<b>23,970,095</b>
<b>2029</b>	<b>10,737,128</b>	<b>6,094,779</b>	<b>7,750,166</b>	<b>24,582,073</b>
<b>Total</b>	<b>\$179,240,157</b>	<b>\$101,743,138</b>	<b>\$129,377,327</b>	<b>\$ 410,360,622</b>

The total capital and administrative costs of the Local Mobility Improvement Program of the TIRZ is estimated at \$235 million. A financial analysis of TIRZ revenues, tax increment bond financing, and available construction costs over the 30-year duration of the TIRZ is shown in Appendix I.

## **J. IMPACT ON PARTICIPATING JURISDICTIONS**

In addition to property tax increment contributions, the City of Houston, Harris County, and HISD will receive substantial benefits from TIRZ participation. METRO will also benefit from the future development in the Zone.

### **1. City of Houston and METRO**

The City receives fiscal benefits from the sales and hotel occupancy taxes generated by new retail and hotel development that would not have occurred without mobility investments by the TIRZ. Additional property tax revenues are also generated by the occupants of new development. METRO, whose service area largely corresponds to the City of Houston, will benefit from increased sales taxes as well. A summary of impacts on the City of Houston and METRO over 30 years is shown in the table below.

#### **City of Houston and METRO Impacts**

City sales tax increment	\$ 145,451,263
Hotel occupancy tax increment	37,518,650
Personal property tax increment	12,345,714
<u>METRO sales tax increment</u>	<u>145,451,263</u>
Total benefit (cost)	\$ 340,766,890

Note: Total may not add exactly due to rounding.

### **2. Harris County**

Harris County receives increased revenues from hotel occupancy and property taxes generated by new development. A summary of impacts on Harris County over 30 years is shown in the table below.

#### **Harris County Impacts**

Hotel occupancy tax increment	\$ 10,719,614
Personal property tax (M&O)	7,007,910
Property tax (I&S tax)	16,542,640
Hospital, Port of Houston, Flood Control, <u>and Education Districts</u>	<u>96,913,146</u>
Total benefit (cost)	\$ 131,183,310

Note: Total may not add exactly due to rounding.

**3. Houston Independent School District**

The Houston Independent School District (HISD) does not participate with its entire levy. It benefits from the future development due to improved mobility provided by the TIRZ through the non-participating portion. In addition, it receives one-third of its participating portion, equating to \$0.32 per \$100 of assessed value of the taxable increment to fund educational facilities. A summary of impacts on HISD over 30 years is shown in the table below.

**HISD Impacts**

Real property tax (non-participating portion)	\$ 201,747,769
Personal property tax	27,086,310
<u>HISD educational facilities</u>	<u>129,377,327</u>
 Total benefit (cost)	 \$ 358,211,406

Note: Total may not add exactly due to rounding.