

City of Houston, Texas, Ordinance No. 1999-1330

AN ORDINANCE DESIGNATING A CONTIGUOUS GEOGRAPHIC AREA WITHIN THE CITY OF HOUSTON GENERALLY BOUNDED BY WESTPARK DRIVE AND HARWIN DRIVE ON THE NORTH, BISSONNET STREET ON THE SOUTH, WILCREST DRIVE ON THE WEST AND U. S. HIGHWAY 59 ON THE EAST (SOUTHWEST HOUSTON 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.

* * * * *

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

WHEREAS, the City has prepared a preliminary reinvestment zone financing plan for the creation of a proposed reinvestment zone within a contiguous area of the City known as the Southwest Houston area (the "proposed zone"), 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 bodies of all other taxing units levying taxes on property within the proposed zone; and





WHEREAS, a notice of the December 8, 1999, public hearing on the creation of the proposed zone was published on December 1, 1999, in the Houston Chronicle, a newspaper of general circulation in the City; and

WHEREAS, Harris County, pursuant to Section 311.003, Texas Tax Code, has waived the Tax Code requirement that it receive notice of the City's intention to create the zone sixty (60) days before the public hearing on the creation of the proposed zone; and

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

WHEREAS, the Alief Independent School District, pursuant to Section 311.003, Texas Tax Code, has waived the requirement that it receive notice of the City's intention to create the proposed zone sixty (60) days before public hearing on the creation of the proposed zone; and

WHEREAS, at the public hearing on December 8, 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 owners of property in the proposed zone were given a reasonable opportunity to protest the inclusion of their property in the proposed zone; and

WHEREAS, evidence was received and presented at the public hearing in favor of and against the creation of the proposed zone under the provisions of Chapter 311, Texas Tax Code and the concept of tax increment financing; and

WHEREAS, no owner of real property in the proposed zone protested the inclusion of his property in the proposed zone; 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 property in the proposed zone and all other reinvestment zones previously created by the City is approximately \$5,010,075,248; and

WHEREAS, the total appraised value of taxable real property in the City and in the industrial districts created by the City is approximately \$65,438,353,138 ; and

WHEREAS, the total appraised value of real property taxable by Harris County, in which the proposed zone is located, is approximately \$111,255,368,000; and

WHEREAS, the total appraised value of real property taxable by the Houston Independent School District, within whose boundaries the proposed zone is partially located, is approximately \$41,257,908,000; and

WHEREAS, the total appraised value of real property taxable by the Alief Independent School District, within whose boundaries the proposed zone is partially located, is approximately \$4,839,070,000; and

WHEREAS, the total area within the proposed zone is approximately 2,051.63 acres, excluding property that is publicly owned; and

WHEREAS, approximately 2.70 acres of the property in the proposed zone is currently used for residential purposes, as that term is defined in Section 311.006(d) of the Texas Tax Code; **NOW, THEREFORE**,

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

Section 1. Findings

(a) That the findings and recitals 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 City Council further finds and declares that the proposed zone meets the criteria and requirements of Section 311.005 of the Texas Tax Code because 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; and
- f. conditions that endanger life or property by fire or other cause.

(d) That City Council further finds and declares that the proposed zone meets the criteria and requirements of Section 311.005 of the Texas Tax Code because it includes substantial areas that are predominantly open and, because of obsolete platting and other factors, substantially impair and arrest the sound growth of the City.

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

- (1) That the proposed zone is a contiguous geographic area located wholly within the corporate limits of the City of Houston;
- (2) That less than ten percent of the property in the proposed zone is used for residential purposes within the meaning of Section 311.006(d), Texas Tax Code.

- (3) That the total appraised value of taxable real property in the proposed zone, and in existing reinvestment zones of the City, does not exceed fifteen percent of the total appraised value of taxable real property in the City and in industrial districts created by the City;
- (4) That the proposed zone does not contain more than fifteen percent of the total appraised value of real property taxable by Harris County, the Houston Independent School District or the Alief Independent School District; and
- (5) That development or redevelopment of the property within the boundaries of 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 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 depicted on the map attached hereto as Exhibit "A" and described in Exhibit "B" attached hereto and incorporated herein to promote the development of the area. The reinvestment zone shall hereafter be named for identification as Reinvestment Zone Number Twenty, City of Houston, Texas, (the "Zone").

Section 4. Board of Directors

That there is hereby created a Board of Directors for the Zone, which shall consist of seven (7) members. Positions One through Five on the Board of Directors shall be reserved for the City. Positions Six and Seven shall be reserved for other taxing units levying taxes within the Zone, each of whom may appoint one director. Any taxing unit that appoints a director shall be assigned a Board position number in the order the appointment is received by the City. Failure of a taxing unit to appoint a director by January 1, 2001, shall be deemed a waiver of the right to appoint a director, and the City shall be entitled to appoint persons to the position, which shall be filled as provided below. If more than two taxing units levying taxes within the Zone appoint a director, the number of directors on the Board of Directors shall be increased by one for each taxing unit above two that appoints a director to the board, provided, if more than four taxing units levying

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

The Mayor is hereby authorized to nominate and appoint the directors to Positions One through Five of the Board of Directors, any position unfilled on January 1, 2001, and any City position created by the appointment of a director by more than two taxing units levying taxes within the Zone, subject to the consent and approval of the City Council.

The following persons are hereby appointed as initial directors to the Board of Directors of the Zone in the position specified below:

<u>Position</u>	<u>Name</u>
1	Toni J. Franklin
2	Joseph M. Stokes
3	Robert D. Tanner
4	Kenneth Li
5	Welcome W. Wilson

The directors appointed to odd-numbered positions shall be appointed for a two year term, beginning on the effective date of this Ordinance, while the directors appointed

to even-numbered positions shall be appointed to a one year term, beginning on the effective date of this Ordinance. All subsequent appointments shall be for two-year terms. The member of the Board of Directors appointed to Position One is hereby designated to serve as the chair of the Board of Directors for a term beginning on the effective date of this Ordinance, and ending December 31, 2000. Thereafter, the Mayor shall annually nominate and appoint, subject to City Council approval, the member to serve as chair for a term of one year beginning 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 immediately upon the passage and approval of this Ordinance, and 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 issuance of tax increment bonds, if any, that all project costs, tax increment bonds, and the interest on the bonds, have been paid in full.

Section 6. Tax Increment Base

That the Tax Increment Base of the City or any other taxing unit participating in 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 is 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 or 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 the 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 by the City for the benefit of the Zone, 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 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 purposes 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 inoperative 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 this 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 have 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 11. Emergency

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

PASSED AND ADOPTED this 15th day of December, 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 DEC 21 1999.

Ann Russell
City Secretary

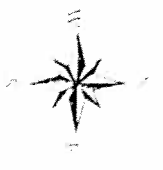
DEAL

Michael Anthony Moran

(Prepared by Legal Dept. Michael Anthony Moran)
(MAM/mam December 13, 1999 Assistant City Attorney)
(Requested by Robert Litke, Director, Planning and Development Department)
L.D. No. 61-99115-01



**PROPOSED
SOUTHWEST HOUSTO
TIRZ
BOUNDARY MAP**



Property Description
Proposed Southwest Houston T.I.R.Z.

Beginning at the east right-of-way line of the Southwest Freeway and the north right-of-way line of Westpark.

Thence southwesterly along the east right-of-way of the Southwest Freeway to the south right-of-way line of Fondren.

Thence northwesterly along the south right-of-way line of Fondren to the south right-of-way line of Bellaire Boulevard.

Thence westerly along the south right-of-way of Bellaire Boulevard to the west right-of-way line of Kendalia Drive.

Thence southerly along the west right-of-way line of Kendalia Drive to the south line of the Texas First National Bank Plaza subdivision.

Thence westerly along the south line of the Texas First National Bank Plaza subdivision and continuing west along the south line of Lots 1A through 9 of Sharpstown Country Club Terrace Section 3 to the east line of Westwood Center Section 3 subdivision.

Thence southerly along the east line of the Westwood Center Section 3 subdivision to the north right-of-way line of Stroud Street.

Thence along the north right-of-way of Stroud Street to the east right-of-way of the West Sam Houston Parkway South.

Thence southerly along the east right-of-way of the West Sam Houston Parkway South to the north right-of-way line of Brays Bayou.

Thence southeasterly along the north right-of-way line of Brays Bayou to the north right-of-way line of an unnamed Harris County Flood Control District drainage ditch.

Thence northeasterly along the north right-of-way line of said drainage ditch to the west line of the Sharpstown Country Club Terrace Section 3 subdivision.

Thence southerly along the west Sharpstown Country Club Terrace Section 3 subdivision to the north line of the Westwood Country Club.

Thence easterly along the north line of the Westwood Country Club to the west line of a Houston Lighting & Power Company fee strip.

Thence north along the Houston Lighting & Power Company fee strip to Beechnut

Street and continuing north along the east line of Sharpstown Country Club Terrace Section 3 to east right-of-way line of South Gessner.

Thence southerly along the east right-of-way line of South Gessner to the north right-of-way line of Beechnut Street.

Thence easterly along the north right-of-way line of Beechnut Street to the east right-of-way of the Southwest Freeway.

Thence southwesterly along the east right-of-way line of the Southwest Freeway to the south right-of-way line of Bissonnet.

Thence westerly along the south right-of-way line of Bissonnet to the west right-of-way of Woodfair Drive.

Thence northerly along the west right-of-way of Woodfair Drive to the north right-of-way line of Duchamp Drive.

Thence westerly along Duchamp Drive to the east line of the Westwood South Patio Homes.

Thence northerly along the east line of the Westwood South Patio Homes to the south line of a drainage ditch.

Thence westerly along the south line of a drainage ditch to the west right-of-way line of the West Sam Houston Parkway South.

Thence northerly along the West Sam Houston Parkway South to the south right-of-way line Beechnut Street.

Thence westerly along the south right-of-way of Beechnut Street to the east line of tract 1A-2 of the H. A. Cobb Survey, Abstract 210 to the northeast corner of said tract.

Thence westerly along the north line of tracts 1A-2 and 1A-6 to the east line of the east line of the Emperial Point Section 9 subdivision.

Thence northerly along the east line of Emperial Point Section 9 and Emperial Point Section 7 subdivisions to the north line of Harris County Flood Control District drainage ditch.

Thence easterly along the north line of the Harris County Flood Control District drainage ditch to the west right-of-way line of Brays Bayou.

Thence northerly along the west right-of-way line of Brays Bayou to the south right-of-way line of Bellaire Boulevard.

Thence along the south right-of-way line of Bellaire Boulevard to the west line of Reserve "D" of the Concourse subdivision.

Thence northerly along the west line of the Reserves "B", "C", and "D" of the Concourse subdivision to the north line of the Concourse subdivision.

Thence easterly along the north line of the Concourse subdivision to the west right-of-way line of the West Sam Houston Parkway South.

Thence southerly along the west right-of-way line of the West Sam Houston Parkway South to the north right-of-way line of Harwin Drive.

Thence along the north right-of-way line of Harwin Drive to the east line of a Houston Lighting & Power Company fee strip.

Thence easterly along the east line of the Houston Lighting & Power Company fee strip to north right-of-way line of Bellaire Boulevard.

Thence easterly along the north right-of-way of Bellaire Boulevard to the west line of 19B of the Sharpstown Acreage.

Thence with the west, north and east lines of tracts 19B and 19A of the Sharpstown Acreage to the north right-of-way line of Bellaire Boulevard.

Thence easterly with the north right-of-way of Bellaire Boulevard to the west line of Reserve A of the Harbor Town subdivision.

Thence northerly with the west line of Reserve A of the Harbor Town subdivision and the east line of the Sharpstown Country Club Estates Section 3 to a point for a corner.

Thence easterly along the south line of townhomes on the park phases 1 through 4 to a point for a corner.

Thence southerly along the west line of Sharpstown Country Club Estates Sections 2 and 3 to a point for a corner.

Thence easterly along the south line of Sharpstown Country Club Estates Section 2 to the west right-of-way of Fondren Road.

Thence northerly along the west right-of-way line of Fondren Road to the north right-of-way line of Harwin Drive.

Thence easterly along the north right-of-way line of Harwin Drive to the west right-of-way line of Hillcroft Avenue.

Thence northerly along the west right-of-way line of Hillcroft Avenue to the north right-of-way line of Westpark.

Thence along the north right-of-way line of Westpark to the east line of the Southwest Freeway and the point of beginning, SAVE AND EXCEPT Golf Green Condo Phase 1, Amended Phase 1 and Phase 2 subdivisions, Sharpstown Green Condo subdivision, Hamilton Court Condo subdivision and Louisville Court Condo subdivision.

REQUEST FOR COUNCIL ACTION

FILE

TO: Mayor via City Secretary

RCA #

SUBJECT: Ordinance Designating Reinvestment Zone Number Twenty, City of Houston (the Southwest Houston Reinvestment Zone)

Category #

Page 1 of 1

Agenda Item#

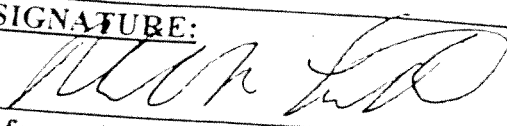
FROM: (Department or other point of origin):

Planning & Development Department

Origination Date

Agenda Date

DIRECTOR'S SIGNATURE:



Council Districts affected:
District F - Ray Driscoll

For additional information contact:

Robert M. Litke

Phone: 837-7708

Bill Calderon

Phone: 837-7787

Date and identification of prior authorizing Council Action:

N/A

RECOMMENDATION: (Summary)

Recommend that City Council approve an ordinance designating Reinvestment Zone Number Twenty, City of Houston, Texas, also known as the Southwest Houston Reinvestment Zone, and establishing a reinvestment zone Board of Directors

Amount of Funding:

Not Applicable

F & A Budget:

SOURCE OF FUNDING: General Fund Grant Fund Enterprise Fund

Other (Specify)

SPECIFIC EXPLANATION:

Consistent with legal requirements, City Council conducted a public hearing regarding the designation of a reinvestment zone known as the Southwest Houston Reinvestment Zone for tax increment financing purposes on December 8, 1999. The proposed zone is approximately 2,051.6 acres.

The ordinance establishes a thirty-year zone effective January 1, 2000; creates a Board of Directors for the zone; provides for the zone to expire December 31, 2029; establishes a tax increment fund for the zone; finds the zone's projected improvements to be of general benefit to the City, and, finds the proposed zone meets the statutory criteria for a reinvestment zone.

Marty Stein, Agenda Director
Anthony Hall, City Attorney
Anna Russell, City Secretary

REQUIRED AUTHORIZATION

A Director

