

City of Houston, Texas, Ordinance No. 2022 - 977

AN ORDINANCE AMENDING ORDINANCE 2012-1048 WHICH DESIGNATED REINVESTMENT ZONE NUMBER TWENTY-FOUR, CITY OF HOUSTON, TEXAS, AND CREATED A BOARD OF DIRECTORS FOR SAID ZONE; ALTERING THE NUMBER OF BOARD MEMBERS AND THEIR METHOD OF APPOINTMENT AND REFLECTING THE INCREASED LEVEL OF TAX INCREMENT CONTRIBUTION BY THE CITY; CONTAINING OTHER PROVISIONS RELATING TO THE FOREGOING SUBJECT; PROVIDING A SEVERABILITY CLAUSE; AND DECLARING AN EMERGENCY.

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WHEREAS, pursuant to ordinance 2012-1048 (the "Original Ordinance"), the City of Houston (The "City"), following a public hearing, designated Reinvestment Zone 24 (the "Zone"), in accordance with Chapter 311 of the Texas Tax Code; and

WHEREAS, the Original Ordinance provided for a board of directors consisting of seven members, with six positions reserved for the City and the seventh position reserved for Harris County, Texas (the "County"), provided that the County approved contributing its tax increment to the Zone; and

WHEREAS, on November 20, 2012, the County approved the creation of the Harris County Redevelopment Authority (the "County Authority") to manage the County's projects within the Zone; and

WHEREAS, pursuant to Ordinance 2014-713, the City approved and executed an agreement between the City, the Zone and the County authorizing the County Authority to administer, manage and operate the Zone, on behalf of the County (the "Tri-Party Agreement"); and

WHEREAS, pursuant to Ordinance 2014-714, the City approved and executed an interlocal agreement among the City, the Zone, the County and the County Authority (the "Participation Agreement") to set out the respective participation in the Zone by the City

and the County, define the role of the County Authority in the administration of the Zone, and alter the appointment of board members from the provisions of the Original Ordinance; and

WHEREAS, the Participation Agreement provided that it was the parties' intent that the Zone be County-Led and that the City would contribute five percent (5%) of its tax increment to the Zone, which would be retained for administrative expenses; and

WHEREAS, the Participation Agreement was amended pursuant to Ordinance 2015-815, which, among other things, increased the County participation to eighty percent (80%) of its tax increment, with 65% of the increment directed to projects and 15% directed to operations and other County Programs; and

WHEREAS, the Participation Agreement, as amended, granted the County the right to recommend, for appointment by the Mayor and approval by the City Council, five members of the Zone Board and to appoint one additional board member directly; and

WHEREAS, the Second Amended Project Plan and Reinvestment Zone Financing Plan (as amended, the "Plan") was approved by Ordinance 2020-846 and provided for an increase in the City participation rate to 75% (which includes the 5% retained for administrative costs, which will continue to be so retained) and states that the increased level of tax increment resulting for the City's increased participation shall be used to fund projects consistent with the Plan that are approved by the City; and

WHEREAS, due to the increased participation level by the City, the City desires to amend the Original Ordinance to reflect the City's new participation rate, to increase the number of board members to provide for increased representation of the City on the Zone

Board and to set forth the methods of appointing Zone board members by the City and the County; **NOW, THEREFORE,**

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

Section 1. The following sections of the Original Ordinance are hereby amended as follows:

(a) Section 4 of the Original Ordinance is deleted in its entirety and replaced with the following:

"Section 4. Board of Directors. That there is hereby created a Board of Directors for the Zone, which shall consist of eleven (11) members. Board members for positions One through Five on the Board of Directors shall be recommended by the County to the Mayor of the City for nomination and appointment to the Board of Directors by the City so long as the County is a participating taxing unit in the Zone. Position Six shall be appointed to the Board of Directors by Harris County directly without action by the City so long as the County is a participating taxing unit in the Zone. Positions Seven through Eleven on the Board of Directors shall be appointed by the City. Any other taxing unit that levies taxes on real property in the Zone and has approved the payment of all or part of the tax increment produced by the taxing unit into the tax increment fund for the Zone 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. If more than two taxing units that levy taxes on real property in the Zone and have approved

the payment of all or part of the tax increment produced by the taxing unit into the tax increment fund for 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 that levy taxes on real property in the Zone and have approved the payment of all or part of the tax increment produced by the taxing unit into the tax increment fund for 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 County 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 Seven through Eleven of the Board of Directors, any position unfilled on January 1, 2023, and any City position created by the appointment of a director by more than two taxing units that levy taxes on real property in the Zone and have approved the payment of all or part of the tax increment produced by the taxing unit into the tax increment fund for the Zone, subject to the consent and approval of the City Council. The directors appointed to odd-numbered positions shall be appointed for two-year terms, beginning January 1, 2023, while the directors appointed to even-numbered positions shall be appointed to one-year terms, beginning January 1, 2023. All

subsequent appointments shall be for two-year terms. The Mayor shall annually nominate and appoint, subject to City Council approval, a director to serve as chair for a term of one year beginning January 1st 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 see 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 adopted a project plan and a reinvestment zone financing plan for the Zone as described in Texas Tax Code Section 311.011, and shall submit such plans to the City Council for approval. The City, pursuant to Texas Tax Code Section 311.010(a), 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 8 of this Ordinance 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, or to implement 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 Texas Tax Code Section 311.008 without additional authorization from the City.”

(b) Section 7. Section 7 of the Original Ordinance is deleted in its entirety and replaced with the following:

“Section 7. Approval of the City's Level of Participation in the Zone. That the City will participate in the Zone by contributing tax increment to the tax increment fund for the Zone from taxes levied and collected by the City at the rate of seventy-five percent (75%) of its increment, inclusive of the five percent (5%) retained by the City for administrative expenses (which rate may be amended from time to time) beginning on January 1, 2020.”

(c) Except to the extent expressly amended in this Ordinance, the Original Ordinance shall remain in full force and effect.

Section 2. Severability. If any provision, section, subsection, sentence, clause, or phrase of this Ordinance, or the application of same to any person or set of 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.

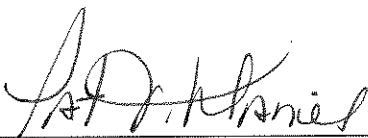
Section 3. Emergency. There exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by 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.

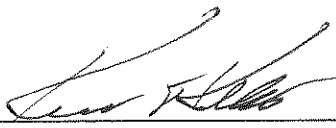
PASSED AND ADOPTED this 14th day of December, 2022.

APPROVED this _____ day of _____, 2022.

Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is DEC 20 2022.


City Secretary

(Prepared by Legal Department )
(KTK:gd December 2, 2022 Senior Assistant City Attorney)
(Requested by Andrew F. Icken, Chief Development Officer)
(L.D. File No. 0422200070001)

Meeting 12/14/2022

Aye	No	
✓		Mayor Turner
....	Council Members
✓		Peck
✓		Jackson
✓		Kamin
✓		Evans-Shabazz
✓		Martin
✓		Thomas
✓		Huffman
✓		Cisneros
✓		Gallegos
✓		Pollard
✓		Castex-Tatum
✓		Knox
✓		Robinson
Absent on personal business		Kubosh
✓		Plummer
✓		Alcorn
Caption	Adopted	

Captions Published in DAILY COURT REVIEW
 Date: 12/20/2022