

Controller's Office

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

I hereby certify, with respect to the money required for the contract, agreement, obligation or expenditure contemplated by the ordinance set out below that:

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



City Controller of the City of Houston

MS Date: 12-13, 2022

AP FUND REF: NH 5000 AMOUNT: -0- ENCUMB. NO.: NF501a12-23

City of Houston, Texas, Ordinance No. 2022-978

AN ORDINANCE APPROVING AND AUTHORIZING A FIRST AMENDMENT TO AGREEMENT BY AND AMONG THE CITY OF HOUSTON, TEXAS, THE REINVESTMENT ZONE NUMBER TWENTY-FOUR, CITY OF HOUSTON, TEXAS (GREATER HOUSTON ZONE), AND THE HARRIS COUNTY REDEVELOPMENT AUTHORITY, IN CONNECTION WITH REINVESTMENT ZONE NUMBER TWENTY-FOUR, CITY OF HOUSTON, TEXAS (GREATER HOUSTON ZONE); AND DECLARING AN EMERGENCY.

* * * *

WHEREAS, by Ordinance No. 2014-713, the City Council of the City of Houston, Texas ("City") approved that certain Agreement by and among the Harris County Redevelopment Authority ("County"), Reinvestment Zone Number Twenty- Four, City of Houston, Texas, ("Zone") and the City (the "Tri-Party Agreement"); and

WHEREAS, by Ordinance No. 2012-1048, as amended by Ordinance No. 2022-977¹ (the "Amended Ordinance") the City has amended certain provisions of the Ordinance designating the Zone relating to the composition of the board of directors for the Zone and amount of the City's participation in the Zone; and

WHEREAS, the City's initial contribution to the Zone was limited to five percent (5%) of the City tax increment, which is retained by the City for administrative costs of operating the Zone; 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, the City, County and Zone now wish to amend the Tri-Party Agreement to define the City Tax Increment and City Tax Increment Participation at 75% of revenue generated within the Zone, define City TIRZ 24 Projects and County TIRZ 24 Projects, and define City Redevelopment Authority which will be created to implement the City TIRZ 24 Projects; **NOW, THEREFORE**,

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

Section 1. That the City Council hereby approves and authorizes the contract, agreement, or other undertaking described in the title of this Ordinance, in substantially the form as shown in the document which is attached hereto and incorporated herein by this reference. The Mayor is hereby authorized to execute such document and all related documents on behalf of the City of Houston. The City Secretary is hereby authorized to attest to all signatures and to affix the seal of the City to all such documents. The City Attorney is hereby authorized to take all action necessary to enforce all legal obligations under such contract, agreement, or other undertaking without further authorization from Council.

Section 2. 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.

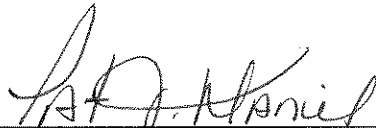
¹ Amended Ordinance number to be inserted by City Secretary upon passage.

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

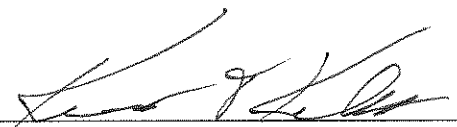
APPROVED this _____ day of _____, 2022.

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 )
(KK:gd September 29, 2022 Senior Assistant City Attorney
(Requested by Andy Icken, Chief Development Officer, Office of the Mayor)
(L.D. File No. 042-2200070-001)

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

EXHIBIT "A"

**FIRST AMENDMENT TO AGREEMENT BY AND AMONG THE HARRIS COUNTY
REDEVELOPMENT AUTHORITY, REINVESTMENT ZONE NUMBER TWENTY-
FOUR, CITY OF HOUSTON, TEXAS, AND THE CITY OF HOUSTON, TEXAS**

WHEREAS, the City's initial contribution to the Zone was limited to five percent (5%) of the City tax increment, which is retained by the City for administrative costs of operating the Zone.

WHEREAS, the City has elected to increase the amount of its participation in the Zone to be used for projects within the Zone to be selected and approved by the City in accordance with the terms of the Participation Agreement (as defined in the Tri-Party Agreement"); and

WHEREAS, the City and the County have approved an amendment to the Plan (as defined in the Participation Agreement) to increase the City participation to seventy-five percent (75%) of the City's Tax Increment (as herein defined); and

NOW, THEREFORE, the Parties agree to amend the Tri-Party Agreement in accordance with the following.

1. Recitals:

(a) Notwithstanding anything in the Tri-Party Agreement to the contrary, all references in the Recitals to the Authority or the Authority Board shall be deemed to refer only to the Harris County Redevelopment Authority and not to any separate local government corporation or redevelopment authority that may be formed by the City at any time hereafter.

(b) All references to the Authority's use of Tax Increments shall refer to the County Tax Increments (as defined in the Tri-Party Agreement).

2. Article I. Definitions: Article I of the Tri-Party is amended by adding the following new or revised defined terms:

a. "City Redevelopment Authority" means a separate Local Government Corporation that may be formed by the City to administer City TIRZ #24 Projects (as herein defined).

b. "City Tax Increment" means, for each year, the amount of property taxes levied and assessed by the City on the Captured Appraised Value.

- c. "City Tax Increment Participation" means the City's annual ad valorem tax increment payments to the TIRZ pursuant to Section V.B. of the Agreement.
- d. "City TIRZ #24 Projects" means a TIRZ #24 Project approved by the City for projects within the Zone, consistent with the Plan and funded only by City Tax Increment.
- e. "County TIRZ #24 Projects" means a TIRZ #24 Project approved by the County for projects within the Zone, consistent with the Plan and funded only by County Tax Increment.
- f. "Plan" shall mean the Second Amended Project Plan as approved by the City by Ordinance 2020-848.

3. Article II. Scope of Services by Authority: Article II of the Tri-Party Agreement is amended by deleting the original article in its entirety and substituting the following:

II.

SCOPE OF SERVICES BY AUTHORITY

To the extent of available funds and subject to the limitations of this Agreement, the services that the Authority may furnish consist of, among other things, the following:

A. Management and Administrative Services and Consultants. The Authority will provide management and administrative services for the Zone. The services without limitation will include the following:

- 1. Provide the staff and administrative services that are necessary to manage the Zone and provide or supervise the services and TIRZ Projects or improvements to be provided by the Zone;
- 2. Provide management, financial and program monitoring systems for the administration of the Zone;

3. Provide any required reports to the County, the City and the Zone concerning the administration of the Zone;
4. Provide office space for the Zone's administrative and management personnel and an operation center for the Authority's employees and equipment, if necessary;
5. Subject to the terms of this Agreement, recruit, hire, pay and supervise the consultants and any work force that the Authority will utilize to furnish services required for the development or redevelopment of the Zone funded by the County Tax Increment;
6. Provide staff to participate in meetings concerning the administration of the Zone in all its capacities, including the services to the Zone Board when managing the Zone;
7. Provide liaison and coordination between the Zone, the City, the County, other Taxing Units, Zone property owners, and other persons and groups interested in the development and redevelopment activities within the Zone;
8. Supervise and monitor the performance of consultants and subcontractors who are employed by the Authority to provide services to the Zone;
9. Assist in briefing developers, builders, property owners and other persons concerning proposed activities and developments that would complement public and private development activities in the Zone relating to the County Tax Increment;
10. Function as the information/complaint center for all matters relating to the administration of the Zone and advise the County, the Zone Board and the City in a timely manner of any problems concerning the Zone; and
11. Provide engineering, planning, legal, financial, real estate, and other services through consultants engaged by the Authority as may be requested by the County, the Zone Board or the City.

B. Service With Respect to the Plan and Enlargement of the Zone.

1. The Zone Board has adopted, and the City Council and Commissioners Court have approved, the Plan. The Authority will act as consultant to the Zone in the implementation of the Plan with respect to the County Tax Increment and in the preparation and implementation of any amendments thereto. Any amendments to the Plan shall be prepared in accordance with this subparagraph and in accordance with the requirements of the TIRZ Act. The Authority will engage such consultants and subcontractors as it deems necessary to complete the Plan and will make them available to the County, the Zone Board and the City at all reasonable times. The Plan and any amendments thereto will include at a minimum those matters required by Section 311.011(b) and (c) of the TIRZ Act;
2. The Authority will meet with and receive input from property owners, the public, lenders, the County, the City, the Zone Board, and other public and private entities with respect to the preparation of any amendments to the Plan and will take such other actions, and will aid and assist in the conduct of such hearings, as may be required to complete the amendments for presentation to the Commissioners Court and the City Council for approval;
3. The Authority will review areas for addition to the Zone as requested by the Zone Board and will provide information with respect to any proposed enlargement that may be required by the Zone Board.

C. Tax Rolls.

1. The Authority will assist the County, the Zone Board and the City (as well as the City Redevelopment Authority, if any) with respect to the preparation of special tax rolls relating to the Zone. The Authority will analyze property uses in the Zone, compare

them to the records of the Appraisal District, and attempt to reconcile the tax rolls of the Appraisal District with the actual land uses.

2. The Authority also will work with the Appraisal District to make certain that tax values as shown on the tax rolls will, to the greatest extent possible, accurately reflect true market value of all property in the Zone.
3. The Authority will assist in securing a tax roll for the Zone for the year 2012 and each year thereafter and will assist the County, the Zone Board, the City (as well as the City Redevelopment Authority, if any) and the Appraisal District in having the Zone tax rolls correctly reflect the total appraised value of real property in the Zone for each such year and showing separately the Tax Increment Base and the Captured Appraised Value. The Authority will assist in advising all Taxing Units with respect to the Captured Appraised Value and the amount of Tax Increment of each Taxing Unit which is to be paid into the Tax Increment Fund as required by the TIRZ Act.

D. Zone Planning, Design and Infrastructure Improvements. The Authority will assist the Zone Board, in relation to County TIRZ #24 Projects, in preparing a development plan and will provide technical assistance to encourage public and private property owners to make improvements or provide services:

1. To increase residential, business, retail, restaurant, and entertainment establishments in the Zone;
2. To encourage private and public entities to make any improvements that are necessary to the streets, utilities, drainage and flood control facilities, curbs, sidewalks, signage, landscaping, lighting, and other infrastructure in the Zone;
3. To design and select streetscape elements such as benches, flowerpots, tables and chairs, umbrellas, fountains, lighting, trees, shrubs, and other pedestrian amenities;

4. To increase the enjoyment and public use of sidewalks, parks, and plazas; and
5. To establish a planning, design, and streetscape group that will bring people together to plan and make improvements to create a more vital area in the Zone.

E. Infrastructure Construction and Construction of TIRZ Projects. The Authority may construct infrastructure, buy equipment and supplies, and deal in real estate as necessary to implement the Plan with respect to the County TIRZ #24 Projects and as permitted by the TIRZ Act:

1. To the extent County funds are available, the Authority may design and construct, or cause to be designed and constructed, County TIRZ #24 Projects; and
2. To the extent funds are available, the Authority may buy, sell, lease and otherwise deal in real estate.

F. Land Acquisition, Development and Redevelopment. Subject to the availability of funds, the Authority will provide appraisals, surveys, and title policies for any properties that need to be acquired pursuant to the Plan for County TIRZ #24 Projects. The Authority may acquire any property or land that is permitted to be acquired pursuant to the Plan with the proceeds of its Bonds or other Authority Obligations or with County Tax Increments paid to the Authority by the City and the Zone pursuant to this Agreement. The Authority may lease, sell or otherwise dispose of and deal in any land or property that it acquires. The Authority will provide legal counsel and other consultants and advisors for land or improvements that may be required by the Plan as directed by the Zone Board, including those required to acquire property pursuant to the exercise of eminent domain for implementation of the Plan.

G. Subcontractors. The Authority may provide the services required by this Agreement through staff, subcontractors and/or consultants.

4. Article III of the Tri-Party Agreement is hereby amended by deleting the original article in its entirety and substituting the following:

III.

CONTRACTUAL OBLIGATIONS OF THE AUTHORITY

A. General Statement. The parties have agreed that the Authority has the authority to issue Bonds secured by the County Tax Increment, to enter into other Authority Obligations with developers, builders and others and to enter into other contracts with consultants and others to be paid from moneys initially deposited in the TIRZ#24 Revenue Fund pursuant to this Agreement and in accordance with Section III. C. herein; provided, however, that nothing in this Agreement shall be construed to authorize the Authority to expend any of the funds received pursuant to this Agreement for any costs other than Project Costs.

The parties understand that the Authority may receive funds from sources other than the Tax Increment Fund and may enter into agreements and be involved with projects that are not related to TIRZ#24 or the funds received pursuant to this Agreement. It is the intention of the parties that this Agreement address only those aspects of the Authority's operations that relate to TIRZ#24 and the funds received by the Authority pursuant to this Agreement and not limit the Authority's operations in matters not related to TIRZ#24 or the funds received pursuant to this Agreement.

B. Power to Incur Authority Obligations. With regard to TIRZ#24 and subject to the provisions of this Article, the Authority shall have the power from time to time to issue Bonds secured only by the County Tax Increment and enter into such other Authority Obligations upon such terms and conditions as the Authority Board shall determine to be necessary or desirable to implement the Plan. All Development Agreements shall provide that (i) the Authority will not reimburse any person or entity for any TIRZ#24 Project that is determined

to be an ineligible Project Cost under the TIRZ Act, and (ii) any person or entity shall be obligated to repay the Authority for any payment made by the Authority that is determined to be an ineligible Project Cost.

C. Use of Tax Increment. All funds received by the Authority from the City pursuant to Article V shall initially be placed in the Authority's TIRZ#24 Revenue Fund and then distributed to other applicable funds to meet the TIRZ#24 obligations. Then any remaining funds will be distributed to funds operated and controlled by the Authority and used to pay Project Costs.

D. Pledge of Tax Increments. The City and the Zone Board hereby consent to any assignment or pledge of the County Tax Increment, subject to approval by the Authority.

4. Article V, subsection B of the Tri-Party Agreement is amended by deleting the original Article in its entirety and replacing it with the following:

B. City's Contribution. The City's Tax Increment Participation shall be equal to seventy percent (70%) of the City Tax Increment to be distributed to the TIRZ for City TIRZ #24 Projects and five percent (5%) of the City Tax Increment which will be retained by the City to pay for administrative expenses of the TIRZ.

5. Except as expressly provided herein, the Tri-Party Agreement shall remain in full force and effect and is hereby ratified and confirmed.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the City, the Authority and the TIRZ have made and executed this First Amendment in multiple copies, each of which is an original.

ATTEST/SEAL:

CITY OF HOUSTON

By: _____
City Secretary

By: _____
Sylvester Turner
Mayor, City of Houston

APPROVED AS TO FORM:

COUNTERSIGNED:
CONTROLLER, CITY OF HOUSTON

By: _____
Name: _____

Senior City Attorney

By: _____

Date Signed: _____

ATTEST/SEAL:

**TAX INCREMENT REINVESTMENT
ZONE NUMBER TWENTY-FOUR,
CITY OF HOUSTON, TEXAS**

By _____
Name: _____
Secretary, Board of Directors

Adrienne Holloway signed by:
By: Adrienne Holloway

Chairperson, Board of Directors
9/15/2022
Date Signed: _____

(signatures continue on following page)

ATTEST/SEAL:

By: _____
Name:
Secretary, Board of Directors

**HARRIS COUNTY
REDEVELOPMENT AUTHORITY**

DocuSigned by:
Adrienne Holloway
By: _____
Adrienne Holloway
Chairperson, Board of Directors
Date Signed: 9/29/2022