

City of Houston, Texas, Ordinance No. 2015-801

AN ORDINANCE APPROVING THE PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN FOR REINVESTMENT ZONE NUMBER TWENTY-FOUR, CITY OF HOUSTON, TEXAS (GREATER HOUSTON ZONE); CONTAINING FINDINGS AND OTHER PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EMERGENCY.

* * * * *

WHEREAS, the City Council of the City of Houston, Texas created Reinvestment Zone Number Twenty-Four on December 12, 2012, by Ordinance No. 2012-1048 ("Zone"), pursuant to Chapter 311 of the Texas Tax Code, as amended, for the purposes of development and redevelopment in the areas of the City generally known as the (1) eastern end of the central business district and (2) the area around NRG (formerly Reliant) Stadium; and

WHEREAS, on June 24, 2015, the Board of Directors of the Zone considered and adopted a proposed Final Project Plan and Reinvestment Zone Financing Plan including 2015 Annexation for the development of the Zone ("Plan"); and

WHEREAS, the City previously enlarged the boundaries of the Zone by City Ordinance No. 2015-800 on August 26, 2015¹; and

WHEREAS, the Board of Directors of the Zone, at its June 24, 2015 board meeting, approved the enlargement of the boundaries of the Zone ("Enlarged Area") and has requested the City's approval of the boundary enlargement; and

WHEREAS, the Plan includes projects for the Enlarged Area; and

WHEREAS, a public hearing on the Plan is required to be held pursuant to Section 311.011 of the Code; and

WHEREAS, the City Council finds that notice of the public hearing was published in a newspaper of general circulation in the City in the time and manner required by law; and

¹ Ordinance number of the ordinance enlarging the boundaries of the Zone to be inserted by the City Secretary.

WHEREAS, the City Council conducted a public hearing on the proposed Plan on August 12, 2015; and

WHEREAS, at the public hearing, interested persons were allowed to speak for or against the proposed Plan, the enlargement of the boundaries of the Zone, and the concept of tax increment financing; and

WHEREAS, evidence was received and presented at the public hearing in favor of the proposed Plan, the enlargement of the boundaries of the Zone, or the concept of tax increment financing; and

WHEREAS, before the Board of Directors of the Zone may implement the Plan, the City Council must approve the Plan;

WHEREAS, the City desires to approve the Second Amendment; **NOW, THEREFORE,**

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

Section 1. Findings. That the facts and recitations contained in the preamble of this Ordinance are found to be true and correct and are hereby adopted as part of this Ordinance.

Section 2. Approval. That the Project Plan and Reinvestment Zone Financing Plan attached hereto as Exhibit "A" are hereby found to be feasible and are approved. The appropriate officials of the City are authorized to take all steps reasonably necessary to implement the Plan.

Section 3. Declaration of Emergency. 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.

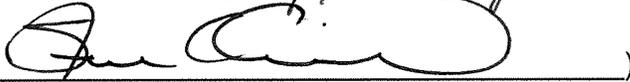
PASSED AND ADOPTED this 26th day of August, 2015.

APPROVED this _____ day of _____, 2015.

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is SEP 0 1 2015.



 City Secretary



(Prepared by Legal Department
 (SEK, July 21, 2015)
 (Requested by Andrew F. Icken, Chief Development Officer, Office of the Mayor)
 (L.D. File No. _____)

Senior Assistant City Attorney

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AYE	NO	
/		MAYOR PARKER
....	COUNCIL MEMBERS
/		STARDIG
	ABSENT	DAVIS
/		COHEN
/		BOYKINS
/		MARTIN
/		NGUYEN
/		PENNINGTON
/		GONZALEZ
/		GALLEGOS
/		LASTER
/		GREEN
/		COSTELLO
/		ROBINSON
/		KUBOSH
/		BRADFORD
/		CHRISTIE
CAPTION	ADOPTED	

MAY 017 Rev. 01/14

CAPTION PUBLISHED IN DAILY COURT
 REVIEW
 DATE: SEP 0 1 2015

EXHIBIT "A"

**PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN FOR
REINVESTMENT ZONE NUMBER TWENTY-FOUR (GREATER HOUSTON ZONE)**

Exhibit A

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

Greater Houston TIRZ

Final Project Plan and Reinvestment Zone Financing Plan

Including 2015 Annexation

_____, 2015

REINVESTMENT ZONE NUMBER TWENTY-FOUR

CITY OF HOUSTON, TEXAS

GREATER HOUSTON ZONE

Final Project Plan and Reinvestment Zone Financing Plan

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

GREATER HOUSTON TIRZ

Final Project Plan and Reinvestment Zone Financing Plan

I

INTRODUCTION

The purpose of the Final Project Plan and Reinvestment Zone Financing Plan (the “Plan”) for Reinvestment Zone Number Twenty-Four, City of Houston, Texas, also known as the Greater Houston Tax Increment Reinvestment Zone (the “TIRZ” or the “Zone”), is to establish a project and financing plan to facilitate the redevelopment and development of 7,109.12 acres of parcels plus rights of way and 192.72 acres of proposed annexation area which will attract private investment, including the redevelopment of approximately 3,305.36 acres of vacant, underdeveloped land or oil field properties. The intent of the Plan is to ensure that the revitalization of the TIRZ and accompanying improvements will result in the long-term stability and viability of the TIRZ.

II

OVERVIEW

The TIRZ was designated by City of Houston Ordinance No. 2012-1048 on December 12, 2012, for the purposes of revitalization and development of the Zone, and a non-contiguous annexation of 192.72 acres was enacted on _____, 2015 bringing the total acreage of the Zone to its current total. This new total of 7,588.36-acre area includes over 3,305.36 acres of vacant or underdeveloped land, old oil fields and under-utilized industrial property which impair the development of the TIRZ for housing or commercial uses and 4,283.50 presently developed acres that may present opportunities for future redevelopment. The TIRZ can be used to attract development to the area and address decades of blighted, underdeveloped and undeveloped properties while creating jobs, new development and enhancing the quality of life within the Zone.

The intent of the proposed annexation is to address issues of blight, infrastructure need and the investment of increment in the redevelopment of vacant or underdeveloped post-industrial land uses. The area of the proposed annexation represents a logical boundary for revitalization along Interstate Highway 45, Cullen and Polk Streets.

Consistent with the Plan, the City may acquire blighted, deteriorated, deteriorating, undeveloped, or inappropriately developed real property or other property in a blighted area or in a federally assisted new community in the TIRZ for the preservation or restoration of historic sites, beautification or conservation, the provision of public works or public facilities, or other public purposes; and/or acquire, construct, reconstruct, or install public works, facilities, or sites or other public improvements, including utilities, streets, street lights, water and sewer facilities, pedestrian malls and walkways, parks, flood and drainage facilities, or parking facilities, but not including educational facilities; affordable housing and/or other eligible project costs as defined in Chapter 311 of the Texas Tax Code, which may be amended from time to time. The eligible projects must also be reviewed and approved by Harris County Commissioners Court. The TIRZ

is composed of a noncontiguous geographic area that includes the area near NRG Stadium generally bounded by Old Spanish Trail, Almeda Genoa Road, State Highway 288 and Main Street and the eastern portion of the Houston Central Business District abutting Reinvestment Zone Numbers Two (Midtown Zone), Three (Main Street/Market Square Zone), Thirteen (Sixth Ward Zone), Fifteen (East Downtown Zone) and Twenty-One (Hardy/Near Northside Zone), and a proposed annexation area generally bounded by Polk Street, South Lockwood Street, Interstate Highway 45 and Leeland Street.

Section 2.01 Criteria for Designation of a Reinvestment Zone. The Zone includes 7,588.36 acres of which 3305.36 acres of vacant or underdeveloped land that would remain vacant and underdeveloped but for the designation of the TIRZ. The TIRZ meets the criteria and requirements of Texas Tax Code Section 311.005 for designation of a reinvestment zone because the area substantially arrests or impairs the sound growth of the City, retards the provision of housing accommodations and constitutes an economic and social liability and is a menace to the public health, safety, morals and welfare in its present condition because of the predominance of defective or inadequate sidewalk or street layout. The TIRZ further seeks to attract private investment for the development of transit oriented projects including, but not limited to Light Rail, Commuter Rail expansion or other forms of transit oriented development (“TOD”), in keeping with agency plans.

Section 2.02 Project Plan Summary: The Plan contemplates revitalization within the TIRZ as a result of the designation of the TIRZ. The projected 2012 base year value for the TIRZ was \$2,503,707,535. The approximate 2015 value is \$3,929,200,541 as the result of the annexation. The Plan currently estimates a conservative Captured Appraised Value (“CAV”) over the next 30 years based on a 3% annual appreciation in real property values. However, the actual growth will be used to finance project improvements and market studies indicated a higher real property growth rate could be achieved.

Section 2.03 Public Works: The TIRZ desires to acquire, construct, reconstruct, or install public works, facilities, or sites or other public improvements, including utilities, streets, street lights, water and sewer facilities, pedestrian malls and walkways, parks, flood and drainage facilities, or parking facilities, but not including educational facilities.

Section 2.04 Cultural and Public Facilities: The TIRZ desires to promote the development of all lawful eligible public improvements, including places of assembly, for the economic development of the TIRZ under Chapter 311 of the Texas Tax Code. The TIRZ and the County may use any available legal authority to facilitate the purchase and assembly of property to accomplish the development of such public facilities and economic development in the area surrounding such facilities.

III

PROJECT PLAN

Section 3.01 Existing and Proposed Land Use Within the Zone (Texas Tax Code § 311.011(b) (1)): **Exhibit 2** is a chart of existing land uses within the TIRZ and the proposed annexation.

Section 3.02 Proposed Changes of Zoning Ordinances, Master Plan of Municipality, Building Codes, and other Municipal Ordinances (Texas Tax Code § 311.011(b) (2)): There is no zoning ordinance in this TIRZ, and there are no proposed changes to any City ordinance, master plan or building code. Any construction will be done in conformance with the City's existing rules and regulations.

Section 3.03 Estimated Non-Project Cost Items (Texas Tax Code § 311.011(b) (3)): The City of Houston has CIP improvements programmed within the TIRZ totaling an estimated \$17,000,000. Harris County Improvement District Number Eight was created to facilitate the revitalization of the former Astroworld site. The Houston Downtown Management District has allocated dollars to be expended within the TIRZ to fund affordable housing, public safety, graffiti abatement, landscape maintenance, and illegal dumping cleanup programs. The City has also indicated a willingness to support City Chapter 380 programs within the TIRZ on a case by case basis.

Section 3.04 Statement of Method of Relocating Persons to be Displaced as a Result of Implementing the Plan (Texas Tax Code § 311.011(b) (4)): It is not anticipated that any residents will be displaced by any impacts from the projects to be undertaken in the TIRZ.

IV FINANCING PLAN

Section 4.01 Estimated Project Costs (Texas Tax Code § 311.011(c) (1)): **Exhibit 1** is a detailed listing of the estimated project costs including estimated administrative and non-project costs. The estimated project costs in the Plan will be adjusted annually according to the Engineering News Record Construction Cost Index (ENR Index). **Exhibit 1a** is the projected Revenue Schedule for the TIRZ, which details the expected total appraised value from moderate tax base growth as supported by the Economic Feasibility Study, the CAV, and the net revenue from each taxing entity participating in the TIRZ over the life of the TIRZ.

Section 4.02 Kind, Number, and Location of All Public Works or Public Improvements Financed By the Zone (Texas Tax Code § 311.011(c) (2)): **Exhibit 1** is a listing of the kind, number and proposed financial allocation of public works or public improvements pursuant to Section 311.011(c) (2) of the Texas Tax Code.

Section 4.03 Economic Feasibility (Texas Tax Code § 311.011(c) (3)): **Exhibit 4** is a Market and Economic Feasibility Study of the TIRZ produced independently by CDS Market Research. The Economic Feasibility Study, through its projection of moderate growth, concludes that TIRZ 24 demonstrates the clear potential for generating significant economic activity and tax increment over the life of the Zone upon implementation of the Plan. The board of directors of the Zone and the City find and determine that the Plan is economically feasible.

Section 4.04 Estimated Amount of Bond Indebtedness; Estimated Time When Related Costs or Monetary Obligations Incurred (Texas Tax Code §§ 311.011(c) (4), 311.011(c) (5)): 2012 preliminary project costs are estimated at \$333,808,000 and 2015 amended project costs are estimated at \$363,808,000. Bonds may be required to implement the Plan within the next 30 years. Any associated costs of issuance will be determined at the time of the actual transaction(s).

EXHIBIT 1 – Project Costs

Project Costs: The following table includes the approved project costs for the Plan. These project costs may be adjusted from time to time as provided below and line items may be adjusted by the TIRZ Board, provided that the adjustments do not increase total estimated project costs. These estimated project costs are based on updated 2012 dollars that will be adjusted according to the Engineering News Record Construction Cost Index (ENR Index) and overall project costs will be adjusted to the CPI on an annual basis. Such automatic adjustments are included as project costs and shall not require an amendment of the Plan.

Project Cost : These estimated budget costs are based on 2012 dollars that will be adjusted according to the Engineering News Record Construction Cost Index (ENR Index) and overall budget totals adjusted to the CPI on an annual basis.

	Estimated Costs 2012-2042	Cumulative
Infrastructure Improvements:		
Infrastructure improvements: paving, utilities, landscape architecture & improvements, sidewalk/trails, detention, and remediation.	\$ 186,120,000	\$ 186,120,000
Total Development Related Infrastructure Improvements -	<hr/>	
	\$ 186,120,000	\$ 186,120,000
<hr/>		
Other Project Costs:		
Other Project Costs:		
		\$ -
Cultural and Public Facilities		
Planning, Design, Open Space Improvements, and Construction of Publicly-Owned Facilities	\$ 140,000,000	\$ 140,000,000
Public Facilities Improvements	\$ 140,000,000	\$ 140,000,000
<hr/>		
Land Acquisition		
Land Assembly, Site Preparation	\$ 5,000,000	\$ 5,000,000
Total Land Acquisition	\$ 5,000,000	\$ 5,000,000
<hr/>		
Project Financing Costs		
Financing Cost (any other financing that will be determined at the time of the financing)	\$ 27,688,000	\$ 27,688,000
Total Project Financing Costs	\$ 27,688,000	\$ 27,688,000
<hr/>		
Zone Creation, Administration and Operation		
Creation of the Zone	\$ 5,000,000	\$ 5,000,000
Total Creation Costs	\$ 5,000,000	\$ 5,000,000
<hr/>		
Jurisdictional Transfers		
City of Houston		
Zone Participation	\$ 29,848,859	\$ 29,848,859
City of Houston Administrative Fee	\$ (29,848,859)	\$ (29,848,859)
Total Jurisdictional Transfers	\$ 0.00	\$ 0.00
<hr/>		
PROJECT PLAN TOTAL	\$ 363,808,000	\$ 363,808,000

If TIRZ performance exceeds moderate growth projections, the budget would be adjusted accordingly. Categories of project estimates may be adjusted between line items as determined by the Board.

EXHIBIT 1a - Revenue Schedule

TAX INCREMENT REINVESTMENT ZONE NUMBER 24 with 65% Participation from Harris County
DRAFT 2012 - 2042 Revenue Schedule

Tax year	Projected Growth Rate per CDS Market Study	INCREMENT CREATED FROM HIGHEST GROWTH PER MARKET STUDY										TIRZ CASHFLOW		
		City Taxable Value Base Year 2012*	City Captured Taxable Value	City Incremental Revenue at \$0.63/100\$100 Tax Rate	City Participating Revenue at 5% of \$0.63/100\$100 Tax Rate	County Taxable Value Base Year 2014*	County Captured Taxable Value	County Incremental Revenue at \$0.44/100 Tax Rate	County Participating Revenue Generated at 65% Participation on \$0.44/100**	City Admin Fee at 5%	TIRZ Creation Costs, Operations & Management Expense***	Net County TIRZ Revenue after Fees and Estimated Non-Project Expenses		
2012		2,618,445,760	540,332,578	3,108,658	105,453	3,854,443,068	64,757,473	279,318		105,453	-50,000	384,367	350,000	315,367
2013		2,695,779,377	1,245,997,269	7,627,547	381,367	3,979,206,541	84,757,473	279,318	181,567	150,000	384,367	350,000	315,367	
2014		3,064,443,068	1,370,754,742	9,073,754	401,186	4,204,474,579	84,757,473	279,318	181,567	150,000	384,367	350,000	315,367	
2015	7.0%	3,299,200,541	1,595,988,780	9,970,479	485,371	4,452,266,009	84,757,473	279,318	181,567	150,000	384,367	350,000	315,367	
2016	7.0%	4,452,266,009	1,833,849,210	11,225,694	581,283	4,701,623,530	84,757,473	279,318	181,567	150,000	384,367	350,000	315,367	
2017	5.0%	4,761,623,530	2,023,177,731	12,595,123	637,806	4,941,408,330	84,757,473	279,318	181,567	150,000	384,367	350,000	315,367	
2018	5.0%	4,941,408,330	2,232,988,531	14,219,947	710,997	5,218,725,864	84,757,473	279,318	181,567	150,000	384,367	350,000	315,367	
2019	5.0%	5,218,725,864	2,559,879,285	15,913,874	795,954	5,489,401,968	84,757,473	279,318	181,567	150,000	384,367	350,000	315,367	
2020	5.0%	5,489,401,968	3,021,051,789	17,574,051	902,754	5,763,497,900	84,757,473	279,318	181,567	150,000	384,367	350,000	315,367	
2021	5.0%	5,763,497,900	3,145,455,189	19,255,073	962,754	6,038,721,662	84,757,473	279,318	181,567	150,000	384,367	350,000	315,367	
2022	5.0%	6,038,721,662	3,468,275,863	21,230,967	1,061,548	6,307,444,487	84,757,473	279,318	181,567	150,000	384,367	350,000	315,367	
2023	5.0%	6,307,444,487	3,718,898,658	23,131,210	1,156,581	6,576,163,312	84,757,473	279,318	181,567	150,000	384,367	350,000	315,367	
2024	5.0%	6,576,163,312	4,017,417,324	25,208,691*	1,260,551	6,845,882,137	84,757,473	279,318	181,567	150,000	384,367	350,000	315,367	
2025	5.0%	7,086,275,168	4,458,038,267	27,350,935	1,367,547	7,098,475,166	84,757,473	279,318	181,567	150,000	384,367	350,000	315,367	
2026	5.0%	7,405,589,549	4,786,828,749	29,103,030	1,465,551	7,409,085,577	84,757,473	279,318	181,567	150,000	384,367	350,000	315,367	
2027	4.5%	7,708,886,577	5,069,540,178	31,161,923	1,558,081	7,710,695,577	84,757,473	279,318	181,567	150,000	384,367	350,000	315,367	
2028	4.5%	8,012,764,973	5,414,318,214	33,143,619	1,657,181	8,014,303,973	84,757,473	279,318	181,567	150,000	384,367	350,000	315,367	
2029	4.5%	8,317,053,922	5,791,859,123	35,454,720	1,772,736	8,318,568,922	84,757,473	279,318	181,567	150,000	384,367	350,000	315,367	
2030	4.5%	8,622,343,871	6,200,14,534	38,234,828	1,911,741	8,623,858,871	84,757,473	279,318	181,567	150,000	384,367	350,000	315,367	
2031	5.0%	8,928,633,820	6,631,848,244	39,892,730	1,993,137	8,930,148,244	84,757,473	279,318	181,567	150,000	384,367	350,000	315,367	
2032	3.0%	9,130,294,143	6,511,848,244	39,892,730	1,993,137	9,131,848,244	84,757,473	279,318	181,567	150,000	384,367	350,000	315,367	
2033	3.0%	9,404,305,898	6,785,860,169	41,539,460	2,076,974	9,405,860,169	84,757,473	279,318	181,567	150,000	384,367	350,000	315,367	
2034	3.0%	9,688,435,147	7,067,868,348	43,268,527	2,163,328	9,689,993,675	84,757,473	279,318	181,567	150,000	384,367	350,000	315,367	
2035	3.0%	9,977,028,201	7,350,562,402	45,045,386	2,252,269	9,978,580,629	84,757,473	279,318	181,567	150,000	384,367	350,000	315,367	
2036	3.0%	10,268,339,047	7,637,093,348	46,877,610	2,343,880	10,269,882,627	84,757,473	279,318	181,567	150,000	384,367	350,000	315,367	
2037	3.0%	10,564,829,419	7,926,183,470	48,764,601	2,438,240	10,566,264,020	84,757,473	279,318	181,567	150,000	384,367	350,000	315,367	
2038	3.0%	10,902,108,065	8,217,232,260	50,708,007	2,535,430	10,903,639,517	84,757,473	279,318	181,567	150,000	384,367	350,000	315,367	
2039	3.0%	11,290,243,338	8,510,767,339	52,710,728	2,635,536	11,291,618,875	84,757,473	279,318	181,567	150,000	384,367	350,000	315,367	
2040	3.0%	11,738,116,133	8,817,664,333	54,772,912	2,738,648	11,739,554,781	84,757,473	279,318	181,567	150,000	384,367	350,000	315,367	
2041	3.0%	11,913,063,426	9,384,847,637	58,898,982	3,844,848	11,914,508,274	84,757,473	279,318	181,567	150,000	384,367	350,000	315,367	
2042	3.0%	12,210,486,239	9,582,040,440	59,084,734	3,954,237	12,211,935,477	84,757,473	279,318	181,567	150,000	384,367	350,000	315,367	
TOTAL				922,157,056	46,107,863		492,426,760	320,076,577	46,107,863	4,700,000	315,367,757			

*Base Year is 2012 for City of Houston, but is 2014 for Harris County participation
**Harris County participation rate is based on Harris County rate (0.41731) * Fiscal Control rate (0.02738)
***TIRZ Operations Budget of \$350,000 is based on actual costs of creation, and an estimated \$150,000 for operations each year thereafter
Assumes initial City of Houston participation at 5% of \$0.63/100 tax rate and an adjusted 2014 tax rate of \$0.63/100. Tax rates may be adjusted in subsequent years
Assumes no Houston Independent School District participation

EXHIBIT 1b - Annexation Area Revenue Schedule

TAX INCREMENT REINVESTMENT ZONE NUMBER 24 with 69% Participation from Harris County
DRAFT ANNEXATION AREA 2015 - 2042 Revenue Schedule

Tax Year	Projected Growth Rate per CDS Market Study	INCREMENT CREATED FROM MODEST GROWTH PER MARKET STUDY										TIRZ CASH FLOW						
		City Taxable Value of Annexed Portion Base Year 2016*	City Captured Taxable Value	City Incremental Revenue at \$0.63108/100 Tax Rate	City Participating Revenue at 5% of \$0.63108/100 Tax Rate	County Taxable Value of Annexed Portion Base Year 2016*	County Captured Taxable Value	County Incremental Revenue at \$0.44467 Tax Rate	County Participating Revenue Generated at 66% Participation on \$0.44467/100**	City Admin Fee at 5%	TIRZ Creation Costs, Operations & Management Expense ***	Net County TIRZ Revenue after Fees and Estimated Non-Project Expenses						
2012																		
2013																		
2014																		
2016	7.0%	55,700,000	3,599,000	23,968	1,103	55,700,000	3,599,000	18,919	10,931	1,193	10,931	18,919	10,931					10,931
2017	5.9%	59,599,000	27,415,341	167,672	9,381	59,599,000	27,415,341	118,251	76,863	8,397	76,863	118,251	76,863					76,863
2018	5.0%	63,115,341	62,068,800	379,959	18,998	63,115,341	62,068,800	257,728	174,023	18,998	174,023	257,728	174,023					174,023
2019	5.1%	67,779,060	86,976,060	539,155	28,968	67,779,060	86,976,060	379,959	246,834	28,968	246,834	379,959	246,834					246,834
2020	5.6%	72,519,519	126,127,519	772,087	39,684	72,519,519	126,127,519	544,026	353,917	39,684	353,917	544,026	353,917					353,917
2021	5.2%	77,260,560	191,282,560	1,158,560	41,488	77,260,560	191,282,560	694,808	408,125	41,488	408,125	694,808	408,125					408,125
2022	5.0%	81,910,560	200,846,678	1,454,678	44,428	81,910,560	200,846,678	800,467	408,940	44,428	408,940	800,467	408,940					408,940
2023	5.6%	87,684,082	156,384,082	957,363	47,868	87,684,082	156,384,082	957,363	438,473	47,868	438,473	957,363	438,473					438,473
2024	5.1%	92,410,890	167,310,890	1,233,577	51,178	92,410,890	167,310,890	1,119,231	468,800	51,178	468,800	1,119,231	468,800					468,800
2025	5.1%	97,189,188	178,025,188	1,659,989	54,765	97,189,188	178,025,188	1,250,689	501,923	54,765	501,923	1,250,689	501,923					501,923
2026	5.3%	102,013,816	191,330,816	1,938,638	61,932	102,013,816	191,330,816	1,400,688	536,143	61,932	536,143	1,400,688	536,143					536,143
2027	4.5%	106,776,768	202,343,768	2,138,400	69,170	106,776,768	202,343,768	1,562,400	576,297	69,170	576,297	1,562,400	576,297					576,297
2028	4.1%	111,531,719	212,327,519	2,342,400	76,673	111,531,719	212,327,519	1,736,400	623,662	76,673	623,662	1,736,400	623,662					623,662
2029	4.3%	116,286,670	224,204,670	2,562,400	84,483	116,286,670	224,204,670	1,920,400	678,084	84,483	678,084	1,920,400	678,084					678,084
2030	4.7%	121,041,621	237,380,184	2,796,400	92,863	121,041,621	237,380,184	2,130,400	736,400	92,863	736,400	2,130,400	736,400					736,400
2031	5.4%	125,796,572	253,185,434	3,042,400	101,713	125,796,572	253,185,434	2,366,400	800,000	101,713	800,000	2,366,400	800,000					800,000
2032	3.9%	130,551,483	262,451,997	3,296,400	111,000	130,551,483	262,451,997	2,630,400	868,000	111,000	868,000	2,630,400	868,000					868,000
2033	3.0%	135,306,394	271,998,557	3,550,400	120,700	135,306,394	271,998,557	2,904,400	940,000	120,700	940,000	2,904,400	940,000					940,000
2034	3.0%	140,061,305	281,827,454	3,804,400	130,400	140,061,305	281,827,454	3,178,400	1,012,000	130,400	1,012,000	3,178,400	1,012,000					1,012,000
2035	3.0%	144,816,216	291,953,277	4,058,400	140,100	144,816,216	291,953,277	3,452,400	1,084,000	140,100	1,084,000	3,452,400	1,084,000					1,084,000
2036	3.0%	149,571,127	302,382,876	4,312,400	150,000	149,571,127	302,382,876	3,726,400	1,156,000	150,000	1,156,000	3,726,400	1,156,000					1,156,000
2037	3.0%	154,326,038	313,125,562	4,566,400	160,000	154,326,038	313,125,562	4,000,400	1,228,000	160,000	1,228,000	4,000,400	1,228,000					1,228,000
2038	3.0%	159,080,949	324,190,123	4,820,400	170,000	159,080,949	324,190,123	4,274,400	1,300,000	170,000	1,300,000	4,274,400	1,300,000					1,300,000
2039	3.0%	163,835,860	335,588,637	5,078,400	180,000	163,835,860	335,588,637	4,540,400	1,372,000	180,000	1,372,000	4,540,400	1,372,000					1,372,000
2040	3.0%	168,590,771	347,225,431	5,336,400	190,000	168,590,771	347,225,431	4,810,400	1,444,000	190,000	1,444,000	4,810,400	1,444,000					1,444,000
2041	3.0%	173,345,682	359,416,184	5,594,400	200,000	173,345,682	359,416,184	5,080,400	1,516,000	200,000	1,516,000	5,080,400	1,516,000					1,516,000
2042	3.0%	178,100,593	371,899,680	5,852,400	210,000	178,100,593	371,899,680	5,346,400	1,588,000	210,000	1,588,000	5,346,400	1,588,000					1,588,000
TOTAL				35,959,606	1,737,976			25,337,686	16,469,502	1,737,975		16,469,502	16,469,502					16,469,502

Assumes 97% collection rate - Modest growth rate in taxable values
 *Base Year is 2015 for the proposed Annexation Area
 **Harris County participation rate is based on Harris County rate (0.4173); Flood Control rate (0.02736)
 ***No TIRZ Creation Costs, Operations & Management Expense was projected for Annexation Area as those costs are assumed initial City of Houston participation at 5% of \$0.63108 tax rate for 2015. All tax rates may be adjusted in subsequent years.
 Assumes no Houston Independent School District participation

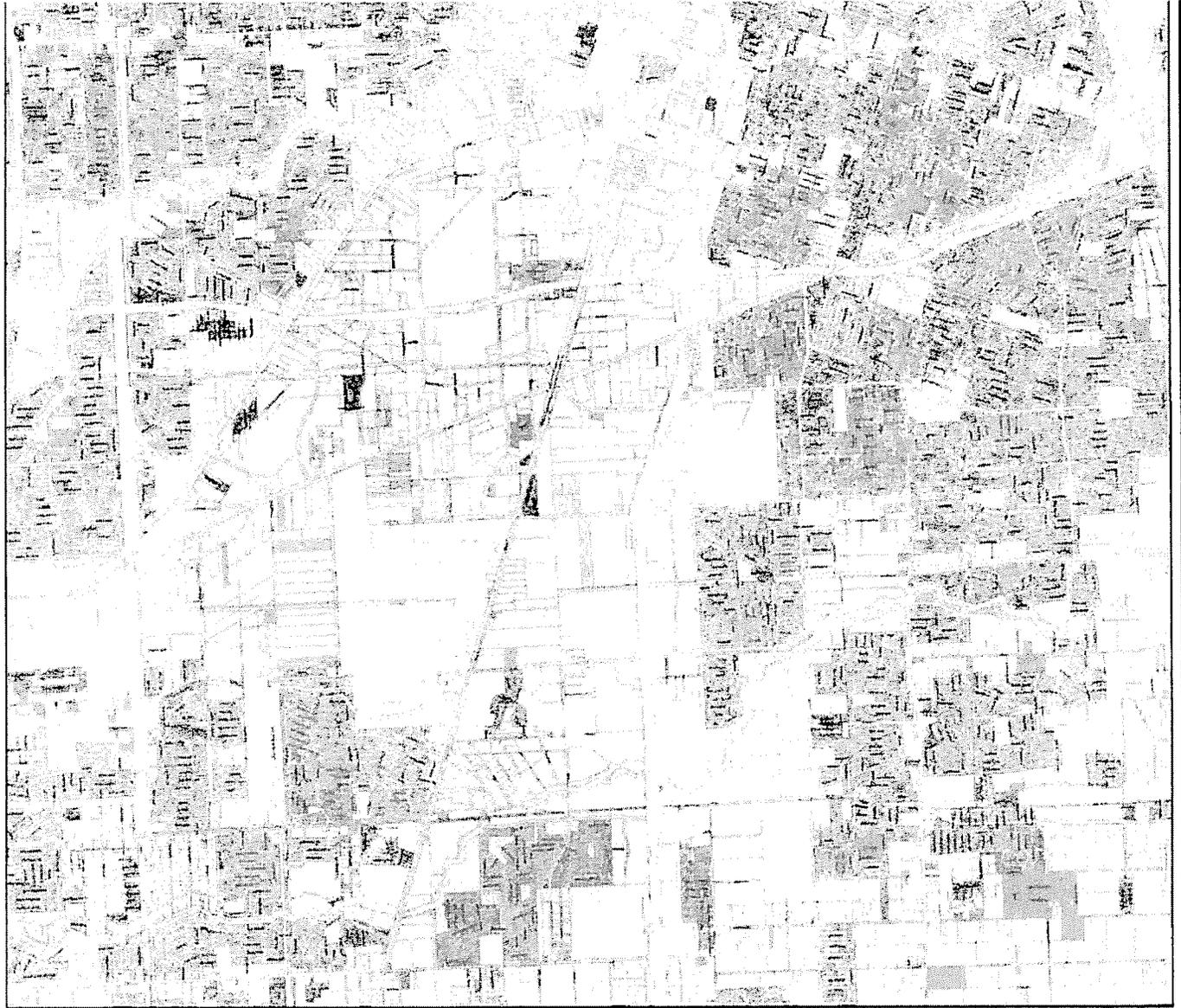
EXHIBIT 1c - Combined Revenue Schedule

TAX INCREMENT REINVESTMENT ZONE NUMBER 24 with 65% Participation from Harris County
COMBINED 2012 - 2041 Revenue Schedule

Tax year	Projected Growth Rate per CDS Market Study	INCREMENT CREATED FROM MODEST GROWTH PER MARKET STUDY										TIRZ CASH FLOW		
		City Taxable Value Base Year 2012*	City Captured Taxable Value	City Incremental Revenue at \$0.031068/100 Tax Rate	City Participating Revenue at 65% of \$0.031068/100 Tax Rate	County Taxable Value Base Year 2014*	County Captured Taxable Value	County Incremental Revenue at \$0.44467 Tax Rate	County Participating Revenue Generated at 65% Participation on \$0.4467/100**	City Admin Fee at 5%	TIRZ Creation Costs, Operations & Management Expense**	Net County TIRZ Revenue after Fees and Estimated Non-Project Expenses		
2012		2,618,445,799	340,332,578	2,100,658	105,433	3,824,443,068	64,757,473	279,318	191,5574	105,433	350,000	1390,000		
2013		2,858,775,377	1,245,967,259	7,877,342	381,397	3,984,900,541	343,700,511	1,482,203	953,614	381,397	150,000	1390,000		
2014		3,084,930,541	1,310,754,742	8,023,754	401,186	4,263,843,579	615,267,292	2,653,832	1,724,901	401,186	150,000	1390,000		
2015	7.0%	4,263,843,579	1,589,697,180	9,731,287	466,985	4,535,410,359	839,250,297	3,878,725	2,521,178	466,985	150,000	1390,000		
2016	7.9%	4,535,410,359	1,861,264,551	11,393,686	539,684	4,819,333,330	1,165,036,321	5,025,163	3,260,356	539,684	150,000	1390,000		
2017	8.6%	4,819,333,330	2,145,247,531	13,129,081	619,555	5,085,182,359	1,479,809,535	6,382,861	4,146,360	619,555	150,000	1390,000		
2018	9.3%	5,085,182,359	2,411,036,590	14,750,103	707,955	5,369,952,803	1,760,601,071	7,594,074	4,936,116	707,955	150,000	1390,000		
2019	9.9%	5,369,952,803	2,735,808,894	16,635,681	804,283	5,664,737,619	2,044,844,616	8,819,163	5,732,458	804,283	150,000	1390,000		
2020	10.5%	5,664,737,619	3,068,944,349	18,743,585	907,773	5,964,521,464	2,318,612,636	10,159,271	6,658,952	907,773	150,000	1390,000		
2021	11.1%	5,964,521,464	3,280,841,847	20,148,330	1,009,417	6,264,306,311	2,593,914,269	11,545,633	7,589,434	1,009,417	150,000	1390,000		
2022	11.7%	6,264,306,311	3,545,669,953	21,854,781	1,107,740	6,564,091,291	2,878,752,223	13,028,900	8,523,289	1,107,740	150,000	1390,000		
2023	12.3%	6,564,091,291	3,845,999,559	23,707,590	1,215,729	6,864,876,220	3,173,252,974	14,722,424	9,599,373	1,215,729	150,000	1390,000		
2024	12.9%	6,864,876,220	4,186,771,497	25,707,590	1,326,077	7,165,661,159	3,478,408,042	16,745,977	10,721,002	1,326,077	150,000	1390,000		
2025	13.5%	7,165,661,159	4,569,265,243	27,851,550	1,442,077	7,466,446,108	3,783,221,038	18,946,276	12,040,451	1,442,077	150,000	1390,000		
2026	14.1%	7,466,446,108	4,992,409,314	30,146,023	1,567,804	7,767,231,057	4,092,468,928	21,285,634	13,410,451	1,567,804	150,000	1390,000		
2027	14.7%	7,767,231,057	5,455,612,873	32,680,715	1,699,235	8,068,026,106	4,407,468,928	23,768,334	14,824,450	1,699,235	150,000	1390,000		
2028	15.3%	8,068,026,106	5,949,199,893	35,466,917	1,837,466	8,372,821,155	4,722,468,928	26,297,593	16,284,450	1,837,466	150,000	1390,000		
2029	15.9%	8,372,821,155	6,474,400,342	38,500,329	2,073,466	8,680,016,604	5,044,546,141	28,864,334	17,718,404	2,073,466	150,000	1390,000		
2030	16.5%	8,680,016,604	7,038,856,736	41,800,225	2,219,566	8,992,212,153	5,372,631,333	31,484,334	19,168,404	2,219,566	150,000	1390,000		
2031	17.1%	8,992,212,153	7,649,816,492	44,991,727	2,371,620	9,309,207,702	5,714,718,635	34,254,334	20,640,404	2,371,620	150,000	1390,000		
2032	17.7%	9,309,207,702	8,304,816,193	48,837,511	2,539,633	9,629,203,251	6,062,812,937	37,124,334	22,124,404	2,539,633	150,000	1390,000		
2033	18.3%	9,629,203,251	8,999,816,948	52,387,511	2,714,633	9,952,203,800	6,427,907,239	40,124,334	23,624,404	2,714,633	150,000	1390,000		
2034	18.9%	10,023,897,603	9,734,816,650	55,687,511	2,906,633	10,279,203,349	6,798,001,541	43,254,334	25,144,404	2,906,633	150,000	1390,000		
2035	19.5%	10,374,816,470	10,519,816,352	58,737,511	3,116,633	10,608,203,890	7,182,105,843	46,424,334	26,684,404	3,116,633	150,000	1390,000		
2036	20.1%	10,684,721,073	11,349,816,054	61,547,511	3,344,633	10,941,203,439	7,576,210,145	49,724,334	28,244,404	3,344,633	150,000	1390,000		
2037	20.7%	10,953,434,581	12,224,816,756	64,127,511	3,589,633	11,279,203,988	7,970,314,447	52,124,334	29,824,404	3,589,633	150,000	1390,000		
2038	21.3%	11,292,050,218	13,154,816,458	66,487,511	3,851,633	11,621,203,537	8,374,418,749	54,724,334	31,424,404	3,851,633	150,000	1390,000		
2039	21.9%	11,621,203,537	14,139,816,160	68,537,511	4,134,633	11,969,203,086	8,788,523,051	56,994,334	33,044,404	4,134,633	150,000	1390,000		
2040	22.5%	11,969,203,086	15,179,816,862	70,287,511	4,439,633	12,321,203,635	9,202,627,353	58,924,334	34,684,404	4,439,633	150,000	1390,000		
2041	23.1%	12,321,203,635	16,274,816,564	71,737,511	4,757,633	12,679,203,189	9,627,731,655	60,524,334	36,344,404	4,757,633	150,000	1390,000		
2042	23.7%	12,679,203,189	17,429,816,266	72,987,511	5,089,633	13,041,203,743	10,052,835,957	61,974,334	38,024,404	5,089,633	150,000	1390,000		
TOTAL				858,116,561	47,935,620			517,763,475	336,546,259	47,935,620	4,700,000	331,046,259		

Assumes 37% collection rate - Moderate growth rate in taxaria values
 *Base Year is 2012 for City of Houston but 2014 for Harris County participation. Base year is 2015 for the proposed Anneton Area
 ** Harris County participation rate is based on Harris County rate (0.41741) * Flood Control rate (0.02736)
 *** TIRZ Operations Budget at \$350,000 is based on actual costs of creation and an estimated \$150,000 for operations each year thereafter
 Assumes initial City of Houston participation at 5% of \$0.63975 tax rate and an adjusted 2014 tax rate of \$0.63108. Tax rates may be adjusted in subsequent years.
 Assumes no Houston independent School District participation

EXHIBIT 3 Map of TIRZ 24 Southern Area



Legend

- Northern Sector
- Southern Sector
- Parcels
- Waterway

**City Of Houston
Greater Houston
TIRZ #24**



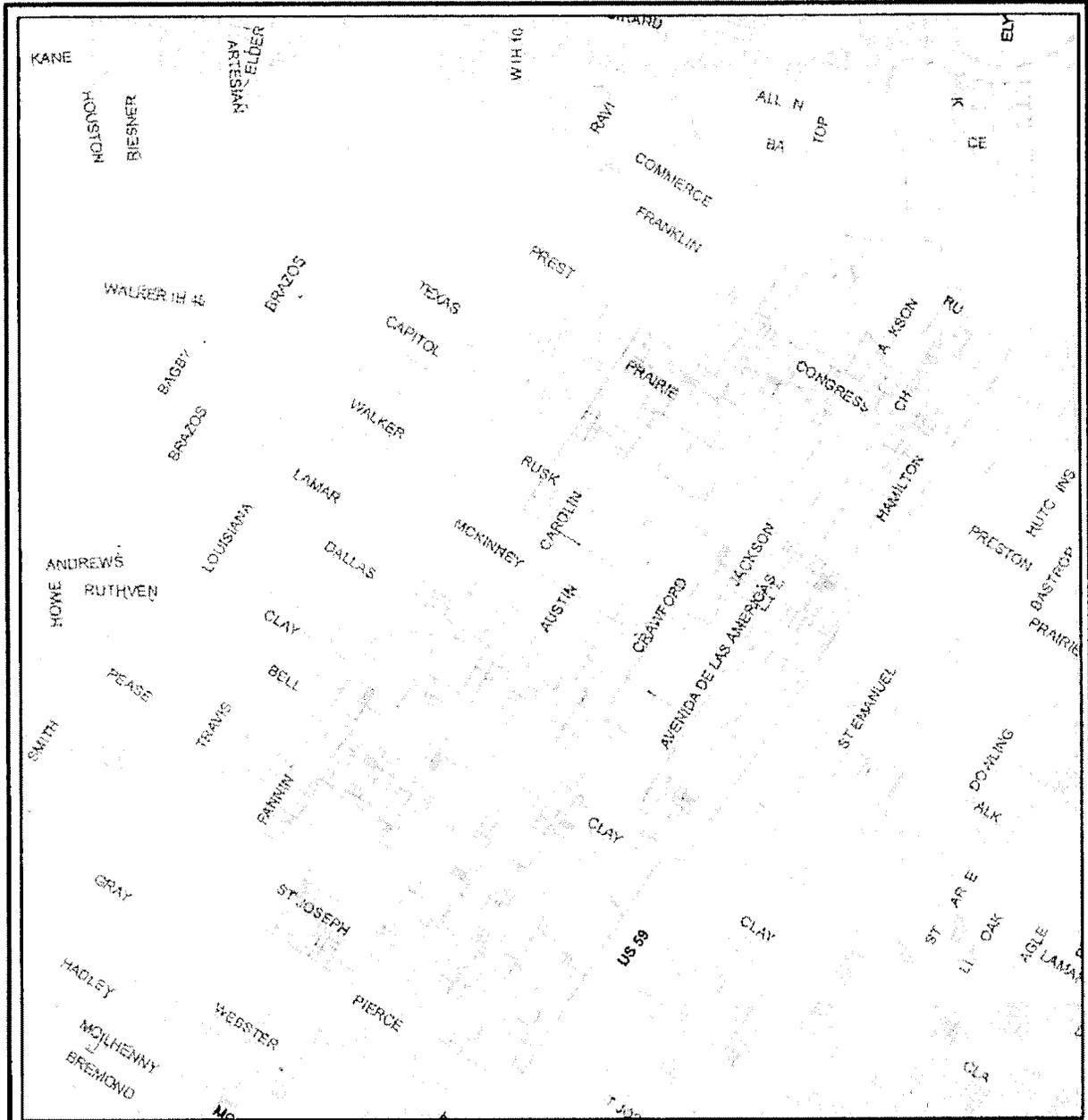
Source: GIS Services Division
Date: November 2012
Reference: pj16896_Proposed

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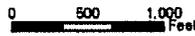
EXHIBIT 3a – Map of TIRZ 24 Northern Area



Legend

- Northern Sector
- Parcels
- Waterway

**City Of Houston
Northern Sector
TIRZ #24**



Source: GIS Services Division
Data: November 2012
Revision: 01/15/08_Northern

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EXHIBIT 3b Map of Proposed Annexation Area

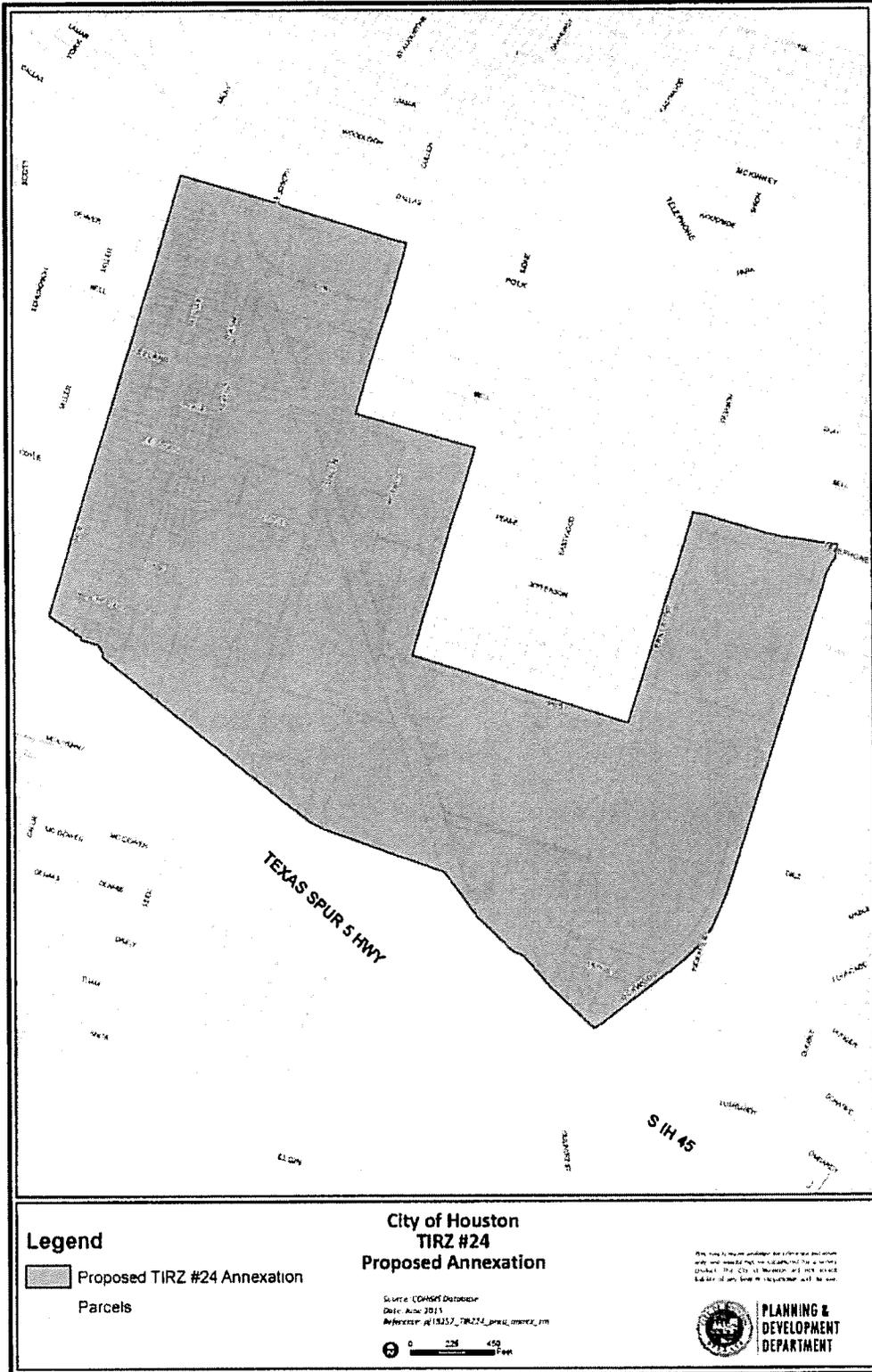


Exhibit 3b

Exhibit 4 CDS Economic Feasibility Study