

City of Houston, Texas, Ordinance No. 2020 - 846

**AN ORDINANCE APPROVING THE SECOND AMENDED PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN FOR REINVESTMENT ZONE NUMBER TWENTY-FOUR, CITY OF HOUSTON, TEXAS (GREATER HOUSTON ZONE); AUTHORIZING THE CITY SECRETARY TO DISTRIBUTE SUCH PLAN; 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 ("Code"), 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**, by Ordinance No. 2014-690, adopted on July 9, 2014, the City approved the Project Plan and Reinvestment Zone Financing Place for the Zone, as adopted and recommended by the board of Directors of the Zone (the "Zone Board"); and

**WHEREAS**, Section 311.011 of the Code authorizes the Zone Board to adopt an amendment to the Project Plan and Reinvestment Zone Financing Plan for the Zone, which amendment becomes effective upon approval by the City Council; and

**WHEREAS**, the Zone Board subsequently adopted and recommended amendments to the Project Plan and Reinvestment Zone Financing Plan, which were approved by the City pursuant to Ordinance No. 2015-801 on August 26, 2015 (the Amended Project Plan and Reinvestment Zone Financing Plan, as amended, the "Plan"); and

**WHEREAS**, the Zone Board, at its September 28, 2020 board meeting, considered and adopted the proposed Second Amended Project Plan and Reinvestment Zone Financing Plan (the "Second Amended Plan"), and has recommended the Second Amended Plan for approval by City Council; and

**WHEREAS**, the Harris County Commissioner's Court at its September 29, 2020 meeting considered the Second Amended Plan, and has recommended its approval by the City Council; and

**WHEREAS**, a public hearing on the Second Amended 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

**WHEREAS**, the City Council conducted a public hearing on the proposed Second Amended Plan on September 23, 2020; and

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

**WHEREAS**, evidence was received and presented at the public hearing in favor of the proposed Second Amended Plan, and the concept of tax increment financing; and

**WHEREAS**, the City desires to approve the Second Amended Plan; **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 of the Second Amended Plan. That the Second Amended Plan attached hereto as Exhibit "A" is hereby found to be feasible and is approved. The appropriate officials of the City are authorized to take all steps reasonably necessary to implement the Second Amended Plan.

**Section 3.** Distribution to Taxing Units. That the City Secretary is directed to provide copies of the Second Amended Plan to each taxing unit levying ad valorem taxes in the Zone.

**Section 4.** Severability. That 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 shall not be affected, it being the intent of the City Council in adopting this Ordinance that no portion, provision, or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, or

invalidity of any other portion, provision, or regulation, and all provisions of this Ordinance are declared to be severable for that purpose.

**Section 5. 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 30<sup>th</sup> day of September, 2020.

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

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

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is OCT 06 2020.

Est J. Kharin  
Interim City Secretary

(Prepared by Legal Department \_\_\_\_\_)  
(KTK:gnd September 23, 2020) Senior Assistant City Attorney  
(Requested by Andrew F. Icken, Chief Development Officer, Office of the Mayor)  
(L.D. File No. 042-1300024-009)

CAPTION PUBLISHED IN DAILY COURT  
REVIEW DATE: OCT 06 2020

| AYE     | NO                                     |                                       |
|---------|--|---------------------------------------|
|         | <b>ABSENT</b>                          | <b>MAYOR TURNER</b>                   |
| ••••    | ••••                                   | <b>COUNCIL MEMBERS</b>                |
| ✓       |  | PECK                                  |
| ✓       |  | DAVIS                                 |
| ✓       |  | KAMIN                                 |
| ✓       |  | EVANS-SHABAZZ                         |
| ✓       |  | <b>MAYOR PRO TEM PRESIDING</b> MARTIN |
| ✓       |  | THOMAS                                |
| ✓       |  | TRAVIS                                |
| ✓       |  | CISNEROS                              |
| ✓       |  | GALLEGOS                              |
| ✓       |  | POLLARD                               |
| ✓       |  | MARTHA CASTEX-TATUM                   |
| ✓       |  | KNOX                                  |
| ✓       |  | ROBINSON                              |
|         | <b>ABSENT-ON<br/>PERSONAL BUSINESS</b> | KUBOSH                                |
| ✓       |  | PLUMMER                               |
| ✓       |  | ALCORN                                |
| CAPTION | ADOPTED                                |                                       |

**EXHIBIT "A"**

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

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

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**Greater Houston ZONE**

Second Amended

Project Plan and Reinvestment Zone Financing Plan

September 2020

REINVESTMENT ZONE NUMBER TWENTY-FOUR CITY OF HOUSTON, TEXAS

GREATER HOUSTON ZONE

Second Amended

Project Plan and Reinvestment Zone Financing Plan

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

**GREATER HOUSTON ZONE**

**Second Amended Project Plan and Reinvestment Zone Financing Plan**

**I  
INTRODUCTION**

The purpose of the Second Amended 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 “Zone”), is to increase the City of Houston’s participation in the Zone and to facilitate the redevelopment and development of 7,588.36 acres of parcels plus rights of way 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 Zone and accompanying improvements will result in the long-term stability and viability of the Zone.

**II  
OVERVIEW**

The Zone was designated by City of Houston Ordinance No. 2012-1048 passed and adopted on December 12, 2012, for the purposes of revitalizing and developing the Zone. The area annexed into the Zone included a “Northern Sector” generally bounded by the eastern portion of the Houston Central Business District to the west; Interstate Highway 69 to the northeast and south. The Zone also included a noncontiguous geographic area near NRG Stadium generally bounded by Old Spanish Trail, Almeda Genoa Road, State Highway 288 and Main Street referred to as the “Southern Sector” of the Zone. The original project plan provided for the development and redevelopment of vacant, underdeveloped land or oil field properties.

On August 26, 2015, Houston City Council, by Ordinance 2015-801, approved an additional non-contiguous annexation of approximately 194 acres to revitalize an area generally located along Interstate Highway 45, Cullen and Polk Streets. This area is also included as part of the “Northern Sector” of the Zone.

The Zone’s total acreage is 7,588.36, including over 3,305.36 acres of vacant or underdeveloped land, old oil fields and under-utilized industrial property which impairs the development of the Reinvestment Zone for residential or commercial uses. Approximately 4,283.50 acres of the Zone represent opportunities for future redevelopment. The First Amended Project Plan and Reinvestment Zone Financing Plan included the newly annexed properties for development and redevelopment purposes.

The Plan amendment will increase the City’s participation to fund critical infrastructure, mobility, green space and park projects that will be created as a result of the Texas Department of Transportation (TXDOT)’s North Houston Highway Improvement Project (NHHIP). As part of Segment 3 of the NHHIP, TxDOT is proposing to realign and rebuild the sections of freeway that include Interstate 45, Interstate 69 and Interstate I-10. This project, as it has been proposed, will relocate the interstates and create available public land that may be used to create multi-modal



connectivity between Downtown Houston and various neighborhoods, including, 2<sup>nd</sup> Ward, East Downtown, Third Ward and Midtown and develop more greenspace, local and cap parks .

After an 18-month planning process that included downtown Houston partner organizations, the City, the Harris County (“County”) and community leaders, *Plan Downtown: Converging Culture, Lifestyle & Commerce* (the “Downtown Plan”) was released. This 20-year vision plan outlined recommendations for both short-term and long-term planning, development and design that will improve the visitor appeal, business climate, livability and connectivity within and around downtown Houston. The projects described in the Downtown Plan for the area located in the Zone include the following:

- Developing the highway cap park (near the George R. Brown Convention Center) as a pedestrian first, multi-use recreational and civic assembly place.
- Developing pedestrian improvements and transit-oriented development along the Green and Purple METRO rail lines between the East Downtown BBVA Compass Stadium and Convention District stations.
- Developing near-term, high-standard parking solutions that support game day and convention events, with respect to the needs of current and future residents and businesses in proximity of the highway cap.
- Creating new connections to the Buffalo Bayou East Sector and Second Ward through Commerce Street and continuous trail improvements along both banks of Buffalo Bayou.
- Restoring Runnels Street to Navigation Boulevard as a grade-separated connection to continue existing service as the primary access between Downtown and the Greater East End.

The Zone will 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 projects listed in the Downtown Plan are consistent with the projects identified in the Market and Economic Feasibility Study market analysis prepared by CDS Market Research and attached as Exhibit 4 to the initial Project Plan for the Zone.

Consistent with the Plan, the Zone may acquire blighted, deteriorated, undeveloped, or inappropriately developed real property or other property in a blighted area 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 for projects funded by incremental revenue generated by Harris County. Eligible projects funded by incremental revenue generated by the City of Houston must be reviewed and approved by Houston City Council.

Section 2.01 Criteria for Designation of a Reinvestment Zone. The Zone has been designated pursuant to City of Houston Ordinance No. 2012-1048 passed and adopted on December 12, 2012. The Zone 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.

Section 2.02 Project Plan Summary: The Plan contemplates revitalization within the Zone as a result of the designation of the Zone and the increased participation by the City in the Zone. The projected 2012 base year taxable value for the City property located within the Zone was \$2,621,988,620. The projected 2015 annexed base year taxable value for the City property located within the Zone was \$34,295,170. The approximate 2020 taxable value of property within the Zone is \$5,203,254,041.

The projected 2014 base year taxable value for the County property located within the Zone was \$3,864,443,068. The projected 2015 annexed base year taxable for the County property located within the Zone was \$55,700,000. The approximate 2020 taxable value of County property within the Zone is 5,174,453,264.

The Plan currently estimates a conservative Captured Appraised Value (“CAV”) over the next 22 years based on a 0% to 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 Zone 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 Zone desires to promote the development of all lawful eligible public improvements, including places of assembly, for the economic development of the Zone under Chapter 311 of the Texas Tax Code. The Zone 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 3-1 and Exhibit 3-2** consist of maps depicting existing land uses within the Zone.

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 Zone, 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)): 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 Zone to fund affordable housing, public safety, graffiti abatement, landscape maintenance, and illegal dumping cleanup programs. Reinvestment Zone Number 3 (Main Street/Market Square Zone) and Reinvestment Zone Number 15 (East Downtown Zone) will also allocate funds toward the development, design, and construction of the Cap Park created as a result of TxDOT's NHHIP.

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 Zone.

#### IV REINVESTMENT ZONE 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 of the Zone 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). **Exhibits 1a, 1b, and 1c** are the projected Revenue Schedules for the Zone, which detail 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 Zone over the life of the Zone.

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 Zone produced independently by CDS Market Research. The Economic Feasibility Study, through its projection of moderate growth, concludes that the Zone 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)): Plan project costs are estimated at \$363,808,000 for county funded projects and \$232,500,000 for city funded projects. Bonds may be required to implement the Plan within the next 22 years. Any associated costs of issuance will be determined at the time of the actual transaction(s).

Section 4.05 Methods and Sources of Financing Project Costs and Percentage of Increment from Taxing Units Anticipated to Contribute Tax Increment to the Zone (Texas Tax Code § 311.011(c) (6)): The tax increments generated by the County within the Zone will be sourced in accordance with the Operating Agreement made by and among the Harris County Redevelopment Authority (the "Authority"), a non-profit local government corporation organized and existing under the laws of the State of Texas; the City of Houston, Texas (the "City"), a municipal corporation and a home-rule city in the State of Texas; and Reinvestment Zone Number Twenty Four, City of Houston, Texas (the "Zone"), a reinvestment zone created by the City pursuant to Chapter 311, Texas Tax Code, as amended (the "TIRZ Act"). The Tax Increments generated by the City within the Zone (with the exception of the 5% administrative Costs allocation

provided in the Operating Agreement) will be sourced and allocated by the City of Houston City Council.

Section 4.06 Approximate Total Appraised Value of Taxable Real Property (Texas Tax Code § 311.011(c) (7)): The total appraised value of taxable real property in the Zone as of July 2020 is \$5,203,254,041 for the City and \$5,174,453,264 for the County.

Section 4.07 Estimated Captured Appraised Value of Zone During Each Year of Existence (Texas Tax Code § 311.011(c) (8)): The estimated CAV of the Zone during each year of its duration is set forth in **Exhibits 1b and 1c**.

Section 4.08 Zone Duration (Texas Tax Code § 311.011(c) (9)): The Zone will terminate on December 31, 2042, unless extended by mutual agreement of the City and Harris County.

## EXHIBIT 1 – Project Costs

Project Costs: The following table includes the approved project costs for the Plan.

| <b>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.</b> |                                      |                                      |
|--|--------------------------------------|--------------------------------------|
|  | <b>Harris County</b>                 | <b>City of Houston</b>               |
|  | <b>Estimated Costs<br/>2012-2042</b> | <b>Estimated Costs<br/>2012-2042</b> |
| <b>Infrastructure Improvements:</b>  |                                      |                                      |
| Infrastructure Improvements: paving, utilities, landscape architecture & improvements, sidewalks/trails, detention, and remedtion  | \$ 186,120,000.00                    | \$ 123,750,000.00                    |
| <b>Total Development Related Infrastructure Improvements -</b>   | <b>\$ 186,120,000.00</b>             | <b>\$ 123,750,000.00</b>             |
| <b>Other Project Costs:</b>  |                                      |                                      |
| Cultural and Public Facilities<br>Planning, Design, Open Space Improvements, and Construction of Publicly-Owned Facilities   | \$ 140,000,000.00                    | \$ 60,000,000.00                     |
| <b>Public Facilities Improvements</b>  | <b>\$ 140,000,000.00</b>             | <b>\$ 60,000,000.00</b>              |
| <b>Land Acquisition</b>  |                                      |                                      |
| Land Assembly, Site Preparation  | \$ 5,000,000.00                      | \$ 7,500,000.00                      |
| <b>Total Land Acquisition</b>  | <b>\$ 5,000,000.00</b>               | <b>\$ 7,500,000.00</b>               |
| <b>Project Financing Costs</b>   |                                      |                                      |
| Financing Cost (any actual financing cost will be determined at the time of project initiation)  | \$ 27,688,000.00                     | \$ 16,875,000.00                     |
| <b>Total Project Financing Costs</b>   | <b>\$ 27,688,000.00</b>              | <b>\$ 16,875,000.00</b>              |
| <b>Zone Creation, Administration and Operation</b>   |                                      |                                      |
| Creation of the Zone   | \$ 5,000,000.00                      | \$ 1,875,000.00                      |
| <b>Total Creation Costs</b>  | <b>\$ 5,000,000.00</b>               | <b>\$ 1,875,000.00</b>               |
| <b>Jurisdictional Transfers</b>  |                                      |                                      |
| <b>City Of Houston</b>   |                                      |                                      |
| Zone Participation   | \$ 29,848,859.00                     | \$ 22,500,000.00                     |
| City of Houston Administrative Fee   | \$ (29,848,859.00)                   | \$ -                                 |
| <b>Total Jurisdiction Transfers</b>  | <b>\$0.00</b>                        | <b>\$0.00</b>                        |
| <b>PROJECT PLAN TOTAL</b>  | <b>\$ 363,808,000.00</b>             | <b>\$ 232,500,000.00</b>             |
| 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 Year  | City Original/2015<br>Annexation Combined | County Original/2015<br>Annexation Combined | Total<br>Increment |
|---|---|---|--------------------|
| 2020  | 10,740,079                                | 5,625,351                                   | 16,365,430         |
| 2021  | 11,398,313                                | 6,059,935                                   | 17,458,247         |
| 2022  | 12,076,293                                | 6,507,556                                   | 18,583,849         |
| 2023  | 12,774,613                                | 6,968,606                                   | 19,743,219         |
| 2024  | 13,493,882                                | 7,443,487                                   | 20,937,369         |
| 2025  | 14,234,730                                | 7,932,615                                   | 22,167,345         |
| 2026  | 14,997,803                                | 8,436,416                                   | 23,434,219         |
| 2027  | 15,783,768                                | 8,955,332                                   | 24,739,100         |
| 2028  | 16,593,312                                | 9,489,815                                   | 26,083,127         |
| 2029  | 17,427,142                                | 10,040,333                                  | 27,467,475         |
| 2030  | 18,285,988                                | 10,607,366                                  | 28,893,354         |
| 2031  | 19,170,598                                | 11,191,410                                  | 30,362,008         |
| 2032  | 20,081,747                                | 11,792,976                                  | 31,874,723         |
| 2033  | 21,020,231                                | 12,412,588                                  | 33,432,819         |
| 2034  | 21,986,868                                | 13,050,789                                  | 35,037,658         |
| 2035  | 22,982,505                                | 13,708,136                                  | 36,690,641         |
| 2036  | 24,008,012                                | 14,385,203                                  | 38,393,215         |
| 2037  | 25,064,283                                | 15,082,583                                  | 40,146,866         |
| 2038  | 26,152,243                                | 15,800,883                                  | 41,953,126         |
| 2039  | 27,272,841                                | 16,540,733                                  | 43,813,574         |
| 2040  | 28,427,057                                | 17,302,778                                  | 45,729,835         |
| 2041  | 29,615,900                                | 18,087,685                                  | 47,703,584         |
| 2042  | 30,840,408                                | 18,896,138                                  | 49,736,546         |
| <b>Note:</b>  |   |   |                    |
| Taxable value based on July 2020 HCAD report.   |   |   |                    |
| City of Houston assumes 99% collection rate - 3% growth rate in taxable values.                                   |   |   |                    |
| Harris County assumes 99% collection rate - 3% growth rate in taxable values.                                     |   |   |                    |
| Original Zone Base Year is 2012 for City of Houston participation; Harris County participation base year is 2014. |   |   |                    |
| Annexed Area Base Year is 2015 for City of Houston and Harris County participation.                               |   |   |                    |
| City of Houston participation rate equals 75%   |   |   |                    |
| Harris County participation rate equals 65%   |   |   |                    |

EXHIBIT 1b – City of Houston Revenue Schedule

| Tax Year   | Tax Rate  | Base Year 2012 | Current Value Original | Current Value Appraised Value | Collection Rate | Increment  | City Admin Fee | Net Increment | Base Year 2015 Annexation | Current Value 2015 Annexation | Captured Appraised Value | Collection Rate | Increment | City Admin Fee | Net Increment |
|--|-----------|----------------|------------------------|-------------------------------|-----------------|------------|----------------|---------------|---------------------------|-------------------------------|--------------------------|-----------------|-----------|----------------|---------------|
| 2020   | 0.0056792 | 2,621,988,620  | 5,081,818,276          | 2,459,829,656                 | 99%             | 10,372,624 | 518,631        | 9,853,993     | 34,295,170                | 121,435,765                   | 87,140,595               | 99%             | 367,455   | 18,373         | 349,082       |
| 2021   | 0.0056792 | 2,621,988,620  | 5,234,272,824          | 2,612,284,204                 | 99%             | 11,015,496 | 550,775        | 10,464,721    | 34,295,170                | 125,078,838                   | 96,783,668               | 99%             | 382,817   | 19,141         | 363,676       |
| 2022   | 0.0056792 | 2,621,988,620  | 5,391,301,009          | 2,769,312,389                 | 99%             | 11,679,553 | 583,883        | 11,095,670    | 34,295,170                | 128,831,203                   | 94,536,033               | 99%             | 398,640   | 19,932         | 378,708       |
| 2023   | 0.0056792 | 2,621,988,620  | 5,553,040,039          | 2,931,051,419                 | 99%             | 12,359,675 | 617,984        | 11,741,691    | 34,295,170                | 132,696,139                   | 98,400,969               | 99%             | 414,938   | 20,747         | 394,191       |
| 2024   | 0.0056792 | 2,621,988,620  | 5,719,631,240          | 3,097,642,620                 | 99%             | 13,062,158 | 653,108        | 12,409,050    | 34,295,170                | 136,677,023                   | 102,381,853              | 99%             | 431,724   | 21,586         | 410,138       |
| 2025   | 0.0056792 | 2,621,988,620  | 5,891,220,178          | 3,269,231,558                 | 99%             | 13,785,715 | 689,286        | 13,096,429    | 34,295,170                | 140,777,334                   | 106,482,164              | 99%             | 449,015   | 22,451         | 426,564       |
| 2026   | 0.0056792 | 2,621,988,620  | 6,067,956,783          | 3,445,968,163                 | 99%             | 14,530,979 | 726,549        | 13,804,430    | 34,295,170                | 145,000,654                   | 110,705,484              | 99%             | 466,824   | 23,341         | 443,483       |
| 2027   | 0.0056792 | 2,621,988,620  | 6,249,995,486          | 3,628,006,866                 | 99%             | 15,298,601 | 764,930        | 14,533,671    | 34,295,170                | 149,350,674                   | 115,055,504              | 99%             | 485,167   | 24,258         | 460,909       |
| 2028   | 0.0056792 | 2,621,988,620  | 6,437,495,351          | 3,815,506,731                 | 99%             | 16,089,252 | 804,463        | 15,284,789    | 34,295,170                | 153,831,194                   | 119,536,024              | 99%             | 504,060   | 25,203         | 478,857       |
| 2029   | 0.0056792 | 2,621,988,620  | 6,630,620,212          | 4,008,631,592                 | 99%             | 16,903,622 | 845,181        | 16,058,441    | 34,295,170                | 158,446,130                   | 124,150,960              | 99%             | 523,521   | 26,176         | 497,345       |
| 2030   | 0.0056792 | 2,621,988,620  | 6,829,538,818          | 4,207,550,198                 | 99%             | 17,742,423 | 887,121        | 16,855,302    | 34,295,170                | 163,199,514                   | 128,904,344              | 99%             | 543,565   | 27,178         | 516,387       |
| 2031   | 0.0056792 | 2,621,988,620  | 7,034,424,983          | 4,412,436,363                 | 99%             | 18,606,388 | 930,319        | 17,676,069    | 34,295,170                | 168,095,499                   | 133,800,329              | 99%             | 564,210   | 28,211         | 535,999       |
| 2032   | 0.0056792 | 2,621,988,620  | 7,245,457,732          | 4,623,469,112                 | 99%             | 19,496,272 | 974,814        | 18,521,458    | 34,295,170                | 173,138,364                   | 138,843,194              | 99%             | 585,475   | 29,274         | 556,201       |
| 2033   | 0.0056792 | 2,621,988,620  | 7,462,821,464          | 4,840,832,844                 | 99%             | 20,412,853 | 1,020,643      | 19,392,210    | 34,295,170                | 178,392,515                   | 144,037,345              | 99%             | 607,378   | 30,369         | 577,009       |
| 2034   | 0.0056792 | 2,621,988,620  | 7,686,706,108          | 5,064,717,488                 | 99%             | 21,356,931 | 1,067,847      | 20,289,084    | 34,295,170                | 183,682,960                   | 149,387,320              | 99%             | 629,937   | 31,497         | 598,440       |
| 2035   | 0.0056792 | 2,621,988,620  | 7,917,307,291          | 5,295,318,671                 | 99%             | 22,329,332 | 1,116,467      | 21,212,865    | 34,295,170                | 189,192,965                   | 154,897,795              | 99%             | 653,174   | 32,659         | 620,515       |
| 2036   | 0.0056792 | 2,621,988,620  | 8,154,826,510          | 5,532,837,890                 | 99%             | 23,330,904 | 1,166,545      | 22,164,359    | 34,295,170                | 194,868,754                   | 160,573,584              | 99%             | 677,108   | 33,855         | 643,253       |
| 2037   | 0.0056792 | 2,621,988,620  | 8,399,471,305          | 5,777,482,685                 | 99%             | 24,362,524 | 1,218,126      | 23,144,398    | 34,295,170                | 200,714,817                   | 166,419,647              | 99%             | 701,759   | 35,088         | 666,671       |
| 2038   | 0.0056792 | 2,621,988,620  | 8,651,455,444          | 6,029,466,824                 | 99%             | 25,425,092 | 1,271,255      | 24,153,837    | 34,295,170                | 206,736,261                   | 172,441,091              | 99%             | 727,151   | 36,358         | 690,793       |
| 2039   | 0.0056792 | 2,621,988,620  | 8,910,999,108          | 6,289,010,488                 | 99%             | 26,519,537 | 1,325,977      | 25,193,560    | 34,295,170                | 212,938,349                   | 178,643,179              | 99%             | 753,304   | 37,665         | 715,639       |
| 2040   | 0.0056792 | 2,621,988,620  | 9,178,329,081          | 6,556,340,461                 | 99%             | 27,646,816 | 1,382,341      | 26,264,475    | 34,295,170                | 219,326,499                   | 185,031,329              | 99%             | 780,241   | 39,012         | 741,229       |
| 2041   | 0.0056792 | 2,621,988,620  | 9,453,678,953          | 6,831,690,333                 | 99%             | 28,807,913 | 1,440,396      | 27,367,517    | 34,295,170                | 225,906,294                   | 191,611,124              | 99%             | 807,987   | 40,399         | 767,588       |
| 2042   | 0.0056792 | 2,621,988,620  | 9,737,289,322          | 7,115,300,702                 | 99%             | 30,003,843 | 1,500,192      | 28,503,651    | 34,295,170                | 232,683,483                   | 198,388,313              | 99%             | 836,565   | 41,828         | 794,737       |
| <b>Note:</b>   |           |                |                        |                               |                 |            |                |               |                           |                               |                          |                 |           |                |               |
| Taxable Value based on July 2020 HCAD report   |           |                |                        |                               |                 |            |                |               |                           |                               |                          |                 |           |                |               |
| City of Houston admin fee equals 5%  |           |                |                        |                               |                 |            |                |               |                           |                               |                          |                 |           |                |               |
| City of Houston assumes 99% collection rate - 3% growth rate in taxable values.                    |           |                |                        |                               |                 |            |                |               |                           |                               |                          |                 |           |                |               |
| Original Zone Base Year is 2012 for City of Houston participation; annexed area base year is 2015. |           |                |                        |                               |                 |            |                |               |                           |                               |                          |                 |           |                |               |
| Annexed Area Base Year is 2015 for City of Houston and Harris County participation.                |           |                |                        |                               |                 |            |                |               |                           |                               |                          |                 |           |                |               |

## EXHIBIT 1c – County Revenue Schedule

| Tax year | Tax Rate<br>County and<br>Flood Control | INCREMENT CREATED FROM 3% ANNUAL APPRECIATION AT 99% COLLECTION RATE |   |                                      |                                      |                                   |               | Annual County<br>Incremental Revenue | Increment at 65%<br>Participation | Cumulative |
|----------|---|--|---|--------------------------------------|--------------------------------------|-----------------------------------|---------------|--------------------------------------|-----------------------------------|------------|
|          |   | Base Value   | Taxable value of<br>Combined Boundaries | Combined Captured<br>Appraised Value | Annual County<br>Incremental Revenue | Increment at 65%<br>Participation | Cumulative    |                                      |                                   |            |
| 2014     |   | \$ 3,131,637,812   |   |                                      |                                      |                                   |               |                                      |                                   |            |
| 2015     | 0.44656                                 | \$ 3,165,074,109   | \$ 3,490,693,651                        | \$ 359,055,839                       | \$ 1,602,758                         | \$ 1,041,793                      | \$ 1,602,758  | \$ 1,041,793                         | \$ 1,041,793                      |            |
| 2016     | 0.44485                                 | \$ 3,165,074,109   | \$ 3,891,519,958                        | \$ 726,445,849                       | \$ 3,230,625                         | \$ 2,099,906                      | \$ 3,230,625  | \$ 2,099,906                         | \$ 3,141,699                      |            |
| 2017     | 0.44632                                 | \$ 3,165,074,109   | \$ 4,243,726,992                        | \$ 1,078,652,883                     | \$ 4,811,836                         | \$ 3,127,694                      | \$ 4,811,836  | \$ 3,127,694                         | \$ 6,269,393                      |            |
| 2018     | 0.44735                                 | \$ 3,165,074,109   | \$ 4,542,266,857                        | \$ 1,289,192,748                     | \$ 5,757,400                         | \$ 3,742,310                      | \$ 5,757,400  | \$ 3,742,310                         | \$ 10,011,702                     |            |
| 2019     | 0.43505                                 | \$ 3,165,074,109   | \$ 4,625,584,095                        | \$ 1,460,509,986                     | \$ 6,223,693                         | \$ 4,045,400                      | \$ 6,223,693  | \$ 4,045,400                         | \$ 14,057,103                     |            |
| 2020     | 0.43505                                 | \$ 3,165,074,109   | \$ 5,174,453,264                        | \$ 2,009,379,155                     | \$ 8,654,386                         | \$ 5,625,351                      | \$ 8,654,386  | \$ 5,625,351                         | \$ 19,682,454                     |            |
| 2021     | 0.43505                                 | \$ 3,165,074,109   | \$ 5,329,686,862                        | \$ 2,164,612,753                     | \$ 9,322,976                         | \$ 6,059,935                      | \$ 9,322,976  | \$ 6,059,935                         | \$ 25,742,388                     |            |
| 2022     | 0.43505                                 | \$ 3,165,074,109   | \$ 5,489,577,468                        | \$ 2,324,509,359                     | \$ 10,011,624                        | \$ 6,507,556                      | \$ 10,011,624 | \$ 6,507,556                         | \$ 32,249,944                     |            |
| 2023     | 0.43505                                 | \$ 3,165,074,109   | \$ 5,654,264,792                        | \$ 2,489,190,683                     | \$ 10,720,932                        | \$ 6,968,606                      | \$ 10,720,932 | \$ 6,968,606                         | \$ 39,218,550                     |            |
| 2024     | 0.43505                                 | \$ 3,165,074,109   | \$ 5,823,892,736                        | \$ 2,658,818,627                     | \$ 11,451,519                        | \$ 7,443,487                      | \$ 11,451,519 | \$ 7,443,487                         | \$ 46,662,037                     |            |
| 2025     | 0.43505                                 | \$ 3,165,074,109   | \$ 5,998,609,518                        | \$ 2,833,535,409                     | \$ 12,204,023                        | \$ 7,932,615                      | \$ 12,204,023 | \$ 7,932,615                         | \$ 54,594,652                     |            |
| 2026     | 0.43505                                 | \$ 3,165,074,109   | \$ 6,178,567,803                        | \$ 3,013,499,694                     | \$ 12,979,102                        | \$ 8,436,416                      | \$ 12,979,102 | \$ 8,436,416                         | \$ 63,031,068                     |            |
| 2027     | 0.43505                                 | \$ 3,165,074,109   | \$ 6,363,924,837                        | \$ 3,198,850,728                     | \$ 13,777,434                        | \$ 8,955,332                      | \$ 13,777,434 | \$ 8,955,332                         | \$ 71,986,400                     |            |
| 2028     | 0.43505                                 | \$ 3,165,074,109   | \$ 6,554,842,582                        | \$ 3,389,768,473                     | \$ 14,599,716                        | \$ 9,489,815                      | \$ 14,599,716 | \$ 9,489,815                         | \$ 81,476,216                     |            |
| 2029     | 0.43505                                 | \$ 3,165,074,109   | \$ 6,751,487,860                        | \$ 3,586,413,751                     | \$ 15,446,666                        | \$ 10,040,333                     | \$ 15,446,666 | \$ 10,040,333                        | \$ 91,516,549                     |            |
| 2030     | 0.43505                                 | \$ 3,165,074,109   | \$ 6,954,032,496                        | \$ 3,788,958,387                     | \$ 16,319,025                        | \$ 10,607,366                     | \$ 16,319,025 | \$ 10,607,366                        | \$ 102,123,915                    |            |
| 2031     | 0.43505                                 | \$ 3,165,074,109   | \$ 7,162,653,471                        | \$ 3,997,579,362                     | \$ 17,217,554                        | \$ 11,191,410                     | \$ 17,217,554 | \$ 11,191,410                        | \$ 113,315,325                    |            |
| 2032     | 0.43505                                 | \$ 3,165,074,109   | \$ 7,377,533,075                        | \$ 4,212,458,966                     | \$ 18,143,040                        | \$ 11,792,976                     | \$ 18,143,040 | \$ 11,792,976                        | \$ 125,108,301                    |            |
| 2033     | 0.43505                                 | \$ 3,165,074,109   | \$ 7,598,859,067                        | \$ 4,433,784,958                     | \$ 19,096,290                        | \$ 12,412,588                     | \$ 19,096,290 | \$ 12,412,588                        | \$ 137,520,889                    |            |
| 2034     | 0.43505                                 | \$ 3,165,074,109   | \$ 7,826,824,839                        | \$ 4,661,750,730                     | \$ 20,078,137                        | \$ 13,050,789                     | \$ 20,078,137 | \$ 13,050,789                        | \$ 150,574,678                    |            |
| 2035     | 0.43505                                 | \$ 3,165,074,109   | \$ 8,061,629,584                        | \$ 4,896,555,475                     | \$ 21,089,440                        | \$ 13,708,136                     | \$ 21,089,440 | \$ 13,708,136                        | \$ 164,279,814                    |            |
| 2036     | 0.43505                                 | \$ 3,165,074,109   | \$ 8,303,478,472                        | \$ 5,138,404,363                     | \$ 22,131,082                        | \$ 14,385,203                     | \$ 22,131,082 | \$ 14,385,203                        | \$ 178,665,017                    |            |
| 2037     | 0.43505                                 | \$ 3,165,074,109   | \$ 8,552,582,826                        | \$ 5,387,508,717                     | \$ 23,203,973                        | \$ 15,082,583                     | \$ 23,203,973 | \$ 15,082,583                        | \$ 193,747,600                    |            |
| 2038     | 0.43505                                 | \$ 3,165,074,109   | \$ 8,809,160,310                        | \$ 5,644,086,201                     | \$ 24,309,051                        | \$ 15,800,883                     | \$ 24,309,051 | \$ 15,800,883                        | \$ 209,548,483                    |            |
| 2039     | 0.43505                                 | \$ 3,165,074,109   | \$ 9,073,435,120                        | \$ 5,908,364,011                     | \$ 25,447,281                        | \$ 16,540,733                     | \$ 25,447,281 | \$ 16,540,733                        | \$ 226,089,216                    |            |
| 2040     | 0.43505                                 | \$ 3,165,074,109   | \$ 9,345,638,173                        | \$ 6,180,564,064                     | \$ 26,619,659                        | \$ 17,302,778                     | \$ 26,619,659 | \$ 17,302,778                        | \$ 243,391,994                    |            |
| 2041     | 0.43505                                 | \$ 3,165,074,109   | \$ 9,626,007,319                        | \$ 6,460,933,110                     | \$ 27,827,207                        | \$ 18,087,685                     | \$ 27,827,207 | \$ 18,087,685                        | \$ 261,479,679                    |            |
| 2042     | 0.43505                                 | \$ 3,165,074,109   | \$ 9,914,787,538                        | \$ 6,749,713,429                     | \$ 29,070,982                        | \$ 18,896,138                     | \$ 29,070,982 | \$ 18,896,138                        | \$ 280,375,817                    |            |
| TOTAL    |   |  |   |                                      | 431,347,411                          | 280,375,817                       |               |                                      |                                   |            |

Actual tax rates and data for tax year 2015 to 2019.

Assumes 99% collection rate - 3% growth rate in taxable values.

Original Zone Base Year is 2012 for City of Houston participation, but is 2014 for Harris County participation.

Annexed Area Base Year is 2015 for Harris County participation.



EXHIBIT 3a – Existing and Proposed Land Use Map – TIRZ 24 Northern Sector

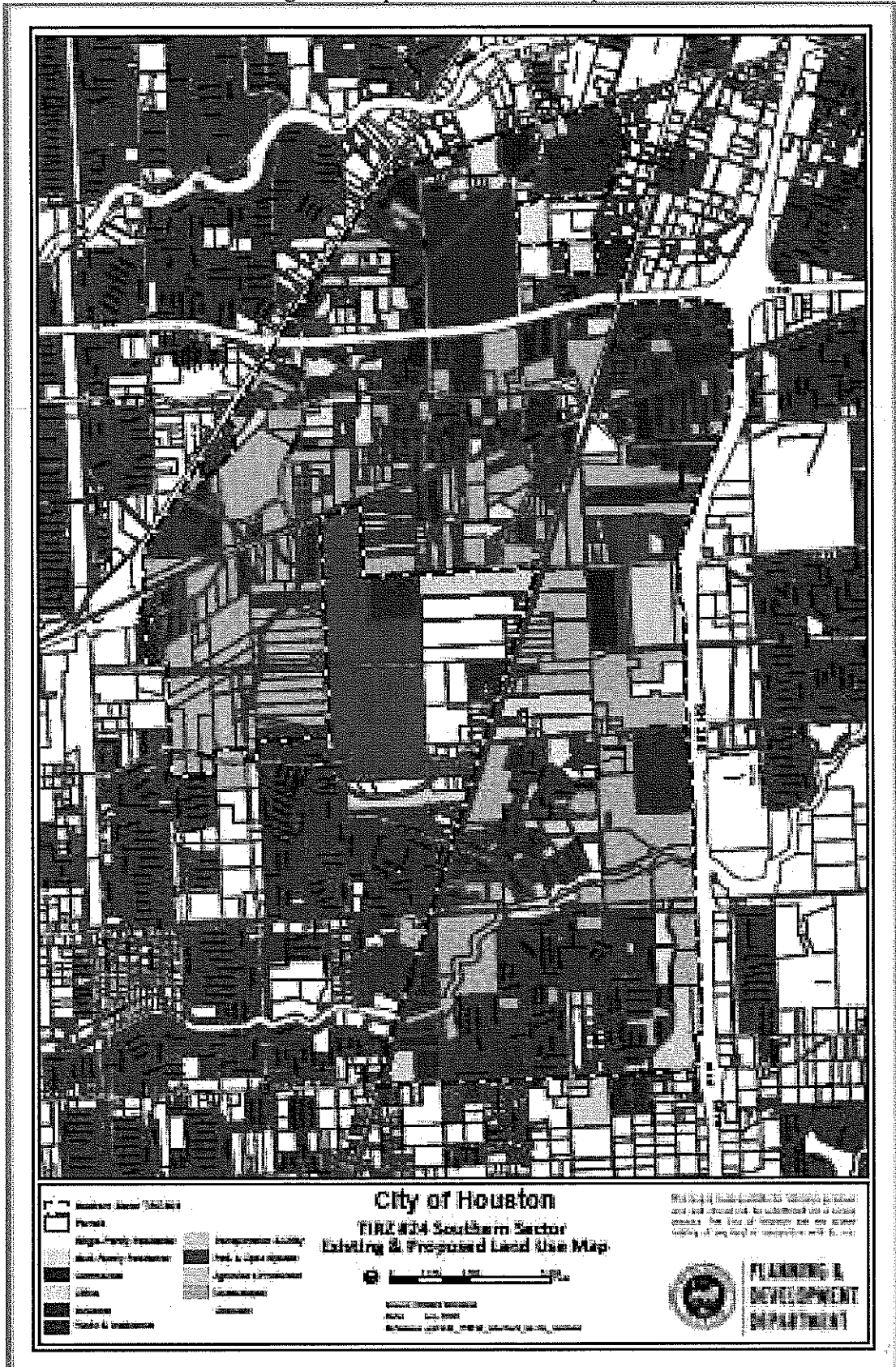


EXHIBIT 3b – Existing and Proposed Land Use Map – TIRZ 24 Southern Sector

