City of Houston, Texas, Ordinance No. 97-600

AN ORDINANCE APPROVING THE PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN FOR REINVESTMENT ZONE NUMBER TWO, CITY OF HOUSTON, TEXAS (MIDTOWN); AUTHORIZING THE CITY SECRETARY TO DISTRIBUTE SUCH PLANS; CONTAINING VARIOUS PROVISIONS RELATED TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.

* * * * * * *

WHEREAS, by City of Houston Ordinance No. 94-1345, dated December 14, 1994, the City created Reinvestment Zone Number Two, City of Houston, Texas (the "Midtown Zone") for the purposes of redevelopment in the area of the City generally bounded by I-45 on the north, Highway 288 on the east, U.S. 59 on the south and Bagby Street and Spur 527 on the west, which is also known as the Midtown area; and

WHEREAS, the City enlarged the boundaries of the Midtown Zone by City of Houston Ordinance No. 95-1322 on December 13, 1995, to include additional areas within the general boundaries of the Midtown area and to the northeast of the Midtown area; and

WHEREAS, Harris County (the "County") has agreed to participate in the Midtown Zone and has authorized 100 percent of its tax increment in the Midtown Zone to be paid into the tax increment fund for the Midtown Zone; and

WHEREAS, Houston Independent School District ("HISD") has agreed to participate in the Midtown Zone and has authorized 100 percent of its tax increment, but not more than $0.96

per $100 of assessed valuation per year on the captured appraised value of the Midtown Zone, to be paid into the tax increment fund for the Midtown Zone; and

WHEREAS, the Project Plan and the Reinvestment Zone Financing Plan reflect the participation of the County and HISD, and;

WHEREAS, the Board of Directors of the Midtown Zone has approved the Project Plan and Reinvestment Zone Financing Plan (the "Proposed Plans") attached hereto for the redevelopment of the Midtown Zone; and

WHEREAS, before the City and the Board of Directors of the Midtown Zone may implement the Proposed Plans, the City Council must approve the Proposed Plans;

WHEREAS, the Proposed Plans provide that at least one-third of the surface area of the Midtown Zone, excluding roads, streets, utility rights-of-way and other public areas exempt from ad valorem, is dedicated to residential housing, and that one-third of the tax increment is dedicated to the provision of low-income housing during the term of the Midtown Zone; **NOW, THEREFORE,**

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

Section 1. That the findings contained in the preamble of this Ordinance are declared to be true and correct and are hereby adopted as part of this Ordinance.

Section 2. That the Project Plan and Reinvestment Zone Financing Plan attached hereto for Reinvestment Zone Number Two, City of Houston, Texas, are hereby determined to be feasible and are approved.

Section 3. That the City Secretary is directed to provide copies of the Project Plan and Reinvestment Zone Financing Plan to each taxing unit levying ad valorem taxes in the Zone.

Section 4. That City Council officially finds, determines, recites and declares a sufficient written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code and that this meeting has been open to the public as required by law at all times during which this ordinance and the subject matter thereof has been discussed, considered and formally acted upon. That City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

Section 5. 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 28th **day of May, 1997.**

APPROVED this _____ **day of May, 1997.**

_____
Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is JUN 03 1997.

_____
City Secretary

(Prepared by Legal Dept. _____)
(DFM/dfm May 20, 1997) Senior Assistant City Attorney
(Requested by Robert M. Litke, Director, Planning and Development)
(L.D. File No. 34-94360-06)

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CAPTION PUBLISHED IN DAILY COURT REVIEW
DATE: JUN 03 1997

MIDTOWN

HOUSTON

PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN

REINVESTMENT ZONE NUMBER TWO
CITY OF HOUSTON, TEXAS

MIDTOWN

April 1997

REINVESTMENT ZONE NUMBER TWO, CITY OF HOUSTON, TEXAS
MIDTOWN REDEVELOPMENT AUTHORITY

BOARD OF DIRECTORS:

Doug O. Williams, Chairman
Assistant to the Mayor on
Housing and Inner City Revitalization
Appointed by City of Houston

Barron F. Wallace, Vice Chairman
Wickliff & Hall, P.C.
Appointed by Rep. Garnet Coleman

Nicole P. Cao, Secretary
Texas Commerce Bank N.A.
Appointed by City of Houston

William Paul Thomas, Asst. Secretary
The Office of State Senator Rodney Ellis
Appointed by Senator Rodney Ellis

Carol Alvarado
Magnolia Commercial Revitalization Project
Appointed by H.I.S.D.

Dionel E. Aviles
Aviles Engineering Corp.
Appointed by City of Houston

Linda K. Brown
Network Marketing, Inc.
Appointed by Harris County

Allen Holcombe Crosswell
Crosswell Properties
Appointed by City of Houston

David L. Edwards
United National Insurance Agency
Appointed by City of Houston

STAFF:

F. Charles Le Blanc
Executive Director

Kandi Schramm
Secretary

PROFESSIONAL CONSULTANTS:

Financial Advisors
Arthur Andersen LLP

Accountants
Lindsey V. McWilliams, CPA

Civil Engineers
Carter & Burgess, Inc.

Legal Counsel
Vinson & Elkins, L.L.P.
Burney & Foreman

Planners & Landscape Architects
Vernon G. Henry and Associates, Inc.
Roberta Burroughs & Associates

CITY COUNCIL DISTRICT MAP
DISTRICT
C COUNCILWOMAN MARTHA WONG
D COUNCILMAN JEW DON BONEY
E COUNCILMAN ROB TODD
I COUNCILMAN JOHN E. CASTILLO
CITY COUNCIL DISTRICT BOUNDARY
T.I.R.Z. BOUNDARY
CITY COUNCIL DISTRICT D
CITY COUNCIL DISTRICT I
CITY COUNCIL DISTRICT E
CITY COUNCIL DISTRICT C
Midtown
Houston, Texas
NORTH
Downtown
Interstate 45
U.S. Highway 59
S.H. 288
West Dallas
West Gray
Westheimer
Alabama
Richmond
McGowen
Gray
Webster
Louisiana
Travis
Main
Fannin
San Jacinto
Caroline
Austin
La Branch
Crawford
Jackson
Chenevert
Hamilton
Milam
Bagby
Blodgett
Almeda
Wheeler
Elgin
Tuam
Fairview
Pacific
Avondale
Lovett
Hawthorne
Harold
Kipling
Marshall
Branard
West Main
Caldwell
Oakley
Woodrow
Stanford
Willard
Whitney
Morgan
Walsh
West Drew
Fargo
Hyde Park
Bonner
Polk
Clay
Bell
Pierce
Victor
Andrews
Ruthven
Rusk
Sutton
Dallas
Gillette
Bailey
Walton
McKinney
Chenevert
Hamilton
Louisiana
Travis
Main
Fannin
San Jacinto
Caroline
Austin
La Branch
Crawford
Jackson
Chenevert
Hamilton
Milam
Bagby
Blodgett
Almeda
Wheeler
Elgin
Tuam
Alabama
Gray
McGowen
Richmond
Alabama
Almeda
Blodgett
Main
Wheeler
Elgin
Tuam
Gray
McGowen
Alabama

HOUSTON
INDEPENDENT
SCHOOL DISTRICT
DISTRICT MAP
H.I.S.D. DISTRICT BOUNDARY
T.I.R.Z. BOUNDARY
Downtown
DISTRICT
VIII
DISTRICT
IV
Midtown
Houston, Texas
NORTH
West Dallas
West Gray
Westheimer
Alabama
Richmond
McGowen
Tuam
Gray
Webster
Interstate 45
Milam
Travis
Main
Fannin
San Jacinto
Caroline
Austin
La Branch
Crawford
Jackson
Chenevert
Hamilton
Smith
Louisiana
Bagby
Brazos
Taft
Shepherd
Montrose
Mandell
Bremond
Elgin
U.S. Highway 59
S.H. 288
Wheeler
Almeda
Main
Blodgett
Alabama

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FOREWORD

The plan for revitalizing Midtown Houston envisions reviving the original residential nature of the area with both new construction and the preservation/restoration of historical structures. The goal is to provide convenient, quality housing, vertically integrated with appropriate retail and commercial support facilities for Downtown/Central Business District and Texas Medical Center employees, college and medical students and anyone else who wants to live in the heart of Houston. By bringing the public and private sectors together in a redevelopment partnership, the Midtown T.I.R.Z. seeks to eliminate the urban blight plaguing Midtown Houston and enable the area to again realize its potential. This once vibrant residential area now lies comatose, stripped of its character and much of its usefulness tainted by years of neglect and depressed property values. Desperately in need of renewal, Midtown Houston's unfortunate history prompted developers and lenders to label it a risky venture, preempting previous individual efforts to resuscitate this neighborhood. Trapped in a cycle of deterioration, the area remained abandoned and ignored by most Houstonians. Until the public sector (Houston, Harris County and the Houston Independent School District) made a commitment to join forces with private developers and property owners, it seemed as if Midtown Houston was destined to continue to deteriorate. The creation of the Midtown T.I.R.Z. has awakened interest in the area.

The Midtown T.I.R.Z. is halting this area's cycle of decline by enabling private sector investment and redevelopment management under the Texas Tax Increment Financing Act. Efforts are being made to develop a mid-density, multi-cultural, mixed use residential community centered around a rejuvenated Main Street, thereby generating significant new taxable value in Midtown Houston. The Midtown Reinvestment Zone can provide:

- new capital for any necessary infrastructure
- funding for attractive, security enhancing streetscapes
- new capital for building schools, parks, recreation spaces and hike & bike trails in Midtown
- the ability to adopt land use controls similar to those available to suburban developers
- significant new tax revenues in the future for the City of Houston, the Houston Independent School District and Harris County.

For the government units, there was no down side in creating a Midtown Reinvestment Zone. They will lose no revenue; only the taxes from new improvements spawned by T.I.R.Z. #2 will finance the area's improvements. The tax revenues from the present Midtown property values will continue to flow to their coffers. At the end of the 30-year life of T.I.R.Z. #2, the taxes from the entire value of the rejuvenated Midtown will go to them. Without T.I.R.Z. #2, Midtown's long history of decline would have been its future; new development would have continued to pass over Midtown in favor of suburbia.

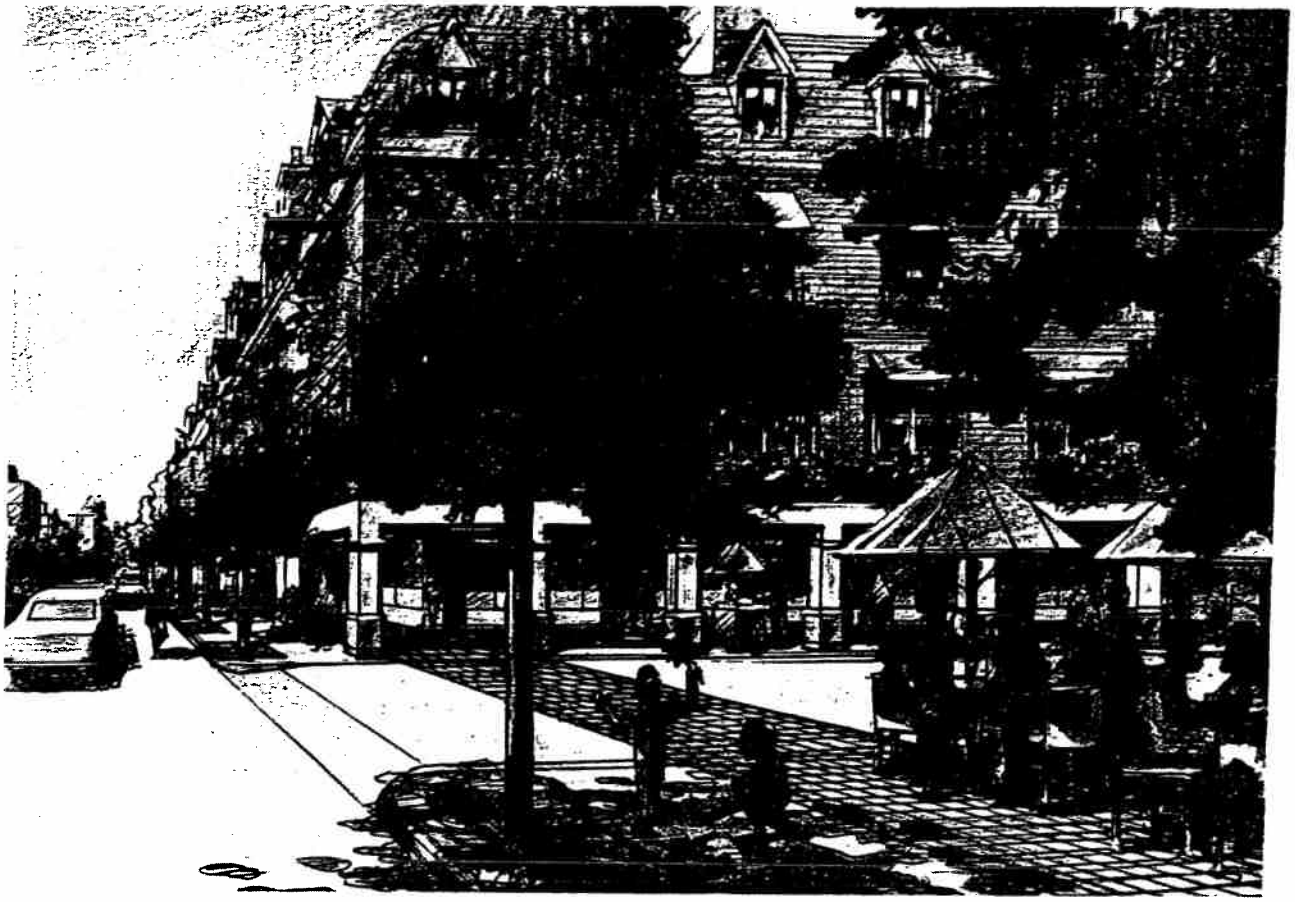
The Board of Midtown T.I.R.Z. believes Midtown Houston deserves a chance to become what it ought to be: a symbol of the spirit that built Houston and a vision of the City's future. The effort to have T.I.R.Z. #2 created was initiated by individual property owners and neighborhood institutions to foster economic development in Midtown Houston. The Midtown plan involves numerous people, many of whom are motivated solely by the desire to see a significant area of their home town improved. Businesses, churches, non-profit institutions, property owners, residents and the media continue to voice their support. All seem to understand that improving Midtown will have a very positive effect on the areas that surround Midtown.

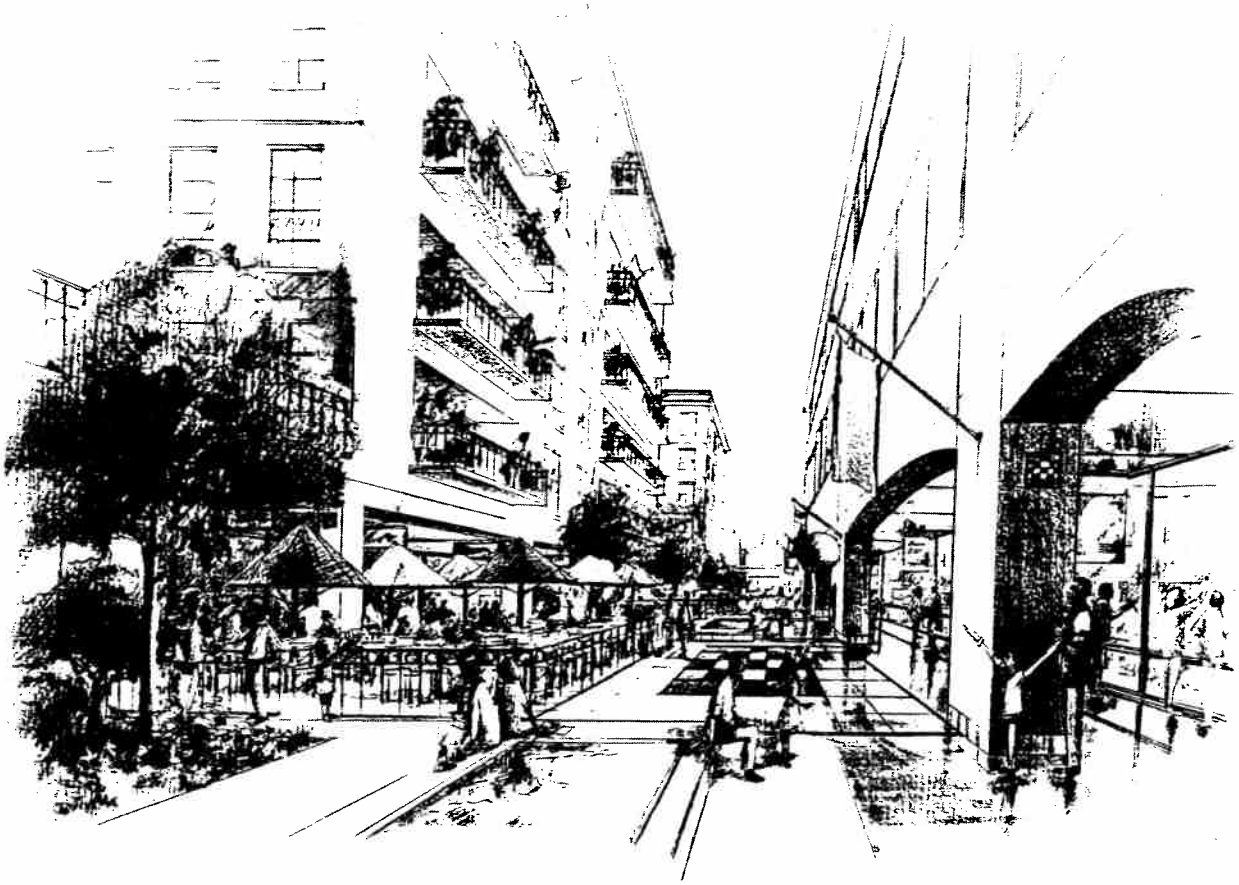
From 1992 to 1994, a private group of property owners worked to have the T.I.R.Z. created by securing petitions from over 700 different property owners, renewing interest in the area with developers, lenders and institutions, holding public town meetings, retaining professional consultants, securing media support, and raising funds to support the grass roots taxpayer initiative. In December of 1994, Houston City Council created Reinvestment Zone Number Two, City of Houston, Texas, in response to all the efforts. Harris County also voted to participate in the T.I.R.Z. on June 6, 1995. H.I.S.D. joined on December 12, 1996.

The Board of Directors of the T.I.R.Z. held its first meeting in April 1995, and has continued to pursue the goal of a rejuvenated Midtown Houston by:

- assisting property owners in negotiations with potential financiers/developers for the creation of new development projects
- working with the City of Houston, Houston Independent School District, Houston Community College, Harris County, the Houston Housing Finance Corporation, the Metropolitan Transit Authority, Texas Department of Transportation, numerous local, state, and federal organizations and institutions, property owners, realtors, builders and developers to provide a responsible, responsive, comprehensive planning environment in Midtown
- establishing an office with a full-time executive director to answer inquiries, solicit new businesses and homes, and coordinate activities in the area
- retaining professional consultants in the fields of finance and accounting, planning, engineering, law, and landscape architecture to prepare a project plan and financing plan for the area and assist with the daily business of running the district and attracting new development
- initiating a program to clean up the area and demolish dangerous buildings, rid the area of illegal businesses, and inform interested parties of the low crime rates
- annexing additional property into the district to come closer to covering the entire area considered to be Midtown Houston
- working with adjacent neighborhoods and the Enhanced Enterprise Zone participants to spread the concern for revitalization to other places in the inner-city to reinforce the effort of all.

Midtown -- once one of Houston's most beloved areas -- has become the most obvious orphan in the city. This neighborhood's plight has touched a nerve. Houstonians want a Midtown they can live in, raise families in, and point to with pride again. They want to breathe life into this community, and they are gratified that all levels of government have joined in helping them do it.





Midtown
Tax Increment Reinvestment Zone
Number 2
Existing Uses
and Conditions : 1997
Office
Retail
Commercial
Industrial
Institutional
Parking
Multi-Family
Single-Family
Parks & Open Space
Vacant Land
Automotive Uses
Historical Structure
Vacant Building
Downtown
Interstate 45
U.S. Highway 59
S.H. 288
West Dallas
West Gray
Westheimer
Alabama
Richmond
Tuam
Elgin
McGowen
Milam
Travis
Main
Fannin
San Jacinto
Carolina
Austin
La Branch
Crawford
Jackson
Chenevert
Hamilton
Bloodgett
Wheeler
Almeda
NORTH

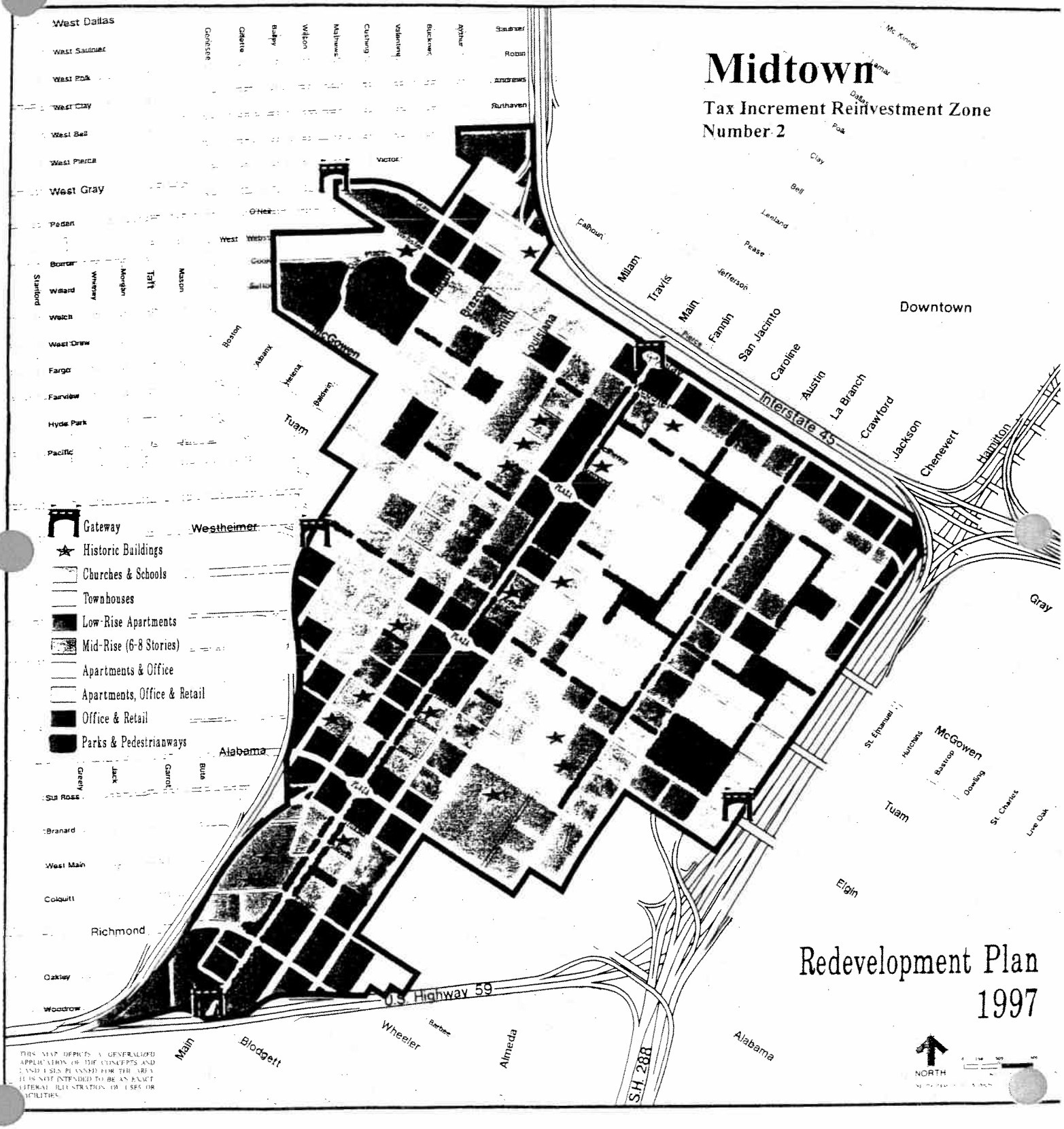
- **Encourage the use of public transit.** A street-level, pedestrian environment coupled with convenient service from sheltered transit stops will encourage residents to use transit to reach jobs, education, cultural, and recreational opportunities. Higher residential densities mixed with places of employment will increase the number of people available to be transit patrons. An increase in the number of patrons can, in turn, allow greater convenience in scheduling and routing. An increase in convenience promotes an increase in the percentage of people willing to use transit. The location of Midtown close to both downtown and the medical center means a short employment commute to either, and a low likelihood that a transfer will be required. Given the high cost of parking in both of these employment centers, transit usage by Midtown residents for work trips is likely to be the highest in the region.

- **Make Main Street the focus of area activities.** Shopping, services, restaurants, entertainment, and special activities are to be clustered along Main Street, the historic corridor of commercial activity. As the central spine of the area, Main Street is within convenient walking distance for all residents and business people. It is also the continuous link to other areas of the City and the region. Even in its present diminished condition, Main Street remains the symbolic "main street" for Houstonians, and it is appropriate that it should be the center of lively activity for Midtown. Several plazas are planned along Main Street at key intersections. These will be places of visual significance, orientation points for the area. They will have special paving, planting, lighting and seating and may also include statues, fountains, or other art works. The plazas will be places for people to gather on pleasant days, places to hold festivities and celebrations. They will make Main Street special in Midtown and will symbolize to the rest of the city that Midtown is a special place.

  The plazas are indicated on the Plan drawing schematically, as ovals of enlarged right-of-way. While it is the intention to have special paving within the existing right-of-way of each of these intersections, the design of the plazas has not been undertaken beyond that point. Each will be unique; their size, shape and extent will vary with the land available when they are funded.

Midtown

Tax Increment Reinvestment Zone Number 2



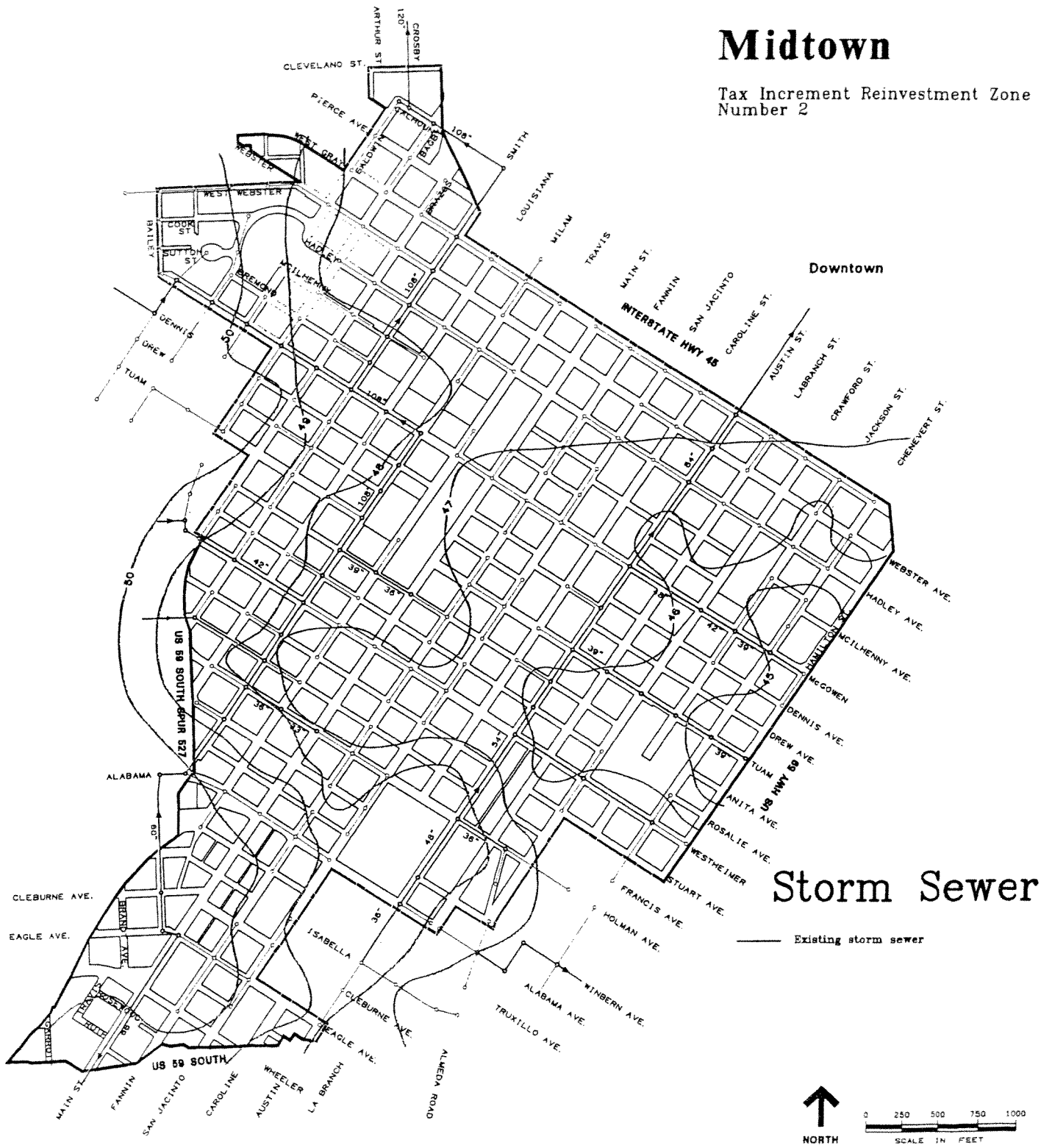
Redevelopment Plan 1997

THIS MAP DEPICTS A GENERALIZED APPLICATION OF THE CONCEPTS AND LAND USES PLANNED FOR THE AREA. IT IS NOT INTENDED TO BE AN EXACT LITERAL ILLUSTRATION OF USES OR FACILITIES.

Midtown
Tax Increment Reinvestment Zone
Number 2
Major Street
Express Street
Streets
Downtown
West Dallas
West Gray
Pierce
Gray
Bagby
Brazos
Smith
Louisiana
Milam
Travis
Main
Fannin
San Jacinto
Caroline
Austin
La Branch
Crawford
Jackson
Chenevert
Hamilton
Interstate 45
Webster
McGowen
Labranch
Elgin
Tuam
Alabama
Westheimer
Richmond
U.S. Highway 59
S.H. 288
Wheeler
Almeda
Blodgett
Main
NORTH

Midtown

Tax Increment Reinvestment Zone
Number 2



CARTER & BURGESS, INC.

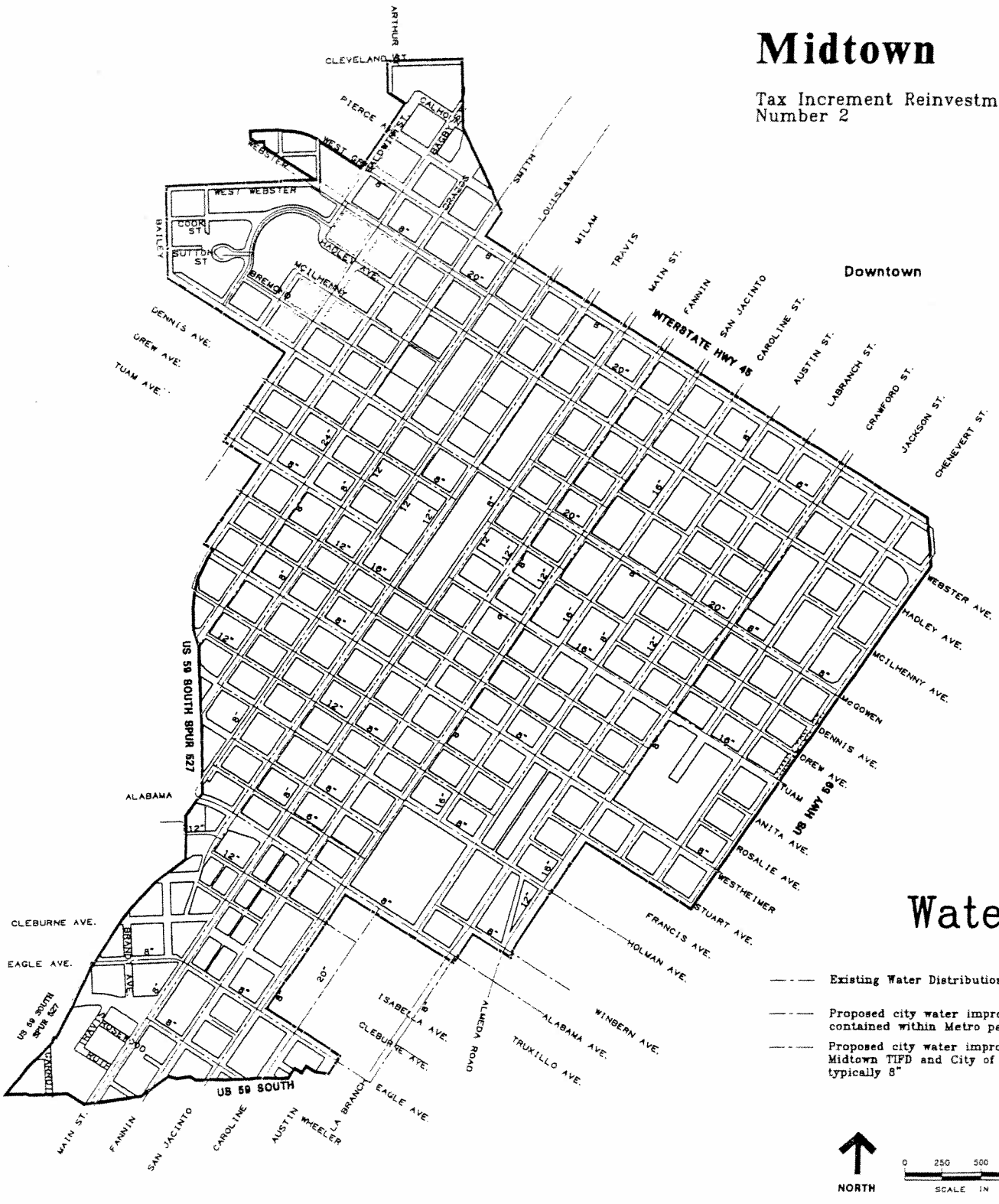
Midtown

Tax Increment Reinvestment Zone
Number 2

CARTER & BURGESS, INC.

Midtown

Tax Increment Reinvestment Zone
Number 2



CARTER & BURGESS, INC.

REINVESTMENT ZONE FINANCING PLAN

Summary

Redevelopment of real estate in Midtown will be enabled, facilitated and accelerated by the T.I.R.Z. The participation of the three largest taxing jurisdictions is helping Midtown to "prime the pump" of economic rehabilitation in Houston's inner city. T.I.R.Z. #2 was created for a period of 30 years by Houston City Council. Harris County participation is for the same 30 years. Houston Independent School District participation started in 1997 for a period of 25 years.

Redevelopment Area

The redevelopment area modeled is approximately 356 acres (net of right-of-way) of the area known as Midtown. Of this total, 203 acres (57%) are designated for redevelopment during the life of the proposed T.I.R.Z. Approximately fifty-three acres are planned to remain in their present uses. Of the land area to be redeveloped, 88% is planned for taxable uses, with the remainder planned for tax exempt uses. Redevelopment activity will continue long after the T.I.R.Z. expires. The development plan assumes that some 100 acres will remain to be redeveloped after the T.I.R.Z. has expired.

Revenue Model

The following tables present the assumptions that contributed to the calculation of projected revenue flows to the T.I.R.Z. All assumptions were developed by the Midtown T.I.R.Z., the Midtown Redevelopment Authority and its consultants.

Revenue Model Assumptions

Annual Rates of Change (growth rates):	
Value of Property not yet Redeveloped	1.8%
Redevelopment Costs	1.8%
Value of Redeveloped Property	1.8%

1996 Set Tax Rates:	Rate	
City of Houston	$0.66500	
Harris County	$0.42768	
HISD	$1.38400	
T.I.R.Z. Participation by Taxing Jurisdictions:		
City of Houston	100.00%	
Harris County	100.00%	
HISD (1)	69.33%	
Rate dedicated to Midtown:	Rate	Share
City of Houston	$0.66500	32.40%
Harris County	$0.42768	20.84%
HISD	$0.96000	46.77%
Yields Overall Rate (1):	$2.05268	100.00%

(1) Includes HISD participation, which begins in tax year 1997.
Without HISD, the Overall Rate for 1996 is $1.092.

Summary of TIRZ Revenue Projections

All Dollar Values in 000s

Year (1)	Redeveloped Land (Sq.Ft.)	Real Estate Tax Value: Not yet Redeveloped	Real Estate Tax Value: Redeveloped	Total Tax Value	Value Increment	TIRZ Revenue (2)
1995	275,625	$156,257	$0	$156,257	$0	$0
1996	300,000	158,868	529	159,397	3,139	0
1997	450,000	157,322	30,233	187,555	31,298	33
1998	406,250	157,993	53,062	211,055	54,798	623
1999	468,750	157,106	75,658	232,764	76,507	1,091
2000	556,250	157,140	95,060	252,200	95,942	1,523
2001	479,700	155,999	126,765	282,765	126,507	1,910
2002	281,250	153,742	169,052	322,794	166,537	2,519
2003	281,250	151,726	214,515	366,241	209,984	3,316
2004	406,250	151,493	246,306	397,799	241,541	4,181
2005	356,250	151,202	279,171	430,374	274,116	4,809
2006	418,750	148,823	337,539	486,362	330,105	5,458
2007	356,250	146,978	382,106	529,084	372,827	6,573
2008	356,250	144,007	444,549	588,556	432,299	7,423
2009	418,750	141,912	492,440	634,352	478,094	8,607
2010	250,371	139,695	541,910	681,605	525,348	9,519
2011	306,250	136,007	606,904	742,911	586,654	10,460
2012	243,750	134,495	652,782	787,277	631,020	11,681
2013	243,750	131,839	717,573	849,412	693,155	12,564
2014	368,750	130,172	766,251	896,423	740,166	13,801
2015	243,750	128,401	816,450	944,851	788,594	14,737
2016	306,250	124,099	897,372	1,021,471	865,213	15,702
2017	243,750	122,070	951,253	1,073,323	917,065	17,227
2018	243,750	118,717	1,026,364	1,145,081	988,824	18,260
2019	102,024	116,436	1,083,938	1,200,374	1,044,117	19,688
2020	93,750	114,035	1,143,251	1,257,286	1,101,029	20,789
2021	93,750	114,895	1,182,454	1,297,349	1,141,091	21,923
2022	93,750	115,950	1,221,396	1,337,346	1,181,089	22,720
2023	93,750	117,006	1,261,358	1,378,363	1,222,106	12,518
2024	93,750	$118,062	$1,302,362	1,420,424	1,264,166	$12,953
Totals	8,832,720					$282,612

(1) Data in each row is as of January 1 of the year indicated, except for TIRZ Revenue, as explained in Note 2 below.

(2) There is a lag of up to 2 years between the time real estate values increase and the actual receipt of funds by the Midtown TIRZ. This column shows the amounts that are expected actually to be received by Midtown in each year of the projection period. Collections of TIRZ revenues will occur throughout the year, and no costs of collection are assumed.

PROJECT COSTS TO BE PAID BY OTHERS

There are major capital projects essential to the plan for the Midtown area that will be constructed with City of Houston and METRO funds. The METRO funding includes a grant from the U.S. Department of Transportation. The METRO projects include reconstructing the paving and some storm sewers on the following streets: San Jacinto, Fannin, Main, Travis, Milam, Louisiana, and Smith. The METRO projects will also include bus shelters and benches, new sidewalks, and street trees. Bus shelters with adjacent trees will also be built on LaBranch, Crawford, McGowen, Webster and Gray. The Main Street reconstruction will include special pavers at the four intersections designated as future plaza sites in this project plan. At the time of the street reconstruction projects, the City of Houston will be building new water distribution lines on those same streets, and new sanitary sewers along portions of those streets. The program costs are given below:

METRO	$39,400,000
City of Houston	$ 7,500,000

The addition of street light fixtures to replace those removed from Midtown over the years will cost the City of Houston more money for operations. No estimate has been made of this amount because the inventory of existing fixtures is not yet complete.

There are five projects included in the City's current Capital Improvement Plan that are partially located in Midtown. These projects were scheduled before the T.I.R.Z. was created to address existing deficiencies. They include $1.2 million for the installation of lateral sanitary sewers on Elgin and McIlhenny, $4 million in sewer rehabilitation as a part of the Greater Houston Wastewater Program, and $35,000 for bikeways on Caroline, Austin, Holman and LaBranch.

PROJECT COSTS TO BE PAID BY T.I.R.Z. #2

To cover operating and administrative expenses for the first two years, the Midtown Redevelopment Authority borrowed money from the Houston Housing Finance Corporation and from Reliable Life Insurance Company, a property owner in the district. The expenditures have included planning, engineering, legal and other professional expenses associated with preparing the project plan and the financial plan, creation expenses, office and staff costs, accounting expenses, and costs associated with preparing developer reimbursement agreements. The operating agreement between T.I.R.Z. #2 and the City limits these borrowings to $1 million. To date, $750,000 has been borrowed.

The state statue calls for one-third of the tax increment funds (after deducting expenses of creation and operation of the T.I.R.Z.) to be spent on housing for persons and families of low income. "Persons and families of low income" is determined by the Board of the T.I.R.Z. based on family size and income. It is also based on whether an area is an area of chronic economic distress as defined in Section 143 of the Internal Revenue Code or in an Enterprise Zone created under the Texas Enterprise Zone Act. Persons and families of low income will be determined by the T.I.R.Z. Board from time to time according to, among other things, the foregoing factors. At the present time, persons and families of low income according to family size and area are established at 80% of the income limits for Houston Housing Finance Corporation qualified mortgage programs. Housing costs include site acquisition and improvements, building construction, financing, occupancy and maintenance programs. Site improvements can include assessments and clean-up, utilities, grading, paving, landscaping, etc. All forms of housing are eligible: apartments, townhouses, duplexes, single family. The housing may be rental or owner-occupied. The funds can be loans or grants. Preference will be given to programs that will encourage long-term residency in the district. The exception to this policy will be for student housing. Special consideration may be given to people who work in areas adjacent to Midtown: CBD, Medical Center, Colleges and Universities. Large numbers of policemen, firemen, nurses, secretaries and teachers are among the people who would be qualified. T.I.R.Z. assisted housing may be located outside of the district, but the goals of the district will be best served if all or most is within the district. It will be available to all ages, races, and ethnic backgrounds.

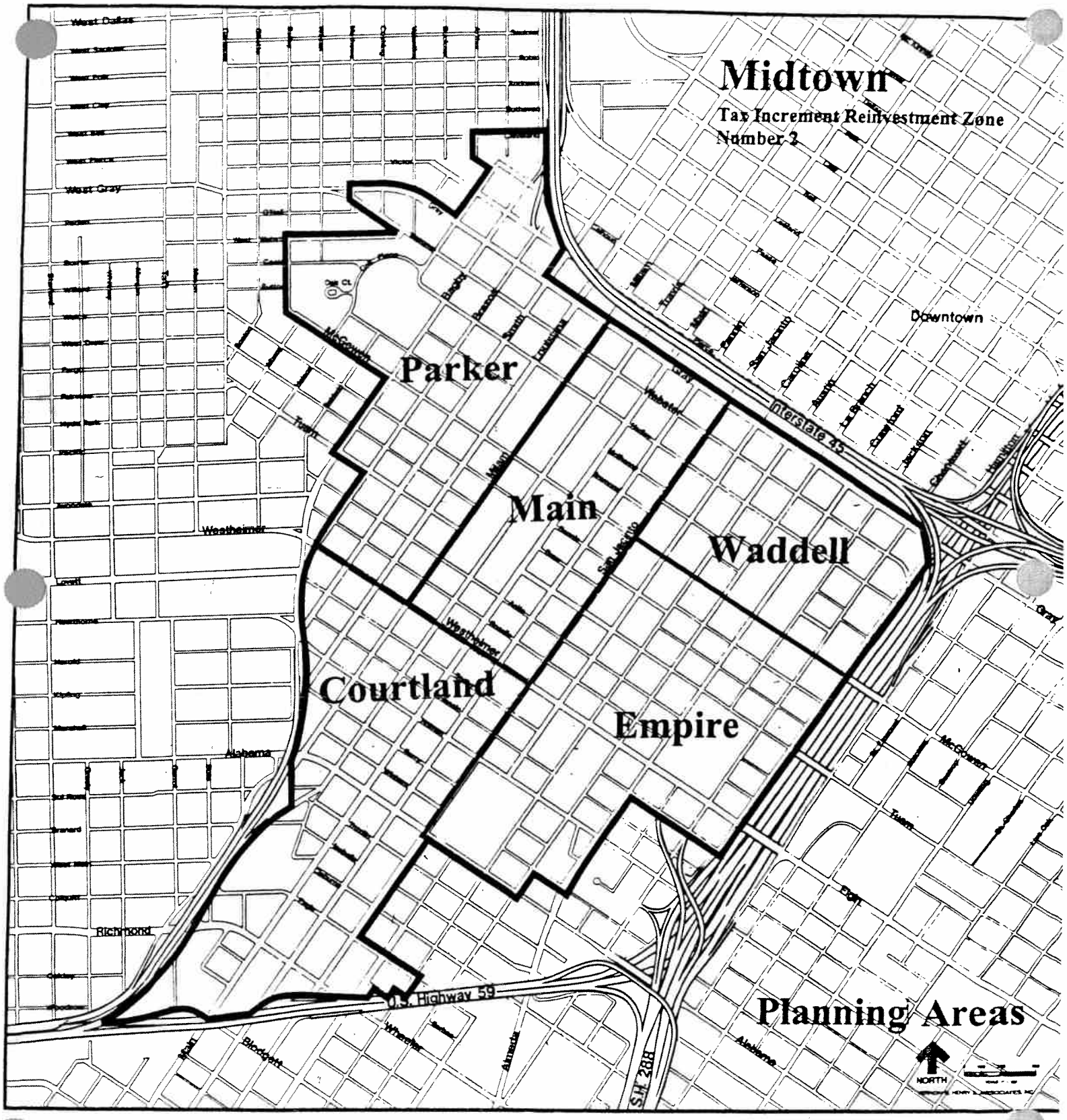
Funds to be spent on housing are not specifically identified as such in the accompanying Pro Forma Cash Flow Estimate table. Rather, the housing amounts are included in the various appropriate project cost items. The project cost itemization follows the categories established in Section 311.02 of the Texas Tax Increment Financing Act. The dollar amounts shown are approximate for budgetary purposes. It is anticipated that most spending will be made in association with much larger expenditures by private developers. T.I.R.Z. #2 will generally be facilitating and reacting to these private proposals, rather than instigating its own development. For that reason, money may be shifted from one category to another; only the total expenditure should be regarded as a fixed amount.

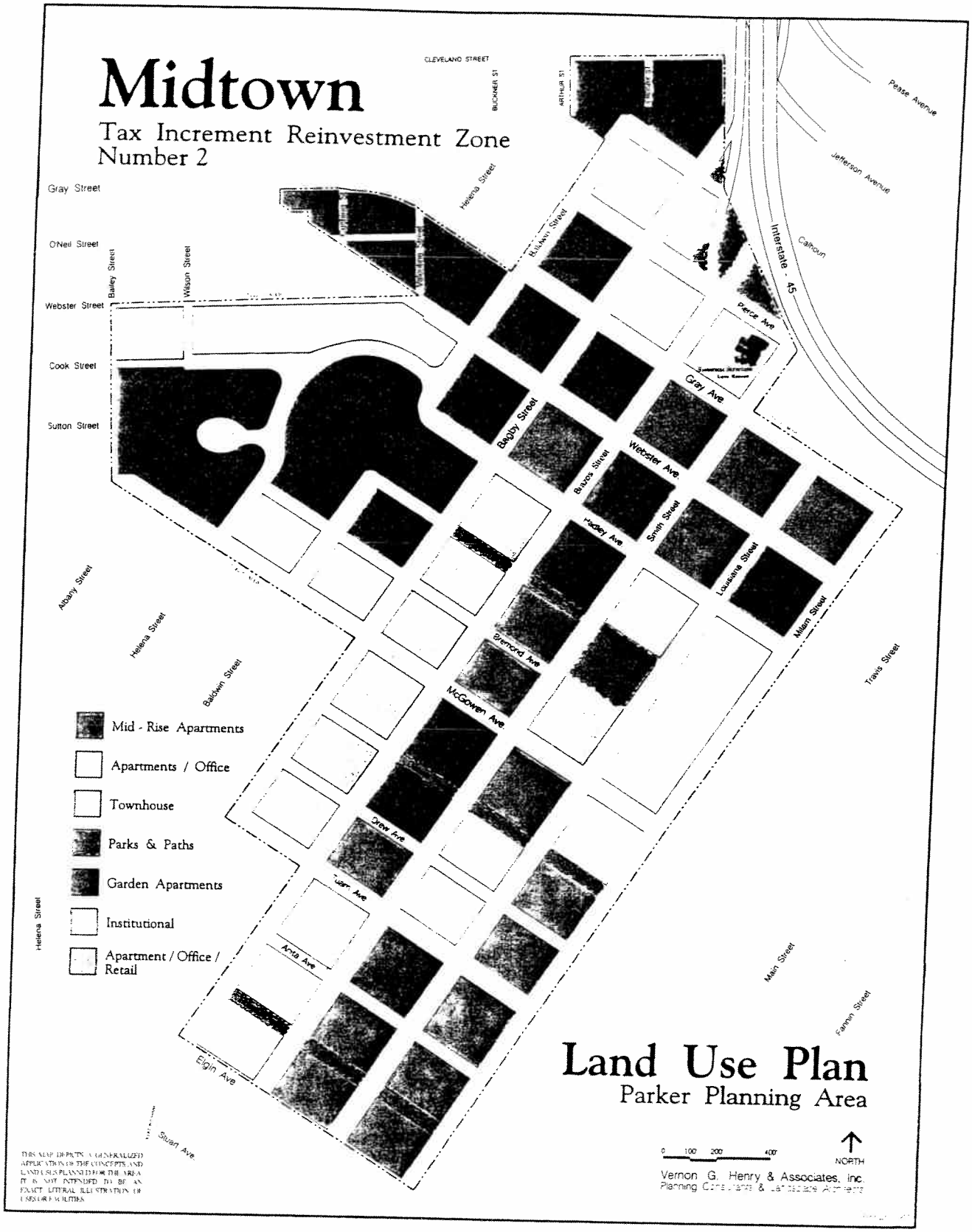
This financial plan will be updated from time to time to match actual development or revised trends or changes in the State laws.

Midtown Pro Forma Cash Flow Estimates

	1997	1998	1999	2000	2001	Years 1-5	Years 6-10	Years 11-15	Cumulative Years 16-20	Years 21-25	Years 26-28	Years 1-28
Capital Program Outlays												
Capital Projects	$3,400,000	$4,300,000	$3,700,000	$4,700,000	$4,600,000	$20,700,000	$28,400,000	$12,000,000	$38,600,000	$75,000,000	$41,400,000	$216,100,000
Educational Facility Expenditures*	$0	$291,443	$510,276	$712,433	$893,415	$2,407,567	$5,978,034	$6,000,000	$6,000,000	$6,000,000	$1,200,000	$27,585,601
Financing Costs	$195,000	$195,000	$180,000	$150,000	$150,000	$870,000	$750,000	$0	$0	$0	$0	$1,620,000
Real Property Assembly	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$10,000,000	$5,000,000	$5,000,000	$0	$0	$0	$20,000,000
Professional Services	$443,000	$250,000	$250,000	$250,000	$200,000	$1,393,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$0	$5,393,000
TOTAL	$6,038,000	$6,745,000	$6,130,000	$7,100,000	$6,950,000	$32,963,000	$35,150,000	$18,000,000	$39,600,000	$76,000,000	$41,400,000	$243,113,000
Operating Expenses												
Creation and Plan Expenses	$260,000	$150,000	$122,300	$0	$0	$532,300	$0	$0	$0	$0	$0	$532,300
Zone Operations	$131,000	$200,000	$300,000	$450,000	$450,000	$1,531,000	$2,250,000	$2,250,000	$2,250,000	$2,250,000	$1,350,000	$11,881,000
TOTAL	$391,000	$350,000	$422,300	$450,000	$450,000	$2,063,300	$2,250,000	$2,250,000	$2,250,000	$2,250,000	$1,350,000	$12,413,300
Existing Short-Term Debt Pmts												
HHFC Note Payments	$265,000					$265,000	$0	$0	$0	$0	$0	$265,000
Reliable Life Note Payments	$40,000	$40,000	$40,000	$125,228	$125,228	$370,456	$375,685	$0	$0	$0	$0	$746,141
TOTAL	$305,000	$40,000	$40,000	$125,228	$125,228	$635,456	$375,685	$0	$0	$0	$0	$1,011,141
Future Borrowing												
Borrowings	$6,500,000	$6,500,000	$6,000,000	$5,000,000	$5,000,000	$29,000,000	$25,000,000	$0	$0	$0	$0	$54,000,000
Payments	($455,000)	($910,000)	($1,330,000)	($1,680,000)	($2,030,000)	($6,405,000)	($19,041,208)	($27,654,817)	($29,644,549)	($19,598,341)	($5,489,731)	($107,833,646)
Borrowed Proceeds Escrow	($910,000)	($910,000)	($840,000)	($700,000)	($700,000)	($700,000)	($700,000)	$-0	$-0	$-0	$-0	$-0
Cash Flow												
Cash Earmarked for Debt Service												
Beginning Cash on Hand	$236,000	$455,000	$455,000	$420,000	$350,000	$236,000	$350,000	$350,000	$0	$0	$0	$236,000
Tax Increment Revenues	$33,275	$623,165	$1,091,077	$1,523,330	$1,910,307	$5,181,154	$20,283,046	$42,583,083	$68,485,614	$97,887,399	$48,191,719	$282,612,016
Sale of Assembled Real Property				$2,000,000	$2,000,000	$4,000,000	$8,000,000	$5,000,000	$3,000,000	$0	$0	$20,000,000
Borrowed Proceeds Escrow	$910,000	$910,000	$840,000	$700,000	$700,000	$4,060,000	$3,500,000	$0	$0	$0	$0	$7,560,000
Available to Repay Borrowings	$1,179,275	$1,988,165	$2,386,077	$4,643,330	$4,960,307	$13,477,154	$32,133,046	$47,933,083	$71,485,614	$97,887,399	$48,191,719	$310,408,016
Repayment of Borrowings	($760,000)	($950,000)	($1,370,000)	($1,805,228)	($2,155,228)	($7,040,456)	($19,416,893)	($27,654,817)	($29,644,549)	($19,598,341)	($5,489,731)	($108,844,787)
Debt Service Coverage Ratio	155%	209%	174%	257%	230%	191%	165%	173%	241%	499%	878%	285%
Cash After Repayments	$419,275	$1,038,165	$1,016,077	$2,838,102	$2,805,078	$6,436,698	$12,716,153	$20,278,266	$41,841,066	$78,289,059	$42,701,988	$201,563,228
Retained in Escrow	($455,000)	($455,000)	($420,000)	($350,000)	($350,000)	($350,000)	($350,000)	$-0	$-0	$-0	$-0	$-0
Cash Flow After Debt Service												
Cash Carried Forward	$0	$35,275	$23,441	$67,218	$5,320	$0	$60,398	$26,551	$54,817	$45,882	$84,941	$0
Cash Available for General Use	($35,725)	$618,441	$619,518	$2,555,320	$2,460,398	$6,086,698	$12,426,551	$20,304,817	$41,895,882	$78,334,941	$42,786,928	$201,563,228
New Borrowings	$6,500,000	$6,500,000	$6,000,000	$5,000,000	$5,000,000	$29,000,000	$25,000,000	$0	$0	$0	$0	$54,000,000
Operating Expenses	($391,000)	($350,000)	($422,300)	($450,000)	($450,000)	($2,063,300)	($2,250,000)	($2,250,000)	($2,250,000)	($2,250,000)	($1,350,000)	($12,413,300)
Capital Program Expenditures	($6,038,000)	($6,745,000)	($6,130,000)	($7,100,000)	($6,950,000)	($32,963,000)	($35,150,000)	($18,000,000)	($39,600,000)	($76,000,000)	($41,400,000)	($243,113,000)
Ending Cash	$35,275	$23,441	$67,218	$5,320	$60,398	$60,398	$26,551	$54,817	$45,882	$84,941	$36,928	$36,928

* Amounts shown are MINIMUM amounts to be dedicated to pay principal and interest for Schools, Educational and Cultural Facilities


Midtown
Tax Increment Reinvestment Zone
Number 2
Parker
Main
Waddell
Courtland
Empire
Planning Areas
Downtown
Interstate 45
U.S. Highway 59
S.H. 288
West Dallas
West Gray
McGowen
Weathemer
Alabama
Richmond
Blodgett
Wheeler
Almeda
Main
Bagby
Travis
Austin
Jackson
Crawford
Caroline
San Jacinto
Louisiana
Milam
Fannin
Smith
Gray
NORTH


Midtown
Tax Increment Reinvestment Zone
Number 2
Land Use Plan
Parker Planning Area
Mid - Rise Apartments
Apartments / Office
Townhouse
Parks & Paths
Garden Apartments
Institutional
Apartment / Office / Retail
CLEVELAND STREET
BUCKNER ST
ARTHUR ST
Pease Avenue
Jefferson Avenue
Calhoun
Interstate - 45
Gray Street
O'Neil Street
Webster Street
Cook Street
Sutton Street
Bailey Street
Wilson Street
Helena Street
Rusk Ave
Pierce Ave
Gray Ave
Bagby Street
Brazos Street
Webster Ave
Hadley Ave
Smith Street
Louisiana Street
Milam Street
Albany Street
Baldwin Street
Travis Street
Bremond Ave
McGowen Ave
Drew Ave
Tuam Ave
Anita Ave
Elgin Ave
Stuart Ave
Milam Street
Fannin Street
0 100 200 400'
NORTH
Vernon G. Henry & Associates, Inc.
Planning Consultants & Landscape Architects

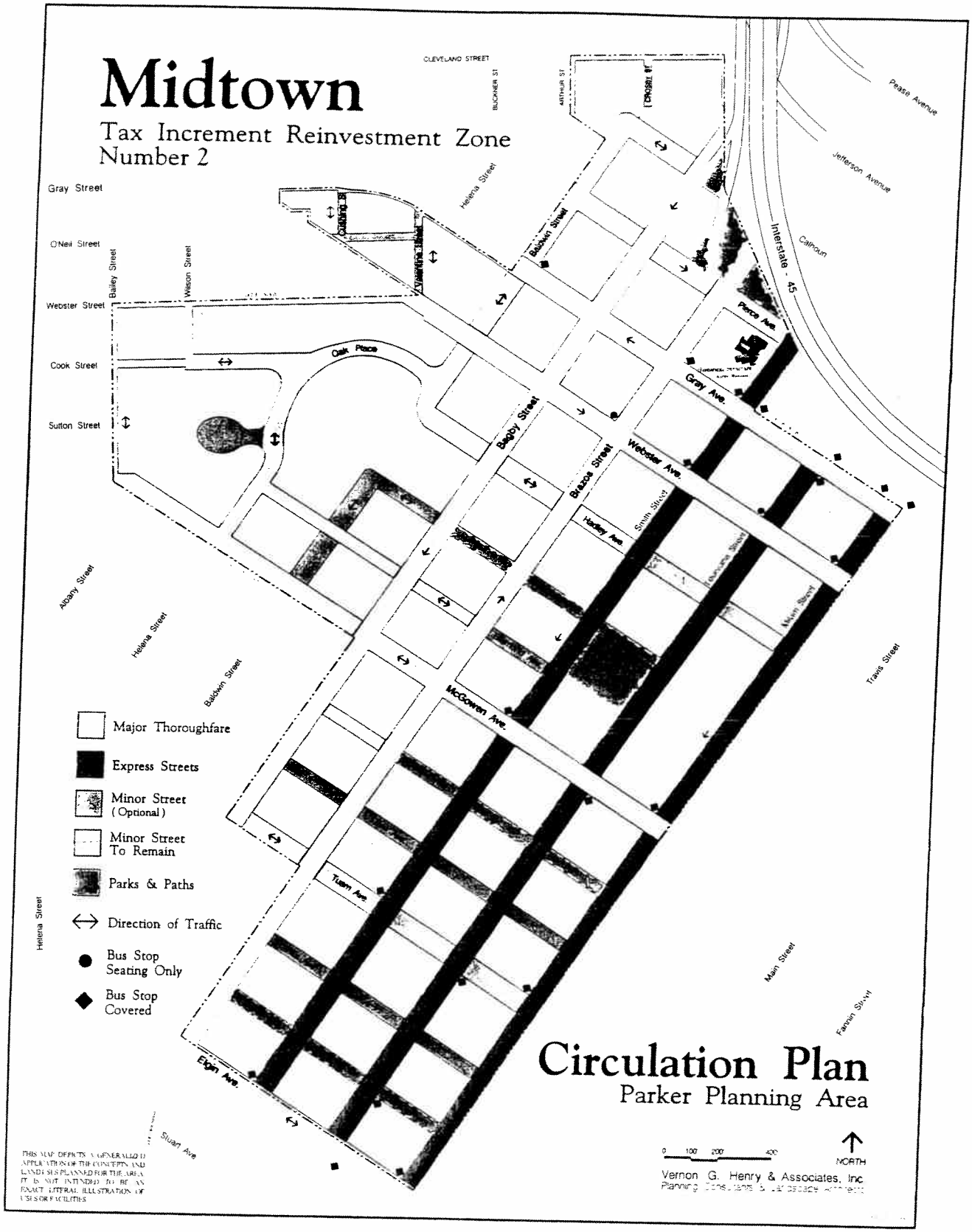
Parker Area
Pedestrian and Vehicle Circulation

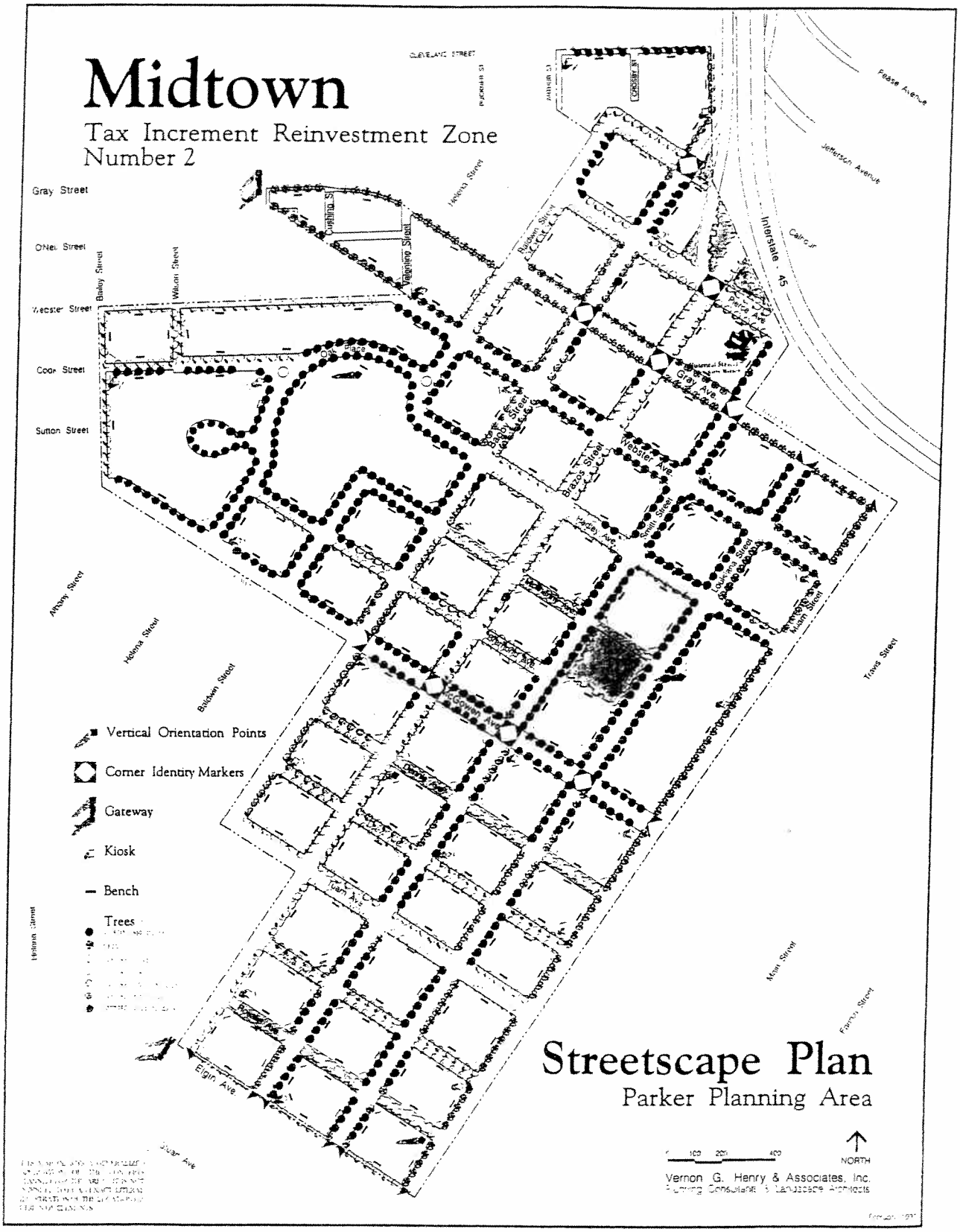
Milam, Louisiana, Smith, Brazos and Bagby are important circulation arteries, running basically north-south and linking downtown Houston with the Southwest Freeway. Only two, Brazos and Bagby, are officially designated as "major thoroughfares" on the City plan, but all perform the same function - a series of one-way pairs with sequenced traffic signalization to expedite traffic into and out of downtown. Traffic counts range between approximately 6,200 and 16,000 vehicles per day and, obviously, concentrated during the morning and evening rush hours during the work week. None, however, can be considered congested. Therefore, they can easily handle additional local traffic as Midtown develops.

Westheimer-Elgin, McGowen, Webster and Gray are designated east-west major thoroughfares. Westheimer-Elgin carries the highest traffic volume, about 10,700 vehicles per day, with McGowen, Webster and Gray, respectively, carrying 3,900, 10,400 and 5,800 vehicles per day. Both McGowen and Westheimer-Elgin are two-way streets. Webster and Gray form a one-way pair funneling traffic to and from the west along the West Gray corridor. Again, additional traffic generated by Midtown development can easily be accommodated on these streets.

As previously mentioned, Milam, Louisiana, Smith, Gray and Webster will be reconstructed under the City-METRO cooperative program.

Minor streets shown in light blue must remain in place because of overall traffic circulation needs. Portions of other existing minor streets as shown in red might be closed to traffic depending upon access needs of adjoining properties. Right-of-way for some might be abandoned entirely.


Midtown
Tax Increment Reinvestment Zone
Number 2
Gray Street
O'Neil Street
Webster Street
Cook Street
Sutton Street
Bailey Street
Wilson Street
Cleveland Street
Buckner St
Arthur St
Helena Street
Buchan Street
Pease Avenue
Jefferson Avenue
Calhoun
Interstate - 45
Pierce Ave.
Gray Ave.
Oak Place
Bagby Street
Brazos Street
Webster Ave.
Hadley Ave.
Smith Street
Louisiana Street
Main Street
Travis Street
Albany Street
Baldwin Street
McGowen Ave.
Tuam Ave.
Main Street
Fannin Street
Elgin Ave.
Stuart Ave
Major Thoroughfare
Express Streets
Minor Street (Optional)
Minor Street To Remain
Parks & Paths
Direction of Traffic
Bus Stop Seating Only
Bus Stop Covered
Circulation Plan
Parker Planning Area
0 100 200 400
NORTH
Vernon G. Henry & Associates, Inc.
Planning Consultants & Landscape Architects
THIS MAP DEPICTS A GENERALIZED APPLICATION OF THE CONCEPTS AND LAND USE PLANNED FOR THE AREA. IT IS NOT INTENDED TO BE AN EXACT, LITERAL ILLUSTRATION OF USE OR FACILITIES


Midtown
Tax Increment Reinvestment Zone
Number 2
Gray Street
O'Neil Street
Webster Street
Coor Street
Sutton Street
Bailey Street
Wilson Street
Helena Street
Baldwin Street
Anthony Street
Travis Street
Main Street
Farris Street
Elgin Ave
Pease Avenue
Jefferson Avenue
Interstate 45
Gray Ave
Webster Ave
Brazos Street
Vertical Orientation Points
Corner Identity Markers
Gateway
Kiosk
Bench
Trees
Streetscape Plan
Parker Planning Area
NORTH
Vernon G. Henry & Associates, Inc.
Planning Consultants & Landscape Architects

MIDTOWN: PARKER PLANNING AREA

STREET TREE PLANTING

Street Name	Selected Trees	Responsibility
Smith	*Quercus polymorpha*, Mexican Oak	Metro
Louisiana	*Ulmus crassifolia*, Cedar Elm	Metro
Milam	*Quercus polymorpha*, Mexican Oak	Metro
Gray	*Taxodium distichum*, Bald Cypress	Metro/Midtown
Webster	*Taxodium distichum*, Bald Cypress	Metro/Midtown
W-Webster	*Quercus virginiana*, Live Oak	Midtown
McGowen	*Taxodium distichum*, Bald Cypress	Metro/Midtown
Bagby	*Magnolia virginiana*, Sweet Bay Magnolia	Midtown
Brazos	*Fraxinus pennsylvanica*, Green Ash	Midtown
Calhoun	*Quercus virginiana*, Live Oak	Midtown
Pierce	*Quercus virginiana*, Live Oak	Midtown
Hadley	*Lagerstroemia X 'Tuscarora'*, Tuscarora Crape Myrtle	Midtown
Bremond	*Quercus virginiana*, Live Oak	Midtown
Dennis	Lagerstroemia X 'Tuscarora',	Midtown
Drew	Lagerstroemia X 'Tuscarora',	Midtown
Tuam	*Quercus virginiana*, Live Oak	Midtown
Anita	Lagerstroemia X 'Tuscarora',	Midtown
Rosalie	*Quercus virginiana*, Live Oak	Midtown
Elgin	*Fraxinus pennsylvanica*, Green Ash	Midtown
Baldwin	*Quercus virginiana*, Live Oak	Existing
Helena	*Quercus virginiana*, Live Oak	Existing
Oak Place	*Quercus virginiana*, Live Oak	Existing
Cook	*Quercus virginiana*, Live Oak	Midtown
Cleveland	*Quercus virginiana*, Live Oak	Existing

HOUSTON CITY COUNCIL

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Gracie Saenz, Position 1

Joe Roach, Position 2

Orlando Sanchez, Position 3

Chris Bell, Position 4

Judson Robinson, Position 5

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Martha Wong, District C

Jew Don Boney, District D

Rob Todd, District E

Ray Driscoll, District F

John Kelley, District G

Felix Fraga, District H

John Castillo, District I

Lloyd E. Kelley, Controller

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State Representative Garnet Coleman

HARRIS COUNTY

Judge Robert Eckels

El Franco Lee, Commissioner Precinct 1

Jim Fonteno, Commissioner Precinct 2

Steve Radack, Commissioner Precinct 3

Gerald Eversole, Commissioner Precinct 4

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Carol Mims Galloway, District II

Olga Gallegos, District III

Arthur M. Gaines, Jr., District IV

Don McAdams, District V

Laurie Bricker, District VI

Ron Franklin, District VII

Esther Campos, District VIII

W. Clyde Lemon, District IX

Reinvestment Zone Number Two, City of Houston, Texas, covering Midtown was created by Houston City Council on December 14, 1994, by Ordinance No. 94-1345. The Board of Directors was appointed in April 1995. On June 6, 1995, Harris County Commissioners Court voted to participate in the district. The Board of Houston Independent School District voted to participate in the district on December 12, 1996. The Midtown Redevelopment Authority (MRA) was established as a parallel organization to conduct business for the Reinvestment Zone. The board members are the same for both entities. Five, including the chair, are appointed by the City. One each is appointed by Harris County, the state senator for the area, the state representative for the area, and the Houston Independent School District.

Reinvestment Zone Number Two, City of Houston, Texas, is commonly referred to as T.I.R.Z. #2, the Midtown T.I.R.Z., T.I.R.Z. or, simply, Midtown. These terms are used interchangeably in this document.

This document was approved by Houston City Council on May 28, 1997; Ordinance No. 97-600