

City of Houston, Texas, Ordinance No. 94-1345

**AN ORDINANCE DESIGNATING A CONTIGUOUS GEOGRAPHIC AREA, GENERALLY BOUNDED BY I-45 ON THE NORTH, HWY. 288 ON THE EAST, U.S. HWY. 59 ON THE SOUTH, AND BAGBY STREET AND SPUR 527 ON THE WEST (MIDTOWN), AS REINVESTMENT ZONE NUMBER TWO, CITY OF HOUSTON, TEXAS; CREATING A BOARD OF DIRECTORS FOR SUCH ZONE; MAKING VARIOUS FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; PROVIDING A SEVERABILITY CLAUSE; AND DECLARING AN EMERGENCY.**

\* \* \* \* \*

**WHEREAS,** the City Council has received a petition, as supplemented (the "Petition"), requesting that a contiguous geographic area in Houston, Texas, generally bounded by I-45 on the North, Hwy. 288 on the East, U.S. Hwy. 59 on the South, and Bagby Street and Spur 527 on the West (Midtown), be designated as a reinvestment zone under the provisions of Chapter 311 of the Texas Tax Code; and

**WHEREAS,** the Petition was submitted by the owners of property constituting at least fifty percent of the appraised value of the property in the proposed reinvestment zone according to the most recent certified appraisal roll for Harris County, Texas, the county in which the proposed zone is located; and

**WHEREAS,** the City Council passed Resolution No. 94-24, as amended by Resolution No. 94-31, authorizing the preparation of a preliminary reinvestment zone financing plan and the publication of notice of a public hearing on the creation of the proposed zone; and

**WHEREAS,** the City has prepared a preliminary reinvestment zone financing plan and has presented the plan to the governing body of each taxing unit that levies taxes on real property in the proposed reinvestment zone; provided notice to each such taxing unit of the

public hearing on the creation of the proposed zone and made a formal presentation to representatives of Harris County and Houston Independent School District pursuant to Section 311.003 of the Texas Tax Code; and

**WHEREAS**, the preliminary reinvestment zone financing plan provides that City of Houston ad valorem taxes are to be deposited into the tax increment fund, and that taxes of other taxing units may be utilized in the financing of the proposed zone; and

**WHEREAS**, a notice of the December 7, 1994, public hearing on the creation of the proposed zone was published on November 30, 1994, in the Houston Chronicle and the Houston Post, newspapers of general circulation in the City; and

**WHEREAS**, Harris County, pursuant to Section 311.003, Texas Tax Code, has waived the Tax Code requirement that it receive sixty (60) days' notice of the public hearing on the creation of the proposed zone by action of its Commissioner's Court on October 25, 1994; and

**WHEREAS**, the Houston Independent School District, pursuant to Section 311.003, Texas Tax Code, has waived the requirement that it receive sixty (60) days' notice of the public hearing on the creation of the proposed zone by action of its Board of Trustees on November 3, 1994; and

**WHEREAS**, at the public hearing, interested persons were allowed to speak for or against the creation of the proposed zone, its boundaries, or the concept of tax increment financing; and

WHEREAS, evidence was received and presented at the public hearing in favor of the creation of the proposed zone under the provisions of Chapter 311, Texas Tax Code, and no one appeared or presented evidence in opposition to the creation of the proposed zone;

WHEREAS, no owner of real property in the proposed zone protested the inclusion of his property in the proposed zone; NOW, THEREFORE,

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

**Section 1. Findings**

(a) That the facts and recitations contained in the preamble of this Ordinance are hereby found and declared to be true and correct and are adopted as part of this Ordinance for all purposes.

(b) That the City Council further finds and declares that the proposed improvements in the zone will significantly enhance the value of all the taxable real property in the proposed zone and will be of general benefit to the City.

(c) That the City Council further finds and declares that the proposed reinvestment zone meets the criteria of Section 311.005 of the Texas Tax Code because:

(1) The proposed zone is an area that substantially impairs or arrests the sound growth of the City; retards the provision of housing accommodations; constitutes an economic and social liability and is a menace to the public health, safety, morals and welfare in its present condition and use because of the presence of unsanitary and unsafe conditions; the deterioration of site or other improvements;

the predominance of inadequate sidewalk and street layout; the presence of a substantial number of substandard, deteriorated and deteriorating structures; and the existence of conditions that endanger life or property by fire or other cause; and

- (2) The proposed zone is an area described in a petition submitted by the owners of property constituting at least 50 percent of the appraised value of the property in the area requesting that the area be designated as a reinvestment zone;
- (d) That the City Council, pursuant to the requirements of Chapter 311, Texas Tax

Code, further finds and declares:

- (1) That the proposed zone is a contiguous geographic area located wholly within the corporate limits of the City of Houston;
- (2) That the total appraised value of taxable real property in the proposed zone, or in existing reinvestment zones, if any, does not exceed fifteen percent of the total appraised value of taxable real property in the City and in industrial districts created by the City;
- (3) That the proposed zone does not contain more than fifteen percent of the total appraised value of real property taxable by Harris County or the Houston Independent School District;

- (4) That development or redevelopment within the boundaries of the proposed zone will not occur solely through private investment in the reasonably foreseeable future.

**Section 2. Designation of the Zone**

That the City, acting under the provisions of Chapter 311, Texas Tax Code (the "Act"), including Section 311.005(a)(5), does hereby create and designate a reinvestment zone over the area described in Exhibit "A" and depicted in the map attached hereto as Exhibit "B." The reinvestment zone shall hereafter be identified as Reinvestment Zone Number Two, City of Houston, Texas, (the "Zone"). The City Council specifically declares that the Zone is designated pursuant to Section 311.005(a)(5) of the Texas Tax Code.

**Section 3. Board of Directors**

That there is hereby created a Board of Directors for the Zone, which shall consist of nine (9) members. Position One on the Board of Directors shall be filled by the State Senator representing the area included within the Zone or his designee. Position Two on the Board shall be filled by the State Representative representing the area included within the Zone or his designee. The Mayor is hereby authorized to nominate and appoint the remaining seven (7) members of the Board to Positions Three through Nine, subject to the consent and approval of the City Council provided, however, that Harris County shall be entitled to appoint a director to Position Nine if Harris County approves the payment of all or part of the tax increment attributable to Harris County; and, that the Houston Independent School District ("HISD") shall

be entitled to appoint a director to Position Eight if HISD approves the payment of all or part of the tax increment attributable to HISD.

The directors or their designees in Position One and Position Two shall be members of the board by operation of law pursuant to Section 311.009(b), Texas Tax Code. The directors appointed to Positions Three, Four and Five shall be appointed for two year terms, beginning January 1, 1995, while the directors appointed to Positions Six, Seven, Eight and Nine shall be appointed to a one year term, beginning January 1, 1995. All subsequent appointments shall be for two-year terms. The member of the Board of Directors appointed to Position Three is hereby designated to serve as the chair of the Board of Directors for a term beginning January 1, 1995, and ending December 31, 1995. Thereafter, the Mayor shall annually nominate and appoint, subject to City Council approval, a member to serve as chair for a term of one year beginning January 1 of the following year. The City Council authorizes the Board of Directors to elect from its members a vice chairman and such other officers as the Board of Directors sees fit.

The Board of Directors shall make recommendations to the City Council concerning the administration of the Zone. The Board of Directors shall prepare or cause to be prepared and adopt a project plan and a reinvestment zone financing plan for the Zone as described in Section 311.011, Texas Tax Code, and shall submit such plans to the City Council for its approval. The City hereby delegates to the Board of Directors all powers necessary to prepare and implement the project plan and reinvestment zone financing plan, subject to approval by the City Council,

including the power to employ any consultants or enter into any reimbursement agreements payable solely from the Tax Increment Fund established pursuant to Section 6 of this Ordinance subject to the approval of the Director of the Finance and Administration Department, that may be reasonably necessary to assist the Board of Directors in the preparation of the project plan and reinvestment zone financing plan and in the issuance of tax increment obligations.

**Section 4. Duration of the Zone**

That the Zone shall take effect on January 1, 1995, and termination of the operation of the Zone shall occur on December 31, 2025, or at an earlier time designated by subsequent ordinance, or at such time, subsequent to the issuance of tax increment bonds, if any, that all project costs, tax increment bonds, and the interest on the bonds, have been paid in full.

**Section 5. Tax Increment Base**

That the Tax Increment Base for the Zone is the total appraised value of all real property taxable by the City and located in the Zone, determined as of January 1, 1995, the year in which the Zone was effective and designated as a reinvestment zone (the "Tax Increment Base").

**Section 6. Tax Increment Fund**

That there is hereby created and established a Tax Increment Fund for the Zone which may be divided into subaccounts as authorized by subsequent ordinances. All Tax Increments, as defined below, shall be deposited in the Tax Increment Fund. The Tax Increment Fund and any subaccounts shall be maintained at the depository bank of the City and shall be secured in the manner prescribed by law for Texas cities. The annual Tax Increment shall equal the

amount by which the then-current appraised value of all taxable real property located in the Zone exceeds the Tax Increment Base of the Zone less any amounts that are to be allocated from the Tax Increment pursuant to the Act. All revenues from the sale of any tax increment bonds or other notes hereafter issued by the City, if any; revenues from the sale of property acquired as part of the tax increment financing plan, if any; and other revenues to be used in the Zone shall be deposited into the Tax Increment Fund. Money shall be disbursed from the Tax Increment Fund only to pay project costs as defined by the Texas Tax Code, for the Zone, or to satisfy the claims of holders of tax increment bonds or notes issued for the Zone. Pursuant to the provisions of Section 311.011(f), Texas Tax Code, one third of the Tax Increment Fund is hereby dedicated to providing low-income housing in the City during the term of the Zone, and shall be set aside in a separate subaccount or fund within the Tax Increment Fund established for that purpose.

**Section 7. Severability**

If any provision, section, subsection, sentence, clause or phrase of this Ordinance, or the application of same to any person or set of circumstances, is for any reason held to be unconstitutional, void or invalid, the validity of the remaining provisions of this Ordinance or their application to other persons or set of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no portion hereof or regulations contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or

invalidity of any portion hereof, and all provisions of this Ordinance are declared severable for that purpose.

**Section 8. Open Meetings**

It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of the meeting of the City Council at which this Ordinance was adopted was posted at a place convenient and rapidly accessible at all times to the general public at the City Hall of the City for the Time required by law preceding this meeting, as required by the Open Meetings Law, Texas Gov't Code Ann., ch. 551, 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 hereof has been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

**Section 9. Notices**

The contents of the notice of the public hearing, which hearing was held before the City Council on December 7, 1994, and the publication of said notice, is hereby ratified, approved and confirmed.

**Section 10. Emergency**

There exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days

of its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED this 14<sup>th</sup> day of December, 19994

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_.

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

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is 12-20-94.

*[Signature]*  
City Secretary

(Prepared by Legal Dept.  
(MAM/mam 12/12/94)

*Mich. Anthony Moss* <sup>DA</sup> *all*  
Assistant City Attorney

(Requested by Richard Lewis, Director, Finance and Administration Department)  
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**BOUNDARY DESCRIPTION**

**Midtown Tax Increment Financed District**

Being all of the following described property in the Obedience Smith Survey, Abstract No. 696, and the James S. Holman Survey No. 323, City of Houston, Harris County Texas and being more particularly described as follows:

**BEGINNING** at the intersection of the westerly line of Brazos Street with the northerly line of Webster Avenue;

**THENCE** in a southeasterly direction along the northerly line of Webster Avenue to its intersection with the easterly line of Main Street;

**THENCE** in a southwesterly direction along the easterly line of Main Street to its intersection with the northerly line of Dennis Avenue;

**THENCE** in a southeasterly direction along the northerly line of Dennis Avenue to its intersection with the westerly line of San Jacinto Street;

**THENCE** in a northeasterly direction along the westerly line of San Jacinto Street to its intersection with the northerly line of McGowen Avenue;

**THENCE** in a southeasterly direction along the northerly line of McGowen Avenue to its intersection with the westerly line of Austin Street;

**THENCE** in a northeasterly direction along the westerly line of Austin Street to its intersection with the northerly line of Webster Avenue;

THENCE in a southeasterly direction along the northerly line of Webster Avenue to its intersection with the easterly line of Chenevert Street;

THENCE in a southwesterly direction along the easterly line of Chenevert Street to its intersection with the northerly line of Dennis Avenue;

THENCE in a southeasterly direction along the northerly line of Dennis Avenue to its intersection with the easterly line of Hamilton Street which is adjacent to US Hwy 59/State Highway 288;

THENCE in a southwesterly direction along the easterly line of Hamilton Street to its intersection with the southerly line of Stuart Avenue;

THENCE in a northwesterly direction along the southerly line of Stuart Avenue to its intersection with the Easterly line of Crawford Street;

THENCE in a southwesterly direction along the easterly line of Crawford Street to its intersection with the southerly line of Winbern Avenue;

THENCE in a northwesterly direction along the southerly line of Winbern Avenue to its intersection with the easterly line of La Branch Street;

THENCE in a southwesterly direction along the easterly direction along the easterly line of La Branch Street to its intersection with the southerly line of Alabama Avenue;

THENCE in a northwesterly direction along the southerly line of Alabama Avenue to its intersection with the easterly line of San Jacinto Street;

THENCE in a southwesterly direction along the easterly line of San Jacinto Street to its intersection with the southerly line of Cleburne Avenue;

THENCE in a northwesterly direction along the southerly line of Cleburne Avenue to its intersection with the easterly line of Main Street;

THENCE in a southerly direction along the easterly line of Main Street to its intersection with the southerly line of Richmond Avenue;

THENCE northwesterly and westerly along the southerly line of Richmond Avenue to its intersection with the easterly line of Spur 527, a segment of the Southwest Freeway;

THENCE in a northeasterly and northerly direction along said Spur 527 to it's intersection with the easterly line of Milam Street;

THENCE in a northeasterly direction along the easterly line of Milam Street to its intersection with the easterly line of said Spur 527;

THENCE in a northerly and northeasterly direction along the easterly line of said Spur 527 to its intersection with the northerly line of Elgin Avenue;

THENCE in a northwesterly direction along the northerly line of Elgin Avenue to its intersection with the westerly line of Brazos Street;

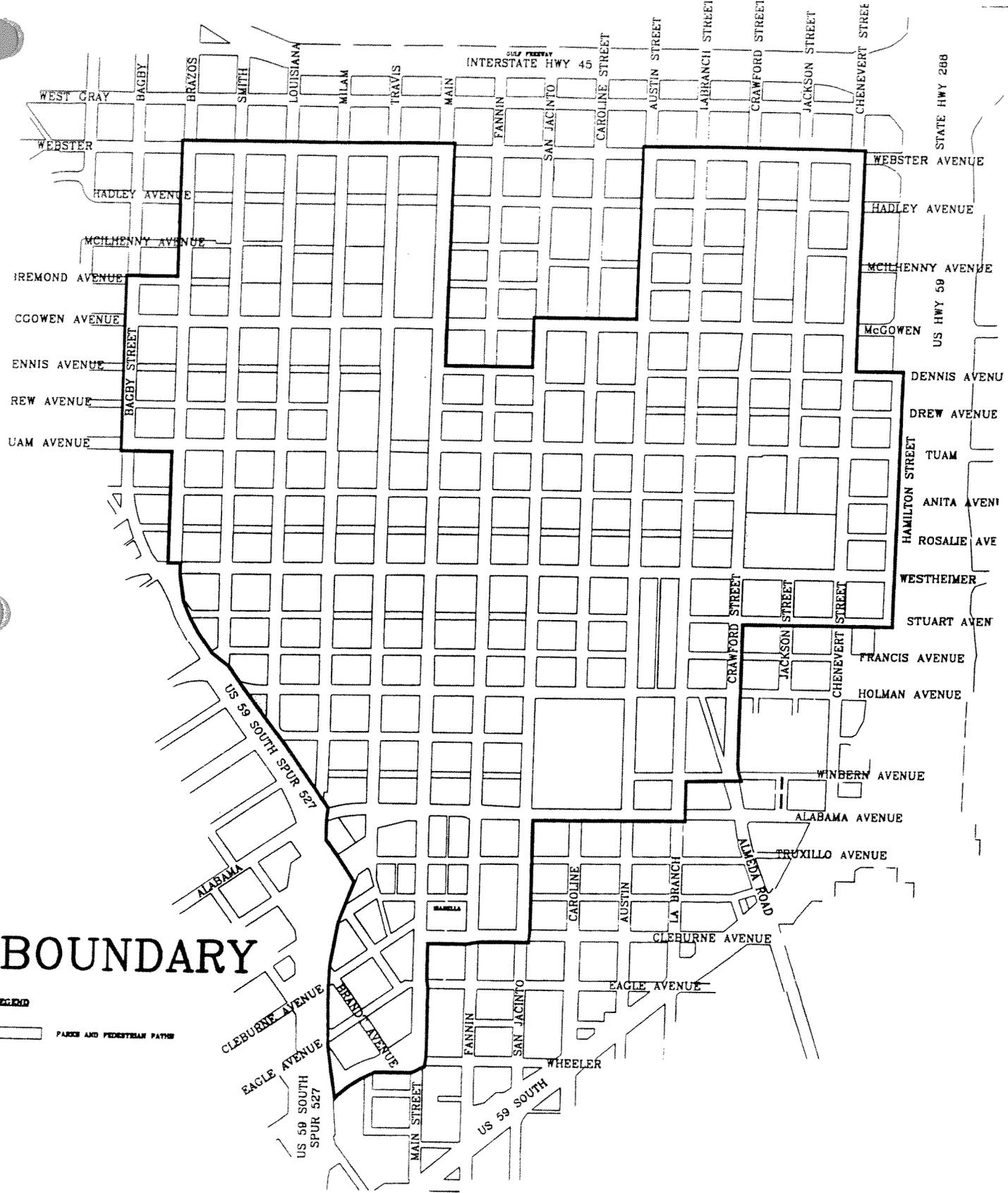
THENCE in a northeasterly direction along the westerly line of Brazos Street to its intersection with the southerly line if Tuam Avenue;

THENCE in a northwesterly direction along the southerly line of Tuam Avenue to its intersection with the westerly line of Bagby Street;

THENCE in a northeasterly direction along the westerly line of Bagby Street to it's intersection with the northerly line of Bremond Street;

THENCE in a southeasterly direction along the northerly line of Bremond Street to its intersection with the westerly line of Brazos Street;

THENCE in a northeasterly direction along the westerly line of Brazos Street to it's intersection with the northerly line of Webster Avenue same being THE PLACE OF BEGINNING of the herein described District.



# BOUNDARY

**LEGEND**  
 [Thick black line] BOUNDARY  
 [Thin black line] PARKS AND PEDESTRIAN PATHS

REQUEST FOR COUNCIL ACTION

*W. Davis*

**SUBJECT:** Ordinance creating Tax Increment Reinvestment Zone, No. 2, (MIDTOWN) and creating a Board of Directors.

Categ. #

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Agenda Item # 55

**FROM** (Department or other point of origin):

Department of Finance and Administration

Origination Date

12/7/94

Agenda Date

DEC 14 1994

**DIRECTOR'S SIGNATURE:**

*Richard Lewis*

Council District Affected:  
D & I

For Additional Information Contact: Janica D. Davis  
Phone: 247-1332

Date and Identification of Prior Authorizing Council Action:  
10/19/94 Resolution 94-24  
11/16/94 Resolution 94-31

**RECOMMENDATION:** (Summary)

Approve an Ordinance creating a Tax Increment Reinvestment Zone, No. 2 (MIDTOWN) and creating a Board of Directors.

Amount and Source of Funding: N/A

94-1345

**SPECIFIC EXPLANATION:** On September 12, 1994 the City Secretary received a petition signed by owners of over 50% of the total appraised property value within the proposed District. The petition requests the creation of a Tax Increment Reinvestment Zone (aka Tax Increment Financing District) for an area generally bounded by Webster on the north, I-59 on the east and south, and Bagby on the west, known as MIDTOWN.

On October 19, 1994 the City Council passed Resolution 94-24. This Resolution gave the Department authorization to prepare a preliminary reinvestment zone financing plan, to request a waiver of the 60 day notification requirement and established December 21, 1994 as the date for the public hearing. In response to the City's request, the Harris County Commissioners Court approved a waiver of the 60 day notification requirement on October 25, 1994. The Houston Independent School District Board approved a waiver of the 60 day notification requirement on Thursday November 3, 1994.

On November 16, 1994 the City Council passed Resolution 94-31 amending Resolution 94-24 to change the date of the public hearing from December 21 to December 7, 1994, thereby providing City Council more time for consideration. The City Council held a public hearing to receive comments concerning the Zone creation on December 7, 1994.

The Department of Finance and Administration, Legal Department and Planning and Development Department have reviewed the petition and find it in conformance with the City of Houston guidelines. This Ordinance also creates a nine member Board of Directors for the Zone. The statute requires the Board to include the State Representative, State Senator, and up to seven additional members including the Chairman of the Board.

The Department recommends passage of the Ordinance creating the Zone and the Board of Directors.

cc: Richard Lewis  
Ben Hall  
Donna Kristaponis  
Dan Jones

REQUIRED AUTHORIZATION

F&A Budget:

*James Sauer*

Chief Administrative Officer

Other Authorization