

City of Houston, Texas, Ordinance No. 20 09 - 1397

AN ORDINANCE APPROVING AN ECONOMIC DEVELOPMENT PROGRAM FOR REINVESTMENT ZONE NUMBER TWO, CITY OF HOUSTON, TEXAS (MIDTOWN ZONE); CONTAINING VARIOUS PROVISIONS RELATED TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.

* * * * *

WHEREAS, by Ordinance No. 94-1345 adopted December 14, 1994, the City Council of the City of Houston, Texas (the "City") created Reinvestment Zone Number Two, City of Houston, Texas (the "Zone") pursuant to Chapter 311 of the Texas Tax Code, as amended (the "Code") for the purposes of development and redevelopment in the area of the City generally referred to as the Midtown area; and

WHEREAS, the City enlarged the boundaries of the Zone by Ordinance No. 95-1322 adopted on December 13, 1995 by Ordinance No. 1999-849 adopted on August 11, 1999, and by Ordinance No. 2009 - 1397 adopted on December 29, 2009;¹ and

WHEREAS, by Resolution No. 95-96 adopted on June 28, 1995, the City authorized the creation of the Midtown Redevelopment Authority (the "Authority") to aid, assist, and act on behalf of the City in the performance of the City's governmental and proprietary functions with respect to the common good and general welfare of the Zone; and

WHEREAS, pursuant to Article III, Section 52-a of the Texas Constitution and Chapter 380, Texas Local Government Code, as amended, the City is authorized to establish and provide for the administration of one or more programs, including programs

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

for making loans and grants of public money, to promote state or local economic development and to stimulate business and commercial activity in the City; and

WHEREAS, subject to the City's approval, the Zone, as necessary and convenient to implement the project plan and reinvestment zone financing plan for the Zone and to achieve their purposes, is authorized, pursuant to Section 311.010(h) of the Code, to establish and administer one or more programs for the public purpose of developing and diversifying the economy of the Zone, eliminating unemployment and underemployment in the Zone, and developing or expanding transportation, business, and commercial activity in the Zone, including programs to make grants and loans from the tax increment fund of the Zone in an aggregate amount not to exceed the amount of the tax increment produced by the municipality and paid into the tax increment fund for the Zone for activities that benefit the Zone and stimulate business and commercial activity in the Zone; and

WHEREAS, on approval of the City, the Board of Directors of the Zone shall have all of the powers of the City under Chapter 380, Texas Local Government Code, as amended, to implement the Zone's Economic Development Program; and

WHEREAS, the Zone has developed an Economic Development Program pursuant to Chapter 311.010(h) of the Code which is described in Exhibit "A" to this Ordinance; and

WHEREAS, the Zone's Economic Development Program will be administered by the Authority; and

WHEREAS, the City finds that the Economic Development Program complies with Section 311.010(h) of the Code, will diversify the economy of the Zone and the City, and will develop and expand business and commercial activity in the Zone and in the City; and

WHEREAS, the City desires to approve the Zone's Economic Development Program; **NOW, THEREFORE**,

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

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

Section 2. Approval of the Economic Development Program. That the Zone's Economic Development Program attached to this Ordinance as Exhibit "A" is hereby approved. The grants and/or loans to be made by the Zone for its Economic Development Program shall not exceed the amount of the tax increment produced by the City and paid into the tax increment fund created by the City for the Zone, and shall be made in a manner consistent with the Zone's project plan and reinvestment zone financing plan.

Section 3. 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 thereby, it being the intent of the City Council in adopting this Ordinance that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, or invalidity of any other portion hereof, and all provisions of this Ordinance are declared to be severable for that purpose.

Section 4. That City Council officially finds, determines, recites, and declares that 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, TEX. GOV'T CODE (Vernon's 2009), as amended, 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. 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 29th day of December, 2009.

APPROVED this _____ day of _____, 20____.

Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is JAN 0 4 2009.

Anna Russell
City Secretary

(Prepared by Legal Department
 (DRC:drc December 21, 2009)
 (Requested by Michelle Mitchell, Director, Finance Department)
 (L. D. File No. 0610800104004)

1 DEBORAH F. ALBRECHT
 Senior Assistant City Attorney

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AYE	NO	
✓		MAYOR WHITE
••••	••••	COUNCIL MEMBERS
✓		LAWRENCE
✓		JOHNSON
✓		CLUTTERBUCK
✓		ADAMS
✓		SULLIVAN
✓		KHAN
✓		HOLM
✓		GONZALEZ
✓		RODRIGUEZ
✓		BROWN
✓		LOVELL
✓		NORIEGA
✓		GREEN
✓		JONES
CAPTION	ADOPTED	

EXHIBIT "A"

**Economic Development Program
Reinvestment Zone Number Two - Midtown**

REINVESTMENT ZONE NUMBER TWO
ECONOMIC DEVELOPMENT PROGRAM

Pursuant to the authority granted by Section 311.010(h), Texas Tax Code, Reinvestment Zone Number Two, City of Houston, Texas (the “Zone”) hereby establishes an Economic Development Program to promote, develop, and diversify the economy of the Zone, eliminate unemployment and underemployment in the Zone, and develop or expand transportation, business, and commercial activity in the Zone (the “Economic Development Program”).

Objective:

To continue and enhance the efforts of the Zone to promote revitalization in the Zone, the Zone designates a Cultural and Tourism District (the “Cultural District”), comprising the existing boundaries of the Zone and the area being annexed into the Zone. The Cultural District contains many existing cultural facilities, including museums, theaters, and other arts and entertainment venues that attract residents and visitors to the Zone and enhance other commercial enterprises in the Zone and in the City. These cultural facilities provide a unique convergence of cultural enterprises that are a vital element to the City’s tourism industry and urban core commercial and residential economy. Additionally, these cultural facilities would provide valuable contributions to the Zone through the preservation of cultural artifacts, collection of fine arts, teaching and promotion of history, cultural heritage, and the arts and sciences. The creation of the Cultural District will enhance and ensure the continued vitality of the existing cultural facilities, as well as promote the creation and sustainability of new cultural facilities that would add to the economic impact of the cultural facilities within the Cultural District.

As authorized in the Zone’s Project Plan and Reinvestment Zone Financing Plan, as amended, to enhance, encourage, and promote cultural facilities within the Cultural District, the Zone may expend tax increment funds for the establishment, administration and operation of the economic development program defined herein for the public purposes of developing and diversifying the economy of the Zone, and developing or expanding transportation, business, and commercial activities in the Zone. The Economic Development Program including making grants and loans from the tax increment fund for public infrastructure improvements, parking facilities, and the establishment or promotion of public or private facilities that demonstrate public benefit and enhance the economic development of the Zone through increased business, commerce, and tourism.

Eligible Applicants

The following parties are eligible to apply for financial assistance:

1. Owners or tenants of existing cultural facilities demonstrating the objectives of the Economic Development Programs and meeting the Selection Criteria below.
2. Owners or tenants of proposed cultural facilities demonstrating the objectives of the Economic Development Program and meeting the Selection Criteria below.

Selection Criteria

The Zone may offer grants and loans under this Economic Development Program based on one or more of following criteria:

- Effect of funding on viability or location of cultural facility
- Ability to attract cultural related tourism to the Cultural District
- Uniqueness of project to the Cultural District
- Commitment to culturally enhancement through preservation of cultural heritage, teaching of cultural heritage, or the arts and sciences
- Job creation
- Financials
- Provision of Public/Visitor Parking
- Amount of property taxes and/or sales taxes generated directly or indirectly by project
- Creation of pedestrian friendly atmosphere
- Minority, women, and disadvantaged business policies and procedures
- Other public benefits of project

Financial Assistance

Financial assistance may be in the form of grants, loans, or reimbursements. Documentation will be required to ensure that the public purpose for which the funds are paid are carried out. The amount of any individual award will be decided by the Board of Directors of the Zone and in accordance with the Zone's annual budgets approved by the City Council of the City of Houston, Texas.