

Controller's Office

To the Honorable Mayor and City Council of the City of Houston:

I hereby certify, with respect to the money required for the contract, agreement, obligation or expenditure contemplated by the ordinance set out below that:

- Funds have been encumbered out of funds previously appropriated for such purpose.
- Funds have been certified and designated to be appropriated by separate ordinance to be approved prior to the approval of the ordinance set out below.
- Funds will be available out of current or general revenue prior to the maturity of any such obligation.
- No pecuniary obligation is to be incurred as a result of approving the ordinance set out below.
- The money required for the expenditure or expenditures specified below is in the treasury, in the fund or funds specified below, and is not appropriated for any other purposes.
- A certificate with respect to the money required for the expenditure or expenditures specified below is attached hereto and incorporated hereby by this reference.
- OTHER - INTERLOCAL AGREEMENT.
- Other - Grant Funds Available

Lloyd E. Helms 3-96
City Controller of the City of Houston

Date: SEPT. 3, 1996

City Controller of the City of Houston

FUND REF: N/A AMOUNT: N/A ENCUMB. NO.: N/A

pp. C.
N/A

City of Houston Ordinance No. 96-910

AN ORDINANCE APPROVING AND AUTHORIZING AN INTERLOCAL AGREEMENT BETWEEN THE CITY AND TAX INCREMENT REINVESTMENT ZONE NO. 3, AND HOUSTON INDEPENDENT SCHOOL DISTRICT ("HISD") RELATING TO REINVESTMENT ZONE NUMBER THREE; AUTHORIZING A LEVY AND ASSESSMENT OF A SUFFICIENT SUM OF AD VALOREM TAX, IF NECESSARY, PURSUANT TO ARTICLE XI, SECTION 5 OF THE TEXAS CONSTITUTION TO FUND CERTAIN CITY OBLIGATIONS UNDER THE AGREEMENT; MAKING VARIOUS FINDINGS AND PROVISIONS RELATING TO THE SUBJECT; AND DECLARING AN EMERGENCY.

* * * *

WHEREAS, by City Ordinance No. 95-1323, the City created Reinvestment Zone No. 3 ("the Market Square TIRZ") pursuant to Chapter 311, Texas Tax Code ("the TIRZ Act") for the purpose of redevelopment of the Rice Hotel; and

WHEREAS, the City and the Market Square TIRZ Board ("the Board") have entered into an agreement with the Houston Housing Finance Corporation ("HHFC") to provide tax increment funding to pay for some of the costs of the Rice Hotel; and

WHEREAS, the City, HISD, and the Board wish to enter into an agreement by which HISD also provides tax increment funding for a portion of the costs of redeveloping the Rice Hotel; and

WHEREAS, the City wishes to reimburse HISD for 50% of any decrease in state or local funds available to HISD that is attributable to HISD's participation with the TIRZ; **NOW, THEREFORE**,

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

Section 1. That the City Council hereby ratifies, confirms and adopts the findings and recitals contained in the preamble to this Ordinance and further finds that said findings and recitals are true and correct.

Section 2. The City Council hereby approves and authorizes the contract, agreement or other undertaking described in the title of this Ordinance, in substantially the form as shown in the document which is attached hereto and incorporated herein by this reference. The Mayor is hereby authorized to execute such document and all related documents on behalf of the City of Houston. The City Secretary is hereby authorized to attest to all such signatures and to affix the seal of the City to all such documents.

Section 3. The Mayor is hereby authorized to take all actions necessary to effectuate the City's intent and objectives in approving such agreement, agreements or other undertaking described in the title of this ordinance, in the event of changed circumstances.

Section 4. The City Attorney is hereby authorized to take all action necessary to enforce all legal obligations under said contract without further authorization from Council.

Section 5. The City Council hereby finds and determines that during each year that any pecuniary obligation to the City is incurred as a result of HISD's loss of State and local funding because of HISD's participation in the Tax Increment Funding of TIRZ No. 3, if any, and such obligation is outstanding or unpaid, the City Council shall comply with Article XI, Section 5 of the Texas Constitution by levying and assessing a sufficient ad valorem tax to establish a sinking fund to pay such obligation.

Section 6. 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 11th day of September 1996.

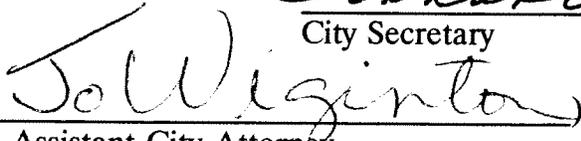
APPROVED this _____ day of _____, 19____.

Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is SEP 17 1996.


City Secretary

(Prepared by Legal Dept.
(JSW:pas 08/21/96)
(Requested by Richard Lewis, Director, Department of Finance and Administration)
(L.D. File No. _____)


Assistant City Attorney

u:\WPFiles\ordinance\JSW\JSW10443

AYE	NO	
✓		MAYOR LANIER
••••	••••	COUNCIL MEMBERS
		ABSENT-VACATION HUEY
✓		YARBROUGH
✓		WONG
✓		BONEY
✓		TODD
✓		DRISCOLL
✓		KELLEY
✓		FRAGA
✓		CASTILLO
✓		SAENZ
✓		ROACH
✓		SANCHEZ
✓		PEAVY
✓		ROBINSON
CAPTION	ADOPTED	

CAPTION PUBLISHED IN DAILY COURT
REVIEW
DATE: SEP 17 1996

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

INTERLOCAL AGREEMENT

I. PARTIES

A. Address

THIS INTERLOCAL AGREEMENT (“Agreement”) is made by and between the **CITY OF HOUSTON, TEXAS** (“City”), a municipal corporation and home-rule city of the State of Texas principally situated in Harris County, acting by and through its governing body, the City Council; the **HOUSTON INDEPENDENT SCHOOL DISTRICT** (“HISD”), located at 3830 Richmond Avenue, Houston, Texas 77027; and the **REINVESTMENT ZONE NUMBER THREE, CITY OF HOUSTON, TEXAS** (“Market Square”), a reinvestment zone created by the City of Houston pursuant to Chapter 311 of the Texas Tax Code, acting by and through its Board of Directors. This Agreement is made pursuant to Chapter 791 of the Texas Government Code and Subsection 311.013(g) of the Texas Tax Code.

The initial addresses of the parties, which one party may change by giving written notice of its changed address to the other party, are as follows:

City

Director of Finance and
Administration Department
or Designee
City of Houston
P. O. Box 1562
Houston, Texas 77251

HISD

Houston Independent School District
Hattie Mae White Administration Building
3830 Richmond Avenue
Houston, Texas 77027-5838

Market Square

Market Square Zone
c/o Houston Downtown Management
District
1111 Bagby, Suite 2600
Houston, Texas 77002-2546

B. Index

The City, HISD and Market Square hereby agree to the terms and conditions of this Agreement. This Agreement consists of the following sections:

<u>Section</u>	<u>Description</u>	<u>Page</u>
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Exhibit "A" — City of Houston Ordinance No. 95-1323

C. Parts Incorporated

All of the above described sections and documents are hereby incorporated into this Agreement by this reference for all purposes.

CITY OF HOUSTON REINVESTMENT
ZONE NUMBER THREE (Market Square)

By: _____ Date _____
Title: Chairman, Board of Directors

ATTEST/SEAL:

By: _____ Date _____
Title: Secretary, Board of Directors

[The remainder of this page is intentionally left blank.]

II. DEFINITIONS

As used in this Agreement, the following terms shall have meanings set out below:

“Agreement” means this agreement between the City, HISD and Market Square.

“Agreement Term” is defined in Section VI.

“City” is defined in Section I of this Agreement and includes its successors and assigns.

“Countersignature Date” means that date shown as the date countersigned by the City Controller on the signature page of this Agreement.

“HHFC” means the Houston Housing Finance Corporation.

“HISD” is defined in Section I of this Agreement and includes its successors and assigns.

“Market Square Area” shall mean the Market Square area of the City and neighboring areas, as more particularly described in Ordinance No. 95-1323 attached hereto as Exhibit “A” and incorporated into this Agreement for all purposes.

“Market Square Zone” means Reinvestment Zone Number Three, City of Houston (Market Square), created by the City on December 13, 1995, by Ordinance No. 95-1323, and includes its successors and assigns.

“Tax Increments of Other Taxing Units” shall mean the tax increments from all taxing units participating in the Market Square Zone other than HISD.

Otherwise, the terms used herein shall have the meanings ascribed to them in Chapter 311, Texas Tax Code or Texas Education Code, as applicable.

III. BACKGROUND

By Ordinance No. 95-1323, dated December 13, 1995, the City created the Market Square Zone for the purposes of redevelopment in the Market Square Area. By Resolution adopted on December 5, 1979, the City approved the creation of the Houston Housing Finance Corporation for the purpose of providing, among other things, a means of financing the cost of

residential development at affordable prices and to perform the other purposes described in its Articles of Incorporation. The City currently contributes its tax increment produced in the Market Square Zone to the tax increment fund. HISD desires to participate in the Market Square Zone in consideration for the covenants set forth below.

IV. OBLIGATIONS OF HISD

A. Tax Increment Participation by HISD

For and in consideration of the covenants of the parties set forth herein, and subject to the remaining paragraphs of this Section, HISD agrees to participate in the Market Square Zone by contributing one hundred percent (100%) of the tax increment produced in the Market Square Zone attributable to HISD to the Market Square Zone tax increment fund during the term of this Agreement. HISD's participation shall be restricted to its tax increment in the Market Square Zone. HISD shall not be obligated to pay its tax increment until it is actually collected.

B. Tax Increment Limitation

The parties further agree that HISD's participation shall be limited to a total amount of \$410,000 per year. Any tax increment in excess of \$410,000 in any year shall be retained by HISD. If in any year HISD's tax increment is not equal to \$410,000 the deficit, plus interest compounded annually at the rate of the lesser of (1) the rate HHFC pays on its note to Wells Fargo Bank or (2) 8% per annum, will accrue and be payable as provided in Subsection C in a future year or years out of any HISD tax increment which is in excess of \$410,000 in a future year or year. HISD shall never be liable for any payment under this Agreement from any funds other than its tax increment.

C. Deficit Obligations of HISD

If in any year HISD's tax increment is less than \$410,000, HISD shall be obligated to use its tax increment in excess of \$410,000 which it collects in a future year or years to pay the deficit, plus interest compounded annually at the rate of the lesser of (1) the rate HHFC pays on its note to Wells Fargo Bank or (2) 8% per annum.

D. Changes in Applicable Laws

In the event that the laws applicable to HISD or tax increment reinvestment zones are changed so that the participation of HISD in the Market Square Zone decreases the amount of state and local funds available to HISD, the City agrees to reimburse HISD for 50% of the amount of the decrease in HISD funding as a result of HISD's participation in the Market Square Zone, but the amount that the City is obligated to reimburse HISD shall not exceed \$205,000 per year. The City may reimburse HISD from (1) tax increments remaining after payment of the \$750,000 per year obligation to HHFC and any unpaid accrued obligations to HHFC or (2) other available City funds.

E. Board of Directors

Notwithstanding anything to the contrary in City of Houston Ordinance No. 95-1323 which created the Market Square Zone, HISD shall have the unequivocal right to appoint and maintain one (1) person to the Board of Directors of the Market Square Zone in accordance with the provisions of Chapter 311, Texas Tax Code. Failure of HISD to appoint a person to the Board of Directors of the Market Square Zone by January 1, 1997, shall not be deemed to be a waiver of HISD's right to make an appointment at a later date. HISD may also appoint and maintain as many nonvoting ex officio members on the Market Square Zone board as HISD may desire.

F. Expansion of Market Square Zone

The obligation of HISD to participate in the Market Square Zone is limited to the area described in Exhibit "A" attached hereto. HISD shall not pay any tax increment derived from any area added to the Market Square Zone unless HISD expressly agrees to pay all or a portion of its increment from the area of expansion.

V. CONTRACT WITH HHFC

It is anticipated that the City, the Market Square Zone, and HHFC will enter into a contract which provides that for a twenty-five (25) year term, beginning January 1, 1997, the first \$750,000 per year of tax increments paid into the tax increment fund from all participating taxing units will be paid to HHFC to be used to finance the costs associated with the (1) acquisition and renovation of the Rice Hotel, (2) asbestos and lead paint removal from the Rice Hotel, (3) demolition of the present parking structure adjacent to the Rice Hotel and reconstruction of a new parking structure on that site, and (4) the construction of an extension of the downtown tunnel system to the Rice Hotel.

VI. TERM AND TERMINATION

A. Agreement Term

This Agreement shall become effective as of the date of the final signature hereto, and shall remain in effect until December 31, 2022.

The first payment of increment taxes by HISD under this Agreement shall be for those taxes levied by HISD in the year 1997 and the last payment by HISD under this Agreement is for those taxes levied by HISD in the year 2021. No payment shall be made by HISD for any increment taxes levied in the year 1996.

VII. MISCELLANEOUS

A. Severability

In the event any term, covenant or condition herein contained shall be held to be invalid by any court of competent jurisdiction, such invalidity shall not affect any other term, covenant or condition herein contained, provided that such invalidity does not materially prejudice either HISD, the City or the Market Square Zone in their respective rights and obligations contained in the valid terms, covenants or conditions hereof.

In the event any term, covenant or condition shall be held invalid and affects in any manner the limitations on HISD's contributions or participation, then this Agreement shall be void as to HISD and HISD shall have no liability for any incremental or other payments as may otherwise be provided for in this Agreement.

B. Entire Agreement

This Agreement merges the prior negotiations and understandings of the parties hereto and embodies the entire agreement of the parties, and there are no other agreements, assurances, conditions, covenants (express or implied) or other terms with respect to the covenants, whether written or verbal, antecedent or contemporaneous, with the execution hereof.

C. Written Amendment

Unless otherwise provided herein, this Agreement may be amended only by written instrument duly executed on behalf of each party.

D. Applicable Laws

This Agreement is subject to all laws of the State of Texas, the City Charter and Ordinances of the City, the laws of the federal government of the United States of America and all rules and regulations of any regulatory body or officer having jurisdiction, including the City's Charter and Code of Ordinances.

Venue for any litigation relating to this Agreement shall be Harris County, Texas.

E. Notices

All notices required or permitted hereunder shall be in writing and shall be deemed delivered when actually received or, if earlier, on the third (3rd) day following deposit in a United States Postal Service post office or receptacle with proper postage affixed (certified mail, return receipt requested) addressed to the respective other party at the address prescribed in Section I of this Agreement or at such other address as the receiving party may have theretofore prescribed by notice to the sending party.

F. Non-Waiver

Failure of any party hereto to insist on the strict performance of any of the agreements herein or to exercise any rights or remedies accruing hereunder upon default or failure of performance shall not be considered a waiver of the right to insist on, and to enforce by any appropriate remedy, strict compliance with any other obligation hereunder or to exercise any right or remedy occurring as a result of any future default or failure of performance.

G. Assignment

No party shall assign this Agreement at law or otherwise without the prior written consent of the other parties except to HHFC. HHFC may assign the tax increments which it receives pursuant to the contract with the City and the Market Square Zone to a lender or other person.

No party shall delegate any portion of its performance under this Agreement without the written consent of the other parties.

H. Successors

This Agreement shall bind and benefit the parties and their legal successors. This Agreement does not create any personal liability on the part of any officer or agent of the City or of any trustee, officer, agent or employee of HISD.

I. No Waiver of Immunity

No party hereto waives or relinquishes any immunity or defense on behalf of itself, its trustees, officers, employees, and agents as a result of its execution of this Agreement and performance of the covenants contained herein.

City of Houston, Texas, Ordinance No. 95-1323

AN ORDINANCE DESIGNATING A CONTIGUOUS GEOGRAPHIC AREA WITHIN THE CENTRAL BUSINESS DISTRICT OF THE CITY OF HOUSTON (MARKET SQUARE AREA) AS REINVESTMENT ZONE NUMBER THREE, CITY OF HOUSTON, TEXAS; CREATING A BOARD OF DIRECTORS FOR SUCH ZONE; CONTAINING FINDINGS AND PROVISIONS RELATED TO THE FOREGOING SUBJECT; PROVIDING A SEVERABILITY CLAUSE; AND DECLARING AN EMERGENCY.

* * * * *

WHEREAS, pursuant to Chapter 311 of the Texas Tax Code, the City may designate a contiguous geographic area within the City as a reinvestment zone if the area satisfies the requirements of certain sections of Chapter 311 of the Texas Tax Code; and

WHEREAS, the City has prepared a preliminary reinvestment zone financing plan, which 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, the City provided notice to other taxing units levying taxes on property within the proposed zone of the public hearing on the creation of the proposed zone; and

WHEREAS, a notice of the December 6, 1995, public hearing on the creation of the proposed zone was published on November 29, 1995, in the Houston Chronicle, a newspaper of general circulation in the City; 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, Harris County, pursuant to Section 311.003, Texas Tax Code, has waived any applicable Texas Tax Code requirement that it receive 60 days' notice of the public hearing on the creation of the proposed zone; and

WHEREAS, the Houston Independent School District, pursuant to Section 311.003, Texas Tax Code, has waived any applicable Texas Tax Code requirement that it receive sixty (60) days' notice of the public hearing on the creation of the proposed zone; and

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

WHEREAS, the total appraised value of property in the proposed zone, Reinvestment Zone Number One, City of Houston, Texas and Reinvestment Zone Number Two, City of Houston, Texas is approximately \$162,334,330; and

WHEREAS, the total appraised value of taxable real property in the City and in the industrial districts created by the City exceeds \$48,755,422,000; and

WHEREAS, the total appraised value of real property taxable by Harris County, in which the proposed zone is located, is approximately \$90,145,600,000; and

WHEREAS, the total appraised value of real property taxable by the Houston Independent School District, within whose boundaries the proposed zone is located, is \$34,872,274,000; and

WHEREAS, the total area within the proposed zone is approximately 13 acres, excluding property that is publicly owned; and

WHEREAS, none of the property in the proposed zone is used for residential purposes, as that term is defined in Section 311.006(d) of the Texas Tax Code;

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 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:

- (1) a substantial number of substandard, slum, deteriorated, or deteriorating structures;
- (2) the predominance of defective or inadequate sidewalk and street layout;

- (3) unsanitary or unsafe conditions;
- (4) the deterioration of site or other improvements;
- (5) the existence of conditions that endanger life or property by fire or other cause; and

(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 less than ten percent of the property in the proposed zone is used for residential purposes, as the term "residential" is defined in Section 311.006(d).
- (3) 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;
- (4) 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;
- (5) That development or redevelopment within the boundaries of the proposed zone will not occur solely through private investment in the reasonably foreseeable future.

(d) That the City Council further finds and declares that the area to be included in the proposed zone is eligible for designation as a reinvestment zone because:

- (1) The proposed zone is located within the City's State Enterprise Zone No. 1, and is eligible for designation as a reinvestment zone pursuant to Section 311.0031 of the Texas Tax Code;
- (2) The proposed zone is located within the boundaries of the Houston Downtown Management District, created by Act of May 19, 1995, 74th Leg. R.S., ch. 436, § 28, 1995 Tex. Gen. Laws 3115, 3122, which provides that the all or any part of the area within the Houston Downtown Management District is eligible to be included in a tax incremental reinvestment zone created by the City pursuant to Chapter 311 of the Texas Tax Code.

Section 2. Exception to Guidelines

That the City hereby excepts the proposed zone from compliance with any City tax increment reinvestment zone guidelines established by the City pursuant to Resolution No. 90-203 that are applicable to the proposed zone and that the zone does not satisfy. Section 1 of Resolution No. 90-203 specifically authorizes the City Council to grant exceptions on a zone-by-zone basis.

Section 3. Designation of the Zone

That the City, acting under the provisions of Chapter 311, Texas Tax Code (the "Act"), including Section 311.005(a) and Section 311.0031, and by Act of May 19, 1995, 74th Leg. R.S., ch.436, § 28, 1995 Tex. Gen. Laws 3115, 3122, does hereby create and designate a reinvestment

The directors appointed to odd-numbered positions shall be appointed for two year terms, beginning January 1, 1996, while the directors appointed to even-numbered positions shall be appointed to a one year term, beginning January 1, 1996. 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, 1996, and ending December 31, 1996. 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 7 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 5. Duration of the Zone

That the Zone shall take effect on January 1, 1996, 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 6. 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 designated as a reinvestment zone (the "Tax Increment Base").

Section 7. 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

By

(Prepared by Legal Dept. DEBORAH F. [unclear])
(DFM/dfm 12/16/95) Senior Assistant City Attorney
(Requested by Robert Litke, Director, Planning and Development Department)

a:\tif3.ord

AYE	NO	
✓		MAYOR LANIER
••••	••••	COUNCIL MEMBERS
✓		HUEY
✓		YARBROUGH
✓		WONG
✓		CALLOWAY
✓		ROACH
✓		DRISCOLL
✓		J. KELLEY
✓		FRAGA
✓		REYES
✓		SAENZ
✓		TINSLEY
✓		L. KELLEY
✓		PEAVY
✓		ROBINSON
CAPTION	ADOPTED	

MAY 017 REV. 9/95

be disbursed from the Tax Increment Fund only to pay project costs as defined by the Texas Tax Code, for the Zone, to satisfy the claims of holders of tax increment bonds or notes issued for the Zone, or to pay obligations incurred pursuant to agreements entered into to implement the project plan and reinvestment zone financing plan pursuant to Section 311.011(b) of the Texas Tax Code.

Section 8. 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 9. 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 10. Notices

The contents of the notice of the public hearing, which hearing was held before the City Council on December 6, 1995, and the publication of said notice, is hereby ratified, approved and confirmed.

Section 11. 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 13th day of December, 1995.

APPROVED this _____ day of _____, 1995.

Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is DEC 19 1995


City Secretary

BOUNDARY DESCRIPTION
REINVESTMENT ZONE NUMBER THREE, CITY OF HOUSTON, TEXAS
(Market Square TIRZ)

BEGINNING at the intersection of the center line of Milam Street with the center line of Buffalo Bayou,

Thence in a southwesterly direction along the center line of Milam Street to the intersection with the center line of Congress Street,

Thence in an southeasterly direction along the center line of Congress Street to the intersection with the center line of Travis Street,

Thence in a southwesterly direction along the center line of Travis Street to the intersection with the center line of Preston Street,

Thence in a southeasterly direction along the center line of Preston Street to the intersection with the center line of Main Street,

Thence in a southwesterly direction along the center line of Main Street to the intersection with the center line of Texas Avenue,

Thence in a northwesterly direction along the center line of Texas Avenue to the intersection with the center line of Travis Street,

Thence in a northeasterly direction along the center line of Travis Street to the intersection with the center line of Prairie Street,

Thence in a northwesterly direction along the center line of Prairie Street to the intersection with the center line of Louisiana Street,

Thence in a northeasterly direction along the center line of Louisiana Street to the intersection with the center line of Preston Street,

Thence in a northwesterly direction along the center line of Preston Street to the intersection with the center line of Smith Street,

Thence in a northeasterly direction along the center line of Smith Street to the intersection with the center line of Buffalo Bayou,

Thence in an easterly direction along the center line of the meanders of Buffalo Bayou to The Point of Beginning, said point being at the intersection of the center lines of Buffalo Bayou and Milam Street.

EXHIBIT "A"

EXHIBIT A
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REINVESTMENT ZONE NUMBER THREE. CITY OF HOUSTON, TEXAS
(Market Square TIRZ)



EXHIBIT "B"

EXHIBIT A
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TO: Mayor via City Secretary

REQUEST FOR COUNCIL ACTION

Request **53A**
Category # *100*
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Agenda Item # *40A* SEP 11 1996

SUBJECT: Approval of Agreement Between City, HISD, and Reinvestment Zone Number Three, City of Houston, Texas (Market Square TIRZ)

FROM (Department or other point of origin):
Planning and Development Department

Origination Date:
08-30-96

Agenda Date:
SEP 04 1996

DIRECTOR'S SIGNATURE:
[Signature]

Council District affected:
I - John Castillo

For additional information contact:
Phone: Robert M. Litke
754-0008

Date and identification of prior authorizing Council action:

RECOMMENDATION: (Summary)
Approve the attached agreement between the City, HISD, and Reinvestment Zone Number Three, City of Houston, Texas, also known as the Market Square tax increment reinvestment zone (TIRZ).

Amount of Funding: *-910*

F&A Budget:

SOURCE OF FUNDING: General Fund Grant Fund Enterprise Fund
 Other (Specify)

SPECIFIC EXPLANATION:

The Board of Trustees of the Houston Independent School District (HISD) unanimously agreed to participate in Reinvestment Zone Number Three, City of Houston, Texas, also known as the Market Square tax increment reinvestment zone (TIRZ) for purposes of the Rice Hotel project. The proposed interlocal agreement provides that HISD will contribute up to \$410,000 annually of the tax increment produced in the Market Square Zone attributable to HISD to the Market Square Zone tax increment fund. If the tax increment in any year is less than \$410,000, HISD will contribute tax increments in excess of \$410,00 collected in future years to pay the deficit, plus interest. If there is a change of law that decreases the amount of state and local funds available to HISD under the school financing plan, the City will reimburse HISD for 50% of the amount of decrease, not to exceed \$205,000 per year. This reimbursement may come from excess moneys in the tax increment fund after other obligations are paid, or from other City funds. HISD's obligation to contribute begins with taxes levied in 1997 and ends with taxes levied in 2021.

The proposed agreement also provides that HISD will be entitled to appoint one (1) representative to the board of directors of the Market Square Zone. The board currently has five members, all appointed by the City, but will be expanded to six (6) members when HISD appoints its representative.

Attachments: interlocal agreement

cc: Dan Jones, Agenda Director
Jimmie Schindewolf, Chief of Staff
Richard Lewis, F&A Director

Gene L. Locke, City Attorney
Anna Russell, City Secretary

dh:mktsg5.rca

REQUIRED AUTHORIZATION

F&A Director:

Other Authorization:

Other Authorization: