

City of Houston, Texas, Ordinance No. 97-1524

AN ORDINANCE DESIGNATING A CONTIGUOUS GEOGRAPHIC AREA WITHIN CITY OF HOUSTON GENERALLY BOUNDED BY THE GULF FREEWAY (I.H. 45) ON THE NORTH, EVERGREEN STREET ON THE EAST, I.H. 610 SOUTH LOOP AND THE SOUTHERN PROPERTY LINE OF GENERAL CINEMA ON THE SOUTH AND WOODRIDGE DRIVE ON THE WEST (GULFGATE AREA) AS A REINVESTMENT ZONE FOR TAX INCREMENT FINANCING PURPOSES PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE; 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 certain 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 written notice of the public hearing on the creation of the proposed zone, complying with the requirements of Chapter 311, Texas Tax Code, to the governing bodies of all other taxing units levying taxes on property within the proposed; and

WHEREAS, a notice of the December 10, 1997, public hearing on the creation of the proposed zone was published on December 3, 1997, in the Houston Chronicle, a newspaper of general circulation in the City; and

WHEREAS, Harris County, pursuant to Section 311.003, Texas Tax Code, has waived any applicable Texas Tax Code requirements that it received sixty (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, at the public hearing on December 10, 1997, 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 owners of property in the proposed zone were given a reasonable opportunity to protest the inclusion of their property in the proposed zone; 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

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

WHEREAS, the City has provided all information and all presentations, given all notices and all other things required by Chapter 311, Texas Tax Code, or other law; and

WHEREAS, the total appraised value of taxable real property in the City and in the industrial districts created by the City exceeds \$55,000,000,000; and

WHEREAS, the total appraised value of taxable real property taxable by Harris County, in which the proposed zone is located, is approximately \$96,085,732,000; and

WHEREAS, the total appraised value of real property taxable by the Houston Independent School District, in which the proposed zone is located, is \$34,186,024,000; and

WHEREAS, the total area within the proposed zone is approximately 57 acres, excluding property that is publicly owned; and

WHEREAS, all of the area in the proposed zone is located within the boundaries of an enterprise zone created under the provisions of Chapter 2303, Texas Government Code; and

WHEREAS, less than ten percent (10%) of the property in the proposed zone is currently used for residential purposes, within the meaning of 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.

(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 requirements and criteria of Section 311.0031 of the Texas Tax Code because the area is within an enterprise zone created and designated under the provisions of Chapter 2303, Texas Government Code, and meets the criteria of Section 311.005 of the Texas Tax Code because the proposed zone is an area that substantially arrests or impairs 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; and
- (5) the existence of conditions that endanger life or property by fire or other cause.

(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 within the meaning of Section 311.006(d), Texas Tax Code.
- (3) That the total appraised value of taxable real property in the proposed zone, and in existing reinvestment zones 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 by 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.

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, does hereby designate as a reinvestment zone, and create and designate a reinvestment zone over, the area described in Exhibit "A" and depicted in the map attached hereto as Exhibit "B" to promote the redevelopment of the area. The reinvestment zone shall hereafter be named for identification as Reinvestment Zone Number Eight , City of Houston, Texas, (the "Zone").

Section 4. Board of Directors

That there is hereby created a Board of Directors for the Zone, which shall consist of seven (7) members. Positions One through Five on the Board of Directors shall be reserved for the City. Positions Six and Seven shall be reserved for other taxing units levying taxes within the Zone, each of whom may appoint one director. Any taxing unit that appoints a director shall be assigned a Board position number in the order the appointment is received by the City. Failure of a taxing unit to appoint a director by January 1, 1999, shall be deemed a waiver of the right to appoint a director, and the City shall be entitled to appoint persons to the position, which shall be filled as provided below. If more than two taxing units levying taxes within the Zone appoint a director, the number of directors on the Board of Directors shall be increased by one for each taxing unit above two that appoints a director to the board, provided, if more than four taxing units levying taxes within the Zone appoint a director, the number of directors on the Board of

Sequential number of Reinvestment Zone to be inserted by City Secretary upon adoption of ordinance in accordance with Chapter 311, Texas Tax Code.

Directors shall be increased by two for each taxing unit above four that appoints a director to the board, provided, further, that the maximum number of directors shall not exceed fifteen (15). The City shall be entitled to appoint a person to one position of each of the two positions created as a result of more than four taxing units appointing directors, which position shall be filled as provided below.

The Mayor is hereby authorized to nominate and appoint the directors to any position unfilled on January 1, 1999, and any City position created by the appointment of a director by more than two taxing units levying taxes within the Zone, subject to the consent and approval of the City Council.

The following persons are hereby appointed as initial directors to the Board of Directors of the Zone in the position specified below:

Position	Name
1	Leroy Hermes
2	Mary M. Hansen
3	Johnny C. Soto
4	Michael A. Marquez
5	Frederico Mendoza

Directors appointed to odd-numbered positions shall be appointed for two-year terms beginning on the effective date of this Ordinance, while the directors appointed to even-numbered positions shall be appointed for one-year terms beginning on the effective date of this Ordinance.

All subsequent appointments shall be for two-year terms. The member of the Board of Directors appointed to Position One is hereby designated to serve as the chair of the Board of Directors for a one-year term beginning on the effective date of this Ordinance. Thereafter, the Mayor shall annually nominate and appoint, subject to City Council approval, the member to serve as chair for a term of one year beginning on the anniversary of the effective date of this Ordinance. 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 or convenient to assist the Board of Directors in the preparation and implementation 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, 1998, for the deposit of tax increments into the Tax Increment Fund created pursuant to Section 7 of this Ordinance, and termination of the operation of the Zone shall occur on December 31, 2027, or at an earlier time designated by subsequent ordinance, or at such time, subsequent to the time that all project costs, tax increment bonds, notes and other obligations of the zone, and the interest thereon, have been paid in full.

Section 6. Tax Increment Base

That the Tax Increment Base of the City or any other taxing unit participating in the Zone for the Zone is the total appraised value of all real property taxable by the City or other taxing unit participating in the Zone and located in the Zone, determined as of January 1, 1997, 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 subaccount shall be maintained at the depository bank of the City and shall be secured in the manner prescribed by law for funds of Texas cities. The annual Tax Increment shall equal the property taxes levied by the City and any other taxing unit participating in the Zone for that year on the captured appraised value, as defined by the Act, of real property located in Zone that is taxable by the City or any other taxing unit participating in 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, notes or other obligations hereafter issued by the City, if any; revenues from the sale of property acquired as part of the project plan and reinvestment zone financing plan, if any; and other revenues to be used in the Zone shall be deposited into the Tax Increment Fund. Prior to the termination of the Zone, money shall 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 increments 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 and achieve their purpose pursuant to Section 311.010(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 to set 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 connected herein shall become operative 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 as 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 its meeting, as required by the Open Meetings Law, Texas Government Code, 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.

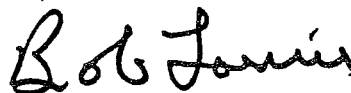
Section 10. Notices

The contents of the notice of the public hearing, which hearing was held before the City Council on December 10, 1997, and the publication of said notice, are 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.

PASSED APPROVED this 10th day of December, 1997.



Mayor of the City of Houston

(Prepared by Legal Dep't DEBORAH F. ALLEN)
(DFM/dfm December 9, 1997 Senior Assistant City Attorney)
(Requested by Robert Litke, Director, Planning and Development Department)
L.D. No. 61-97066-01

**LEGAL DESCRIPTION
PROPOSED GULFGATE TIRZ**

BEGINNING AT A POINT located at the intersection of the south right-of-way line of Interstate 45 ("I-45") South Frontage Road and east right-of-way line of Woodridge in Houston, Harris County, Texas;

Thence, along the south right-of-way line of I-45 Frontage Road a distance of approximately 3,800 feet in a southeasterly direction to the west right-of-way line of Evergreen Street;

Thence, along the west right-of-way line of Evergreen Street a distance of approximately 1,720 feet in a southerly direction to a point located in the western right-of-way line of Evergreen Street 125 feet north of the northern right-of-way of Annim Street;

Thence, westerly along the north boundary line of Sturman Park Subdivision a distance of approximately 1,950 feet to the south right-of-way line of Interstate Highway 610 South ("Loop 610");

Thence, westerly along the south right-of-way of Loop 610 a distance of approximately 635 feet to its intersection with the western right-of-way line of Woodridge;

Thence, northerly along the west right-of-way line of Woodridge a distance of approximately 500 feet to its intersection with the north right-of-way line of Loop 610 South;

Thence, westerly along the north right-of-way line of Loop 610 South a distance of approximately 350 feet to the southwest corner of that certain 3.295 acre tract of land out of that certain 7.005 acre tract conveyed to Theodore W. Berenson by deed dated December 24, 1953 from Myles G. Shutte, et al, recorded in Volume 2706, Page 30, et seq. of the Deed Records of Harris County, Texas and being out of the Jacob Thomas Survey , A-762, in Houston, Harris County, Texas;

Thence, northerly along the western boundary line of said 3.295 acre tract a distance of approximately 572 feet to a railroad spike set at the northwesterly corner of said 3.295 acre tract;

Thence, easterly along the northern boundary line of said 3.295 acre tract a distance of approximately 629 feet to the point of intersection with the east right-of-way line of Woodridge;

Thence, northerly a distance of approximately 1,575 feet to southeast corner of that certain 2,250 square foot tract of land conveyed to Woodridge Baptist Church by Houston

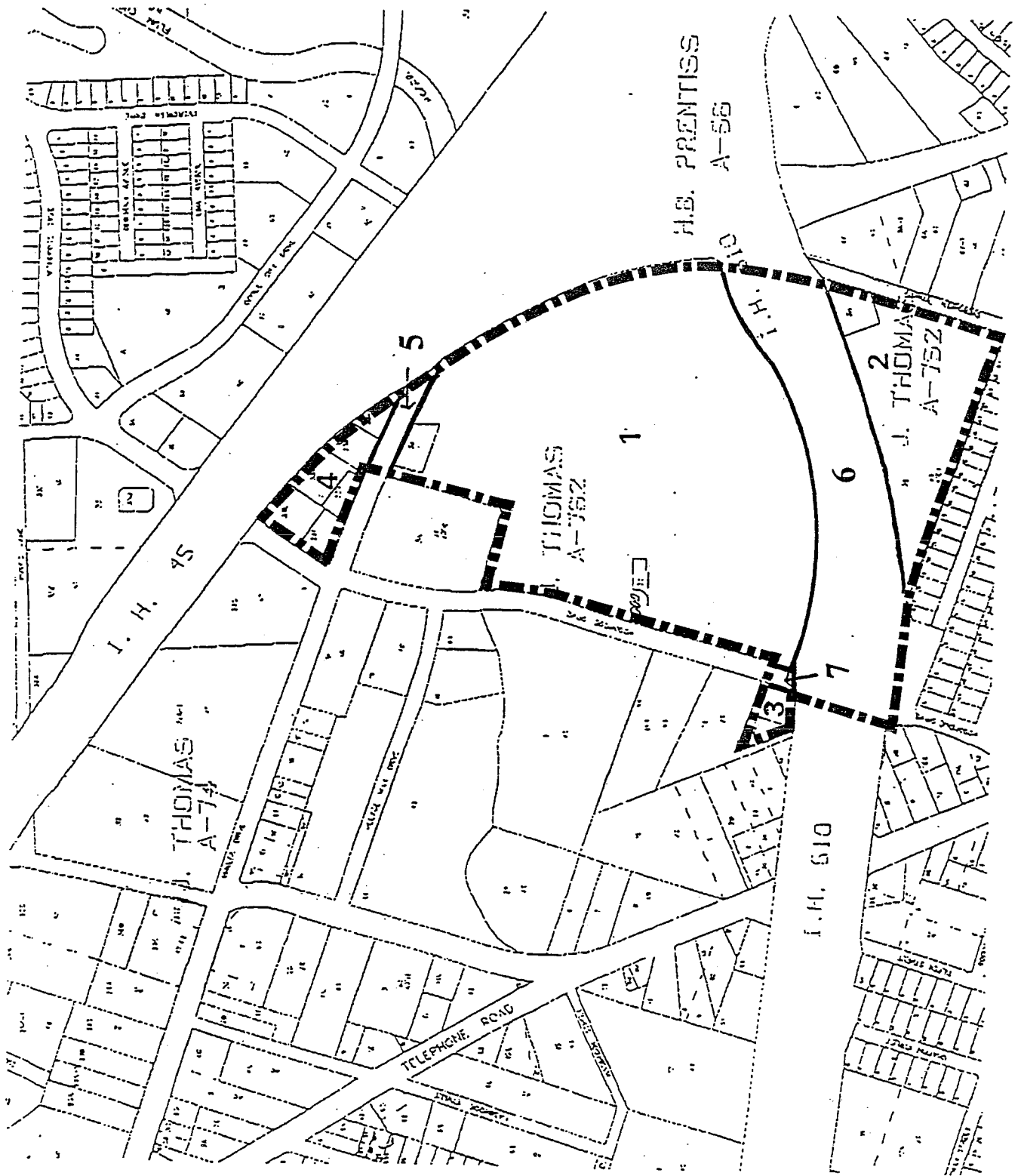
Freeway Land Co., et al, by exchange deed and agreement recorded under Harris County Clerk File No. L 380965 of the Real Property Records of Harris County, Texas;

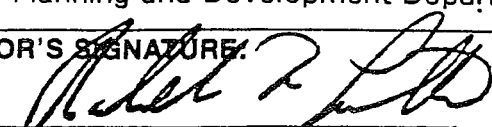
Thence, easterly a distance of 300 feet to a corner point marked by a 5/8 inch iron rod set;

Thence, north along a distance of 512 feet to the north right-of-way line of Winkler Drive;

Thence, westerly a distance of 590 feet to a point of intersection with the east right-of-way line of Woodridge;

Thence, northerly a distance of 600 feet to THE POINT OF BEGINNING.



SUBJECT Ordinance Designating a Contiguous area of the City as the Gulfgate Reinvestment Zone for tax increment financing purposes.		Category #	Page 1 of _____	Agenda Item #
FROM (Department or other point of origin): Planning and Development Department		Origination Date 12/5/97	Agenda Date	
DIRECTOR'S SIGNATURE: 		Council District affected: District I - John Castillo		
For additional information contact: Phone: Robert M. Litke 754-0008		Date and Identification of prior authorizing Council action:		

RECOMMENDATION: (Summary)
 Adopt an ordinance designating a contiguous geographic area within the City of Houston generally bounded by the Gulf Freeway (I.H. 45) on the north; Evergreen Street on the east; I.H. 610 South Loop and the southern property line of General Cinema on the south; and, Woodridge Drive on the west (Gulfgate area) as a Reinvestment Zone for tax increment financing purposes pursuant to Chapter 311 of the Texas Tax Code.

Amount of Funding:	F&A Budget:
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SOURCE OF FUNDING: General Fund Grant Fund Enterprise Fund
 Other (Specify)

SPECIFIC EXPLANATION:

Consistent with legal requirements, City Council conducted a public hearing regarding the designation of a reinvestment zone known as the Gulfgate Reinvestment Zone for tax increment financing purposes on December 10, 1997. The proposed zone is approximately 69 acres and includes the Gulfgate Mall site.

The ordinance establishes a thirty-year zone effective January 1, 1998; creates a board of directors for the zone and appoints the initial directors; provides for the zone to expire December 31, 2027; establishes a tax increment fund for the zone; finds the zone's projected improvements to be of general benefit to the City; and finds the project to meet the statutory criteria for a reinvestment zone. Attached is a list of the proposed Board of Directors.

RML:pp

cc: Dan Jones, Agenda Director
 Richard Lewis, F&A Director
 Gene Locke, City Attorney
 Anna Russell, City Secretary
 Jimmie Schindewolf, Chief of Staff

REQUIRED AUTHORIZATION		
F&A Director:	Other Authorization:	Other Authorization:

The initial Chairperson shall be Leroy Hermes and the Mayor of the City shall designate each subsequent Chairperson of the Board.

ARTICLE VIII

The number of Directors initially constituting the Board is five (5). The names, addresses, and positions of the five (5) of the initial Directors, each of whom resides within the City, are:

<u>POS.</u>	<u>NAME</u>	<u>ADDRESS</u>
1	Leroy Hermes	1205 Archley Drive, Houston, TX 77055
2	Mary M. Hansen	6655 Rockbridge Lane, Houston, TX 77023
3	Johnny C. Soto	4126 Duval, Houston, TX 77087
4	Michael A. Marquez	5823 Green Falls Drive, Houston, TX 77088
5	Frederico J. Mendoza	9115 Weymouth, Houston, TX 77031