

City of Houston, Texas, Ordinance No. 200 8-1221

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

* * * * *

WHEREAS, by City of Houston Ordinance No. 1999-0709 adopted July 7, 1999 the City created Reinvestment Zone Number Sixteen, City of Houston, Texas ("Uptown Zone" or the "Zone") pursuant to Chapter 311 of the Texas Tax Code, as amended (the "Code") for the purposes of redevelopment in the area of the City generally referred to as the Uptown area; and

WHEREAS, the Board of Directors of the Zone has adopted and recommended, and the City has approved, by City of Houston Ordinance No. 1999-0758 adopted July 20, 1999, the Project Plan and Reinvestment Zone Financing Plan for the Zone (the "Plans"); and

WHEREAS, Chapter 311 of the Code authorizes the amendment of the Plans; and

WHEREAS, the Board of Directors of the Zone has adopted and recommended, and the City has approved, by City of Houston Ordinance No. 2003-0476 adopted May 21, 2003, the First Amendment of the Plans; and

WHEREAS, the Board of Directors of the Zone has adopted and recommended, and the City has approved, by City of Houston Ordinance No. 2008-0095 adopted February 6, 2008, the Second Amendment of the Plans; and

WHEREAS, the Board of Directors of the Zone, at its December 17, 2008 board meeting, considered and adopted a third set of proposed amendments to the Plans (the "Third Amendment"), and recommended the Third Amendment for approval by the City Council; and

WHEREAS, before the Board of Directors of the Zone may implement the Third Amendment, the City Council must approve the Third Amendment; and

WHEREAS, the Plans, as amended by the Third Amendment, continue to provide that one-third of the tax increment is dedicated to providing affordable housing during the term of the Uptown Zone; and

WHEREAS, the City Council finds that because the Third Amendment does not directly or indirectly increase the percentage or amount of tax increment to be contributed by the Houston Independent School District ("HISD") or require or authorize the issuance of any additional tax increment bonds or notes, HISD's approval of the Third Amendment is not required in order for the Third Amendment to apply to HISD; **NOW, THEREFORE,**

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

Section 1. Findings. That the facts and recitations 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 Third Amendment. That the Third Amendment is hereby approved and adopted and the Plans are hereby amended as follows:

- A. By substituting the title page and table of contents (unnumbered pages) attached hereto as Exhibit "A" for the title page and table of contents (unnumbered pages) in the Plans; and
- B. By substituting page 2-R attached hereto as Exhibit "B" for page 2 in the Plans; and
- C. By substituting page 3-R attached hereto as Exhibit "C" for page 3 in the Plans.

The Third Amendment is hereby determined to be feasible and is approved. The appropriate officials of the City are authorized to take all steps reasonably necessary to implement the Third Amendment.

Section 3. Distribution to Taxing Units. That the City Secretary is directed to provide copies of the Third Amendment to each taxing unit levying ad valorem taxes in the Zone.

Section 4. 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 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 5. 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, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter thereof has been discussed, considered, and formally acted upon. That City Council further ratifies, approves, and confirms such written notice and the contents and posting thereof.

Section 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.

PASSED AND APPROVED this 30th day of December, 2008.



Mayor of the City of Houston

(Prepared by Legal Department Donna Capps DFI)
(DRC:drc December 26, 2008 Assistant City Attorney)
(Requested by Michelle Mitchell, Director, Finance)
(L. D. File No. 061990060043)

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CAPTION PUBLISHED IN DAILY COURT
REVIEW
DATE: JAN 05 2008

AYE	NO	
✓		MAYOR WHITE
••••	••••	COUNCIL MEMBERS
✓		LAWRENCE
✓		JOHNSON
✓		CLUTTERBUCK
✓		ADAMS
	✓	SULLIVAN
✓		KHAN
✓		HOLM
✓		GARCIA
✓		RODRIGUEZ
	ABSENT-OUT OF CITY	BROWN
✓		LOVELL
✓		NORIEGA
✓		GREEN
✓		JONES
CAPTION	ADOPTED	

EXHIBIT "A"

(title page and table of contents)

Reinvestment Zone Number Sixteen,
City of Houston, Texas
(Uptown Houston TIRZ)

**THIRD AMENDMENT:
Project Plan
And Reinvestment Zone
Financing Plan**

Submitted by:
Uptown Development Authority
1980 Post Oak Boulevard
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Houston, Texas 77056
(713) 621-2011

December 30, 2008

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EXHIBIT "B"

(page 2-R)

Huntley Street and adjacent properties to be redeveloped (refer to maps in Exhibits A & B). The present and existing uses of the Annexed Area are detailed in Exhibit C.

The major project to be accomplished in the Annexed Area is the reconstruction of North and South Wynden and the construction of Huntley Street (the "Wynden/Huntley Project"). This Second Amendment adds the Wynden/Huntley Project to the Plan's list of proposed improvements and estimated project costs of the Local Mobility Improvement Program. The reconstruction of North and South Wynden will provide a two lane roadway including sidewalks, landscaping, lighting, storm drainage and intermittent parking within the existing sixty (60) feet right-of-way. In addition, Huntley Street will be constructed as a single eastbound through lane connecting N/S Wynden to Uptown Park Boulevard. The project will improve local access and construct internal grid streets, reducing burdens on key intersections. The Wynden/Huntley project is shown on the map in Exhibit B.

The Wynden/Huntley Project has an estimated total cost of \$5,500,000. It is expected that the developer will bear fifty percent of this cost as a non-project cost; thus the estimated project cost payable by the Uptown TIRZ is \$2,750,000 plus financing costs.

The Wynden/Huntley Project is planned to be a private/public partnership. The key points are as follows:

- The Developer will fund the total cost of the Wynden/Huntley Project;
- The Uptown TIRZ will reimburse the Developer for fifty-percent (50%) of the total cost of the Project plus interest from the Tax Increment generated in the Annexed Area; and
- The Uptown TIRZ and the UDA will manage the design and construction of the Wynden/Huntley Project.

This Second Amendment also provides for the acquisition and development of parks and public space (the "Park Project") within the original Uptown TIRZ boundaries to be added to the Plan's list of proposed improvements and estimated project costs of the Local Mobility Improvement Program. The proposed location of the Park Project is shown on the map in Exhibit A.

The Park Project will be a cooperative effort by several entities. The Uptown TIRZ will pay an estimated \$8,500,000 for acquisition of the Park Project parcel and an annual amount for the cost of operating the project facilities that over the remaining life of the TIRZ is currently estimated to be \$4,000,000.

One-third of the tax increments of the Uptown TIRZ, including tax increments generated in the Annexed Area, will be used to provide affordable housing as required by Chapter 311 of the Tax Code. As permitted by Chapter 311, Tax Code, the affordable housing improvements may be located inside or outside the Uptown TIRZ. Due to the inclusion

EXHIBIT "C"

(page 3-R)

of the Annexed Area, this Second Amendment increases the total estimated affordable housing project costs by \$2 million.

A portion of the tax increments of the Uptown TIRZ, including tax increments generated in the Annexed Area, will be used to provide for the City's administration of the Uptown TIRZ, pursuant to the "Tri-Party Agreement" between the City, the Uptown TIRZ and the Uptown Development Authority. Due to the inclusion of the Annexed Area, this Second Amendment increases the total estimated administration costs by \$750,000.

Financial Plan / Economic Feasibility Study:

A review of forecast development in the Annexed Area found that, at build out, the private improvements will be valued at \$459,000,000. A conservative estimate of the value over the next five to ten years is placed at \$203,900,000. Refer to Exhibit E for more detailed information. The projected tax increment generated on this conservative estimate of value in the Annexed Area is sufficient to support the Wynden/Huntley Project.

Tax increment generated in the original area of the Uptown TIRZ is sufficient to support the Park Project.

Other Project Plan Provisions:

Reinvestment Zone Duration: When initially created by the City on July 7, 1999, the term of the Uptown TIRZ was established at 30 years. No change is proposed to the existing zone duration.

City Participation in the Annexed Area: The duration of the City's participation in the Annexed Area of the Uptown TIRZ shall be until the tax increment revenue deposited into the tax increment fund of the Uptown TIRZ by the City from the City's full tax rate levied against the captured appraised value in the Annexed Area and made available to the Local Mobility Improvement Program has equaled \$3,620,000, exclusive of City administration costs and affordable housing project costs as defined in the Uptown TIRZ's and UDA's Tri-Party Agreement with the City. At that time, the City shall no longer participate in the Annexed Area.

Estimated Bonded Indebtedness: The Plan estimates the use of \$205 million in bond proceeds for the Local Mobility Improvement Program. No increase in bonded indebtedness is required.

Relocating Persons: No displacement or relocation of residents is anticipated based on the implementation of this Second Amendment.

Municipal Ordinances: No changes to City codes or ordinances are proposed in this Second Amendment to the Plan.