

City of Houston, Texas, Ordinance No. 2015- 220

AN ORDINANCE APPROVING AND AUTHORIZING AN INTERLOCAL AGREEMENT AMONG THE CITY OF HOUSTON, TEXAS, FORT BEND COUNTY, TEXAS, AND REINVESTMENT ZONE NUMBER TWENTY-FIVE, CITY OF HOUSTON, TEXAS (HIRAM CLARKE/FORT BEND ZONE) RELATING TO THE PARTICIPATION OF FORT BEND COUNTY IN REINVESTMENT ZONE NUMBER TWENTY-FIVE, CITY OF HOUSTON, TEXAS (HIRAM CLARKE/FORT BEND ZONE); AND DECLARING AN EMERGENCY.

\* \* \* \*

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

**Section 1.** That the City Council hereby approves and authorizes the contract, agreement, or other undertakings 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 (or, in the absence of the Mayor, the Mayor Pro Tem) is hereby authorized to execute such document and all related documents on behalf of the City of Houston. The City Secretary (or, in the absence of the City Secretary, any Assistant City Secretary) is hereby authorized to attest to all signatures and to affix the seal of the City to all such documents. The City Attorney is hereby authorized to take all action necessary to enforce all legal obligations under such contract, agreement, or other undertaking without further authorization from Council.

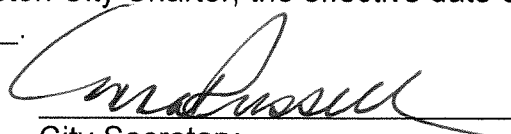
**Section 2.** That there exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the 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 25<sup>th</sup> day of March, 2015.

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

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

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is MAR 3 ↑ 2015.

  
\_\_\_\_\_  
City Secretary

(Prepared by Legal Department  
 (SEK 3/16/15  
 (Requested by Andy Icken, Chief Development Officer, Office of the Mayor)  
 (L.D. File No. \_\_\_\_\_)

 *GuD*  
 Senior Assistant City Attorney

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AYE	NO	
✓		<b>MAYOR PARKER</b>
••••	••••	<b>COUNCIL MEMBERS</b>
✓		STARDIG
✓		DAVIS
✓		COHEN
✓		BOYKINS
✓		MARTIN
✓		NGUYEN
✓		PENNINGTON
✓		GONZALEZ
✓		GALLEGO
✓		LASTER
✓		GREEN
	ABSENT-OR PERSONAL BUSINESS	COSTELLO
	ABSENT	ROBINSON
✓		KUBOSH
✓		BRADFORD
	ABSENT	CHRISTIE
CAPTION	ADOPTED	

THE STATE OF TEXAS  
COUNTY OF FORT BEND

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,  
,  
,

**AGREEMENT**

**I. PARTIES**

**A. Address**

**THIS 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 situated in Harris, Fort Bend and Montgomery Counties, acting by and through its governing body, the City Council; **Fort Bend County** ("County"), located at Richmond, Texas; and the **Reinvestment Zone Number Twenty Five, City of Houston, TEXAS** (the "Reinvestment Zone"), 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 Section 311.013 of the Texas Tax Code, which Section permits a taxing unit to enter into agreements to pay into the tax increment fund any of its tax increment produced from property located in a reinvestment zone.

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

<u>City</u>	<u>County</u>	<u>The Reinvestment Zone</u>
Chief Development Officer City of Houston, Texas 901 Bagby, 4th Floor Houston, Texas 77002	Fort Bend County Attention County Judge 401 Jackson St. Richmond, TX 77469	Reinvestment Zone Number Twenty Five, City of Houston, Texas Attention: Chairman % Chief Development Officer City of Houston 901 Bagby, 4th Floor Houston, Texas 77002

**B. Index**

The City, the County and the Reinvestment Zone hereby agree to the terms and conditions of this Agreement. This Agreement consists of the following sections:

<b><u>Section/Description</u></b>	<b><u>Page</u></b>
<b>I. PARTIES</b>	
<b>II. DEFINITIONS</b>	
<b>III. BACKGROUND</b>	
<b>IV. OBLIGATIONS OF THE COUNTY</b>	
<b>V. OBLIGATIONS OF CITY AND THE REINVESTMENT ZONE</b>	
<b>VI. TERM AND TERMINATION</b>	
<b>VII. MISCELLANEOUS</b>	

Exhibit "A" - City of Houston Ordinance No. 2013-0708

**C. Parts Incorporated**

All of the above described sections and documents are hereby incorporated into this Agreement by this reference for all purposes. However, if there is a conflict between terms of this signed Agreement, and any incorporated document, the signed Agreement shall prevail

**IN WITNESS HEREOF**, the City, the County and the Reinvestment Zone have made and executed this Agreement in multiple copies, each of which is an original.

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City of Houston, TEXAS,  
a home rule municipality

\_\_\_\_\_  
City Mayor

\_\_\_\_\_  
Date

ATTEST:

\_\_\_\_\_  
City Secretary

\_\_\_\_\_  
Date

(SEAL)

COUNTERSIGNED:

\_\_\_\_\_  
City Controller

\_\_\_\_\_  
Date

APPROVED AS TO FORM:



*2-19-15*

\_\_\_\_\_  
Steven Kirkland

\_\_\_\_\_  
Date

Sr. Assistant City Attorney

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Fort Bend County

*Robert Hebert*

2-24-2015

Robert Hebert  
County Judge

Date

ATTEST:

*Laura Richard*

Laura Richard  
Fort Bend County Clerk

APPROVED AS TO FORM:

*Michelle Rangel* 2/24/15

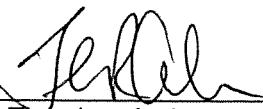
Michelle Rangel  
County Attorney

Date




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Reinvestment Zone Number Twenty Five,  
City of Houston, TEXAS

By:   
Theodore Andrews,  
Title: Chairman, Board of Directors, Date: 2/19/15

ATTEST/SEAL:

By:   
Horace Allison  
Title: Secretary, Board of Directors, Date: 02/19/15

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## II. DEFINITIONS

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

"Administrative Costs" means the costs of organizing the Reinvestment Zone, the costs of operating the Reinvestment Zone and the imputed administrative costs associated with the Reinvestment Zone incurred by the City in connection with the implementation of the project plan.

"Agreement" means this agreement between the City, the County and the Reinvestment Zone.

"Agreement Term" is defined in Section VI.

"Base Value" is the original value certified by the Fort Bend County Appraisal District but subject to adjustment as a result of a certified change order being issued by the Fort Bend County Appraisal District.

"Captured Appraised Value" means the captured appraised value of the Reinvestment Zone as defined by Chapter 311, Texas Tax Code.

"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 Manager on the signature page of this Agreement.

The "County" is defined in Section I of this Agreement and shall include both the Fort Bend County General Fund and the Fort Bend County Drainage District.

The "County Tax Increment Participation" means the amount of the County tax levy on the Captured Appraised Value which the County agrees to contribute to the Reinvestment Zone pursuant to Subsections A and B of Section IV of this Agreement.

"Project Plan" means the project plan and reinvestment zone financing plan for the Reinvestment Zone adopted by the board of directors of the Reinvestment Zone and approved by the City Council of the City.

"Reinvestment Zone" means Reinvestment Zone Number Twenty Five, City of Houston, Texas created by the City on August 7, 2013, by Ordinance No. 2013-0708, attached as Exhibit "A".

"Tax Increment Fund" means the tax increment fund created by the City in the City Treasury for the Reinvestment Zone.

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

### **III. BACKGROUND**

The City created the Reinvestment Zone by Ordinance No. 2013-0708, adopted August 7, 2013. The City will deposit tax increments produced in the Reinvestment Zone in the Tax Increment Fund. The County desires to participate in the Reinvestment Zone in consideration for the agreements set forth below.

### **IV. OBLIGATIONS OF THE COUNTY**

#### **A. Tax Increment Participation by the County**

1. For and in consideration of the agreements of the parties set forth herein, and subject to the remaining subsections of this section, the County agrees to participate in the Reinvestment Zone by contributing one hundred percent (100%) of the tax increment produced in the Zone attributable to the County.
2. The base year for County's participation is Tax Year 2014. The base value has been calculated at an estimated \$25,605,700.
3. The Tax Rates to be used for calculation of County's contribution during the contract term are stated below:
  - a. For County General Fund the rate is 0.472760 per \$100 valuation times 100% on the Captured Appraised Value;
  - b. For Fort Bend County Drainage District the rate is 0.022000 per \$100 valuation times 100% on the Captured Appraised Value;
  - c. If the County adopts a tax rate that is less than stated in Section 3a or Section 3b during the term of this Agreement, then the County Tax Increment Participation shall be calculated at the actual tax rate of the County on the Captured Appraised Value times 100%.
4. The County's Tax Increment Participation and obligation to participate in the Reinvestment Zone shall be restricted to its tax increment collected on the Captured Appraised Value in the Reinvestment Zone in the amount shown above. The County shall not be obligated to pay its

County Tax Increment Participation from other County taxes or revenues or until the County Tax Increment Participation in the Reinvestment Zone is actually collected.

5. The County shall pay the County Tax Increment Participation to the City for deposit into the Tax Increment Fund in two payments with the first due on March 1, and the second due on August 1 of each year, with the first payment to due on March 1, 2016.
6. In the event that the Base Value is affected by an adjustment due to a certified change order issued by the Fort Bend County Appraisal District, the next payment issued by County will be adjusted to reflect same.

**B. Expansion of the Investment Zone**

The obligation of the County to participate in the Reinvestment Zone is limited to the area described in Exhibit "A". The County's participation shall not extend to the tax increment on any additional property added to the Reinvestment Zone by the City unless the County approves the participation.

**C. Board of Directors**

Notwithstanding anything to the contrary in City of Houston Ordinance No. 2013-0708, which created the Hiram Clarke/Fort Bend Houston Zone, the County shall have the unequivocal right to appoint to and maintain one (1) voting member on the Hiram Clarke/Fort Bend Houston Zone Board of Directors. Failure of the County to appoint a person to the Board of Directors of the Hiram Clarke/Fort Bend Houston Zone by January 1, 2016 shall not be deemed a waiver of the County's right to make an appointment by a later date.

**V. OBLIGATIONS OF CITY AND THE REINVESTMENT ZONE**

A copy of the Reinvestment Zone Project Plan has been presented to the County. Any amendments to the Project Plan shall be provided to the County for review and comment before any such plan is prior to submission to the City Council. On or before the 90<sup>th</sup> day following the end of City's fiscal year, the City shall provide to the County a copy of the annual report on the status of the Zone required pursuant to Section 311.016 of the Texas Tax Code.

## **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 the earlier of December 31, 2044 or such time that all project costs in the Project Plan and all Zone obligations have been paid in full, unless, at such time, the Board of Directors votes affirmatively to approve future projects in the Zone.

### **B. Early Termination**

The City shall not adopt an ordinance terminating the Reinvestment Zone earlier than the duration of the Zone established in Ordinance No 2013-0708, without the prior consent of the County, provided that the Reinvestment Zone may otherwise terminate by operation of law.

### **C. Disposition of Tax Increments**

Upon termination of the Reinvestment Zone, if all public improvements in the Project Plan have been constructed and financed and if all Reinvestment Zone debt is paid in full, the City and the Reinvestment Zone shall pay to the County all monies remaining in the Tax Increment Fund that are attributable to the County Tax Increment Participation.

## **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 the County, the City or the Reinvestment 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 the County's contributions or participation, then this Agreement shall be void as to the County and the County 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. 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.

**E. 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.

**F. Assignment**

No party shall assign this Agreement at law or otherwise without the prior written consent of the other parties.

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

**G. 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 the County.

**H. 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.