

REQUEST FOR COUNCIL ACTION

TO: Mayor via City Secretary

RCA #

SUBJECT: An Ordinance designating a contiguous area of the City of Houston as Tax Increment Reinvestment Zone Number Twenty-Six (Sunnyside Zone).

Category #

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Agenda Item#

FROM: (Department or other point of origin):

Andrew F. Icken
Chief Development Officer

Origination Date

Agenda Date

DIRECTOR'S SIGNATURE:



Council Districts affected:

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For additional information contact:

Gwendolyn Tillotson Phone: (832) 393-0937

Date and identification of prior authorizing Council Action:

RECOMMENDATION: (Summary)

City Council adopt an ordinance designating a contiguous geographic area within the City of Houston as Tax Increment Reinvestment Zone Number Twenty-Six (Sunnyside Zone).

Amount of Funding: No Funding Required

SOURCE OF FUNDING: General Fund Grant Fund Enterprise Fund N/A

SPECIFIC EXPLANATION:

Pursuant to Chapter 311 of the Texas Tax Code, a public hearing was held on November 4, 2015 regarding the designation of a Tax Increment Reinvestment Zone known as the Sunnyside Zone for tax increment financing purposes. The proposed zone contains approximately 3,142 acres of land (4.9 square miles). The contiguous boundary can be described generally as a western boundary of SH 288, a northern boundary of Loop 610, an eastern boundary of Cullen, and a southern boundary of Fuqua.

The City has prepared a preliminary reinvestment zone financing plan for the proposed zone. The tentative plans for the development of the TIRZ include the expenditure of public funds for eligible project costs including the planning, engineering and construction of new streets, water distribution facilities, wastewater collection facilities, storm drainage improvements, roadway and street reconstruction projects, cultural and public facility improvements, parks and other related improvements. The 2015 taxable value of the area is approximately \$200,180,051. The duration of the TIRZ is proposed to be 30 years. Development in this area will be an important feature in the revitalization of the area and the City of Houston as a whole.

This ordinance will establish a thirty-year zone effective January 1, 2015; provide for a board of directors; provide for the zone to expire December 31, 2045; establish a tax increment fund for the zone; and make findings that the zone's projected improvements are of general benefit to the City, and meet the statutory criteria for a reinvestment zone. The creation does not alter the City's ability to terminate the Zone either at the Zone's termination date, the date all obligations have been met, or earlier if the City satisfies the outstanding debt and obligations, at which time revenue in excess of obligations returns to the general fund. The existing COH TIRZs represent 16.15% taxable value towards the City's maximum 25% TIRZ cap. This creation of TIRZ Number Twenty-Six will increase the City's TIRZs taxable value by .10% from 16.15% to 16.25% towards the 25% cap.

Accordingly, the Administration recommends that City Council approve the creation of Tax Increment Reinvestment Zone Number Twenty-Six (Sunnyside Zone) with an expiration date of December 31, 2045.

cc Marta Crinejo, Agenda Director
 Anna Russell, City Secretary
 Donna Edmundson, City Attorney
 Gary Dzierlenga, Senior Assistant City Attorney

REQUIRED AUTHORIZATION

Other Authorization:

Other Authorization:

Other Authorization: