



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 7/22/2025
District C, District H, District I
Item Creation Date: 7/11/2025

MYR - TIRZ 3 Harris County Participation

Agenda Item#: 22.

Background:

SUBJECT: An Ordinance approving and authorizing the first amended and restated interlocal agreement between the City of Houston, Harris County, Reinvestment Zone No. 3 and the Downtown Redevelopment Authority to provide for the participation of the County in the TIRZ for the purpose of funding capital projects and the maintenance for the capital projects as provided by Chapter 311 of the Texas Tax Code.

RECOMMENDATION: Adopt an ordinance approving and authorizing the first amended and restated interlocal agreement between the City of Houston, Harris County, Reinvestment Zone No. 3 and the Downtown Redevelopment Authority to provide for the participation of the County in the TIRZ for the purpose of funding capital projects and the maintenance for the capital projects as provided by Chapter 311 of the Texas Tax Code.

SPECIFIC EXPLANATION:

The City Council approved the Tax Increment Reinvestment Zone No. 3 ("Zone") on December 13, 1995, and the Downtown Redevelopment Authority on June 30, 1999, to aid in the administration of the Zone and the implementation of the Reinvestment Zone Financing and Project Plan.

Section 311.002 of the Texas Tax Code describes a taxing unit as "a county, an incorporated city or town (including a home-rule city), a school district, a special district or authority (including a junior college district, a hospital district)... that is authorized to impose and is imposing ad valorem taxes on property even if the governing body of another political unit determines the tax rate for the unit or otherwise governs its affairs."

On April 4, 2001, by ordinance 2001-301, the City Council approved an Interlocal Agreement ("ILA") with Harris County for Harris County to participate as a taxing unit in TIRZ No. 3. The City Council approved an amendment to the ILA on September 9, 2005 by ordinance 2005-1052. The Harris County Commissioner's Court approved the amended and restated ILA on July 10, 2025. The ILA provides that Harris County, Precinct 1, will participate at 100% of the funds actually collected with respect to the Captured Appraised Value from the County's total ad valorem tax rate (less the portion of the County's tax rate levied for debt service, and not including any taxes levied by the County on behalf of the Harris County Flood Control District, Harris County Hospital District, Port of Houston Authority, or similar entities). The ILA further provides that up to 33% of the participation rate will be used to provide affordable housing and up to 10% of the participation rate will be retained by Harris County to the maintenance and operations of facilities and projects related to the project plan. Additionally, 10% will be retained by the City of Houston.

The term of the ILA begins with the countersignature of the City Controller and terminates tax year 2042. The first tax increment payment from the County will be made August 31, 2026.

Signed by:

Gwendolyn Tillotson-Bell

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Gwendolyn Tillotson-Bell
Chief Economic Development Officer

Prior Council Action:

Ord. 95-1323; 12/13/1995
Ord. 96-911; 9/11/1996
Res. 99-39; 6/30/1999
Ord. 2001-301; 4/4/2001
Ord. 2005-1052; 9/14/2005
Ord. 2022-1003; 12/14/2022

Contact Information:

Jennifer Curley
832.393.0981

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ATTACHMENTS:

Description	Type
PCA 1995-1323	Ordinance/Resolution/Motion
PCA 1996-911	Ordinance/Resolution/Motion
PCA R1999-39	Ordinance/Resolution/Motion
PCA 2001-301	Ordinance/Resolution/Motion
PCA 2005-1052	Ordinance/Resolution/Motion
PCA 2022-1003	Ordinance/Resolution/Motion