



Economic Development Proposals

Economic Development Committee

October 21, 2020

Gwendolyn Tillotson – Deputy Director





Presentation Outline

TIRZ Council Action Proposals

a) Background

1. Annexation Statute
2. Taxable Value (Current Status)
3. Annexation Impact

b) Proposals

1. Summary
2. Annexations
3. Life Extensions
4. Multiple Actions (Life Extension and Annexation)



Annexation Statute

Tax Code Sec. 311.006

- **Recognize statutory restrictions for TIRZ composition:**
 - A municipality may not designate a reinvestment zone if 25 percent of the total appraised value of taxable real property in the municipality and in the industrial districts created by the municipality, if the municipality has a population of 100,000 or more.
 - A municipality may not designate a reinvestment zone if more than 30 percent of the property in the proposed zone, excluding property that is publicly owned, is used for residential purposes.



Annexation Scoring Guideline

Economic Development evaluates proposals on seven (7) metrics for prioritizing and scoring annexations:

Metric	Detail
Taxable value impact	This metric measures the impact of the annexation to the 25% TIRZ cap and the impact of the annexation to the City's revenue cap.
Deferral Impact	This metric grants a score, based expediency of annexation.
Opportunity Zone/Complete Community	This metric grants a score, based on the annexation's presence in an Opportunity Zone, Complete Community or both.
Undeveloped/Underutilized land	This metric grants a score based on the percentage of underutilized/undeveloped land in the annexed area.
Economic impact value to TIRZ	This metric measures current increment and projected annexation increment in the first year as a percentage of the projected project plan costs based on TIRZ life.
PWE CIP influence	This metric grants a score based on current public works planned activity in the area.
Flooding Risk	This metric measures flood risk in the proposed annex area.



Taxable Value

TIRZ Annexation Overview (TY2019)

Taxable Real Property (TIRZ)	\$45,851,916,008
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Taxable Real Property* (Industrial Districts)	\$5,881,343,394
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Taxable Real Property (COH)	\$247,032,025,661
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Tax Increment Financing Act Sec. 311.006	\$252,913,369,055
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Ratio

18.22%

W/ Proposed Annexation

20.69%



Annexation Impact

“No Taxable Value” Annexation

No.	Name	Cap Percentage	Cap Level w/ Annex.
2	Midtown	0.00%	18.22%
8	Gulgate	0.00%	18.22%
10	Lake Houston	0.00%	18.22%



Annexation Impact

“Taxable Value” Annexation

No.	Name	Cap Percentage	Cap Level w/ Annex.
14	Fourth Ward	1.68%	19.90%
25	Hiram Clarke/Fort Bend	0.01%	19.91%
26	Sunnyside	0.12%	20.03%
27	Montrose	0.00%	20.03%
5	Memorial Heights	0.35%	20.38%
12	City Park	0.14%	20.52%
13	Old Sixth Ward	0.04%	20.56%
15	East Downtown	0.13%	20.69%
20	Southwest Houston	0.0%	20.69%



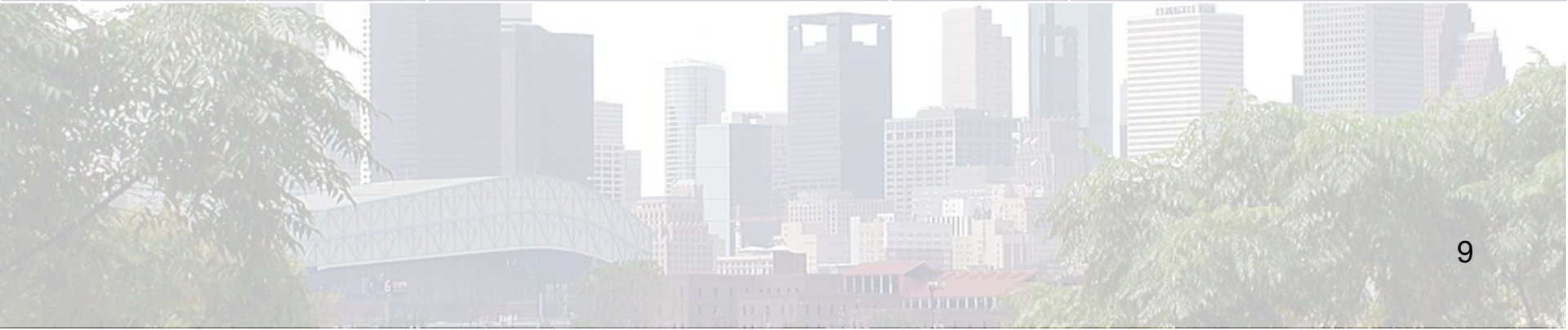
Council Action Proposals – Summary

No.	Name	Action	Purpose	2019 Value	Project(s)
Life Extension Only					
22	Leland Woods	Life Extension	To allow for development of additional projects identified to enhance economic development in newly annexed area.	20 Years Extension to 2049	1) The design and construction of roadways and streets, public utility systems 2) Sidewalks and Pedestrian improvements
Annexation Only					
5	Memorial Heights	Annexation	To clarify the TIRZ boundary, and to annex property in proximity to Washington Ave. to provide corridor improvements	\$881.0M	1) Infrastructure Improvements
8	Gulfgate	Annexation	To annex possible sites for Workforce Housing, ROW leading to the airport and proximal park space.	ROW and Park Annexation	1) Street improvements along Mosley 2) Infrastructure Improvements 3) Park Improvements
10	Lake Houston	Annexation	To annex Taylor’s Gully for storm and drainage improvements	Single Parcel Annexation	1) Storm and drainage improvements
12	City Park	Annexation	To design and construct storm water infrastructure improvements needed to address recent trends in the area	\$347.6M	1) Storm water infrastructure improvements
13	Old Sixth Ward	Annexation	To address undersized/past useful life storm water infrastructure and utilities.	\$97.7M	1) Storm water infrastructure improvements.
15	East Downtown	Annexation	To address undersized/past useful life storm water infrastructure and utilities.	\$330.6M	1) Storm water infrastructure improvements.



Council Action Proposals – Summary

No.	Name	Action	Purpose	2019 Value	Project(s)
Annexation Only					
20	Southwest Houston	Annexation	To respond to recommendation for a mixed development of a former landfill, Ruffino Hill	\$10.8M	1) Infrastructure Improvements
25	Hiram Clarke	Annexation	To allow for the annexation of proposed Edison Performing Arts Center, along with additional area in need of economic development	Approx. \$13.2M	1) Infrastructure Improvements for EPAC or incentives 2) Need to include projects related to the southern annexation
26	Sunnyside	Annexation	To annex adjacent commercial and vacant land along main corridors as part of their commercial corridor revitalization plan.	Approx. \$308.8M	1) TIRZ is undergoing a economic corridor study to develop project priorities
27	Montrose	Annexation	To annex area between Midtown and Montrose along with additional area in need of street and drainage improvements	Approx. \$11.0M	1) Infrastructure and Drainage Improvements 2) Parking Improvements





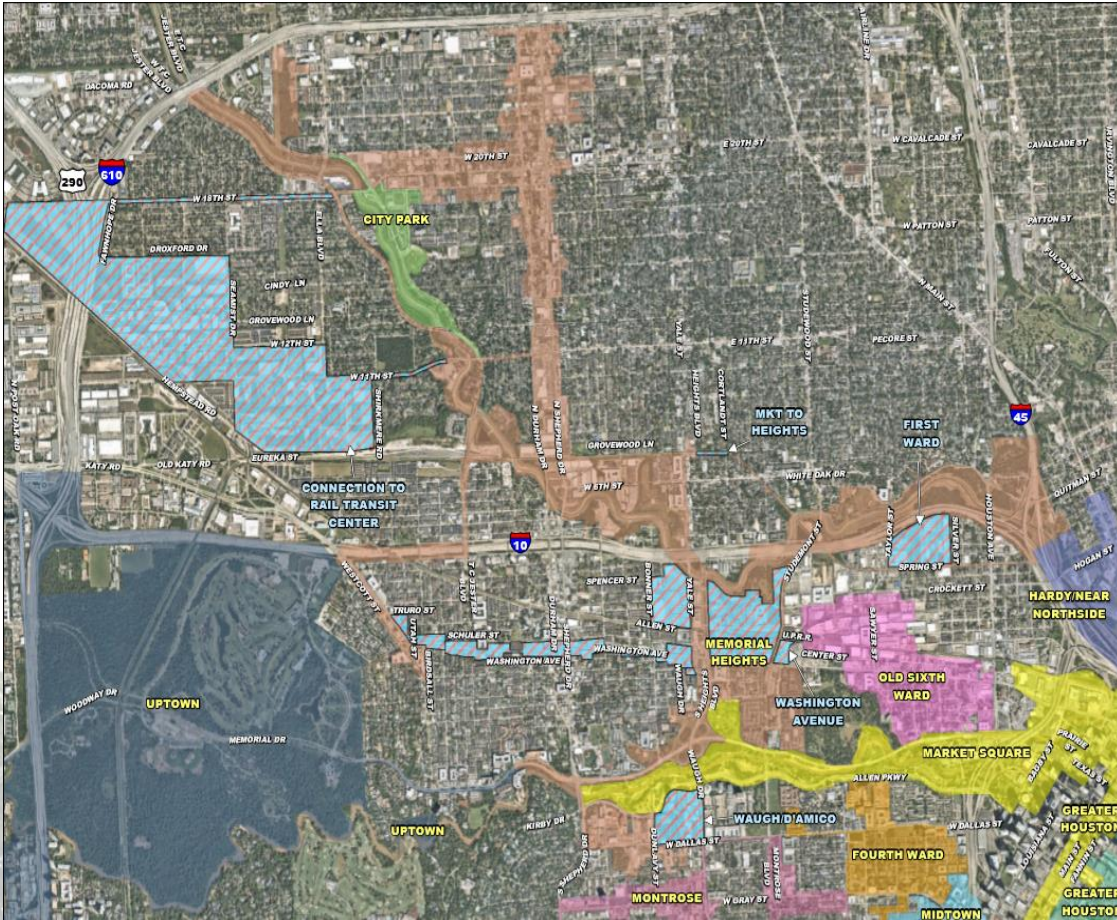
Council Action Proposals – Summary

No.	Name	Action	Purpose	2019 Value	Project(s)
Multiple Actions					
2	Midtown	Annexation	To annex previously vacant land for the construction of an Affordable Housing hub.	Vacant Land	1. Affordable Housing Hub
2	Midtown	Life Extension	To facilitate necessary improvements within the Zone primarily relating to the NHIP but also including infrastructure to support the development of the ION Technology Project.	10 Years Extension to 2050	<ol style="list-style-type: none"> 1) Drainage improvements in South East Midtown 2) Street improvements along Elgin 3) Improvements relating to the North Houston Highway Improvement Project.
14	Fourth Ward	Annexation	To annex Sam Houston Park adjacent properties to reconnect Fourth Ward with historic homes located within the park and provide long support to maintain the homes	Approx. \$4.2B	1) Maintenance of Sam Houston Park
14	Fourth Ward	Life Extension	The TIRZ is seeking a life extension from 2029 to 2049 to generate increment to fund capital improvements related to the North Houston Highway Improvement Project.	20 Years Extension to 2049	<ol style="list-style-type: none"> 1) Heiner Bridge reconstruction, Andrews street to connect to Antioch, Wiley Park. 2) Pedestrian and bicycle improvements on W. Dallas to connect to Montrose .





Memorial Heights – Annexation



Purpose:

To fill gaps in the TIRZ boundary, and to annex adjacent industrial re-developing property to provide infrastructure improvements

Value:

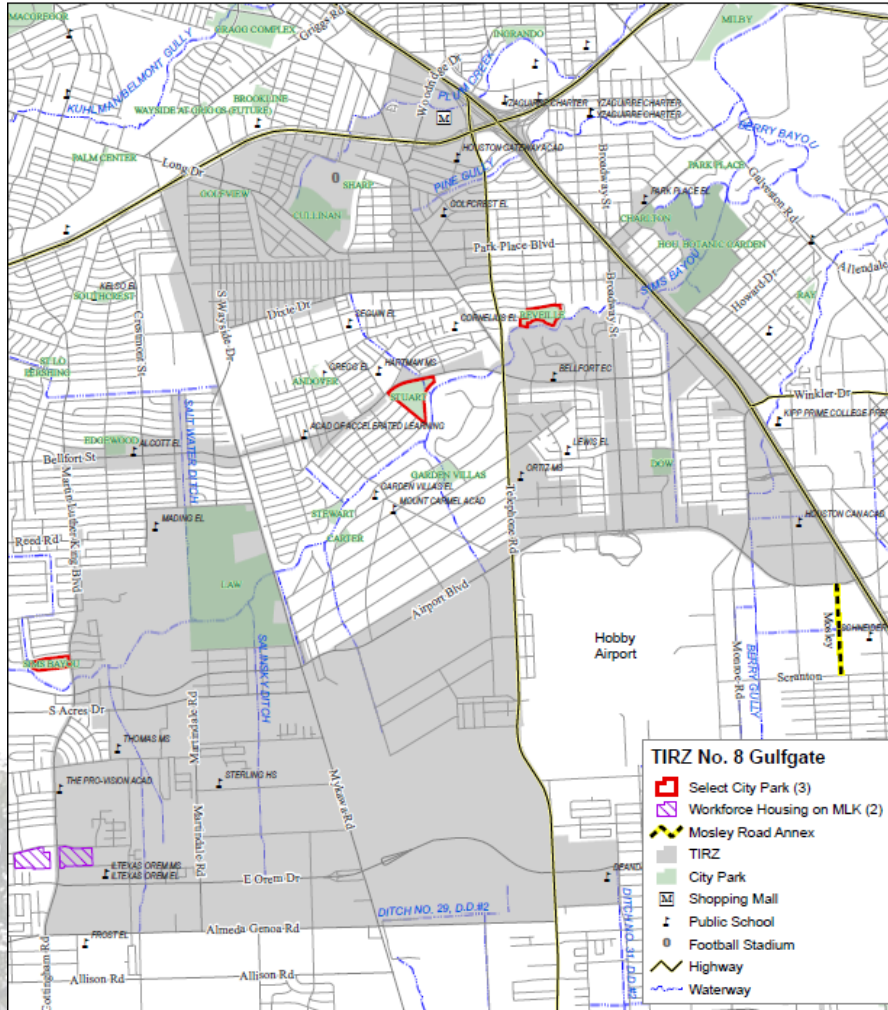
Approx. \$881.0M

Projects Include:

- 1) Infrastructure Improvements



Gulfgate – Annexation



Purpose:
 To annex possible sites for Workforce Housing (MLK and Wayfarer), ROW leading to the airport and proximal park space.

Value:
 No Taxable Value Annexation

Projects Include:

- 1) Street improvements along Mosley
- 2) Infrastructure Improvements
- 3) Park Improvements



Lake Houston – Annexation



Purpose:

To annex Taylor's Gully for storm and drainage improvements.

Value:

No Taxable Value Annexation

Projects Include:

1) Storm and Drainage Improvements

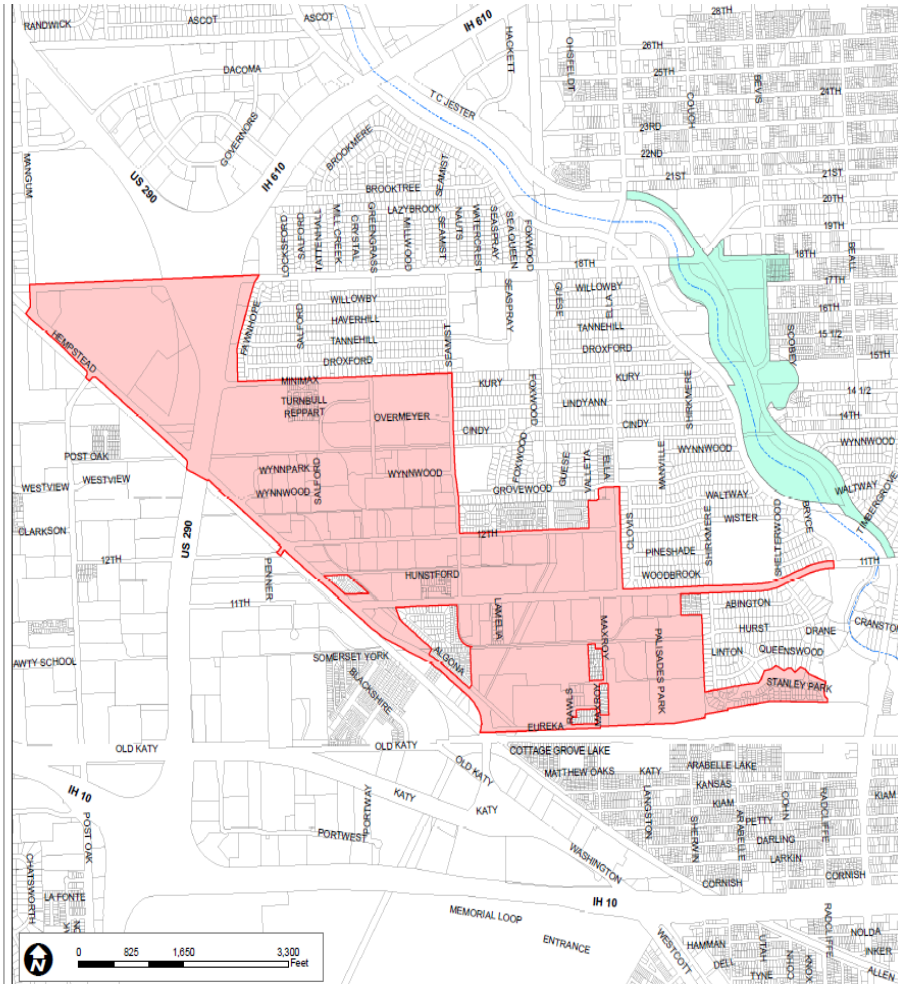


City Park – Annexation

City Of Houston
City Park
Proposed Annexation

Legend

- Parcels
- Proposed Annexation
- City Park
- Water Line



Source: GIS Services Division
Date: May 2019
Reference: PJ20700_Annexation

This map is made available for reference purposes only and should not be substituted for a survey product. The City of Houston will not accept liability of any kind in conjunction with its use.

PLANNING & DEVELOPMENT DEPARTMENT

Purpose:

The design and construct storm water infrastructure improvements needed to address recent trends in the area

Value:

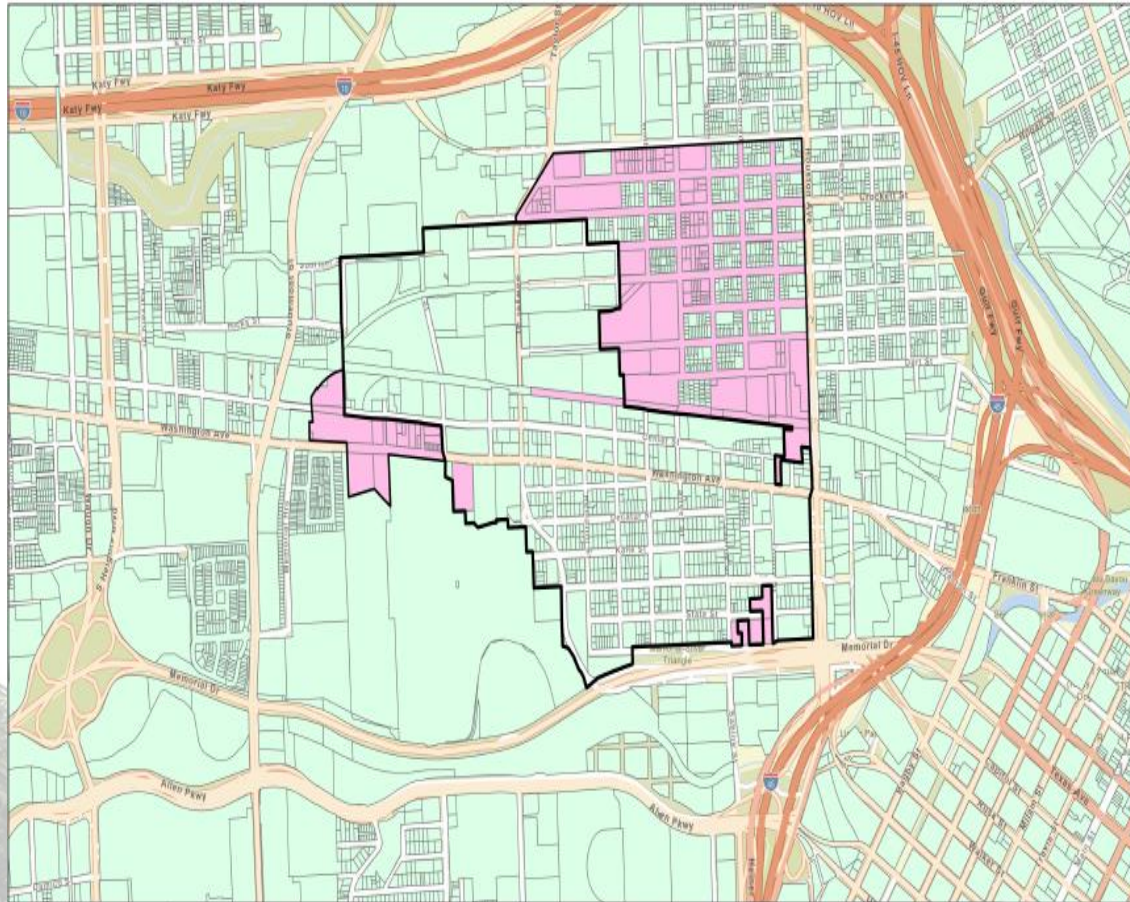
Approx. \$347.6M

Projects Include:

- 1) Stormwater Infrastructure Improvements



Old Sixth Ward – Annexation



Purpose:

To address undersized/past useful life storm water infrastructure and utilities.

Value:

Approx. \$97.7M

Projects Include:

- 1) Stormwater Infrastructure improvements



East Downtown – Annexation



Purpose:

To address undersized/past useful life storm water infrastructure and utilities.

Value:

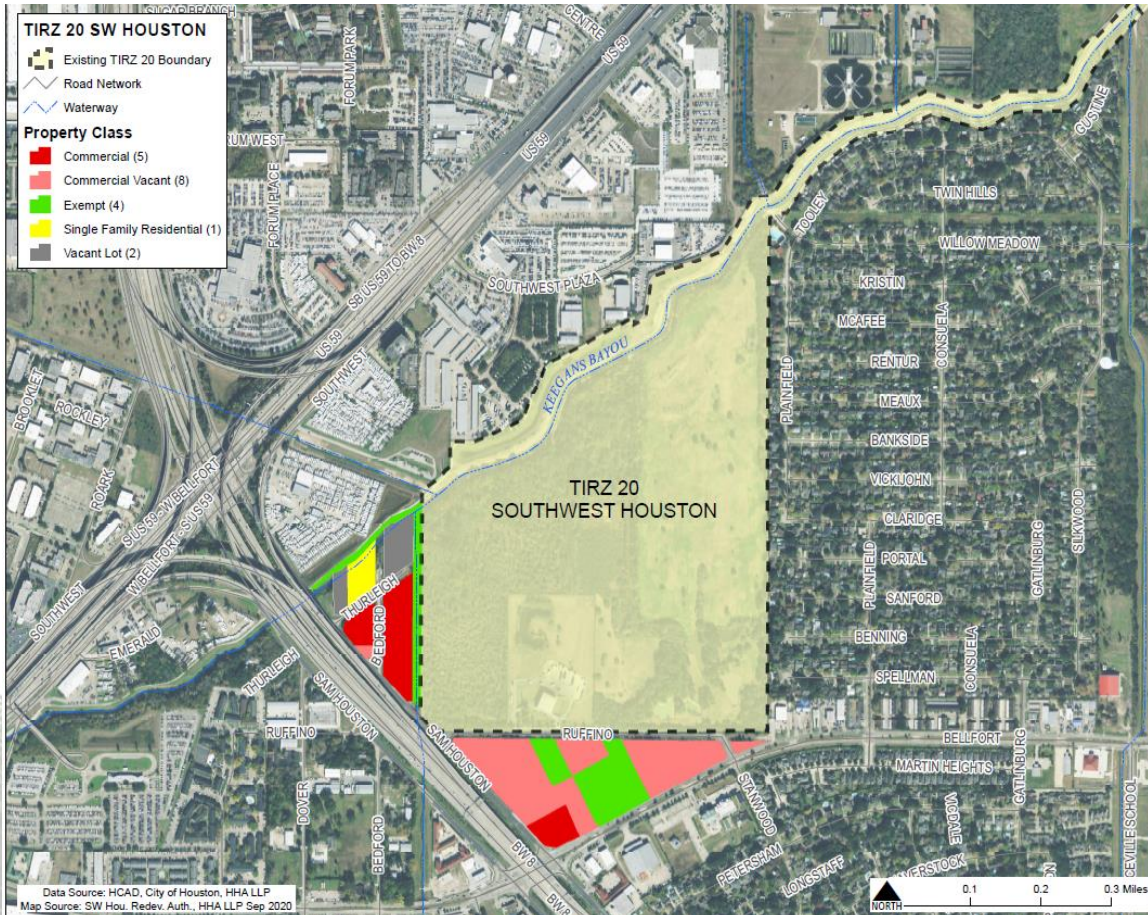
Approx. \$330.6M

Projects Include:

- 1) Storm water infrastructure improvements



Southwest Houston – Annexation



Purpose:

Houston One Voice is preparing a concept plan to redevelop Rufino Hills, the area proposed for annexation.

Value:

Approx. \$10.8M

Projects Include:

- 1) Storm and Drainage Improvements

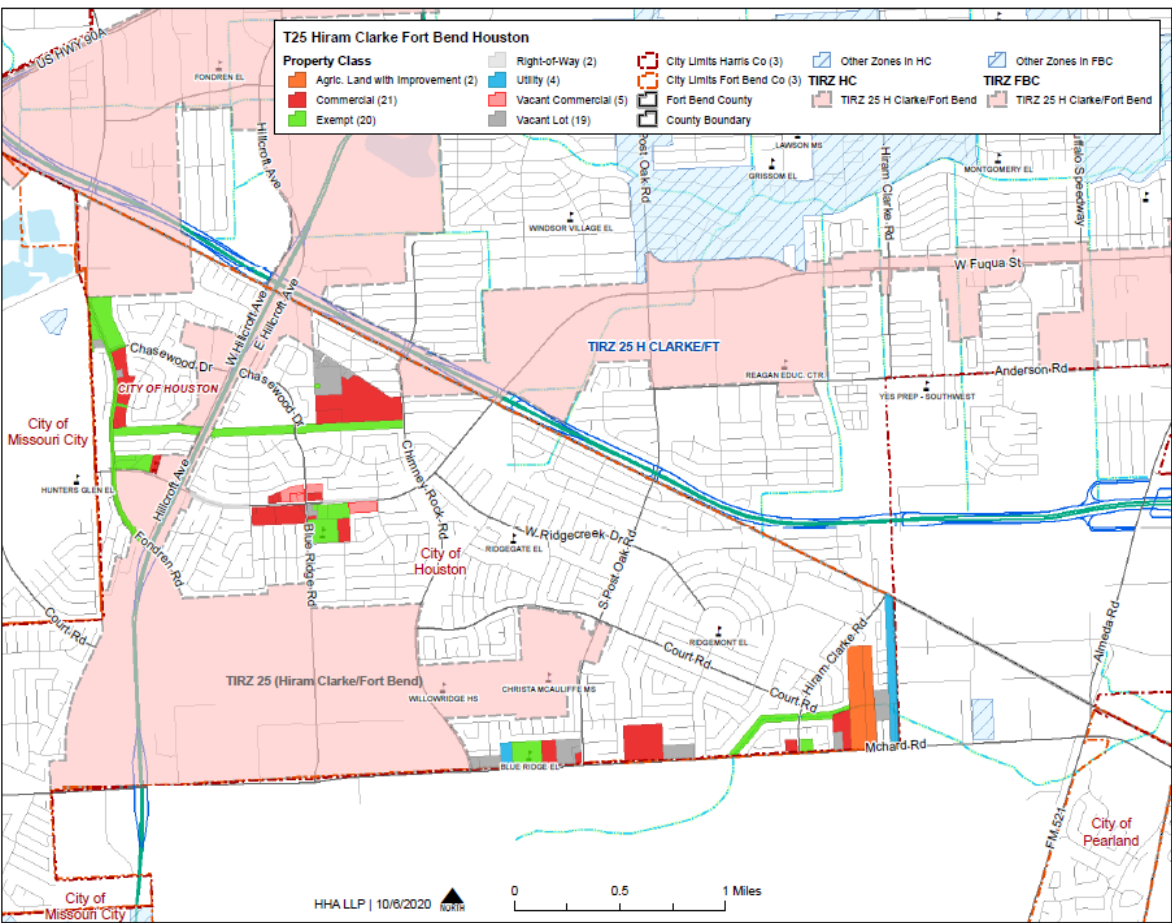


Hiram Clark/Fort Bend - Annexation

Purpose:
To allow for the annexation of Edison Performing Arts Center, along with additional area in need of economic development.

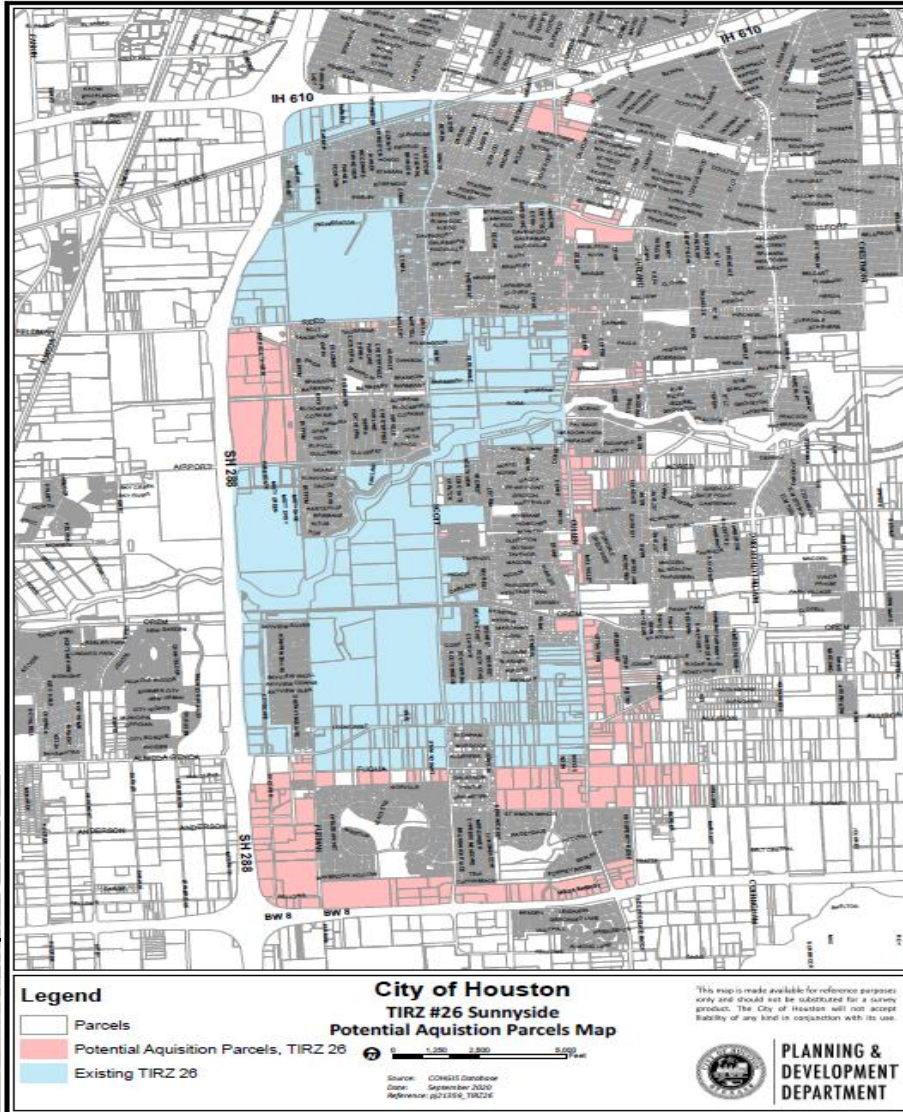
Value:
Approx. \$13.2 Million

- Projects Include:**
- 1) Infrastructure Improvements for EPAC or incentives
 - 2) Need to include projects related to the southern annexation





Sunnyside - Annexation



Purpose:

To annex adjacent commercial and vacant land along main corridors as part of their commercial corridor revitalization plan.

Value:

Approx. \$308.8M





Montrose – Annexation



Purpose:

To annex “orphan” area between Midtown and Montrose along with additional area in need of street and drainage improvements

Value:

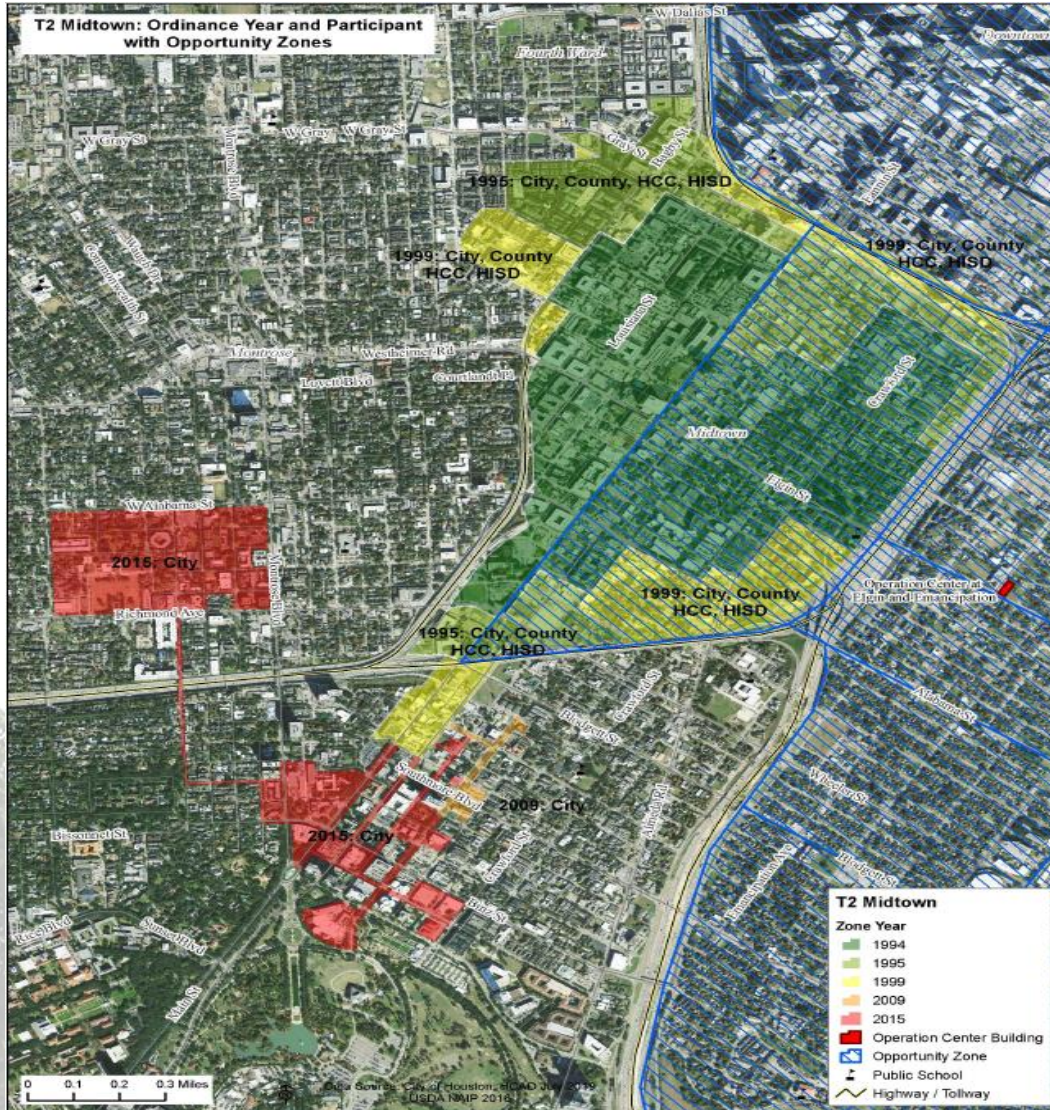
Approx. \$11.0M

Projects Include:

- 1) Infrastructure and Drainage Improvements
- 2) Parking Improvements



Midtown – Annexation



Purpose:

To annex previously vacant land to construct an Affordable Housing hub. Proposal also to consider Lulac 60 HQ

Value:

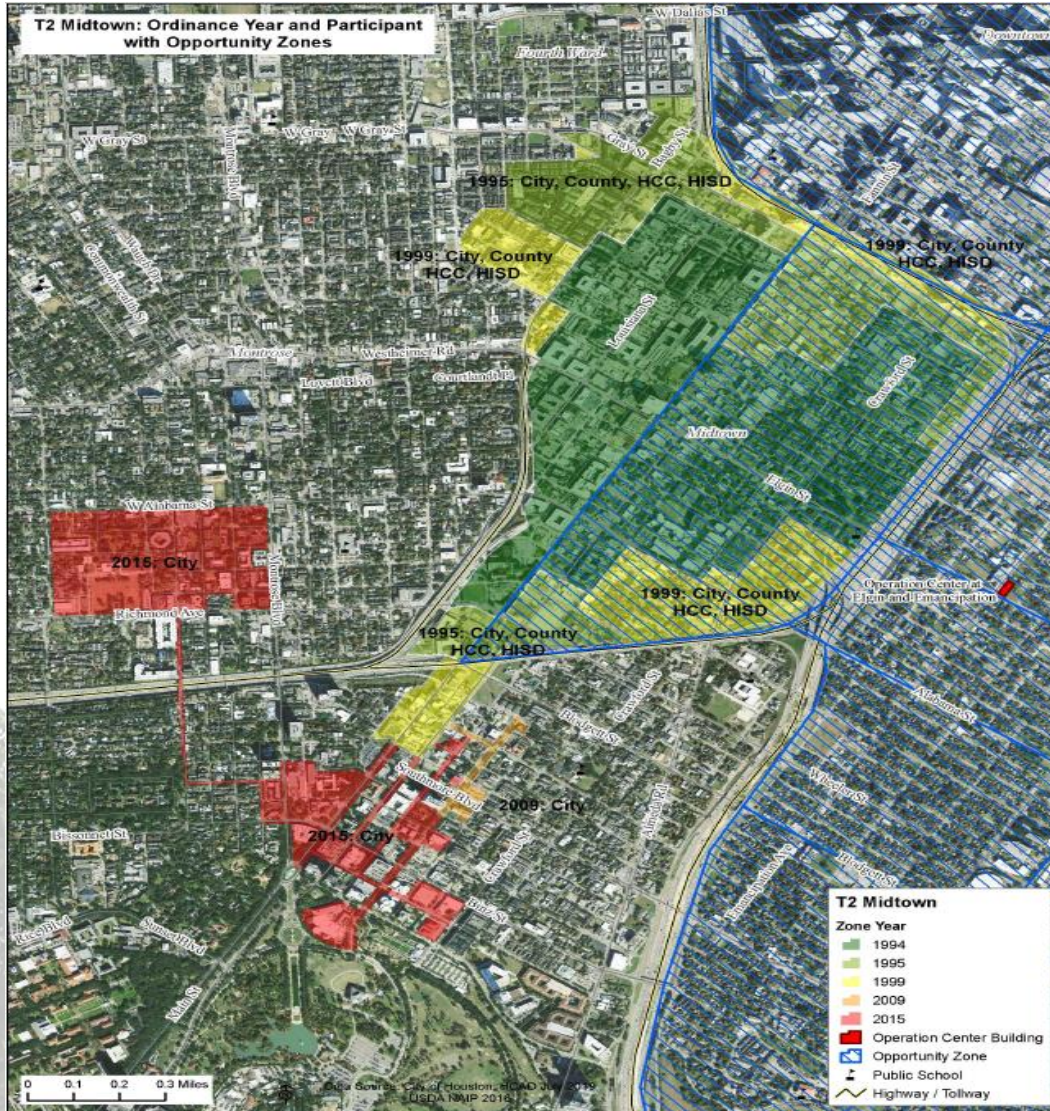
No Taxable Value Annexation

Projects Include:

- 1) Affordable Housing Hub



Midtown – Life Extension



Purpose:

To facilitate necessary improvements within the Zone.

Value:

10 Year Extension to 2050

Projects Include:

- 1) Drainage improvements in South East Midtown
- 2) Street improvements along Elgin
- 3) Improvements relating to the North Houston Highway Improvement Project.



Fourth Ward – Annexation

City of Houston Fourth Ward TIRZ (#14) Annexation (De-Annexation TIRZ #3)

"DRAFT"

Legend

- Existing Fourth Ward
- Proposed Annexation
- Deannexation Market Square
- Parcels
- Railroads
- Waterway

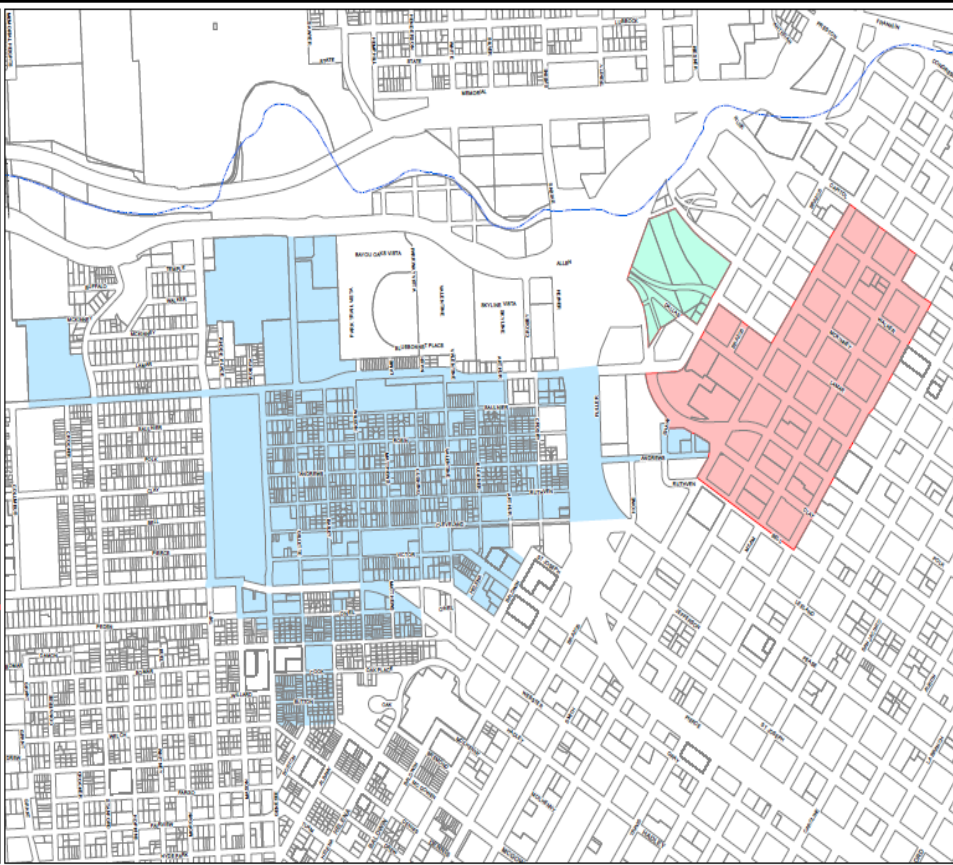
Source: COGISE Database.

Date: October 2020
Reference: FID0870_TIRZ_14_Annex

"DRAFT"

Note:
The Proposed Annexation and De-Annexation Information was provided By Kamal Oluogboyege with The Mayors Office. It is not a part of The GIS Division's Data at this time.

0 325 650 1300 Feet



Purpose

To annex Sam Houston Park adjacent properties to create incremental revenue which will be used as a funding source for the long-term maintenance of Sam Houston Park and the historic homes located within the park.

Value:

Approx. \$4.2 Billion

Projects Include:

- 1) Maintenance of Sam Houston Park



Fourth Ward – Life Extension

City of Houston
Fourth Ward
TIRZ (#14)
Annexation
(De-Annexation
TIRZ #3)

"DRAFT"

Legend

- Existing Fourth Ward
- Proposed Annexation
- Deannexation Market Square
- Parcels
- Railroads
- Waterway

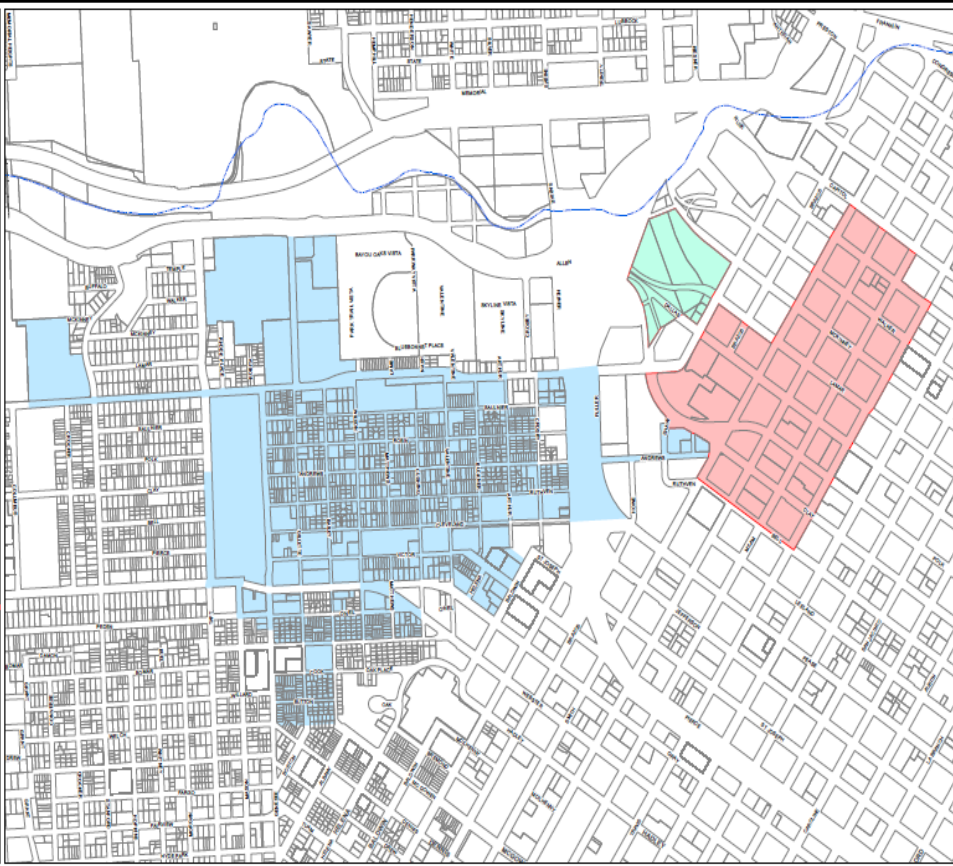
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"DRAFT"

Note:
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Information was provided By Kami
Olugboyege with The Mayors Office. It is not
a part of The GIS Division's Data at this time.

0 325 650 1300 Feet



Purpose

The TIRZ is seeking a life extension from 2029 to 2049 to generate increment to fund capital improvements related to the North Houston Highway Improvement Project.

Value:

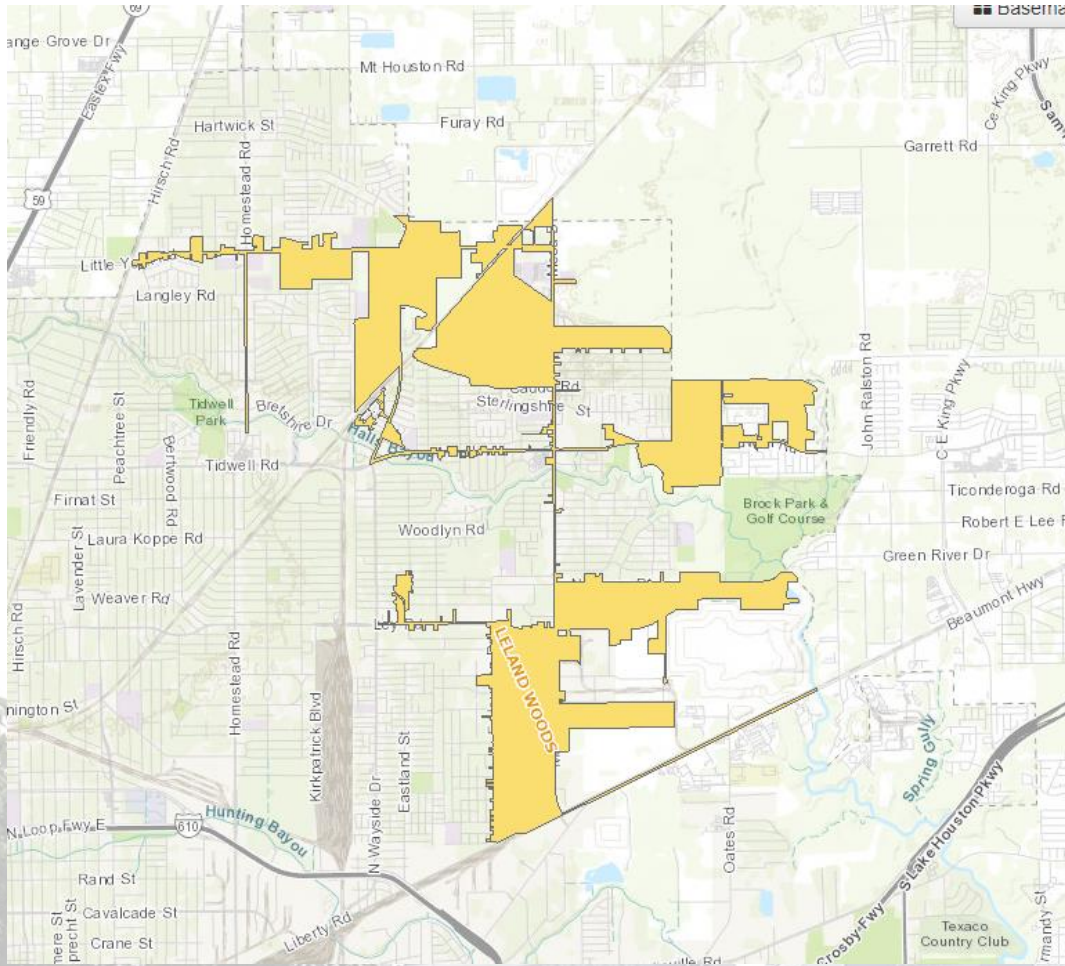
20 Year Extension to 2049

Projects Include:

- 1) Heiner Bridge reconstruction, Andrews street to connect to Antioch, Wiley Park.
- 2) Pedestrian and bicycle improvements on W. Dallas to connect to Montrose .



Leland Woods – Life Extension



Purpose:

To accommodate anticipated development projects in its newly annexed area

Value:

17 Year Extension to 2050

Projects Include:

- 1) The design and construction of roadways and streets, public utility systems
- 2) Sidewalks and Pedestrian improvements
- 3) Public open space enhancements.
- 4) Possible public amenities and/or infrastructure to support Robin's Landing, a mixed used development constructed by Habitat for Humanity



TIRZ Council Actions

Questions?

