



TIRZ Council Action Proposals

Economic Development Committee

October 18, 2023

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Presentation Outline

Background

- TIRZ Policy Summary
- Proposal Scoring Guide
- Capacity Snapshot
- Annexation Impact

Proposals

Timeline



TIRZ Policy Summary – Framework

City of Houston TIRZ Program follows these legal frameworks:

- Texas Tax Code Chapter 311
- City of Houston Ordinance 2023-726





TIRZ Policy Summary – Life Extension

The life extension of an existing TIRZ will be evaluated and considered for any of the following scenarios.

The proposed extension...

- ...is required to secure financing for an approved project to expedite construction
- ...will provide for additional time to complete an approved project
- ...will generate revenue for projects reflected in a project plan if supported by a planned new investment
- ...is needed to leverage new local, state, federal, or philanthropic funding



TIRZ Policy Summary – Boundary Adjustments

Boundary Adjustments includes annexations and de-annexations. Annexations into an existing TIRZ will be evaluated and considered for any of the following scenarios.

The proposed annexation will further the objectives of the TIRZ’s project plan AND (at least one of the following)...

- ...attract private investment in the proposed area.
- ...support an application to the state or federal housing agency for the development and construction of low-income housing.
- ...support an application for state, federal, or philanthropic funding for transportation, park, or other infrastructure.



Proposal Scoring Guideline

In addition to the specific proposal requirements in TIRZ policy, MOED evaluates, scores, and prioritizes proposals on eight (8) metrics:

Metric	Description
Deferral Impact	A score based on the urgency of the proposal.
Mayoral Priorities	A score based on how well the proposal connects to the Mayor's initiatives and priorities.
Taxable Value Impact	Measures the impact of the proposal to the 25% TIRZ cap and the impact of the annexation to the City's revenue cap.
Opportunity Zone	A score based on the proposal's presence in an Opportunity Zone.
Undeveloped/Underutilized Land	A score based on the percentage of underutilized/undeveloped land in the existing TIRZ boundary or proposed boundary.
Economic Impact Value to TIRZ	Measures current increment and projected annexation increment in the first year as a percentage of the projected project plan costs based on TIRZ life.
Flooding Investment & Risk	A score based on the amount of flood mitigation investment is occurring in the proposed area and measures flood risk in the proposed annex area.
PWE CIP Influence	A score based on current public works planned activity in the area.



TIRZ Capacity Snapshot

Tax Year 2022 Certified Taxable Values

TY22 Taxable Real Property in TIRZs	\$62,995,503,026
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Taxable Real Property (Sec. 311.006)	
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TY22 Industrial Districts	\$5,192,338,613
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TY22 City of Houston (excl. BPP)	\$260,572,806,121
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Total	\$265,765,144,734
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Current Ratio TIRZ / (Industrial Districts + COH) =	23.70%
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Ratio with Proposed Annexation	23.71%
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Ratio Cap (Sec. 311.006)	25.00%
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Annexation Impact

TIRZ	NAME	CONTRIBUTION TO 25% CAP	CUMULATIVE CONTRIBUTION
TY22 TIRZ CAPACITY			23.703%
07	OST/ Almeda Corridors	+0.004%	23.707%
TOTAL		+0.004%	23.707%



Council Action Proposals Summary

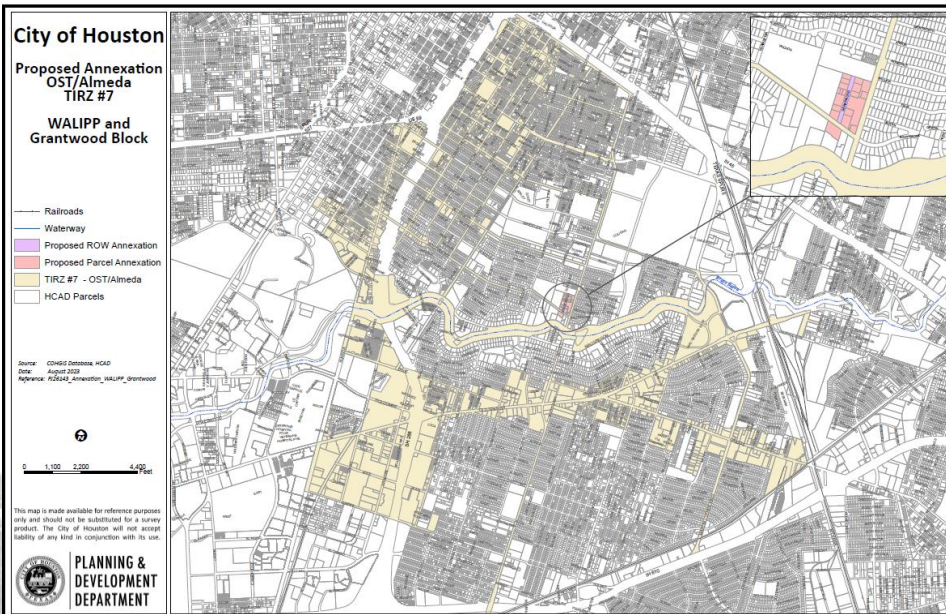
TIRZ	NAME	ACTION	PURPOSE	ANNEX VALUE	PROJECTS
07	OST/ Almeda Corridors	Annexation	Support William A. Lawson Institution for Peace and Prosperity (WALIPP)	\$9,399,558 (+0.004%)	Affordable Housing
18	Fifth Ward	Life Extension	Support Buffalo Bayou East	N/A	Park Improvements
23	Harrisburg	Life Extension	Support Buffalo Bayou East	N/A	Park Improvements
24	Greater Houston	Project Plan Amendment	Amend Project Priorities	N/A	Affordable Housing; Infrastructure Improvements



TIRZ 7 – Annexation

OST/Almeda Corridors

- Purpose
 - Support William A. Lawson Institution for Peace and Prosperity (WALIPP) in pursuing TDHCA affordable housing tax credits
- Taxable Value (Sept. 2023)
 - \$9,399,558 (+0.004%)
- Projects
 - Affordable Housing

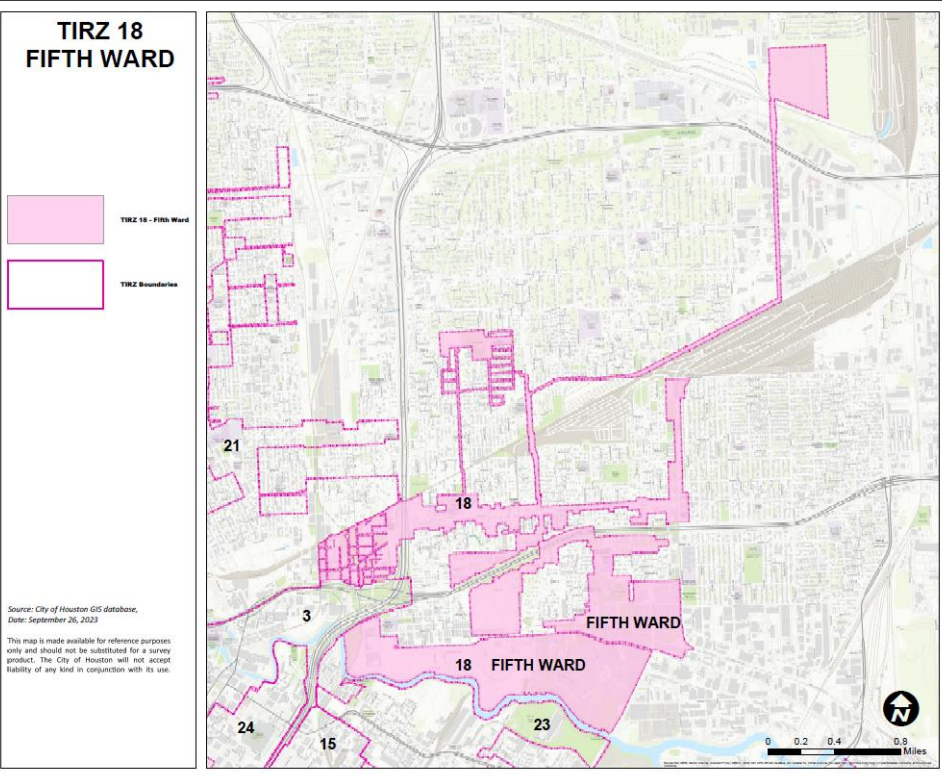




TIRZ 18 – Life Extension

Fifth Ward

- Purpose
 - Support the Buffalo Bayou East expansion
- Proposed Extension
 - 3 Years
 - Termination: 2049 → 2052
 - Reduced City participation after 2050
- Projects
 - Buffalo Bayou East



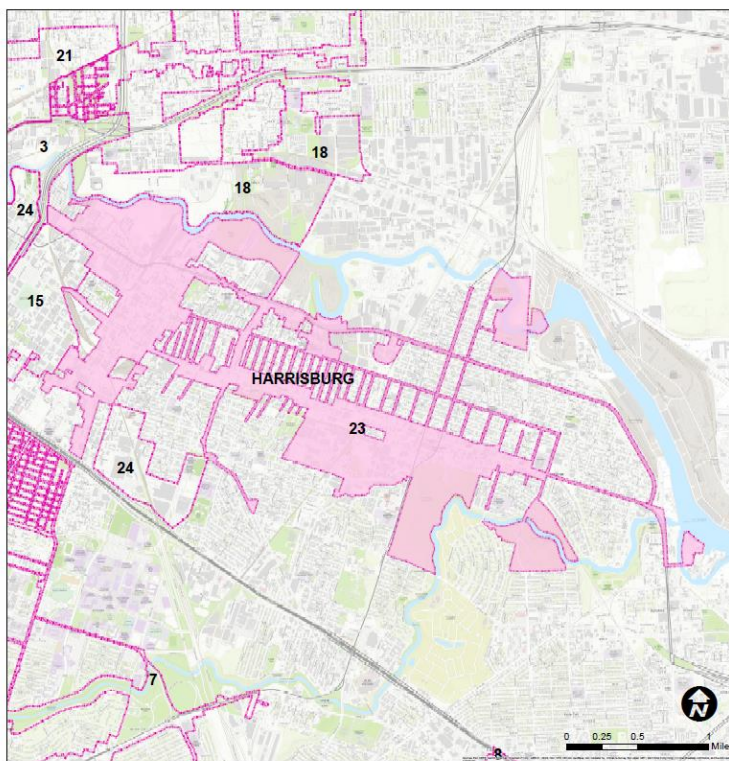


TIRZ 23 – Life Extension

Harrisburg

- Purpose
 - Support the Buffalo Bayou East expansion
- Proposed Extension
 - 12 Years
 - Termination: 2040 → 2052
 - Reduced City participation after 2040
- Projects
 - Buffalo Bayou East

TIRZ 23 HARRISBURG



Source: City of Houston GIS database,
Date: September 26, 2023

This map is made available for reference purposes
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product. The City of Houston will not accept
liability of any kind in conjunction with its use.

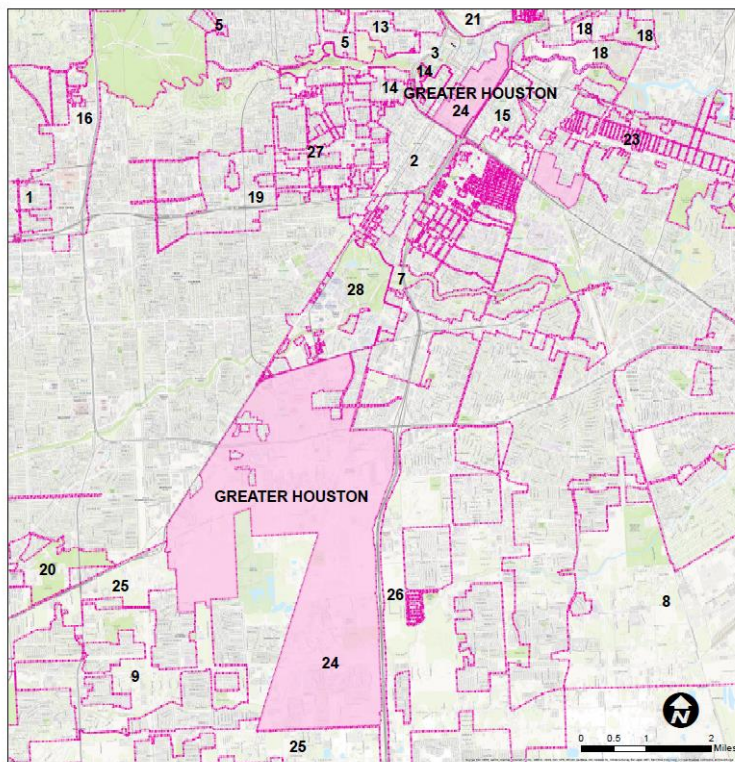


TIRZ 24 – Project Plan Amendment

Greater Houston

- Purpose
 - Establish an affordable housing fund
- Proposed Amendments
 - A portion of County increment will be set aside for affordable housing
 - No impact on City increment or City-funded capital projects
- Projects
 - Affordable Housing
 - Infrastructure to support additional housing
 - Tenant attraction program to support life science employees

TIRZ 24 GREATER HOUSTON



Source: City of Houston GIS database,
Date: October 18, 2023

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Council Action Timeline

<p>GROUP 1 TIRZs 7, 18, & 23</p> <p>Motions to Set Public Hearing Date: October 25, 2023</p> <p>Public Hearings: November 8, 2023</p> <p>Council Consideration: November 15, 2023</p>	<p>GROUP 2 TIRZ 24</p> <p>At Commissioners Court: October 31, 2023</p> <p>City Actions: TBD</p> <hr/> <p>GROUP 3 (if needed)</p> <p>Target EDC Meeting: November 15, 2023</p>
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Questions?

Thank You!

