



NOTICE OF A MEETING

(In compliance with Sec. 551.041, Et. Seq., Tex. Gov't. Code)

Notice is hereby given that the City of Jersey Village Tax Increment Reinvestment Zone Number 3 (TIRZ 3) Board will hold a meeting on June 7, 2021 at 6pm in the Civic Center, 16327 Lakeview Drive, Jersey Village, TX 77040. The Board reserves the right to meet in closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

The agenda packet is accessible to the public at the following link:
https://www.jerseyvillagetx.com/page/tirz3.ags_mins

ITEM(S) to be discussed/acted upon by the Committee are listed on the attached agenda.

AGENDA

A. Call the meeting to order and announce a quorum is present. *Austin Bleess, City Manager*

B. CITIZENS' COMMENTS

Any person who desires to address this Committee regarding an item on the agenda will be heard at this time. In compliance with the Texas Open Meetings Act, unless the subject matter of the comment is on the agenda, the City staff and Committee Members are not allowed to discuss the subject. Each person is limited to five (5) minutes for comments.

C. Election of chairperson and vice-chairperson. *Austin Bleess, City Manager*

D. Discuss and take appropriate action concerning TIRZ Board responsibilities and duties. *Austin Bleess, City Manager*

E. Discuss and take appropriate action on a project plan and a reinvestment zone financing plan. *Austin Bleess, City Manager*

F. Preliminary Discussions on possible purchases of homes. *Austin Bleess, City Manager*

G. Adjourn.

CERTIFICATION

I, the undersigned authority, do hereby certify in accordance with the Texas Open Meeting Act, the Agenda is posted for public information, at all times, for at least 72 hours preceding the scheduled time of the meeting on the bulletin board located at City Hall, 16327 Lakeview, Jersey Village, TX 77040, a place convenient and readily accessible to the general public at all times, and said Notice was posted on the following date and time: June 2, 2021 at 11:30 a.m. and remained so posted until said meeting was convened.



Austin Bleess
City Manager

In compliance with the Americans with Disabilities Act, the City of Jersey Village will provide for reasonable accommodations for persons attending City Council meetings. Request for accommodations must be made to the City Secretary by calling 713 466-2102 forty-eight (48) hours prior to the meetings. Agendas are posted on the Internet Website at www.jerseyvillagetx.com

"Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun."

"Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly." posted on the Internet Website at <http://www.jerseyvillagetx.com/>

TIRZ 3 BOARD - CITY OF JERSEY VILLAGE, TEXAS - AGENDA REQUEST

AGENDA DATE: June 7, 2021

AGENDA ITEM: C

AGENDA SUBJECT: Election of Officers

Department/Prepared By: Austin Bless, City Manager **Date Submitted:** June 2, 2021

EXHIBITS: Exhibit C from Ordinance 2021-14 – TIRZ No. 3 Board of Directors

BACKGROUND INFORMATION:

In accordance Ordinance 2021-14, each year the Board shall elect one of its members to serve as Chairman for a term of one year that begins on January 1 of the following year. The Board of Directors may elect a Vice-Chairman to preside in the absence of the Chairman or when there is a vacancy in the office of Chairman.

Staff recommends that the Board elect both a Chairman and a Vice Chairman. These appointments will run through the end of this calendar year. All subsequent terms will be from January 1 thru December 31.

RECOMMENDED ACTION:

Elect Officers

TIRZ 3 BOARD - CITY OF JERSEY VILLAGE, TEXAS - AGENDA REQUEST

AGENDA DATE: June 7, 2021 **AGENDA ITEM:** D

AGENDA SUBJECT: Discuss and take appropriate action concerning TIRZ Board responsibilities and duties.

PREPARED BY: Austin Bless, City Manager **DATE SUBMITTED:** June 2, 2021

EXHIBITS: Texas Tax Code Chapter 311

BACKGROUND INFORMATION:

First off I want to thank each of you for taking the time to serve on this Tax Increment Reinvestment Zone Board. The TIRZ is unique to Jersey Village. I'm unaware of any other city that has had residents petition for this type of TIRZ.

This TIRZ is comprised of the area that had previously been designated and zoned for Jersey Village Crossing. Jersey Village Crossing is a proposed high density mixed-use development for the area along Jones Road south of 290. You can find more information about this on our website: <https://www.jerseyvillagetx.com/page/TIRZ3.home>

This topic is just to provide a brief overview of the TIRZ Board responsibilities and duties.

The responsibilities and duties of the board are prescribed in City Ordinance and state law. The information from the ordinance is as follows:

Duties

- (a) The Board shall act as an advisory board to the city council in the operation and administration of Zone Number 3; all action by the board is subject to city council approval. The authority and responsibility of the board expressly includes:
1. Make recommendations to the city council regarding the administration of the Zone.
 2. Make recommendations to the city council regarding agreements that are necessary or convenient to implement the project plan and reinvestment zone financing plan.
 3. Make recommendations to the city council regarding agreements with local governments or political subdivisions for management of the zone or implementing the project plan and reinvestment zone financing plan.
 4. Make recommendations to the city council regarding the expenditure of TIF Fund Number 2 funds related to development and redevelopment of land within the zone, in conformance with the following process.
 5. Acting as the lead entity in working with other boards and commissions regarding incentives, regulations, infrastructure, and all other physical and economic development decisions related to the Zone number 2.
 6. Providing a progress report to the city council annually, or as requested by the city council.

Officers

- (a) Each year the Board shall elect one of its members to serve as Chairman for a term of one year that begins on January 1 of the following year. The board of directors may elect a Vice-Chairman to preside in the absence of the Chairman or when there is a vacancy in the office of Chairman. The board may elect other officers as it considers appropriate.

Bylaws

- (a) The board may write its own bylaws establishing its own rules for its regulation. Said bylaws and amendments thereto shall be filed with the City Secretary.

Meetings

- (a) The board shall hold at least one regular meeting per quarter. These meetings shall be open to the public and at a time and place of their choosing. It may also hold such other meetings as may be necessary to accomplish the purpose of its creation. All meetings shall be public and shall conform to law.
- (b) All members including the chairperson shall vote in matters considered by the commission.

Minutes

- (a) The board shall keep a record of its proceedings in a permanent book, and a signed copy of the minutes shall be given to the City Secretary.

By state law the board must prepare and adopt a project plan and a reinvestment zone financing plan for the zone and submit the plans to the city council.

The project plan must include:

- (1) A description and map showing existing uses and conditions of real property in the zone and proposed uses of that property;
- (2) Proposed changes of zoning ordinances, the master plan of the municipality, building codes, other municipal ordinances, and subdivision rules and regulations, if any, of the county, if applicable;
- (3) A list of estimated nonproject costs; and
- (4) A statement of a method of relocating persons to be displaced, if any, as a result of implementing the plan.

The reinvestment zone financing plan must include:

- (1) A detailed list describing the estimated project costs of the zone, including administrative expenses;
- (2) A statement listing the proposed kind, number, and location of all public works or public improvements to be financed by the zone;
- (3) A finding that the plan is economically feasible and an economic feasibility study;
- (4) The estimated amount of bonded indebtedness to be incurred;
- (5) The estimated time when related costs or monetary obligations are to be incurred;
- (6) A description of the methods of financing all estimated project costs and the expected sources of revenue to finance or pay project costs, including the percentage of tax increment to be derived from the property taxes of each taxing unit anticipated to contribute tax increment to the zone that levies taxes on real property in the zone;
- (7) The current total appraised value of taxable real property in the zone;
- (8) The estimated captured appraised value of the zone during each year of its existence; and
- (9) The duration of the zone.

The governing body of the municipality or county that designated the zone must approve a project plan or reinvestment zone financing plan after its adoption by the board. The approval must be by ordinance, in the case of a municipality, or by order, in the case of a county, that finds that the plan is feasible.

The board of directors of the zone at any time may adopt an amendment to the project plan consistent with the requirements and limitations of this chapter. The amendment takes effect on approval by the City Council in the form of an ordinance.

Some of the state law that is most pertinent to the TIRZ Board is on the following pages. If anyone would like to read the full state law on that you can read the Tax Increment Finance Act online at <http://www.statutes.legis.state.tx.us/Docs/TX/htm/TX.311.htm>.

The next agenda item is to discuss and take possible action on the proposed project and financing plans.

This item is a brief overview of the Board and what is expected of them. I'm happy to answer any questions that anyone may have.

TAX CODE

TITLE 3. LOCAL TAXATION

SUBTITLE B. SPECIAL PROPERTY TAX PROVISIONS

CHAPTER 311. TAX INCREMENT FINANCING ACT

Sec. 311.001. SHORT TITLE. This chapter may be cited as the Tax Increment Financing Act.

Added by Acts 1987, 70th Leg., ch. 191, Sec. 1, eff. Sept. 1, 1987.

Sec. 311.002. DEFINITIONS. In this chapter:

(1) "Project costs" means the expenditures made or estimated to be made and monetary obligations incurred or estimated to be incurred by the municipality or county designating a reinvestment zone that are listed in the project plan as costs of public works, public improvements, programs, or other projects benefiting the zone, plus other costs incidental to those expenditures and obligations. "Project costs" include:

(A) capital costs, including the actual costs of the acquisition and construction of public works, public improvements, new buildings, structures, and fixtures; the actual costs of the acquisition, demolition, alteration, remodeling, repair, or reconstruction of existing buildings, structures, and fixtures; the actual costs of the remediation of conditions that contaminate public or private land or buildings; the actual costs of the preservation of the facade of a public or private building; the actual costs of the demolition of public or private buildings; and the actual costs of the acquisition of land and equipment and the clearing and grading of land;

(B) financing costs, including all interest paid to holders of evidences of indebtedness or other obligations issued to pay for project costs and any premium paid over the principal amount of the obligations because of the redemption of the obligations before maturity;

(C) real property assembly costs;

(D) professional service costs, including those incurred for architectural, planning, engineering, and legal advice and services;

(E) imputed administrative costs, including reasonable charges for the time spent by employees of the municipality or county in connection with the implementation of a project plan;

(F) relocation costs;

(G) organizational costs, including the costs of conducting environmental impact studies or other studies, the cost of publicizing the creation of the zone, and the cost of implementing the project plan for the zone;

(H) interest before and during construction and for one year after completion of construction, whether or not capitalized;

(I) the cost of operating the reinvestment zone and project facilities;

(J) the amount of any contributions made by the municipality or county from general revenue for the implementation of the project plan;

(K) the costs of school buildings, other educational buildings, other educational facilities, or other buildings owned by or on behalf of a school district, community college district, or other political subdivision of this state; and

(L) payments made at the discretion of the governing body of the municipality or county that the governing body finds necessary or convenient to the creation of the zone or to the implementation of the project plans for the zone.

(2) "Project plan" means the project plan for the development or redevelopment of a reinvestment zone approved under this chapter, including all amendments of the plan approved as provided by this chapter.

(3) "Reinvestment zone financing plan" means the financing plan for a reinvestment zone described by this chapter.

(4) "Taxing unit" has the meaning assigned by Section 1.04.

Added by Acts 1987, 70th Leg., ch. 191, Sec. 1, eff. Sept. 1, 1987.

Amended by:

Acts 2005, 79th Leg., Ch. 1094 (H.B. 2120), Sec. 35, eff. September 1, 2005.

Acts 2011, 82nd Leg., R.S., Ch. 1032 (H.B. 2853), Sec. 1, eff. June 17, 2011.

Sec. 311.003. PROCEDURE FOR CREATING REINVESTMENT ZONE. (a) The governing body of a county by order may designate a contiguous geographic area in the county and the governing body of a municipality by ordinance may designate a contiguous or noncontiguous geographic area that is in the corporate limits of the municipality, in the extraterritorial jurisdiction of the municipality, or in both to be a reinvestment zone to promote development or redevelopment of the area if the governing body determines

that development or redevelopment would not occur solely through private investment in the reasonably foreseeable future. The designation of an area that is wholly or partly located in the extraterritorial jurisdiction of a municipality is not affected by a subsequent annexation of real property in the reinvestment zone by the municipality.

(b) Before adopting an ordinance or order designating a reinvestment zone, the governing body of the municipality or county must prepare a preliminary reinvestment zone financing plan.

(c) Before adopting an ordinance or order providing for a reinvestment zone, the municipality or county must hold a public hearing on the creation of the zone and its benefits to the municipality or county and to property in the proposed zone. At the hearing an interested person may speak for or against the creation of the zone, its boundaries, or the concept of tax increment financing. Not later than the seventh day before the date of the hearing, notice of the hearing must be published in a newspaper having general circulation in the municipality or county.

(d) A municipality or county proposing to designate a reinvestment zone must provide a reasonable opportunity for the owner of property to protest the inclusion of the property in a proposed reinvestment zone.

(e) Repealed by Acts 2011, 82nd Leg., R.S., Ch. 1032, Sec. 21, eff. June 17, 2011.

(f) Repealed by Acts 2011, 82nd Leg., R.S., Ch. 1032, Sec. 21, eff. June 17, 2011.

(g) Repealed by Acts 2011, 82nd Leg., R.S., Ch. 1032, Sec. 21, eff. June 17, 2011.

Added by Acts 1987, 70th Leg., ch. 191, Sec. 1, eff. Sept. 1, 1987.

Amended by Acts 1989, 71st Leg., ch. 1137, Sec. 16, eff. Sept. 1, 1989;
Acts 1999, 76th Leg., ch. 983, Sec. 14, eff. June 18, 1999.

Amended by:

Acts 2005, 79th Leg., Ch. 1094 (H.B. [2120](#)), Sec. 36, eff. September 1, 2005.

Acts 2009, 81st Leg., R.S., Ch. 910 (H.B. [1770](#)), Sec. 1, eff. June 19, 2009.

Acts 2011, 82nd Leg., R.S., Ch. 1032 (H.B. [2853](#)), Sec. 2, eff. June 17, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 1032 (H.B. [2853](#)), Sec. 21, eff. June 17, 2011.

Sec. 311.0031. ENTERPRISE ZONE. Designation of an area under the following other law constitutes designation of the area as a reinvestment zone under this chapter without further hearing or other procedural requirements other than those provided by the other law:

- (1) Chapter 2303, Government Code; and
- (2) Chapter 373A, Local Government Code.

Added by Acts 1989, 71st Leg., ch. 1106, Sec. 26, eff. Aug. 28, 1989.

Amended by Acts 1995, 74th Leg., ch. 76, Sec. 5.95(22), eff. Sept. 1, 1995.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1175 (H.B. 470), Sec. 16, eff. September 1, 2007.

Sec. 311.004. CONTENTS OF REINVESTMENT ZONE ORDINANCE OR ORDER. (a) The ordinance or order designating an area as a reinvestment zone must:

- (1) describe the boundaries of the zone with sufficient definiteness to identify with ordinary and reasonable certainty the territory included in the zone;
- (2) create a board of directors for the zone and specify the number of directors of the board as provided by Section 311.009 or 311.0091, as applicable;
- (3) provide that the zone take effect immediately upon passage of the ordinance or order;
- (4) provide a date for termination of the zone;
- (5) assign a name to the zone for identification, with the first zone created by a municipality or county designated as "Reinvestment Zone Number One, City (or Town, as applicable) of (name of municipality)," or "Reinvestment Zone Number One, (name of county) County," as applicable, and subsequently created zones assigned names in the same form numbered consecutively in the order of their creation;
- (6) establish a tax increment fund for the zone; and
- (7) contain findings that:
 - (A) improvements in the zone will significantly enhance the value of all the taxable real property in the zone and will be of general benefit to the municipality or county; and
 - (B) the area meets the requirements of Section 311.005.

(b) For purposes of complying with Subsection (a) (7) (A), the ordinance or order is not required to identify the specific parcels of real property to be enhanced in value.

(c) To designate a reinvestment zone under Section 311.005(a)(4), the governing body of a municipality or county must specify in the ordinance or order that the reinvestment zone is designated under that section.

Added by Acts 1987, 70th Leg., ch. 191, Sec. 1, eff. Sept. 1, 1987.

Amended by Acts 1989, 71st Leg., ch. 1137, Sec. 17, eff. Sept. 1, 1989;

Acts 1999, 76th Leg., ch. 983, Sec. 1, eff. June 18, 1999; Acts 2001, 77th Leg., ch. 1162, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2005, 79th Leg., Ch. 1094 (H.B. 2120), Sec. 36, eff. September 1, 2005.

Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 14.002, eff. September 1, 2007.

Sec. 311.005. CRITERIA FOR REINVESTMENT ZONE.

(a) To be designated as a reinvestment zone, an area must:

(1) substantially arrest or impair the sound growth of the municipality or county designating the zone, retard the provision of housing accommodations, or constitute an economic or social liability and be a menace to the public health, safety, morals, or welfare in its present condition and use because of the presence of:

(A) a substantial number of substandard, slum, deteriorated, or deteriorating structures;

(B) the predominance of defective or inadequate sidewalk or street layout;

(C) faulty lot layout in relation to size, adequacy, accessibility, or usefulness;

(D) unsanitary or unsafe conditions;

(E) the deterioration of site or other improvements;

(F) tax or special assessment delinquency exceeding the fair value of the land;

(G) defective or unusual conditions of title;

(H) conditions that endanger life or property by fire or other cause; or

(I) structures, other than single-family residential structures, less than 10 percent of the square footage of which has been used for commercial, industrial, or residential purposes during the preceding 12 years, if the municipality has a population of 100,000 or more;

(2) be predominantly open or undeveloped and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impair or arrest the sound growth of the municipality or county;

(3) be in a federally assisted new community located in the municipality or county or in an area immediately adjacent to a federally assisted new community; or

(4) be an area described in a petition requesting that the area be designated as a reinvestment zone, if the petition is submitted to the governing body of the municipality or county by the owners of property constituting at least 50 percent of the appraised value of the property in the area according to the most recent certified appraisal roll for the county in which the area is located.

(a-1) Notwithstanding Subsection (a), if the proposed project plan for a potential zone includes the use of land in the zone in connection with the operation of an existing or proposed regional commuter or mass transit rail system, or for a structure or facility that is necessary, useful, or beneficial to such a regional rail system, the governing body of a municipality may designate an area as a reinvestment zone.

(b) In this section, "federally assisted new community" means a federally assisted area that has received or will receive assistance in the form of loan guarantees under Title X of the National Housing Act, if a portion of the federally assisted area has received grants under Section 107(a)(1) of the Housing and Community Development Act of 1974.

Added by Acts 1987, 70th Leg., ch. 191, Sec. 1, eff. Sept. 1, 1987.

Amended by Acts 1989, 71st Leg., ch. 2, Sec. 14.05(a), eff. Aug. 28, 1989; Acts 1989, 71st Leg., ch. 1106, Sec. 27, eff. Aug. 28, 1989; Acts 1989, 71st Leg., ch. 1137, Sec. 18, eff. Sept. 1, 1989.

Amended by:

Acts 2005, 79th Leg., Ch. 1094 (H.B. [2120](#)), Sec. 37, eff. September 1, 2005.

Acts 2005, 79th Leg., Ch. 1347 (S.B. [771](#)), Sec. 1, eff. June 18, 2005.

Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. [3167](#)), Sec. 14.003, eff. September 1, 2007.

Acts 2007, 80th Leg., R.S., Ch. 1361 (H.B. [2092](#)), Sec. 1, eff. June 15, 2007.

Acts 2011, 82nd Leg., R.S., Ch. 1032 (H.B. [2853](#)), Sec. 3, eff. June 17, 2011.

Sec. 311.006. RESTRICTIONS ON COMPOSITION OF REINVESTMENT ZONE. (a)

A municipality may not designate a reinvestment zone if:

(1) more than 30 percent of the property in the proposed zone, excluding property that is publicly owned, is used for residential purposes; or

(2) the total appraised value of taxable real property in the proposed zone and in existing reinvestment zones exceeds:

(A) 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; or

(B) 50 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 less than 100,000.

(b) A municipality may not change the boundaries of an existing reinvestment zone to include property in excess of the restrictions on composition of a zone described by Subsection (a).

(c) Repealed by Acts 2011, 82nd Leg., R.S., Ch. 1032, Sec. 21, eff. June 17, 2011.

(d) For purposes of this section, property is used for residential purposes if it is occupied by a house having fewer than five living units, and the appraised value is determined according to the most recent appraisal rolls of the municipality.

(e) Subsection (a)(1) does not apply to a reinvestment zone designated under Section [311.005](#)(a)(4).

Added by Acts 1987, 70th Leg., ch. 191, Sec. 1, eff. Sept. 1, 1987.

Amended by Acts 1989, 71st Leg., ch. 1137, Sec. 19, eff. Sept. 1, 1989.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. [3167](#)), Sec. 14.004, eff. September 1, 2007.

Acts 2009, 81st Leg., R.S., Ch. 543 (S.B. [1633](#)), Sec. 1, eff. September 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. 910 (H.B. [1770](#)), Sec. 2, eff. June 19, 2009.

Acts 2011, 82nd Leg., R.S., Ch. 1032 (H.B. [2853](#)), Sec. 4, eff. June 17, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 1032 (H.B. [2853](#)), Sec. 21, eff. June 17, 2011.

Sec. 311.007. CHANGING BOUNDARIES OR TERM OF EXISTING ZONE. (a) Subject to the limitations provided by Section 311.006, if applicable, the boundaries of an existing reinvestment zone may be reduced or enlarged by ordinance or resolution of the governing body of the municipality or by order or resolution of the governing body of the county that created the zone.

(b) The governing body of the municipality or county may enlarge an existing reinvestment zone to include an area described in a petition requesting that the area be included in the zone if the petition is submitted to the governing body of the municipality or county by the owners of property constituting at least 50 percent of the appraised value of the property in the area according to the most recent certified appraisal roll for the county in which the area is located. The composition of the board of directors of the zone continues to be governed by Section 311.009(a) or (b), whichever applied to the zone immediately before the enlargement of the zone, except that the membership of the board must conform to the requirements of the applicable subsection of Section 311.009 as applied to the zone after its enlargement. The provision of Section 311.006(b) relating to the amount of property used for residential purposes that may be included in the zone does not apply to the enlargement of a zone under this subsection.

(c) The governing body of the municipality or county that designated a reinvestment zone by ordinance or resolution or by order or resolution, respectively, may extend the term of all or a portion of the zone after notice and hearing in the manner provided for the designation of the zone. A taxing unit other than the municipality or county that designated the zone is not required to participate in the zone or portion of the zone for the extended term unless the taxing unit enters into a written agreement to do so.

Added by Acts 1987, 70th Leg., ch. 191, Sec. 1, eff. Sept. 1, 1987.

Amended by Acts 1989, 71st Leg., ch. 1137, Sec. 20, eff. Sept. 1, 1989.

Amended by:

Acts 2005, 79th Leg., Ch. 1094 (H.B. 2120), Sec. 38, eff. September 1, 2005.

Acts 2011, 82nd Leg., R.S., Ch. 1032 (H.B. 2853), Sec. 5, eff. June 17, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 1032 (H.B. 2853), Sec. 6, eff. June 17, 2011.

Sec. 311.008. POWERS OF MUNICIPALITY OR COUNTY. (a) In this section, "educational facility" includes equipment, real property, and other facilities, including a public school building, that are used or intended to be used jointly by the municipality or county and an independent school district.

(b) A municipality or county may exercise any power necessary and convenient to carry out this chapter, including the power to:

(1) cause project plans to be prepared, approve and implement the plans, and otherwise achieve the purposes of the plan;

(2) acquire real property by purchase, condemnation, or other means and sell real property, on the terms and conditions and in the manner it considers advisable, to implement project plans;

(3) enter into agreements, including agreements with bondholders, determined by the governing body of the municipality or county to be necessary or convenient to implement project plans and achieve their purposes, which agreements may include conditions, restrictions, or covenants that run with the land or that by other means regulate or restrict the use of land; and

(4) consistent with the project plan for the zone:

(A) acquire blighted, deteriorated, deteriorating, undeveloped, or inappropriately developed real property or other property in a blighted area or in a federally assisted new community in the zone for the preservation or restoration of historic sites, beautification or conservation, the provision of public works or public facilities, or other public purposes;

(B) acquire, construct, reconstruct, or install public works, facilities, or sites or other public improvements, including utilities, streets, street lights, water and sewer facilities, pedestrian malls and walkways, parks, flood and drainage facilities, or parking facilities, but not including educational facilities; or

(C) in a reinvestment zone created on or before September 1, 1999, acquire, construct, or reconstruct educational facilities in the municipality.

(c) The powers authorized by Subsection (b)(2) prevail over any law or municipal charter to the contrary.

(d) A municipality or county may make available to the public on request financial information regarding the acquisition by the municipality or county of land in the zone when the municipality or county acquires the land.

(e) The implementation of a project plan to alleviate a condition described by Section 311.005(a)(1), (2), or (3) and to promote development or redevelopment of a reinvestment zone in accordance with this chapter serves a public purpose.

Added by Acts 1987, 70th Leg., ch. 191, Sec. 1, eff. Sept. 1, 1987.

Amended by Acts 1987, 70th Leg., 2nd C.S., ch. 44, Sec. 2, eff. Oct. 20, 1987; Acts 1999, 76th Leg., ch. 1521, Sec. 1, eff. June 19, 1999.

Amended by:

Acts 2005, 79th Leg., Ch. 1094 (H.B. 2120), Sec. 39, eff. September 1, 2005.

Acts 2005, 79th Leg., Ch. 1094 (H.B. 2120), Sec. 40, eff. September 1, 2005.

Acts 2005, 79th Leg., Ch. 1347 (S.B. 771), Sec. 2, eff. June 18, 2005.

Acts 2011, 82nd Leg., R.S., Ch. 1032 (H.B. 2853), Sec. 7, eff. June 17, 2011.

Sec. 311.0085. POWER OF CERTAIN MUNICIPALITIES.

(a) This section applies only to a municipality with a population of less than 130,000 as shown by the 2000 federal decennial census that has territory in three counties.

(b) In this section, "educational facility" has the meaning assigned by Section 311.008.

(c) In addition to exercising the powers described by Section 311.008, a municipality may enter into a new agreement, or amend an existing agreement, with a school district that is located in whole or in part in a reinvestment zone created by the municipality to dedicate revenue from the tax increment fund to the school district for acquiring, constructing, or reconstructing an educational facility located in or outside of the zone.

Added by Acts 2001, 77th Leg., ch. 1133, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 38 (H.B. 752), Sec. 1, eff. May 19, 2009.

Sec. 311.0087. RESTRICTION ON POWERS OF CERTAIN MUNICIPALITIES. (a) This section applies only to a proposed reinvestment zone:

(1) the designation of which is requested in a petition submitted under Section 311.005(a)(4) before July 31, 2004, to the governing body of a home-rule municipality that:

(A) has a population of more than 1.1 million;

(B) is located primarily in a county with a population of 1.5 million or less; and

(C) has created at least 20 reinvestment zones under this chapter; and

(2) that is the subject of a resolution of intent that was adopted before October 31, 2004, by the governing body of the municipality.

(b) If the municipality imposes a fee of more than \$25,000 for processing the petition, the municipality may not require a property owner who submitted the petition, as a condition of designating the reinvestment zone or approving a development agreement, interlocal agreement, or project plan for the proposed reinvestment zone:

(1) to waive any rights of the owner under Chapter 245, Local Government Code, or under any agreed order or settlement agreement to which the municipality is a party;

(2) to dedicate more than 20 percent of the owner's land in the area described in the petition as open-space land; or

(3) to use a nonconventional use pattern for a development to be located within the proposed reinvestment zone.

Added by Acts 2005, 79th Leg., Ch. 1347 (S.B. 771), Sec. 3, eff. June 18, 2005.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 14.005, eff. September 1, 2007.

Sec. 311.009. COMPOSITION OF BOARD OF DIRECTORS. (a) Except as provided by Subsection (b), the board of directors of a reinvestment zone consists of at least five and not more than 15 members, unless more than 15 members are required to satisfy the requirements of this subsection. Each taxing unit other than the municipality or county that designated the zone that levies taxes on real property in the zone may appoint one member of the board if the taxing unit has approved the payment of all or part of the tax increment produced by the unit into the tax increment fund for the zone. A unit may waive its right to appoint a director. The governing body of the municipality or county that designated the zone may appoint not more than 10 directors to the board; except that if there are fewer than five directors appointed by taxing units other than the municipality or county, the governing body of the municipality or county may appoint more than 10 members as long as the total membership of the board does not exceed 15.

(b) If the zone was designated under Section 311.005(a)(4), the governing body of the municipality or county that designated the zone may provide that the board of directors of the zone consists of nine members appointed as provided by this subsection, unless more than nine members are required to comply with this subsection. Each taxing unit, other than the municipality or county that designated the zone, that levies taxes on real property in the zone may appoint one member of the board if the taxing unit has approved the payment of all or part of the tax increment produced by the unit into the tax increment fund for the zone. The member of the state senate in whose district the zone is located is a member of the board, and the member of the state house of representatives in whose district the zone is located is a member of the board, except that either may designate another individual to serve in the member's place at the pleasure of the member. If the zone is located in more than one senate or house district, this subsection applies only to the senator or representative in whose district a larger portion of the zone is located than any other senate or house district, as applicable. If fewer than seven taxing units, other than the municipality or county that designated the zone, are eligible to appoint members of the board of directors of the zone, the municipality or county may appoint a number of members of the board such that the board comprises nine members. If at least seven taxing units, other than the municipality or county that designated the zone, are eligible to appoint members of the board of directors of the zone, the municipality or county may appoint one member.

(c) Members of the board are appointed for terms of two years unless longer terms are provided under Article XI, Section 11, of the Texas Constitution. Terms of members may be staggered.

(d) A vacancy on the board is filled for the unexpired term by appointment of the governing body of the taxing unit that appointed the director who served in the vacant position.

(e) To be eligible for appointment to the board by the governing body of the municipality or county that designated the zone, an individual must be at least 18 years of age and:

(1) if the board is covered by Subsection (a):

(A) be a resident of the county in which the zone is located or a county adjacent to that county; or

(B) own real property in the zone, whether or not the individual resides in the county in which the zone is located or a county adjacent to that county; or

(2) if the board is covered by Subsection (b), own real property in the zone or be an employee or agent of a person that owns real property in the zone.

(f) Each year the governing body of the municipality or county that created the zone shall appoint one member of the board to serve as chairman for a term of one year that begins on January 1 of the following year. The board of directors may elect a vice-chairman to preside in the absence of the chairman or when there is a vacancy in the office of chairman. The board may elect other officers as it considers appropriate.

(g) A member of the board of directors of a reinvestment zone:

(1) is not a public official by virtue of that position; and

(2) unless otherwise ineligible, may be appointed to serve concurrently on the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code.

Added by Acts 1987, 70th Leg., ch. 191, Sec. 1, eff. Sept. 1, 1987.

Amended by Acts 1989, 71st Leg., ch. 1137, Sec. 21, eff. Sept. 1, 1989;

Acts 1999, 76th Leg., ch. 983, Sec. 2, eff. June 18, 1999.

Amended by:

Acts 2005, 79th Leg., Ch. 1094 (H.B. 2120), Sec. 41, eff. September 1, 2005.

Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 14.006, eff. September 1, 2007.

Acts 2011, 82nd Leg., R.S., Ch. 1032 (H.B. 2853), Sec. 8, eff. June 17, 2011.

Sec. 311.0091. COMPOSITION OF BOARD OF DIRECTORS OF CERTAIN REINVESTMENT ZONES. (a) This section applies to a reinvestment zone designated by a municipality which is wholly or partially located in a county with a population of less than 1.8 million in which the principal municipality has a population of 1.1 million or more.

(b) Except as provided by Subsection (c), the board of directors of a reinvestment zone consists of at least five and not more than 15 members, unless more than 15 members are required to satisfy the requirements of this subsection. Each taxing unit that approves the payment of all or part of its tax increment into the tax increment fund is entitled to appoint a number of members to the board in proportion to the taxing unit's pro rata share of the total anticipated tax increment to be deposited into the tax increment fund during the term of the zone. In determining the number of members a taxing unit may appoint to the board, the taxing unit's

percentage of anticipated pro rata contributions to the tax increment fund is multiplied by the number of members of the board, and a number containing a fraction that is one-half or greater shall be rounded up to the next whole number. Notwithstanding any other provision of this subsection, each taxing unit that approves the payment of all or part of its tax increment into the tax increment fund is entitled to appoint at least one member of the board, and the municipality that designated the zone is entitled to appoint at least as many members of the board as any other participating taxing unit. A taxing unit may waive its right to appoint a director.

(c) If the zone was designated under Section 311.005(a)(4), the board of directors of the zone consists of nine members, unless a greater number of members is necessary to comply with this subsection. Each taxing unit that approves the payment of all or part of its tax increment into the tax increment fund is entitled to appoint a number of members to the board in proportion to the taxing unit's pro rata share of the total anticipated tax increment to be deposited into the tax increment fund during the term of the zone. In determining the number of members a taxing unit may appoint to the board, the taxing unit's percentage of anticipated pro rata contributions to the tax increment fund is multiplied by nine, and a number containing a fraction that is one-half or greater shall be rounded up to the next whole number. Notwithstanding any other provision of this subsection, each taxing unit that approves the payment of all or part of its tax increment into the tax increment fund is entitled to appoint at least one member of the board, and the municipality that designated the zone is entitled to appoint at least as many members of the board as any other participating taxing unit. A taxing unit may waive its right to appoint a director. The member of the state senate in whose district the zone is located is a member of the board, and the member of the state house of representatives in whose district the zone is located is a member of the board, except that either may designate another individual to serve in the member's place at the pleasure of the member. If the zone is located in more than one senate or house district, this subsection applies only to the senator or representative in whose district a larger portion of the zone is located than any other senate or house district, as applicable.

(d) Members of the board are appointed for terms of two years unless longer terms are provided under Section 11, Article XI, Texas Constitution. Terms of members may be staggered.

(e) A vacancy on the board is filled for the unexpired term by appointment of the governing body of the taxing unit that appointed the

director who served in the vacant position.

(f) Except as provided by Subsection (i), to be eligible for appointment to the board, an individual must:

(1) be a qualified voter of the municipality; or

(2) be at least 18 years of age and own real property in the zone or be an employee or agent of a person that owns real property in the zone.

(g) Each year the board of directors of a reinvestment zone shall elect one of its members to serve as presiding officer for a term of one year. The board of directors may elect an assistant presiding officer to preside in the absence of the presiding officer or when there is a vacancy in the office of presiding officer. The board may elect other officers as it considers appropriate.

(h) A member of the board of directors of a reinvestment zone:

(1) is not a public official by virtue of that position; and

(2) unless otherwise ineligible, may be appointed to serve concurrently on the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code.

(i) The eligibility criteria for appointment to the board specified by Subsection (f) do not apply to an individual appointed by a conservation and reclamation district:

(1) created under Section 59, Article XVI, Texas Constitution;

and

(2) the jurisdiction of which covers four counties.

Added by Acts 2001, 77th Leg., ch. 1162, Sec. 2, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 14.007, eff. September 1, 2007.

Acts 2011, 82nd Leg., R.S., Ch. 1032 (H.B. 2853), Sec. 9, eff. June 17, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 1163 (H.B. 2702), Sec. 116, eff. September 1, 2011.

Sec. 311.0092. NOTICE TO STATE SENATOR AND STATE REPRESENTATIVE; WAIVER OF SERVICE ON BOARD. (a) Not later than the 90th day after the date a member of the state senate or state house of representatives who is an ex officio member of the board of directors of a reinvestment zone under Section 311.009(b) or 311.0091(c), as applicable, is elected to the state senate or the state house of representatives, as applicable, at a general or special election, the board shall send to the member of the state senate

or state house of representatives written notice by certified mail informing the state senator or state representative of the person's membership on the board.

(b) Notwithstanding Section 311.009(b) or 311.0091(c), as applicable, a state senator or state representative may elect not to serve on the board or designate another individual to serve in the member's place. If the state senator or state representative elects not to serve on the board or designate another individual to serve in the member's place, the state senator or state representative shall notify the board in writing as soon as practicable after receipt of the notice under Subsection (a) by certified mail and may not be counted as a member of the board for voting or quorum purposes.

Added by Acts 2017, 85th Leg., R.S., Ch. 600 (S.B. 1465), Sec. 1, eff. September 1, 2017.

Sec. 311.010. POWERS AND DUTIES OF BOARD OF DIRECTORS. (a) The board of directors of a reinvestment zone shall make recommendations to the governing body of the municipality or county that created the zone concerning the administration of this chapter in the zone. The governing body of the municipality by ordinance or resolution or the county by order or resolution may authorize the board to exercise any of the municipality's or county's powers with respect to the administration, management, or operation of the zone or the implementation of the project plan for the zone, except that the governing body may not authorize the board to:

- (1) issue bonds;
- (2) impose taxes or fees;
- (3) exercise the power of eminent domain; or
- (4) give final approval to the project plan.

(b) The board of directors of a reinvestment zone and the governing body of the municipality or county that creates a reinvestment zone may each enter into agreements as the board or the governing body considers necessary or convenient to implement the project plan and reinvestment zone financing plan and achieve their purposes. An agreement may provide for the regulation or restriction of the use of land by imposing conditions, restrictions, or covenants that run with the land. An agreement may during the term of the agreement dedicate, pledge, or otherwise provide for the use of revenue in the tax increment fund to pay any project costs that benefit the reinvestment zone, including project costs relating to the cost of buildings, schools, or other educational facilities owned by or on

behalf of a school district, community college district, or other political subdivision of this state, railroad or transit facilities, affordable housing, the remediation of conditions that contaminate public or private land or buildings, the preservation of the facade of a private or public building, the demolition of public or private buildings, or the construction of a road, sidewalk, or other public infrastructure in or out of the zone, including the cost of acquiring the real property necessary for the construction of the road, sidewalk, or other public infrastructure. An agreement may dedicate revenue from the tax increment fund to pay the costs of providing affordable housing or areas of public assembly in or out of the zone.

(c) Subject to the approval of the governing body of the municipality that created the zone, the board of a zone designated by the governing body of a municipality under Section 311.005(a)(4) may exercise the power granted by Chapter 211, Local Government Code, to the governing body of the municipality that created the zone to restrict the use or uses of property in the zone. The board may provide that a restriction adopted by the board continues in effect after the termination of the zone. In that event, after termination of the zone the restriction is treated as if it had been adopted by the governing body of the municipality.

(d) The board of directors of a reinvestment zone may exercise any power granted to a municipality or county by Section 311.008, except that:

(1) the municipality or county that created the reinvestment zone by ordinance, resolution, or order may restrict any power granted to the board by this chapter; and

(2) the board may exercise a power granted to a municipality or county under Section 311.008(b)(2) only with the consent of the governing body of the municipality or county.

(e) After the governing body of a municipality by ordinance or the governing body of a county by order creates a reinvestment zone under this chapter, the board of directors of the zone may exercise any power granted to a board under this chapter.

(f) The board of directors of a reinvestment zone and the governing body of the municipality or county that created the zone may enter into a contract with a local government corporation or a political subdivision to manage the reinvestment zone or implement the project plan and reinvestment zone financing plan for the term of the agreement. In this subsection, "local government corporation" means a local government corporation created by the municipality or county under Chapter 431, Transportation Code.

(g) Chapter 252, Local Government Code, does not apply to a dedication, pledge, or other use of revenue in the tax increment fund for a reinvestment zone under Subsection (b).

(h) Subject to the approval of the governing body of the municipality or county that designated the zone, the board of directors of a reinvestment zone, as necessary or convenient to implement the project plan and reinvestment zone financing plan and achieve their purposes, may establish and provide for the administration of one or more programs for the public purposes of developing and diversifying the economy of the zone, eliminating unemployment and underemployment in the zone, and developing or expanding transportation, business, and commercial activity in the zone, including programs to make grants and loans from the tax increment fund of the zone in an aggregate amount not to exceed the amount of the tax increment produced by the municipality and paid into the tax increment fund for the zone for activities that benefit the zone and stimulate business and commercial activity in the zone. For purposes of this subsection, on approval of the municipality or county, the board of directors of the zone has all the powers of a municipality under Chapter 380, Local Government Code. The approval required by this subsection may be granted in an ordinance, in the case of a zone designated by a municipality, or in an order, in the case of a zone designated by a county, approving a project plan or reinvestment zone financing plan or approving an amendment to a project plan or reinvestment zone financing plan.

(i) The board of directors of a reinvestment zone or a local government corporation administering a reinvestment zone may contract with the municipality that created the zone to allocate from the tax increment fund for the zone an amount equal to the tax increment produced by the municipality and paid into the tax increment fund for the zone to pay the incremental costs of providing municipal services incurred as a result of the creation of the zone or the development or redevelopment of the land in the zone, regardless of whether the costs of those services are identified in the project plan or reinvestment zone financing plan for the zone.

Added by Acts 1987, 70th Leg., ch. 191, Sec. 1, eff. Sept. 1, 1987.

Amended by Acts 1989, 71st Leg., ch. 1137, Sec. 22, eff. Sept. 1, 1989;

Acts 1991, 72nd Leg., 2nd C.S., ch. 11, Sec. 58, eff. Sept. 1, 1991; Acts

1995, 74th Leg., ch. 76, Sec. 5.95(23), eff. Sept. 1, 1995; Acts 1999,

76th Leg., ch. 983, Sec. 3, eff. June 18, 1999.

Amended by:

Acts 2005, 79th Leg., Ch. 1094 (H.B. 2120), Sec. 42, eff. September 1, 2005.

Acts 2005, 79th Leg., Ch. 1347 (S.B. 771), Sec. 4, eff. June 18, 2005.

Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 14.008, eff. September 1, 2007.

Acts 2009, 81st Leg., R.S., Ch. 1358 (S.B. 576), Sec. 1, eff. June 19, 2009.

Acts 2011, 82nd Leg., R.S., Ch. 1032 (H.B. 2853), Sec. 10, eff. June 17, 2011.

Sec. 311.01005. COSTS ASSOCIATED WITH TRANSPORTATION OR TRANSIT PROJECTS. (a) In this section:

(1) "Bus rapid transit project" means a mass transportation facility designed to give preferential treatment to buses on a roadway in order to reduce bus travel time, improve service reliability, increase the convenience of users, and increase bus ridership, including:

- (A) a fixed guideway, high occupancy vehicle lane, bus way, or bus lane;
- (B) a transit center or station;
- (C) a maintenance facility; and
- (D) other real property associated with a bus rapid transit operation.

(2) "Rail transportation project" means a passenger rail facility, including:

- (A) tracks;
- (B) a rail line;
- (C) a depot;
- (D) a maintenance facility; and
- (E) other real property associated with a passenger rail operation.

(b) This section does not affect the power of the board of directors of a reinvestment zone or the governing body of the municipality that creates a reinvestment zone to enter into an agreement under Section 311.010(b) to dedicate, pledge, or otherwise provide for the use of revenue in the tax increment fund to pay the costs of acquiring, constructing, operating, or maintaining property located in the zone or to acquire or reimburse acquisition costs of real property outside the zone for right-of-way or easements necessary to construct public rights-of-way or infrastructure that benefits the zone.

(c) An agreement under Section 311.010(b) may dedicate, pledge, or otherwise provide for the use of revenue in the tax increment fund to pay

the costs of acquiring land, or the development rights or a conservation easement in land, located outside the reinvestment zone, if:

- (1) the zone is or will be served by a rail transportation project or bus rapid transit project;
- (2) the land or the development rights or conservation easement in the land is acquired for the purpose of preserving the land in its natural or undeveloped condition; and
- (3) the land is located in the county in which the zone is located.

(d) The board of directors of a reinvestment zone, if all of the members of the board are appointed by the municipality that creates the zone, or the governing body of the municipality that creates a reinvestment zone may enter into an agreement described by Subsection (c) only if:

- (1) the board or the governing body determines that the acquisition of the land, or the development rights or conservation easement in the land, located outside the zone benefits or will benefit the zone by facilitating the preservation of regional open space in order to balance the regional effects of urban development promoted by the rail transportation project or bus rapid transit project; and
- (2) the municipality that creates the reinvestment zone and the county in which the zone is located pay the same portion of their tax increment into the tax increment fund for the zone.

(e) Property acquired under Subsection (c) may not be acquired through condemnation.

Added by Acts 2005, 79th Leg., Ch. 1134 (H.B. [2653](#)), Sec. 1, eff. June 18, 2005.

Sec. 311.0101. PARTICIPATION OF DISADVANTAGED BUSINESSES IN CERTAIN ZONES. (a) It is the goal of the legislature, subject to the constitutional requirements spelled out by the United States Supreme Court in *J. A. Croson Company v. City of Richmond* (822 F.2d 1355) and as hereafter further elaborated by federal and state courts, that all disadvantaged businesses in the zone designated under Section [311.005](#)(a)(4) be given full and complete access to the procurement process whereby supplies, materials, services, and equipment are acquired by the board. It is also the intent of the legislature that to the extent constitutionally permissible, a preference be given to disadvantaged businesses. The board and general contractor shall give preference, among bids or other proposals

that are otherwise comparable, to a bid or other proposal by a disadvantaged business having its home office located in this state.

(b) It is the intent of the legislature that the zone shall:

(1) implement a program or programs targeted to disadvantaged businesses in order to inform them fully about the zone procurement process and the requirements for their participation in that process;

(2) implement such steps as are necessary to ensure that all disadvantaged businesses are made fully aware of opportunities in the zone, including but not limited to specific opportunities to submit bids and proposals. Steps that may be appropriate in certain circumstances include mailing requests for proposals or notices inviting bids to all disadvantaged businesses in the county;

(3) require prime contractors, as part of their responses to requests for proposals or bids, to make a specific showing of how they intend to maximize participation by disadvantaged businesses as subcontractors. The zone shall be required to evaluate such actions by prime contractors as a factor in the award of contracts within the zone procurement process;

(4) identify disadvantaged businesses in the county that provide or have the potential to provide supplies, materials, services, and equipment to the zone; and

(5) identify barriers to participation by disadvantaged businesses in the zone procurement process, such as bonding, insurance, and working capital requirements that may be imposed on businesses.

(c) It is the intent of the legislature that the zone shall be required to develop a program pursuant to this Act for the purchase of supplies, materials, services, and equipment and that the board of the zone compile a report on an annual basis listing the total number and dollar amount of contracts awarded to disadvantaged businesses during the previous year as well as the total number and dollar amount of all contracts awarded. Such annual report shall be available for inspection by the general public during regular business hours.

(d) The board by rule shall adopt goals for the participation of minority business enterprises and women-owned business enterprises in the awarding of state contracts for professional services. To implement the participation goals, the board shall encourage each issuer to award to minority business enterprises and women-owned business enterprises not less than 15 percent of the total value of all professional services contract awards that the issuer expects to make in its fiscal year.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 14.009, eff. September 1, 2007.

Sec. 311.011. PROJECT AND FINANCING PLANS. (a) The board of directors of a reinvestment zone shall prepare and adopt a project plan and a reinvestment zone financing plan for the zone and submit the plans to the governing body of the municipality or county that designated the zone.

(b) The project plan must include:

(1) a description and map showing existing uses and conditions of real property in the zone and proposed uses of that property;

(2) proposed changes of zoning ordinances, the master plan of the municipality, building codes, other municipal ordinances, and subdivision rules and regulations, if any, of the county, if applicable;

(3) a list of estimated nonproject costs; and

(4) a statement of a method of relocating persons to be displaced, if any, as a result of implementing the plan.

(c) The reinvestment zone financing plan must include:

(1) a detailed list describing the estimated project costs of the zone, including administrative expenses;

(2) a statement listing the proposed kind, number, and location of all public works or public improvements to be financed by the zone;

(3) a finding that the plan is economically feasible and an economic feasibility study;

(4) the estimated amount of bonded indebtedness to be incurred;

(5) the estimated time when related costs or monetary obligations are to be incurred;

(6) a description of the methods of financing all estimated project costs and the expected sources of revenue to finance or pay project costs, including the percentage of tax increment to be derived from the property taxes of each taxing unit anticipated to contribute tax increment to the zone that levies taxes on real property in the zone;

(7) the current total appraised value of taxable real property in the zone;

(8) the estimated captured appraised value of the zone during each year of its existence; and

(9) the duration of the zone.

(d) The governing body of the municipality or county that designated the zone must approve a project plan or reinvestment zone financing plan after its adoption by the board. The approval must be by ordinance, in the

case of a municipality, or by order, in the case of a county, that finds that the plan is feasible.

(e) The board of directors of the zone at any time may adopt an amendment to the project plan consistent with the requirements and limitations of this chapter. The amendment takes effect on approval by the governing body of the municipality or county that created the zone. That approval must be by ordinance, in the case of a municipality, or by order, in the case of a county. If an amendment reduces or increases the geographic area of the zone, increases the amount of bonded indebtedness to be incurred, increases or decreases the percentage of a tax increment to be contributed by a taxing unit, increases the total estimated project costs, or designates additional property in the zone to be acquired by the municipality or county, the approval must be by ordinance or order, as applicable, adopted after a public hearing that satisfies the procedural requirements of Sections 311.003(c) and (d).

(f) In a zone designated under Section 311.005(a)(4) that is located in a county with a population of 3.3 million or more, the project plan must provide that at least one-third of the tax increment of the zone be used to provide affordable housing during the term of the zone.

(g) A school district that participates in a zone is not required to increase the percentage or amount of the tax increment to be contributed by the school district because of an amendment to the project plan or reinvestment zone financing plan for the zone unless the governing body of the school district by official action approves the amendment.

(h) Unless specifically provided otherwise in the plan, all amounts contained in the project plan or reinvestment zone financing plan, including amounts of expenditures relating to project costs and amounts relating to participation by taxing units, are considered estimates and do not act as a limitation on the described items, but the amounts contained in the project plan or reinvestment zone financing plan may not vary materially from the estimates. This subsection may not be construed to increase the amount of any reduction under Section 403.302(d)(4), Government Code, in the total taxable value of the property in a school district that participates in the zone as computed under Section 403.302(d) of that code.

Added by Acts 1987, 70th Leg., ch. 191, Sec. 1, eff. Sept. 1, 1987.

Amended by Acts 1989, 71st Leg., ch. 1137, Sec. 24, eff. Sept. 1, 1989;

Acts 1999, 76th Leg., ch. 983, Sec. 4, eff. June 18, 1999; Acts 2001, 77th Leg., ch. 669, Sec. 120, eff. Sept. 1, 2001.

Amended by:

Acts 2005, 79th Leg., Ch. 1094 (H.B. [2120](#)), Sec. 43, eff. September 1, 2005.

Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. [3167](#)), Sec. 14.010, eff. September 1, 2007.

Acts 2011, 82nd Leg., R.S., Ch. 1032 (H.B. [2853](#)), Sec. 11, eff. June 17, 2011.

Sec. 311.012. DETERMINATION OF AMOUNT OF TAX INCREMENT. (a) The amount of a taxing unit's tax increment for a year is the amount of property taxes levied and assessed by the unit for that year on the captured appraised value of real property taxable by the unit and located in a reinvestment zone or the amount of property taxes levied and collected by the unit for that year on the captured appraised value of real property taxable by the unit and located in a reinvestment zone. The governing body of a taxing unit shall determine which of the methods specified by this subsection is used to calculate the amount of the unit's tax increment.

(b) The captured appraised value of real property taxable by a taxing unit for a year is the total taxable value of all real property taxable by the unit and located in a reinvestment zone for that year less the tax increment base of the unit.

(c) The tax increment base of a taxing unit is the total taxable value of all real property taxable by the unit and located in a reinvestment zone for the year in which the zone was designated under this chapter. If the boundaries of a zone are enlarged, the tax increment base is increased by the taxable value of the real property added to the zone for the year in which the property was added. If the boundaries of a zone are reduced, the tax increment base is reduced by the taxable value of the real property removed from the zone for the year in which the property was originally included in the zone's boundaries. If the municipality that designates a zone does not levy an ad valorem tax in the year in which the zone is designated, the tax increment base is determined by the appraisal district in which the zone is located using assumptions regarding exemptions and other relevant information provided to the appraisal district by the municipality.

Added by Acts 1987, 70th Leg., ch. 191, Sec. 1, eff. Sept. 1, 1987.

Amended by Acts 1999, 76th Leg., ch. 983, Sec. 5, eff. June 18, 1999.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 910 (H.B. [1770](#)), Sec. 3, eff. June 19, 2009.

Acts 2011, 82nd Leg., R.S., Ch. 1032 (H.B. 2853), Sec. 12, eff. June 17, 2011.

Sec. 311.0123. SALES TAX INCREMENT. (a) In this section, "sales tax base" for a reinvestment zone means the amount of municipal sales and use taxes attributable to the zone for the year in which the zone was designated under this chapter.

(b) The governing body of a municipality may determine, in an ordinance designating an area as a reinvestment zone or in an ordinance adopted subsequent to the designation of a zone, the portion or amount of tax increment generated from municipal sales and use taxes attributable to the zone, above the sales tax base, to be deposited into the tax increment fund. Nothing in this section requires a municipality to contribute sales tax increment into a tax increment fund.

(c) Before the issuance of a bond, note, or other obligation under this chapter that pledges the payments into the tax increment fund under Subsection (b), the governing body of a municipality may enter into an agreement, under Subchapter E, Chapter 271, Local Government Code, to authorize and direct the comptroller to:

(1) withhold from any payment to which the municipality may be entitled the amount of the payment into the tax increment fund under Subsection (b);

(2) deposit that amount into the tax increment fund; and

(3) continue withholding and making additional payments into the tax increment fund until an amount sufficient to satisfy the amount due has been met.

(d) A local government corporation created under Chapter 431, Transportation Code, that has contracted with a reinvestment zone and a municipality under Section 311.010(f) may be a party to an agreement under Subsection (c) and the agreement may provide for payments to be made to a paying agent of the local government corporation.

(e) The sales and use taxes to be deposited into the tax increment fund under this section may be disbursed from the fund only to:

(1) satisfy claims of holders of tax increment bonds, notes, or other obligations issued or incurred for the reinvestment zone;

(2) pay project costs for the zone; and

(3) make payments in accordance with an agreement made under Section 311.010(b) dedicating revenue from the tax increment fund.

Added by Acts 2005, 79th Leg., Ch. 114 (S.B. 1199), Sec. 1, eff. May 20, 2005.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 189 (S.B. 1264), Sec. 1, eff. May 23, 2007.

Sec. 311.0125. TAX ABATEMENT AGREEMENTS. (a) Notwithstanding any provision in this chapter to the contrary, a taxing unit other than a school district may enter into a tax abatement agreement with an owner of real or personal property in a reinvestment zone, regardless of whether the taxing unit deposits or agrees to deposit any portion of its tax increment into the tax increment fund.

(b) To be effective, an agreement to abate taxes on real property in a reinvestment zone must be approved by:

(1) the board of directors of the reinvestment zone; and

(2) the governing body of each taxing unit that imposes taxes on real property in the reinvestment zone and deposits or agrees to deposit any of its tax increment into the tax increment fund for the zone.

(c) In any contract entered into by the board of directors of a reinvestment zone in connection with bonds or other obligations, the board may covenant that the board will not approve a tax abatement agreement that applies to real property in that zone.

(d) If a taxing unit enters into a tax abatement agreement authorized by this section, taxes that are abated under that agreement are not considered taxes to be imposed or produced by that taxing unit in calculating the amount of:

(1) the tax increment of that taxing unit; or

(2) that taxing unit's deposit to the tax increment fund for the reinvestment zone.

(e) The Texas Department of Economic Development or its successor may recommend that a taxing unit enter into a tax abatement agreement with a person under this chapter. In determining whether to approve an agreement to abate taxes on real property in a reinvestment zone under Subsection (b), the board of directors of the reinvestment zone and the governing body of a taxing unit shall consider any recommendation made by the Texas Department of Economic Development or its successor.

Added by Acts 1999, 76th Leg., ch. 983, Sec. 6, eff. June 18, 1999.

Amended by Acts 2003, 78th Leg., ch. 978, Sec. 4, eff. Sept. 1, 2003.

Sec. 311.013. COLLECTION AND DEPOSIT OF TAX INCREMENTS. (a) Each taxing unit that taxes real property located in a reinvestment zone shall provide for the collection of its taxes in the zone as for any other property taxed by the unit.

(b) Each taxing unit shall pay into the tax increment fund for the zone an amount equal to the tax increment produced by the unit, less the sum of:

(1) property taxes produced from the tax increments that are, by contract executed before the designation of the area as a reinvestment zone, required to be paid by the unit to another political subdivision; and

(2) for a taxing unit other than the municipality that created the zone, a portion, not to exceed 15 percent, of the tax increment produced by the unit as provided by the reinvestment zone financing plan or a larger portion as provided by Subsection (f).

(c) Notwithstanding any termination of the reinvestment zone under Section 311.017(a) and unless otherwise specified by an agreement between the taxing unit and the municipality or county that created the zone, a taxing unit shall make a payment required by Subsection (b) not later than the 90th day after the later of:

(1) the delinquency date for the unit's property taxes; or

(2) the date the municipality or county that created the zone submits to the taxing unit an invoice specifying the tax increment produced by the taxing unit and the amount the taxing unit is required to pay into the tax increment fund for the zone.

(c-1) A delinquent payment incurs a penalty of five percent of the amount delinquent and accrues interest at an annual rate of 10 percent.

(d) Repealed by Acts 2011, 82nd Leg., R.S., Ch. 1032, Sec. 21, eff. June 17, 2011.

(e) Repealed by Acts 2011, 82nd Leg., R.S., Ch. 1032, Sec. 21, eff. June 17, 2011.

(f) A taxing unit is not required to pay into the tax increment fund any of its tax increment produced from property located in a reinvestment zone designated under Section 311.005(a) or in an area added to a reinvestment zone under Section 311.007 unless the taxing unit enters into an agreement to do so with the governing body of the municipality or county that designated the zone. A taxing unit may enter into an agreement under this subsection at any time before or after the zone is designated or enlarged. The agreement may include conditions for payment of that tax increment into the fund and must specify the portion of the tax increment to be paid into the fund and the years for which that tax increment is to

be paid into the fund. In addition to any other terms to which the parties may agree, the agreement may specify the projects to which a participating taxing unit's tax increment will be dedicated and that the taxing unit's participation may be computed with respect to a base year later than the original base year of the zone. The agreement and the conditions in the agreement are binding on the taxing unit, the municipality or county, and the board of directors of the zone.

(f-1) This subsection does not apply to a hospital district to which Section [281.095](#), Health and Safety Code, applies. Notwithstanding Subsection (f), the commissioners court of a county that enters into an agreement with the governing body of a municipality under Subsection (f) may enter into an agreement with the governing body of the municipality under that subsection on behalf of a taxing unit other than the county if by statute the ad valorem tax rate of the other taxing unit is approved by the commissioners court or the commissioners court is expressly required by statute to levy the ad valorem taxes of the other taxing unit. The agreement entered into on behalf of the other taxing unit is not required to contain the same conditions as the agreement entered into on behalf of the county. This subsection does not authorize the commissioners court of a county to enter into an agreement on behalf of another taxing unit solely because the county tax assessor-collector is required by law to assess or collect the taxing unit's ad valorem taxes.

(f-2) This subsection does not apply to a hospital district to which Section [281.095](#), Health and Safety Code, applies. Notwithstanding Subsection (f), the commissioners court of a county that creates a zone may provide by order for the payment into the tax increment fund for the zone of a portion of the tax increment produced by a taxing unit other than the county if by statute the ad valorem tax rate of the other taxing unit is approved by the commissioners court or the commissioners court is expressly required by statute to levy the ad valorem taxes of the other taxing unit. The order may include conditions for payment of that tax increment into the fund that are different from the conditions applicable to the county's obligation to pay into the fund the tax increment produced by the county. This subsection does not authorize the commissioners court of a county to provide for the payment into the fund of a portion of the tax increment produced by another taxing unit solely because the county tax assessor-collector is required by law to assess or collect the taxing unit's ad valorem taxes.

(g) Subject to the provisions of Section [311.0125](#), in lieu of permitting a portion of its tax increment to be paid into the tax increment

fund, and notwithstanding the provisions of Section 312.203, a taxing unit, including a municipality, may elect to offer the owners of taxable real property in a reinvestment zone created under this chapter an exemption from taxation of all or part of the value of the property. To be effective, an agreement to exempt real property from ad valorem taxes under this subsection must be approved by:

(1) the board of directors of the reinvestment zone; and

(2) the governing body of each taxing unit that imposes taxes on real property in the reinvestment zone and deposits or agrees to deposit any of its tax increment into the tax increment fund for the zone.

(h) Repealed by Acts 2003, 78th Leg., ch. 8, Sec. 1, eff. April 24, 2003.

(i) Notwithstanding Subsection (c) and Section 311.012(a), a taxing unit is not required to pay into a tax increment fund the applicable portion of a tax increment attributable to delinquent taxes until those taxes are collected.

(j) Section 26.05(f) does not prohibit a taxing unit from depositing all of the tax increment produced by the taxing unit in a reinvestment zone into the tax increment fund for that zone.

(k) A school district is not required to pay into the tax increment fund any of its tax increment produced from property located in an area added to the reinvestment zone under Section 311.007(a) or (b) unless the governing body of the school district enters into an agreement to do so with the governing body of the municipality or county that created the zone. The governing body of a school district may enter into an agreement under this subsection at any time before or after the zone is created or enlarged. The agreement may include conditions for payment of that tax increment into the fund and must specify the portion of the tax increment to be paid into the fund and the years for which that tax increment is to be paid into the fund. The agreement and the conditions in the agreement are binding on the school district, the municipality or county, and the board of directors of the zone.

(l) The governing body of a municipality or county that designates an area as a reinvestment zone may determine, in the designating ordinance or order adopted under Section 311.003 or in the ordinance or order adopted under Section 311.011 approving the reinvestment zone financing plan for the zone, the portion of the tax increment produced by the municipality or county that the municipality or county is required to pay into the tax increment fund for the zone. If a municipality or county does not determine the portion of the tax increment produced by the municipality or county

that the municipality or county is required to pay into the tax increment fund for a reinvestment zone, the municipality or county is required to pay into the fund for the zone the entire tax increment produced by the municipality or county, except as provided by Subsection (b)(1).

(m) The governing body of a municipality that is located in a county with a population of more than 1.8 million but less than 1.9 million or in a county with a population of 3.3 million or more by ordinance may reduce the portion of the tax increment produced by the municipality that the municipality is required to pay into the tax increment fund for the zone. The municipality may not reduce under this subsection the portion of the tax increment produced by the municipality that the municipality is required to pay into the tax increment fund for the zone unless the municipality provides each county that has entered into an agreement with the municipality to pay all or a portion of the county's tax increment into the fund an opportunity to enter into an agreement with the municipality to reduce the portion of the tax increment produced by the county that the county is required to pay into the tax increment fund for the zone by the same proportion that the portion of the municipality's tax increment that the municipality is required to pay into the fund is reduced. The portion of the tax increment produced by a municipality that the municipality is required to pay into the tax increment fund for a reinvestment zone, as reduced by the ordinance adopted under this subsection, together with all other revenues required to be paid into the fund, must be sufficient to complete and pay for the estimated costs of projects listed in the reinvestment zone financing plan and pay any tax increment bonds or notes issued for the zone, and any other obligations of the zone.

(n) This subsection applies only to a school district whose taxable value computed under Section 403.302(d), Government Code, is reduced in accordance with Subdivision (4) of that subsection. In addition to the amount otherwise required to be paid into the tax increment fund, the district shall pay into the fund an amount equal to the amount by which the amount of taxes the district would have been required to pay into the fund in the current year if the district levied taxes at the rate the district levied in 2005 exceeds the amount the district is otherwise required to pay into the fund in the year of the reduction. This additional amount may not exceed the amount the school district receives in state aid for the current tax year under Section 48.253, Education Code. The school district shall pay the additional amount after the district receives the state aid to which the district is entitled for the current tax year under Section 48.253, Education Code.

Added by Acts 1987, 70th Leg., ch. 191, Sec. 1, eff. Sept. 1, 1987.

Amended by Acts 1989, 71st Leg., ch. 1137, Sec. 25, eff. Sept. 1, 1989; Acts 1991, 72nd Leg., ch. 16, Sec. 17.06, eff. Aug. 26, 1991; Acts 1993, 73rd Leg., ch. 112, Sec. 1, eff. Aug. 30, 1993; Acts 1999, 76th Leg., ch. 983, Sec. 7, eff. June 18, 1999; Acts 2003, 78th Leg., ch. 8, Sec. 1, eff. April 24, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 1094 (H.B. [2120](#)), Sec. 44, eff. September 1, 2005.

Acts 2005, 79th Leg., Ch. 1347 (S.B. [771](#)), Sec. 5, eff. June 18, 2005.

Acts 2006, 79th Leg., 3rd C.S., Ch. 5 (H.B. [1](#)), Sec. 1.16, eff. May 31, 2006.

Acts 2009, 81st Leg., R.S., Ch. 910 (H.B. [1770](#)), Sec. 4, eff. June 19, 2009.

Acts 2009, 81st Leg., R.S., Ch. 1328 (H.B. [3646](#)), Sec. 89, eff. September 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. 1358 (S.B. [576](#)), Sec. 2, eff. June 19, 2009.

Acts 2011, 82nd Leg., R.S., Ch. 1032 (H.B. [2853](#)), Sec. 13, eff. June 17, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 1032 (H.B. [2853](#)), Sec. 21, eff. June 17, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 1163 (H.B. [2702](#)), Sec. 117, eff. September 1, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 1326 (S.B. [627](#)), Sec. 1, eff. June 17, 2011.

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. [1](#)), Sec. 57.30, eff. September 28, 2011.

Acts 2019, 86th Leg., R.S., Ch. 943 (H.B. [3](#)), Sec. 3.092, eff. September 1, 2019.

Sec. 311.014. TAX INCREMENT FUND. (a) In addition to the deposits required by Section [311.013](#), all revenues from the sale of tax increment bonds or notes, revenues from the sale of any property acquired as part of the tax increment financing plan, and other revenues to be used in the reinvestment zone shall be deposited in the tax increment fund for the zone.

(b) Money may be disbursed from the fund only to satisfy claims of holders of tax increment bonds or notes issued for the zone, to pay project costs for the zone, to make payments pursuant to an agreement made under

Section 311.010(b) dedicating revenue from the tax increment fund, or to repay other obligations incurred for the zone.

(c) Subject to an agreement with the holders of tax increment bonds or notes, money in a tax increment fund may be temporarily invested in the same manner as other funds of the municipality or county that created the zone.

(d) After all project costs, all tax increment bonds or notes issued for a reinvestment zone, and any other obligations incurred for the zone have been paid, and subject to any agreement with bondholders, any money remaining in the tax increment fund shall be paid to the municipality or county that created the zone and other taxing units levying taxes on property in the zone in proportion to the municipality's or county's and each other unit's respective share of the total amount of tax increments derived from taxable real property in the zone that were deposited in the fund during the fund's existence.

(e) A taxing unit that levies taxes on real property in a reinvestment zone may make a loan to the board of directors of the zone for deposit in the tax increment fund for the zone if the governing body of the taxing unit determines that the loan is beneficial to, and serves a public purpose of, the taxing unit. The loan is payable on the terms agreed to by the taxing unit, or an instrumentality of the taxing unit if applicable, and the board of directors of the zone. A loan under this subsection:

(1) is not considered to be a tax increment bond or note under Section 311.015; and

(2) is considered to be:

(A) an authorized investment under Chapter 2256, Government Code; and

(B) an obligation incurred for the zone.

(f) Money in the tax increment fund for a reinvestment zone may be transferred to the tax increment fund for an adjacent zone if:

(1) the taxing units that participate in the zone from which the money is to be transferred participate in the adjacent zone and vice versa;

(2) each participating taxing unit has agreed to deposit the same portion of its tax increment in the fund for each zone;

(3) each participating taxing unit has agreed to the transfer; and

(4) the holders of any tax increment bonds or notes issued for the zone from which the money is to be transferred have agreed to the transfer.

Added by Acts 1987, 70th Leg., ch. 191, Sec. 1, eff. Sept. 1, 1987.

Amended by Acts 1989, 71st Leg., ch. 1137, Sec. 26, eff. Sept. 1, 1989.

Amended by:

Acts 2005, 79th Leg., Ch. 1094 (H.B. 2120), Sec. 45, eff. September 1, 2005.

Acts 2007, 80th Leg., R.S., Ch. 189 (S.B. 1264), Sec. 2, eff. May 23, 2007.

Acts 2013, 83rd Leg., R.S., Ch. 1023 (H.B. 2636), Sec. 1, eff. September 1, 2013.

Sec. 311.015. TAX INCREMENT BONDS AND NOTES. (a) A municipality designating a reinvestment zone may issue tax increment bonds or notes, the proceeds of which may be used to make payments pursuant to agreements made under Section 311.010(b), to pay project costs for the reinvestment zone on behalf of which the bonds or notes were issued, or to satisfy claims of holders of the bonds or notes. The municipality may issue refunding bonds or notes for the payment or retirement of tax increment bonds or notes previously issued by it.

(b) Tax increment bonds and notes are payable, as to both principal and interest, solely from the tax increment fund established for the reinvestment zone. The governing body of the municipality may pledge irrevocably all or part of the fund for payment of tax increment bonds or notes. The part of the fund pledged in payment may be used only for the payment of the bonds or notes or interest on the bonds or notes until the bonds or notes have been fully paid. A holder of the bonds or notes or of coupons issued on the bonds has a lien against the fund for payment of the bonds or notes and interest on the bonds or notes and may protect or enforce the lien at law or in equity.

(c) Tax increment bonds are issued by ordinance of the municipality without any additional approval other than that of the attorney general.

(d) Tax increment bonds or notes, together with the interest on and income from those bonds or notes, are exempt from all taxes.

(e) The issuing municipality may provide in the contract with the owners or holders of tax increment bonds that it will pay into the tax increment fund all or any part of the revenue produced or received from the operation or sale of a facility acquired, improved, or constructed pursuant to a project plan, to be used to pay principal and interest on the bonds. If the municipality agrees, the owners or holders of tax increment bonds may have a lien or mortgage on a facility acquired, improved, or constructed with the proceeds of the bonds.

(f) Tax increment bonds may be issued in one or more series. The ordinance approving a tax increment bond or note, or the trust indenture or mortgage issued in connection with the bond or note, shall provide:

- (1) the date that the bond or note bears;
- (2) that the bond or note is payable on demand or at a specified time;
- (3) the interest rate that the bond or note bears;
- (4) the denomination of the bond or note;
- (5) whether the bond or note is in coupon or registered form;
- (6) the conversion or registration privileges of the bond or note;
- (7) the rank or priority of the bond or note;
- (8) the manner of execution of the bond or note;
- (9) the medium of payment in which and the place or places at which the bond or note is payable;
- (10) the terms of redemption, with or without premium, to which the bond or note is subject;
- (11) the manner in which the bond or note is secured; and
- (12) any other characteristic of the bond or note.

(g) A bond or note issued under this chapter is fully negotiable. In a suit, action, or other proceeding involving the validity or enforceability of a bond or note issued under this chapter or the security of a bond or note issued under this chapter, if the bond or note recites in substance that it was issued by the municipality for a reinvestment zone, the bond or note is conclusively deemed to have been issued for that purpose, and the development or redevelopment of the zone is conclusively deemed to have been planned, located, and carried out as provided by this chapter.

(h) A bank, trust company, savings bank or institution, savings and loan association, investment company or other person carrying on a banking or investment business; an insurance company, insurance association, or other person carrying on an insurance business; or an executor, administrator, curator, trustee, or other fiduciary may invest any sinking funds, money, or other funds belonging to it or in its control in tax increment bonds or notes issued under this chapter. Tax increment bonds or notes are authorized security for all public deposits. A person, political subdivision, or public or private officer may use funds owned or controlled by the person, political subdivision, or officer to purchase tax increment bonds or notes. This chapter does not relieve any person of the duty to exercise reasonable care in selecting securities.

(i) A tax increment bond or note is not a general obligation of the municipality issuing the bond or note. A tax increment bond or note does not give rise to a charge against the general credit or taxing powers of the municipality and is not payable except as provided by this chapter. A tax increment bond or note issued under this chapter must state the restrictions of this subsection on its face.

(i-1) A municipality's obligation to deposit sales and use taxes into the tax increment fund is not a general obligation of the municipality. An obligation to make payments from sales and use taxes under Section 311.0123 does not give rise to a charge against the general credit or taxing powers of the municipality and is not payable except as provided by this chapter. A tax increment bond or note issued under this chapter that pledges payments made under Section 311.0123 must state the restrictions of this subsection on its face.

(j) A tax increment bond or note may not be included in any computation of the debt of the issuing municipality.

(k) A municipality may not issue tax increment bonds or notes in an amount that exceeds the total cost of implementing the project plan for the reinvestment zone for which the bonds or notes are issued.

(l) A tax increment bond or note must mature on or before the date by which the final payments of tax increment into the tax increment fund are due.

Added by Acts 1987, 70th Leg., ch. 191, Sec. 1, eff. Sept. 1, 1987.

Amended by:

Acts 2005, 79th Leg., Ch. 114 (S.B. 1199), Sec. 2, eff. May 20, 2005.

Acts 2011, 82nd Leg., R.S., Ch. 1032 (H.B. 2853), Sec. 14, eff. June 17, 2011.

Sec. 311.016. ANNUAL REPORT BY MUNICIPALITY OR COUNTY. (a) On or before the 150th day following the end of the fiscal year of the municipality or county, the governing body of a municipality or county shall submit to the chief executive officer of each taxing unit that levies property taxes on real property in a reinvestment zone created by the municipality or county a report on the status of the zone. The report must include:

(1) the amount and source of revenue in the tax increment fund established for the zone;

(2) the amount and purpose of expenditures from the fund;

(3) the amount of principal and interest due on outstanding bonded indebtedness;

(4) the tax increment base and current captured appraised value retained by the zone; and

(5) the captured appraised value shared by the municipality or county and other taxing units, the total amount of tax increments received, and any additional information necessary to demonstrate compliance with the tax increment financing plan adopted by the governing body of the municipality or county.

(b) The municipality or county shall send a copy of a report made under this section to the comptroller.

Added by Acts 1987, 70th Leg., ch. 191, Sec. 1, eff. Sept. 1, 1987.

Amended by Acts 1989, 71st Leg., ch. 2, Sec. 14.06(a), eff. Aug. 28, 1989; Acts 2001, 77th Leg., ch. 471, Sec. 1, eff. June 11, 2001; Acts 2001, 77th Leg., ch. 471, Sec. 2, eff. June 11, 2001.

Amended by:

Acts 2005, 79th Leg., Ch. 977 (H.B. [1820](#)), Sec. 2, eff. June 18, 2005.

Acts 2005, 79th Leg., Ch. 1094 (H.B. [2120](#)), Sec. 46, eff. September 1, 2005.

Acts 2011, 82nd Leg., R.S., Ch. 990 (H.B. [1781](#)), Sec. 9, eff. June 17, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 1032 (H.B. [2853](#)), Sec. 15, eff. June 17, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 1032 (H.B. [2853](#)), Sec. 16, eff. June 17, 2011.

Sec. 311.0163. ANNUAL REPORT BY COMPTROLLER. (a) Not later than December 31 of each even-numbered year, the comptroller shall submit a report to the legislature and to the governor on reinvestment zones designated under this chapter and on project plans and reinvestment zone financing plans adopted under this chapter.

(b) A report submitted under this section must include, for each reinvestment zone designated under this chapter, a summary of the information reported under Section [311.016](#).

Added by Acts 2001, 77th Leg., ch. 471, Sec. 3, eff. June 11, 2001.

Sec. 311.017. TERMINATION OF REINVESTMENT ZONE. (a) A reinvestment zone terminates on the earlier of:

(1) the termination date designated in the ordinance or order, as applicable, designating the zone or an earlier or later termination date designated by an ordinance or order adopted under Section 311.007(c); or

(2) the date on which all project costs, tax increment bonds and interest on those bonds, and other obligations have been paid in full.

Text of subsection as added by Acts 2009, 81st Leg., R.S., Ch. 910 (H.B. 1770), Sec. 5

(a-1) Notwithstanding the designation of a later termination date under Subsection (a), a taxing unit that taxes real property located in the reinvestment zone, other than the municipality or county that created the zone, is not required to pay any of its tax increment into the tax increment fund for the zone after the termination date designated in the ordinance or order creating the zone unless the governing body of the taxing unit enters into an agreement to do so with the governing body of the municipality or county that created the zone.

Text of subsection as added by Acts 2009, 81st Leg., R.S., Ch. 137 (S.B. 1105), Sec. 1

(a-1) This subsection applies only to a reinvestment zone created by a municipality that has a population of more than 220,000 but less than 235,000 and is the county seat of a county that has a population of 280,000 or less. Notwithstanding Subsection (a)(1), a municipality by ordinance adopted subsequent to the ordinance adopted by the municipality creating a reinvestment zone may designate a termination date for the zone that is later than the termination date designated in the ordinance creating the zone but not later than the 20th anniversary of that date. If a municipality adopts an ordinance extending the termination date for a reinvestment zone as authorized by this subsection, the zone terminates on the earlier of:

- (1) the termination date designated in the ordinance; or
- (2) the date provided by Subsection (a)(2).

(b) The tax increment pledged to the payment of bonds and interest on the bonds and to the payment of any other obligations may be discharged and the reinvestment zone may be terminated if the municipality or county that created the zone deposits or causes to be deposited with a trustee or other escrow agent authorized by law funds in an amount that, together with the

interest on the investment of the funds in direct obligations of the United States, will be sufficient to pay the principal of, premium, if any, and interest on all bonds issued on behalf of the reinvestment zone at maturity or at the date fixed for redemption of the bonds, and to pay any other amounts that may become due, including compensation due or to become due to the trustee or escrow agent, as well as to pay the principal of and interest on any other obligations incurred on behalf of the zone.

Added by Acts 1987, 70th Leg., ch. 191, Sec. 1, eff. Sept. 1, 1987.

Amended by:

Acts 2005, 79th Leg., Ch. 1094 (H.B. 2120), Sec. 46, eff. September 1, 2005.

Acts 2007, 80th Leg., R.S., Ch. 189 (S.B. 1264), Sec. 3, eff. May 23, 2007.

Acts 2009, 81st Leg., R.S., Ch. 137 (S.B. 1105), Sec. 1, eff. May 23, 2009.

Acts 2009, 81st Leg., R.S., Ch. 910 (H.B. 1770), Sec. 5, eff. June 19, 2009.

Acts 2011, 82nd Leg., R.S., Ch. 1032 (H.B. 2853), Sec. 17, eff. June 17, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 1163 (H.B. 2702), Sec. 118, eff. September 1, 2011.

Sec. 311.018. CONFLICTS WITH MUNICIPAL CHARTER. To the extent of a conflict between this chapter and a municipal charter, this chapter controls.

Added by Acts 1999, 76th Leg., ch. 983, Sec. 8, eff. June 18, 1999.

Sec. 311.019. CENTRAL REGISTRY. (a) The comptroller shall maintain a central registry of:

- (1) reinvestment zones designated under this chapter;
- (2) project plans and reinvestment zone financing plans adopted under this chapter; and
- (3) annual reports submitted under Section 311.016.

(b) A municipality or county that designates a reinvestment zone or approves a project plan or reinvestment zone financing plan under this chapter shall deliver to the comptroller before April 1 of the year following the year in which the zone is designated or the plan is approved a report containing:

- (1) a general description of each zone, including:

- (A) the size of the zone;
 - (B) the types of property located in the zone;
 - (C) the duration of the zone; and
 - (D) the guidelines and criteria established for the zone
- under Section [311.005](#);
- (2) a copy of each project plan or reinvestment zone financing plan adopted; and
 - (3) any other information required by the comptroller to administer this section and Subchapter F, Chapter [111](#).

(c) A municipality or county that amends or modifies a project plan or reinvestment zone financing plan adopted under this chapter shall deliver a copy of the amendment or modification to the comptroller before April 1 of the year following the year in which the plan was amended or modified.

Added by Acts 2001, 77th Leg., ch. 471, Sec. 4, eff. June 11, 2001.

Amended by:

Acts 2005, 79th Leg., Ch. 1094 (H.B. [2120](#)), Sec. 47, eff. September 1, 2005.

Sec. 311.020. STATE ASSISTANCE. (a) On request of the governing body of a municipality or county or of the presiding officer of the governing body, the comptroller may provide assistance to a municipality or county relating to the administration of this chapter.

(b) The Texas Department of Economic Development and the comptroller may provide technical assistance to a municipality or county regarding:

- (1) the designation of reinvestment zones under this chapter; and
- (2) the adoption and execution of project plans or reinvestment zone financing plans under this chapter.

Added by Acts 2001, 77th Leg., ch. 471, Sec. 4, eff. June 11, 2001.

Amended by:

Acts 2005, 79th Leg., Ch. 1094 (H.B. [2120](#)), Sec. 48, eff. September 1, 2005.

Sec. 311.021. ACT OR PROCEEDING PRESUMED VALID. (a) A governmental act or proceeding of a municipality or county, the board of directors of a reinvestment zone, or an entity acting under Section [311.010](#)(f) relating to the designation, operation, or administration of a reinvestment zone or the implementation of a project plan or reinvestment zone financing plan under this chapter is conclusively presumed, as of the date it occurred, valid

and to have occurred in accordance with all applicable statutes and rules if:

(1) the third anniversary of the effective date of the act or proceeding has expired; and

(2) a lawsuit to annul or invalidate the act or proceeding has not been filed on or before the later of that second anniversary or August 1, 2011.

(b) This section does not apply to:

(1) an act or proceeding that was void at the time it occurred;

(2) an act or proceeding that, under a statute of this state or the United States, was a misdemeanor or felony at the time the act or proceeding occurred;

(3) a rule that, at the time it was passed, was preempted by a statute of this state or the United States, including Section [1.06](#) or [109.57](#), Alcoholic Beverage Code; or

(4) a matter that on the effective date of the Act enacting this section:

(A) is involved in litigation if the litigation ultimately results in the matter being held invalid by a final judgment of a court; or

(B) has been held invalid by a final judgment of a court.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1032 (H.B. [2853](#)), Sec. 18, eff. June 17, 2011.

TIRZ 3 BOARD - CITY OF JERSEY VILLAGE, TEXAS - AGENDA REQUEST

AGENDA DATE: June 7, 2021 **AGENDA ITEM:** E

AGENDA SUBJECT: Discuss and take appropriate action on a project plan and a reinvestment zone financing plan.

PREPARED BY: Austin Bless, City Manager **DATE SUBMITTED:** June 2, 2021

EXHIBITS: Preliminary Project Plan

BACKGROUND INFORMATION:

As part of the creation of the district by the Council in March they had to approve a preliminary financial plan. Staff developed a preliminary project and financing plan at that time. The plan as presented to Council is on the following pages. There are several things that are required to be in the plan, as discussed earlier.

A few things to note as we move forward.

The Plan proposed in March has 19 homes being a part of it. That many homes may or may not happen. A potential break down by year for the project costs is as follows:

TIRZ Year	Year	Acquisition of Property	Demolition of Existing Buildings	Professional Services	Number of Properties
1	2021	\$ 960,000	\$ 100,000	\$ 3,160	4
2	2022	\$ 960,000	\$ 100,000	\$ 3,160	4
3	2023	\$ 960,000	\$ 100,000	\$ 3,160	4
4	2024	\$ 960,000	\$ 100,000	\$ 3,160	4
5	2025	\$ 720,000	\$ 75,000	\$ 2,360	3
Totals		\$ 4,560,000	\$ 475,000	\$ 15,000	19

At some point over the life of this plan the free market may take over and find it beneficial to do these projects without the need for the TIRZ. That would change the final execution of the plan. However, it is better to have something in the plan and not do it. If it's not in the plan it is more difficult to achieve it.

At this point in time it may be easiest to review the proposed plan and answer any questions the board might have as we go.

We can discuss the plan tonight, and the board can suggest changes, edits, etc. The Board needs to recommend the plan to the City Council for approval. That does not have to be done tonight. But we should target to have this completed and the Council approving it by July, as the plan needs to be completed before we can move forward with any projects.



PRELIMINARY PROJECT
AND FINANCING PLAN
TAX INCREMENT
REINVESTMENT ZONE
NUMBER 3
CITY OF JERSEY VILLAGE

APPROVED MARCH 15, 2021
Ordinance 2021-14

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Introduction

The City of Jersey Village (the “City”) incorporated in 1956, and is located in northwest Harris County. The current population of the city is 7,935. The City is approximately 90% built out. The City has experienced several devastating flood events since 1998. One of the areas that has experienced repetitive flood events is the area of Jersey Drive from Equador Street to Lakeview Drive.

In 2017 the City adopted a Long-Term Flood Recovery Plan. This plan looked at numerous ways the City could work to reduce the damage of future flood events. The City is currently undertaking several activities to reduce future flooding, including home elevations from FEMA Funding.

FEMA grants are a very competitive grant. If the grant application is awarded it can still take a year or more for the money to arrive with the city for the work to be done. There are currently over 130 homes the City is working to remove from the flood plain. FEMA Grants for elevations are preferable to buyouts, as a buyout requires the land to be green space in perpetuity.

Given the length of time it will be for home elevation grants to reach all homes, the home owners of Jersey Drive have submitted a petition to the City requesting a TIRZ to be created to assist with flood mitigation, namely buyouts, on their street. The TIRZ would help to facilitate the sale of property from the current owners, so the homes could be demolished, and new homes could be built on the lots that would be above the flood plain. This would bring about flood mitigation for property owners more quickly than working with federal funding. It would also allow for the property to continue to provide great homes for future generations of families in Jersey Village.

Map 1: Location of Proposed Tax Increment Reinvestment Zone

The proposed boundaries of the TIRZ are depicted below.



Benefits of the District

The creation of this proposed TIRZ District allows the City of Jersey Village to benefit from homes being removed from the flood plain and new homes being constructed that are above the flood plain. In addition, this will also likely spur the redevelopment of nearby areas.

The City is proposing to capture 100% of the taxable real property incremental revenues being created within the TIRZ, during the lifetime of the District which is proposed for 20 years.

Preliminary Project Plan

This Preliminary Project Plan and Reinvestment Zone Financing Plan (“The Plan”) has been prepared in accordance with the requirements of Chapter 311.011 of the Texas Tax Code and outlines the improvements to be funded and implemented by the proposed Tax Increment Reinvestment Zone Number 3, City of Jersey Village, Texas.

There are also several benefits to the city, other local taxing jurisdictions, and tax payers in general that will be accomplished with this TIRZ. One of those benefits is achieving some of the Comprehensive Plan Goals, which include:

- Invest in infrastructure, activities, and opportunities that will revitalize the highway 290 corridor to maximize its visual appeal, sense of place, and economic value.
- Promote infill and redevelopment of vacant or underutilized parcels.
- Ensure there are provisions for meeting and satisfying the needs of resident and potential residents with a variety of single family homes.
- Continue efforts to implement the Long-Term Flood Recovery Plan and mitigate future flooding in the city.

Other benefits for the City include:

- Enhances the City’s tax base.
- Provides tool to partner with private developers to construct improvements.

Existing Uses and Conditions

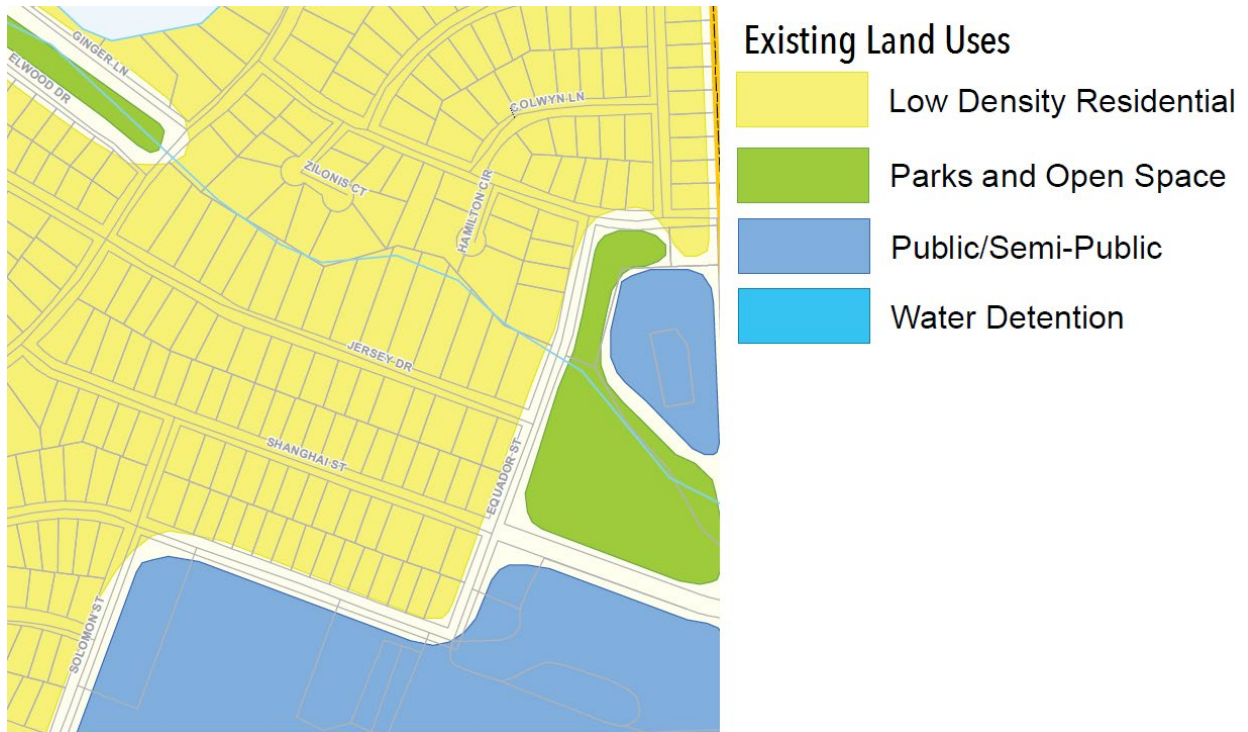
The table below, based on information from the Comp Plan, details the existing land uses and the percentages of their respective areas within the City.

Figure 1: Current Land Uses

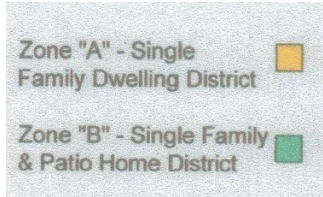
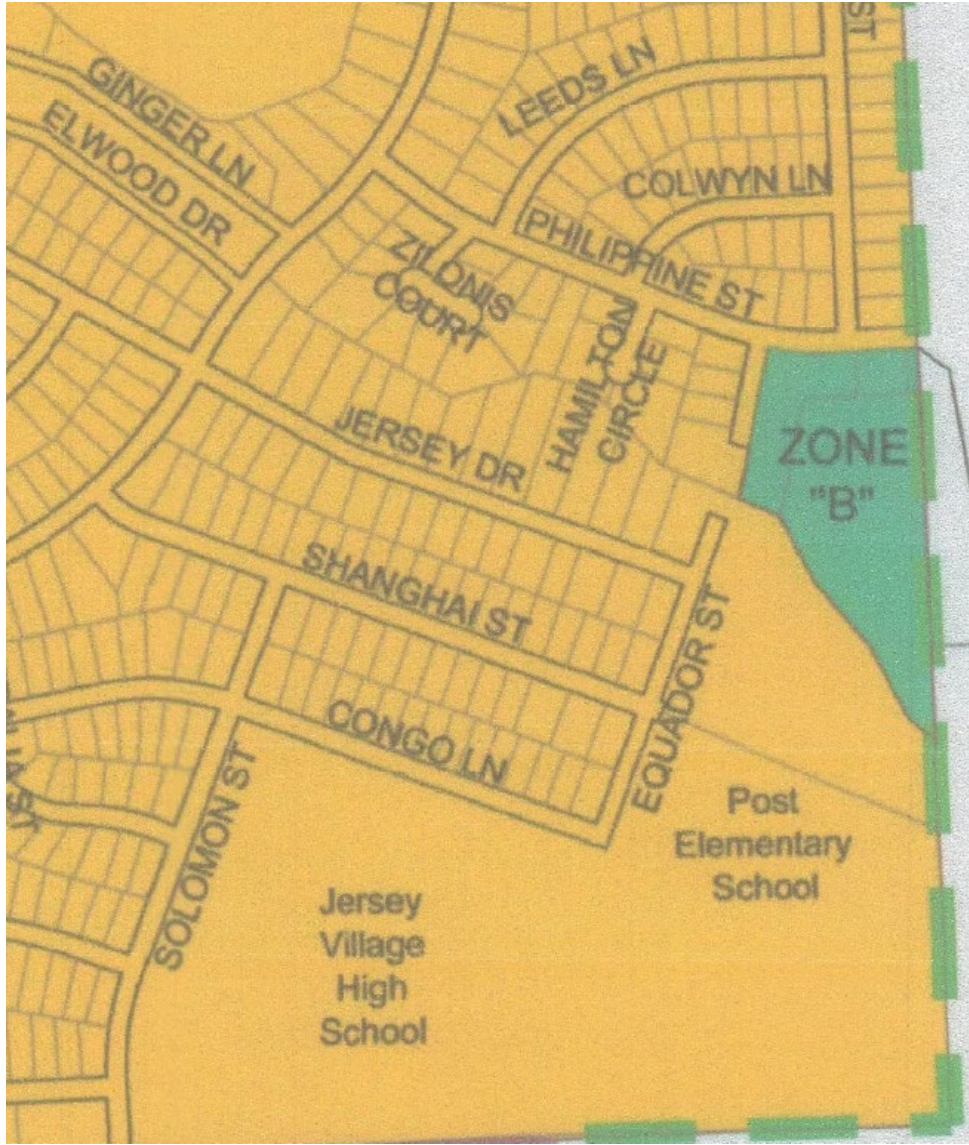
Land Use	City Limits		ETJ	
	Acres	Percent	Acres	Percent
Single Family	683	30.2%	15	2.1%
Multi-Family	88	3.9%	0	0.0%
Townhome	21	0.9%	0	0.0%
Manufactured	-	0.0%	25	3.6%
Total Residential	792	35.0%	40	5.7%
Parks and Open Space	83	3.7%	0	0.0%
Public/Semi-Public	180	8.0%	11	1.6%
Private Recreation	134	5.9%	0	0.0%
Retail	44	1.9%	2	0.3%
Office	28	1.2%	0	0.0%
Commercial	182	8.1%	198	28.1%
Industrial	74	3.3%	302	42.9%
Detention Pond/Lake	98	4.3%	5	0.7%
Right-of-Way	446	19.8%	28	4.0%
Railroad Right-of-Way	27	1.2%	0	0.0%
Nonresidential	1,296	57.4%	546	77.6%
Vacant	170.00	7.5%	118	16.8%
Total Acres	2,258		704	

On the following pages are maps that show the existing uses and land conditions of the proposed TIRZ area, along with the current zoning of the area.

Map 2: Existing Uses and conditions of land within and around the TIRZ.



Map 3: The existing land use zoning within the TIRZ.



Ordinance Changes

There are no contemplated changes to the City's Code of Ordinances or Comprehensive Plan.

Non-Project Costs

Non-Project Costs will consist of unreimbursed costs of public rights-of way, utility upgrades, and other private investment. The projects which are expected to result from the TIRZ include new home constructions in the area. The total value of such projects can reasonably be projected to total more than \$6 million at TIRZ end.

Method of Relocation

Relocation of utilities or roadways is not anticipated in this TIRZ. However, if relocation becomes necessary and in instances where appropriate, costs associated with such relocation may, on a case-by-case basis, be considered as eligible project costs, as determined by the Board of Directors of the TIRZ. In addition, the TIRZ Board and City will consider and utilize such other methods as are available, cost effective, and efficient to aid in the relocation with due weight being given to the availability of tax increments to pay related costs.

Preliminary Financing Plan

Financial Plan Narrative

The City views its participation in this TIRZ as a necessary flood mitigation effort. The cost of the redevelopment within the proposed Zone will be a public private partnership. Such partnerships have been successful for several other projects in Jersey Village and around the state. The TIRZ is intended to provide a mechanism for the purchase and sale of property and land to achieve the goal of removing homes from the flood plain and redevelopment of the property with new homes being constructed above the flood plain.

The TIRZ will likely not be self-sufficient at the onset and will require some financial contribution from the city general fund to facilitate the initial purchase and remediation of property. Any proceeds from the sale of any property would go into the TIRZ Fund.

However, it is anticipated that after some homes are redeveloped with assistance from the TIRZ, the market may prove these redevelopments to be successful without TIRZ assistance.

Estimated Project Costs

The City of Jersey Village is proposing the following preliminary Financial Plan, which is presented below. The dollar amounts are approximate estimates based upon assumptions that can be made of how many properties it is anticipated the TIRZ may purchase and resell. Purchases prices would be determined on a case by case basis with each individual property owner. At this time there is an estimated 19 properties that might be purchased.

Proposed Budget	Amount	Category	Authorized By Tax Code
Property Acquisition	\$4,560,000	Capital Costs	311.002(1)(A)
Demolition of existing buildings	\$475,000	Capital Costs	311.002(1)(A)
Administration Costs	\$15,000	Professional Services	311.002(1)(D)
Total	\$5,050,000		

Administration costs are anticipated to be costs for an outside company to handle the Increased Cost of Compliance paperwork. By using Increased Cost of Compliance funding through Flood Insurance the demolition costs associated with the properties could be covered.

The project costs should be adjusted to actual acquisition and demolition costs when the projects occur.

A potential break down by year for the project costs is as follows:

TIRZ Year	Year	Acquisition of Property	Demolition of Existing Buildings	Professional Services	Number of Properties
1	2021	\$ 960,000	\$ 100,000	\$ 3,160	4
2	2022	\$ 960,000	\$ 100,000	\$ 3,160	4
3	2023	\$ 960,000	\$ 100,000	\$ 3,160	4
4	2024	\$ 960,000	\$ 100,000	\$ 3,160	4
5	2025	\$ 720,000	\$ 75,000	\$ 2,360	3
Totals		\$ 4,560,000	\$ 475,000	\$ 15,000	19

In addition to the projects described above projects that are eligible pursuant to the Texas Tax Code shall also be considered eligible project costs. The TIRZ will fund project costs at the discretion and approval of the Board of Directors of the TIRZ.

Kind, Number and Location of Proposed Public Improvements

There are no public improvements that are anticipated at this time.

Economic Feasibility

Currently the estimated project costs for the TIRZ are \$5,050,000. The City is proposing to use 100% of the incremental increase of the Tax Rate for the entire 20 year life of the TIRZ.

As shown in the section below entitled “Methods and Sources of Financing” the revenues listed there would match the estimated project costs.

It is anticipated that after some homes are redeveloped with assistance from the TIRZ, the market may prove these redevelopments to be successful without TIRZ assistance.

Estimate of Bonded Indebtedness To Be Incurred

While it is not anticipated to be necessary, bonds, notes or other obligations may be issued to yield net proceeds sufficient to pay all or a portion of the eligible project costs and related professional fees that are currently estimated at, but are not limited to, \$5,050,000. The City, at its sole discretion, may issue

or cause to be issued bonds, notes, or other obligations secured by tax increment revenues, the proceeds of which could be used to pay for or reimburse Project Costs, including public improvements, capitalized interest, professional fees, developer interest and costs of issuance of the bonds.

Estimated Time When Monetary Obligations Are To Be Incurred

Bond issuances, if necessary, will occur at appropriate times as determined by the City and the City's Financial Advisor. Project Costs, administrative costs, and costs related to the creation and organization of the TIRZ may be paid from the issuance of bonds or directly from tax increment revenue.

Methods and Sources of Financing

One source of revenue for the TIRZ will be ad valorem property taxes generated on the annual incremental value above the base year value. The City of Jersey Village will participate at 100% of the increment for the duration of the TIRZ.

A second source of funding for the TIRZ would be from the sale of land. After property is acquired and existing homes removed the lots would be sold for development. The proceeds of these sales, estimated to be \$1,310,000, would go into the TIRZ.

A third source of funding for the TIRZ would come from utilizing the Increased Cost of Compliance funding that is available through the National Flood Insurance Program. It is estimated this would be \$475,000 and would cover the demolition costs of the district.

The other source of funding for the TIRZ would be appropriations from the General Fund. Based upon estimated costs and other revenues, the Zone would require appropriations totaling \$2,681,628. However, it is anticipated that after some homes are redeveloped with assistance from the TIRZ, the market may prove these redevelopments to be successful without TIRZ assistance. This would mean less funding is required from the General Fund.

To ensure timely construction of public improvements, both pay-as-you-go and various methods of financing may be utilized. These include:

- Tax Increment Bonds or Notes. As allowed by annual incremental increases in Zone assessed value, tax-exempt tax increment bonds or notes may be issued to fund improvements.
- Direct Reimbursements. Projects that are closely related to particular private development projects or public infrastructure programs of public agencies, municipalities, and authorities may be financed through reimbursement agreements with a developer, public agency, municipality, or authority using a direct payment annually from the TIRZ increment fund.
- Other private financing. Some projects may be financed on a short-term basis through private financial institutions.
- Grants/Other Public Funds. To the extent permitted by law, efforts will be made to leverage TIRZ funds with other public funds and economic development tools.

Duration of Zone

It is being proposed that the Zone be established for a period of 20 years. As such, the final year of tax increment revenues being captured would be in 2041. Therefore, the zone would terminate on December 31, 2041.

Current Appraised Value of Taxable Real Property

Based on the 2020 Harris County Appraisal District certified tax roll, the base year value of the proposed TIRZ will be \$7,325,124.

Estimated Captured Appraised Value By Year

The tables on the following page shows the Captured Appraised Value and the resulting revenue from the City.

To come up with these numbers it was assumed that 4 homes would be torn down each year starting in year one, with a building assessed value of \$131,000 which is the average value in the Zone. This goes for years 1-4. In year 5 it was assumed 3 homes, as this plan assumes 19 total homes being acquired.

Starting in year two we assumed 4 new homes existing at an average improvement value of \$400,000. This goes for years 2-5. In year 6 it was assumed 3 homes, as this plan assumes 19 total homes being acquired.

The Exemption rate is assumed to be 23% of the total property value. This assumes an increase of the homestead exemption rate to 20%, and also factors in 3% for the Over 65 and other exemptions that some homeowners may have. This is based upon the existing exemptions as per the 2020 Certified Values.

This plan also assumes a 1% appreciation rate each year for the properties.

As is shown the first year the Zone would not generate revenue, due to 4 homes no longer being there and new homes not yet built which means they are not yet taxable.

TIRZ 3 BOARD - CITY OF JERSEY VILLAGE, TEXAS - AGENDA REQUEST

AGENDA DATE: June 7, 2021 **AGENDA ITEM:** F

AGENDA SUBJECT: Preliminary Discussions on possible purchases of homes.

PREPARED BY: Austin Bless, City Manager **DATE SUBMITTED:** June 2, 2021

EXHIBITS:

BACKGROUND INFORMATION:

We have one home owner that is interested in potentially selling their home to the city and buying the lot back to build their own home on the lot. There are other owners that have expressed interest in selling their homes as well.

The purpose of this item is to have preliminary discussions around the process of how to accomplish this. If there is a preferred order the Board wants to go in for buying homes, or if it is based on interest or cost, those types of guides would be helpful for staff as we move forward.

A tentative timeline for all home purchases would be as follows:

- Decide what homes to move forward with.
 - This would also mean getting homeowner concurrence.
- Get appraisals for the homes.
 - This establishes the price point for the home.
- Negotiate with the homeowner on price.
- Finalize the purchase of the home.
- After the purchase is complete, then we would work to get the home removed and utilize the increased cost of compliance portion of the flood insurance to pay for that.
- Then we would sell the empty lot to a builder, or buyer, with conditions on the lot as to when a home would be built, style, etc.

RECOMMENDED ACTION:

At this point we do not need formal action, just a consensus of how to move forward with potential homeowners.