

CITY OF HOUSTON TAX INCREMENT REINVESTMENT ZONE NO. 27
PUBLIC INFRASTRUCTURE DEVELOPMENT
REIMBURSEMENT POLICY

OBJECTIVE

The City of Houston Tax Increment Reinvestment Zone No. 27 (hereafter “Zone” or “TIRZ 27”) adopted a Project Plan and Reinvestment Zone Financing Plan for the purpose of financing the construction of public facilities and infrastructure necessary to catalyze residential and commercial development and redevelopment within the Zone boundaries.

The objective of this policy is to define the conditions under which the Zone will consider a reimbursement for specific public improvements built by a developer around the developers’ project within the boundaries of TIRZ 27.

HISTORY

The Houston City Council created the Zone in 2015 and it is funded by tax increment funds received from the City of Houston.

PROCEDURES AND GUIDELINES

Any developer that would like to pursue a potential reimbursement for proposed public improvements to be built around a proposed project within the zone must submit a proposal for funding to the TIRZ 27 Projects and Planning Committee (hereafter “Committee”). This proposal must be submitted to TIRZ 27 before an agreement will be considered.

All Proposals must include:

- The budget for the entire project including realty, site, preparation, engineering, construction, legal, or any other costs related to the project. This budget must include a line breakdown of the public infrastructure costs for which the request is being made.
- Developer financial statements evidencing capacity to complete the project and the developer’s financial need for reimbursement.
- Plans and Specifications for the project and any public improvements.
- Detailed description of public improvements for which reimbursement is sought.
- Drawings or photographs of the project and pro forma projections (if applicable)
- Description of Applicant’s experience in developing similar projects.
- Identification of the property benefited, and the increment expected.
- The developer’s proposal for reimbursement.

Completed applications will be reviewed by the Committee, and it may request additional information from applicants. The Committee will present a recommendation to the Board of

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Directors. The recommendation will be to enter negotiations for an agreement or to reject the proposal. Applicants will be notified of the date and time of the TIRZ 27 Board meeting at which the directors will consider the recommendation and determine if the TIRZ will proceed with negotiations.

Following negotiations, the Committee will make a recommendation to the Board to accept or reject the negotiated development agreement. All parties will be notified of the date and time of the TIRZ 27 Board meeting at which the directors will consider the recommendation.

DEVELOPMENT AGREEMENT TERMS

CRITERIA

Criteria for consideration of potential agreements are based on factors including, but not limited to:

- Importance of the public infrastructure project to the goals of the Zone's Project Plan; the Committee will only recommend projects that directly advance the goals of the Project Plan.
- Current or intended land use.
- Increment created.

TERMS

General Terms for potential agreements include but are not limited to:

- Applications for reimbursement using TIRZ 27 funds will only be considered for public infrastructure and affordable housing and will be approved on a case by case basis. TIRZ 27 will not entertain reimbursements outside of these categories.
- TIRZ 27 reserves the right to enter into a development agreement on its sole discretion. There is no implied requirement by the TIRZ to negotiate or enter into an agreement.
- TIRZ 27 does not pay any interest on funds to be reimbursed and the TIRZ will not borrow funds or issue bonds to reimburse developers.
- In the funding of development agreements, TIRZ 27 will commit no more than fifty percent (50%) of the tax increment, after all required City fees have been paid, created by an applicant's approved project for the funding of the Applicant's approved development agreement.
- TIRZ 27 expressly reserves the right to require development or traffic impact studies and any other studies for any project in which it is considering financial participation. The expenses for any study required by TIRZ 27 shall be reimbursable only if the project is approved and TIRZ 27 financial participation occurs.

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- TIRZ 27 expressly reserves the right to require the developer to conduct public engagement meeting(s) regarding the project.
- Construction must not begin on the project or the public improvements before the development agreement is approved by the Board of Directors of TIRZ 27 and approved by the City of Houston. If a development agreement is approved, the Parties to the agreement must complete the project in accordance with the terms and conditions of that development agreement and provide all required approvals, information and documents.
- It shall be the responsibility of the Developer to provide TIRZ 27 with BEFORE, DURING, and AFTER photographs of the improvements, and grant TIRZ 27 the right to use these photographs for promotional and educational materials.
- All parties to any development agreement must agree to place a sign on said property denoting the TIRZ 27 financial contribution for the duration of construction of the project. The design of the sign will be provided by TIRZ 27.

RELEASE OF FUNDS

No reimbursement funds will be released until:

- All documentation required under the terms of the development agreement has been received, reviewed and approved by the Committee.
- All work has been completed and approved/released by City of Houston and an inspection of the project has been done by TIRZ 27 or its consultant(s).
- If applicable, executed copies of any contract work guarantees shall be attached to the final inspection agreement.
- Written request for payment, including invoice, release of liens, and other supporting documentation has been submitted to and approved by TIRZ 27.
- All other terms as detailed in the development agreement have been met.

INSURANCE

Developer will be required to maintain (or cause the Developer's contractor to maintain) insurance coverage on the Project during construction, in accordance with the terms and conditions of the Development Agreement.

**TIRZ 27 RESERVES THE RIGHT TO MODIFY THIS POLICY AT THE BOARD OF
DIRECTORS' SOLE DISCRETION.**