

City of Brownsville, Texas, Ordinance No. 2004-1421

AN ORDINANCE DESIGNATING A CONTIGUOUS GEOGRAPHIC AREA WITHIN CITY OF BROWNSVILLE AS REINVESTMENT ZONE NUMBER ONE, CITY OF BROWNSVILLE, TEXAS, FOR TAX INCREMENT FINANCING PURPOSES PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE; CREATING A BOARD OF DIRECTORS FOR SUCH ZONE; CONTAINING FINDINGS AND PROVISIONS RELATED TO THE FOREGOING SUBJECT; AND PROVIDING A SEVERABILITY CLAUSE. * * * * *

WHEREAS, pursuant to Chapter 311 of the Texas Tax Code, the City may designate a contiguous geographic area within the City as a reinvestment zone if the area satisfies the requirements of certain sections of Chapter 311 of the Texas Tax Code; and

WHEREAS, the City has prepared a preliminary reinvestment zone financing plan, which provides that City of Brownsville ad valorem taxes are to be deposited into the tax increment fund, and that taxes of other taxing units may be utilized in the financing of the proposed zone; and

WHEREAS, the City provided written notice of the public hearing on the creation of the proposed zone, complying with the requirements of Chapter 311, Texas Tax Code, to the governing body of all taxing units levying taxes on property in the proposed zone; and

WHEREAS, a notice of the March 2, 2004 public hearing on the creation of the proposed zone was published on February 10, 2004, in the Brownsville Herald , a newspaper of general circulation in the City; and

WHEREAS, at the public hearing on March 2, 2004, interested persons were allowed to speak for or against the creation of the proposed zone, its boundaries, or the

concept of tax increment financing; and owners of property in the proposed zone were given a reasonable opportunity to protest the inclusion of their property in the proposed zone; and

WHEREAS, evidence was received and presented at the public hearing in favor of the creation of the proposed zone under the provisions of Chapter 311, Texas Tax Code; and

WHEREAS, no owner of real property in the proposed zone protested the inclusion of their property in the proposed zone; and

WHEREAS, the City has provided all information, and made all presentations, given all notices and done all other things required by Chapter 311, Texas Tax Code, or other law as a condition to the creation of the proposed zone unless otherwise waived; and

WHEREAS, the total appraised value of taxable real property in the proposed zone and all other tax increment reinvestment zones previously created by the City is \$1,564,000; and

WHEREAS, the total appraised value of taxable real property taxable by Cameron County, in which the proposed zone is located, is approximately \$783,219; and

WHEREAS, the total appraised value of real property taxable by the Brownsville Independent School District, in which the proposed zone is located, is \$3,370,880; and

WHEREAS, the total area within the proposed zone is approximately 289 acres, excluding property that is publicly owned; **NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF BROWNSVILLE, TEXAS:**

Section 1. Findings.

(a) That the facts and recitations contained in the preamble of this Ordinance are hereby found and declared to be true and correct and are adopted as part of this Ordinance for all purposes.

(b) That the City Commission further finds and declares that the proposed improvements in the zone will significantly enhance the value of all the taxable real property in the proposed zone and will be of general benefit to the City.

(c) That the City Commission further finds and declares that the proposed zone meets the criteria and requirements of Section 311.005 of the Texas Tax Code because the proposed zone contains substantial areas that are predominantly open and underdeveloped, and lack public water distribution, wastewater collection and storm drainage facilities which conditions substantially impair and arrest the sound growth of the City.

(d) That the City Commission, pursuant to the requirements of Chapter 311, Texas Tax Code, further finds and declares:

- (1) That the proposed zone is a contiguous geographic area located wholly within the corporate limits of the City of Brownsville;
- (2) That the total appraised value of taxable real property in the proposed zone does not exceed fifteen percent of the total appraised value of taxable real property in the City and in the industrial districts created by the City;
- (3) That the proposed zone does not contain more than fifteen percent of the total appraised value of real property taxable by Cameron County, the Brownsville Independent School District; and
- (4) That the development or redevelopment of the property in the proposed zone will not occur solely through private investment in the reasonably foreseeable future.

Section 2. Designation of the Zone

That the City, acting under the provisions of Chapter 311, Texas Tax Code, including Section 311.005(a), does hereby designate as a reinvestment zone, and create

and designate a reinvestment zone over, the area described in Exhibit "A" and depicted in the map attached hereto as Exhibit "B" to promote the redevelopment of the area. The reinvestment zone shall hereafter be named for identification as Reinvestment Zone Number One, City of Brownsville, Texas, (the "Zone"). The City Commission specifically declares that the Zone is designated pursuant to Section 311.005(a)(1) and (2) of the Texas Tax Code.

Section 3. Board of Directors

That there is hereby created a Board of Directors for the Zone, which shall consist of seven (7) members. Positions One through Five on the Board of Directors shall be reserved for the City. Positions Six and Seven shall be reserved for other taxing units levying taxes within the Zone, each of whom may appoint one director. Any taxing unit that appoints a director shall be assigned a Board position number in the order the City receives the appointment. Failure of a taxing unit to appoint a director by January 15, 2005, shall be deemed a waiver of the right to appoint a director, and the City shall be entitled to appoint persons to the position, which shall be filled as provided below. If more than two taxing units levying taxes within the Zone appoint a director, the number of directors on the Board of Directors shall be increased by one for each taxing unit above two that appoints a director to the board; provided, if more than four taxing units levying taxes within the Zone appoint a director, the number of directors on the Board of Directors shall be increased by two for each taxing unit above four that appoints a director to the board, provided, further, that the maximum number of directors shall not exceed fifteen (15). The City shall be entitled to appoint a person to one position of each

of the two positions created as a result of more than four taxing units appointing directors, which position shall be filled as provided below.

The Mayor is hereby authorized to nominate and appoint, subject to City Commission approval, the directors to Positions One through Five of the Board of Directors, any position unfilled on January 15, 2005, and any City position created by the appointment of a director by more than two taxing units levying taxes within the Zone, subject to the consent and approval of the City Commission.

The directors appointed to odd-numbered positions shall be appointed for two year terms, beginning on the effective date of this Ordinance, while the directors appointed to even-numbered positions shall be appointed to a one year term, beginning on the effective date of this Ordinance. All subsequent appointments shall be for two-year terms. The member of the Board of Directors appointed to Position One is hereby designated to serve as the chair of the Board of Directors for a one-year term beginning on the effective date of this Ordinance. Thereafter the Mayor shall annually nominate and appoint, subject to City Commission approval, a member to serve as chair for a term of one year beginning on the anniversary of the effective date of this Ordinance. The City Commission authorizes the Board of Directors to elect from its members a vice-chairman and such other officers as the Board of Directors sees fit.

The Board of Directors shall make recommendations to the City Commission concerning the administration of the Zone. The Board of Directors shall prepare or cause to be prepared and adopt a project plan and a reinvestment zone financing plan for the Zone as described in Section 311.011, Texas Tax Code, and shall submit such plans to the City Commission for its approval. The City hereby delegates to the Board of

Directors all powers necessary to prepare and implement the project plan and reinvestment zone financing plan, subject to approval by the City Commission, including the power to employ any consultants or enter into any reimbursement agreements payable solely from the Tax Increment Fund established pursuant to Section 7 of this Ordinance, subject to the approval of the City Planning Director, that may be reasonably necessary or convenient to assist the Board of Directors in the preparation of the project plan and reinvestment zone financing plan and in the issuance of tax increment obligations.

Section 4. Duration of the Zone

That the Zone shall take effect immediately upon the passage of this Ordinance provided however, that for the deposit of tax increments into the Tax Increment Fund established pursuant to Section 7 of this Ordinance shall not commence until January 1, 2005, and termination of the operation of the Zone shall occur on December 31, 2035, or at an earlier time designated by subsequent ordinance, or at such time, subsequent to the issuance of tax increment bonds, if any, that all project costs, tax increment bonds, notes and other obligations of the Zone, and the interest thereon, have been paid in full.

Section 5. Tax Increment Base

That the Tax Increment Base of the City or any other taxing unit participating in the Zone for the Zone is the total appraised value of all real property taxable by the City or other taxing unit participating in the Zone and located in the Zone, determined as of January 1, 2004, the year in which the Zone was designated as a reinvestment zone (the "Tax Increment Base").

Section 6. Tax Increment Fund

That there is hereby created and established a Tax Increment Fund for the Zone which may be divided into subaccounts as authorized by subsequent ordinances. All Tax Increments, as defined below, shall be deposited in the Tax Increment Fund. The Tax Increment Fund and any subaccount shall be maintained at the depository bank of the City and shall be secured in the manner prescribed by law for funds of Texas cities. The annual Tax Increment shall equal the property taxes levied by the City and any other taxing unit participating in the Zone for that year on the captured appraised value, as defined by Chapter 311 of the Texas Tax Code, of real property located in Zone that is taxable by the City or any other taxing unit participating in the Zone, less any amounts that are to be allocated from the Tax Increment pursuant to Chapter 311 of the Texas Tax Code. All revenues from the sale of any tax increment bonds, notes or other obligations hereafter issued for the benefit of the Zone by the City, if any; revenues from the sale of property acquired as part of the project plan and reinvestment zone financing plan, if any; and other revenues to be used in the Zone shall be deposited into the Tax Increment Fund. Prior to the termination of the Zone, money shall be disbursed from the Tax Increment Fund only to pay project costs, as defined by the Texas Tax Code, for the Zone, to satisfy the claims of holders of tax increments bonds or notes issued for the Zone, or to pay obligations incurred pursuant to agreements entered into to implement the project plan and reinvestment zone financing plan and achieve their purpose pursuant to Section 311.010(b) of the Texas Tax Code.

Section 7. Severability

If any provision, section, subsection, sentence, clause or phrase of this Ordinance, or the application of same to any person or set of circumstances, is for any reason held to be unconstitutional, void or invalid, the validity of the remaining provisions of this Ordinance or their application to other persons or set of circumstances shall not be affected thereby, it being the intent of the City Commission in adopting this Ordinance that no portion hereof or regulations connected herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any portion hereof, and all provisions of this Ordinance are declared severable for that purpose.

Section 8. Open Meetings

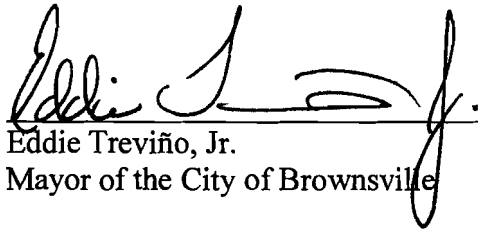
It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of the meeting of the City Commission at which this Ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at the City Hall of the City for the Time required by law preceding its meeting, as required by the Open Meetings Law, Texas Government Code, ch. 551, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter hereof has been discussed, considered and formally acted upon. The City Commission further ratifies, approves and confirms such written notice and the contents and posting thereof.

Section 9. Notices

The contents of the notice of the public hearing, which hearing was held before the City Commission on March 2, 2004, and the publication of said notice, are hereby ratified, and confirmed.

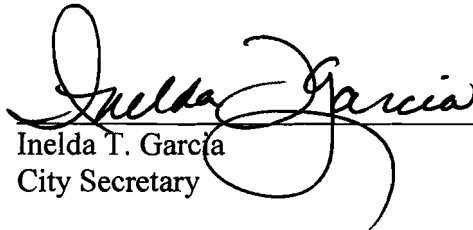
PASSED AND ADOPTED this 5th day of October, 2004.

APPROVED this 19th day of October, 2004.



Eddie Treviño, Jr.
Mayor of the City of Brownsville



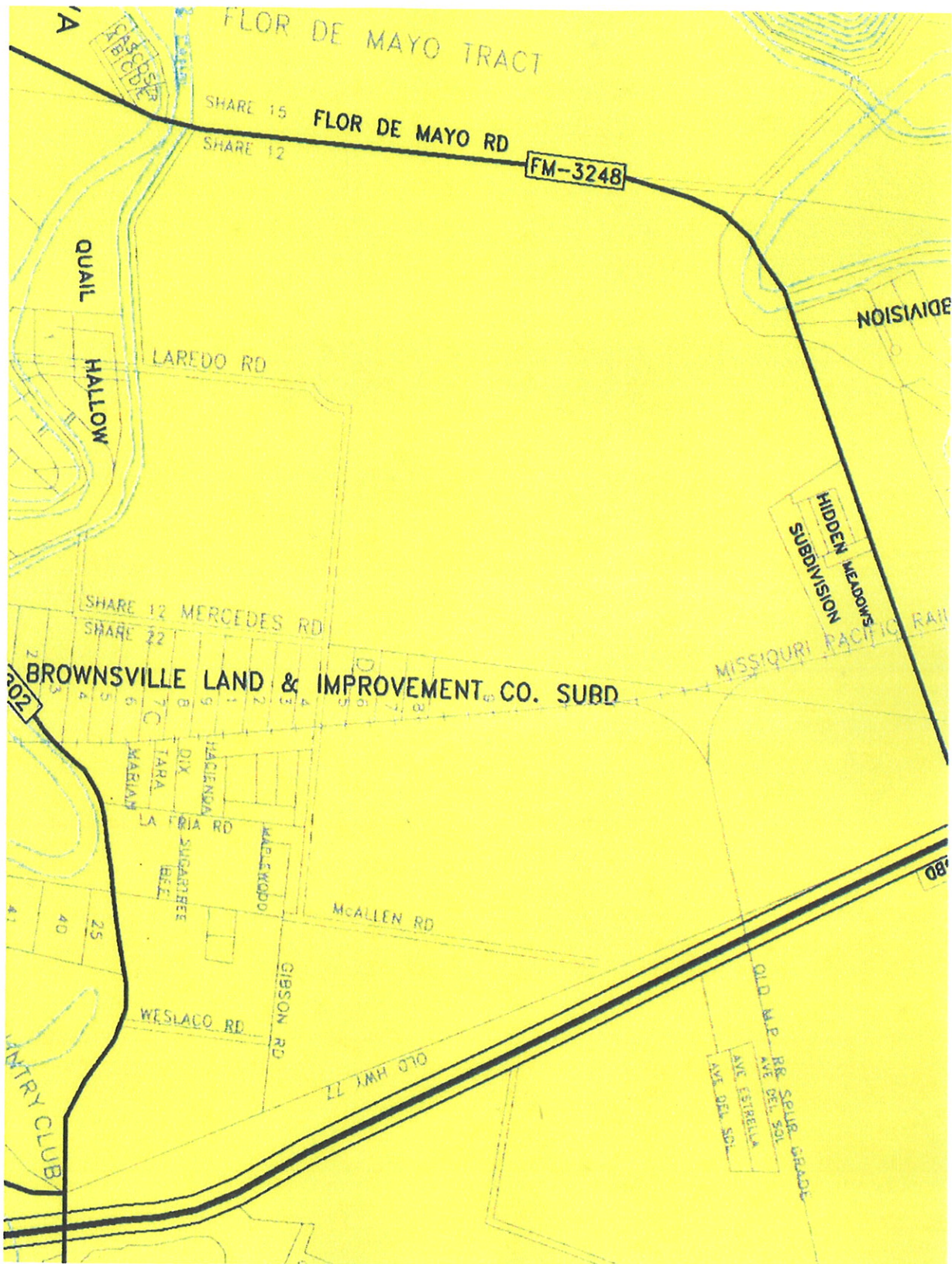


Inelda T. Garcia
City Secretary

EXHIBIT "A"
BOUNDARY DESCRIPTION

BOUNDARY DESCRIPTION FOR THE REED TRACT IS SET FORTH IN THE TIRZ
APPLICATION WHICH IS ATTACHED HERETO.

THE REINVESTMENT ZONE BOUNDARY ALSO INCLUDES THE LAREDO
ROAD RIGHT OF WAY FROM THE SOUTHERN MOST POINT OF THE
CURRENTLY PLATTED REED TRACT, SOUTH TO MILITARY HWY. AND
ALSO INCLUDE THE RIGHT OF WAY AS SHOWN ON EXHIBIT 1.



TIRZ #1 Review

TIRZ #1 Review
Prepared by Planning Department

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Single Family	125	125	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Construction	12,000,000	12,000,000	8,900,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative Value	12,000,000	24,000,000	32,900,000	32,900,000	32,900,000	32,900,000	32,900,000	32,900,000	32,900,000	32,900,000	32,900,000	32,900,000	32,900,000	32,900,000	32,900,000	32,900,000	32,900,000	32,900,000
City Tax Generated	81,800	81,800	244,800	244,800	244,800	244,800	244,800	244,800	244,800	244,800	244,800	244,800	244,800	244,800	244,800	244,800	244,800	244,800
Average Home Sales Price	125K	125K	125K	125K	125K	125K	125K	125K	125K	125K	125K	125K	125K	125K	125K	125K	125K	125K
140K																		
75K																		
240																		
114																		
489																		
TOTAL SF HOUSE UNITS	125	125	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Multi-Family Units	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Captured Value	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cum Captured Value	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
City Tax Generated	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative City Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CITY TAX	81,800	163,600	244,800	244,800	244,800	244,800	244,800	244,800	244,800	244,800	244,800	244,800	244,800	244,800	244,800	244,800	244,800	244,800

	TOTAL	City	County
TIRZ Project Cost	3,398,329	5,872,442	3,023,456
City Funded TIRZ 60%	2,039,000	3,523,465	1,814,074
Co Funded TIRZ 34%	1,359,329	2,348,977	1,209,382

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Annual Finance Cost	371,187	371,187	345,973	345,973	320,999	306,623	286,352	266,344	242,714	217,378	192,925	167,071	129,530	96,331	60,411	21,694	0	0
City Contribution Finance	240,623	240,623	223,942	223,942	210,645	203,996	193,332	179,191	161,911	143,668	125,535	106,507	85,688	63,971	39,871	14,450	0	0
Co Contribution Finance	130,564	130,564	122,031	122,031	110,354	102,627	93,020	83,523	70,803	63,710	57,390	50,564	43,842	32,360	20,540	7,444	0	0

	TOTAL	City	County
Annual Finance Cost	371,187	240,623	130,564
City Contribution Finance	240,623	240,623	130,564
Co Contribution Finance	130,564	0	0

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
City Participation 100%	61,600	61,600	244,800	244,800	305,320	328,420	353,800	406,840	473,280	553,520	647,380	754,800	863,800	966,000	0	0	0	0
City Participation 75%	61,600	61,600	161,152	161,152	225,637	241,536	261,864	300,314	350,277	409,655	479,046	558,552	639,854	729,840	1,122,000	0	0	0
City Participation 50%	40,800	40,800	122,400	122,400	158,960	163,200	176,800	203,320	236,640	278,980	329,680	377,400	431,900	493,000	635,000	0	0	0
City Participation 25%	20,400	20,400	61,200	61,200	79,480	81,600	88,400	101,660	118,320	138,960	161,840	187,700	215,900	246,500	280,500	317,900	358,700	402,900

	TOTAL	City	County
100% City Tax Collected	61,600	163,200	244,800
75% City Tax Collected	61,600	163,200	244,800
50% City Tax Collected	40,800	163,200	163,200
25% City Tax Collected	20,400	163,200	163,200

	TOTAL	City	County
City Tax Collected with 60% TIRZ Contribution	46,800	122,400	163,200
City Tax Collected with 60% TIRZ Contribution	46,800	122,400	163,200
City Tax Collected with 60% TIRZ Contribution	46,800	122,400	163,200

	TOTAL	City	County
5% Affordable Housing Fund	2040	6120	8160
5% Affordable Housing Fund	2040	6120	8160
5% Affordable Housing Fund	2040	6120	8160

	TOTAL	City	County
100% City Tax Collected	61,600	163,200	244,800
75% City Tax Collected	61,600	163,200	244,800
50% City Tax Collected	40,800	163,200	163,200
25% City Tax Collected	20,400	163,200	163,200

	TOTAL	City	County
100% City Tax Collected	61,600	163,200	244,800
75% City Tax Collected	61,600	163,200	244,800
50% City Tax Collected	40,800	163,200	163,200
25% City Tax Collected	20,400	163,200	163,200

	TOTAL	City	County
100% City Tax Collected	61,600	163,200	244,800
75% City Tax Collected	61,600	163,200	244,800
50% City Tax Collected	40,800	163,200	163,200
25% City Tax Collected	20,400	163,200	163,200

	TOTAL	City	County
100% City Tax Collected	61,600	163,200	244,800
75% City Tax Collected	61,600	163,200	244,800
50% City Tax Collected	40,800	163,200	163,200
25% City Tax Collected	20,400	163,200	163,200

	TOTAL	City	County
100% City Tax Collected	61,600	163,200	244,800
75% City Tax Collected	61,600	163,200	244,800
50% City Tax Collected	40,800	163,200	163,200
25% City Tax Collected	20,400	163,200	163,200

	TOTAL	City	County
100% City Tax Collected	61,600	163,200	244,800
75% City Tax Collected	61,600	163,200	244,800
50% City Tax Collected	40,800	163,200	163,200
25% City Tax Collected	20,400	163,200	163,200