

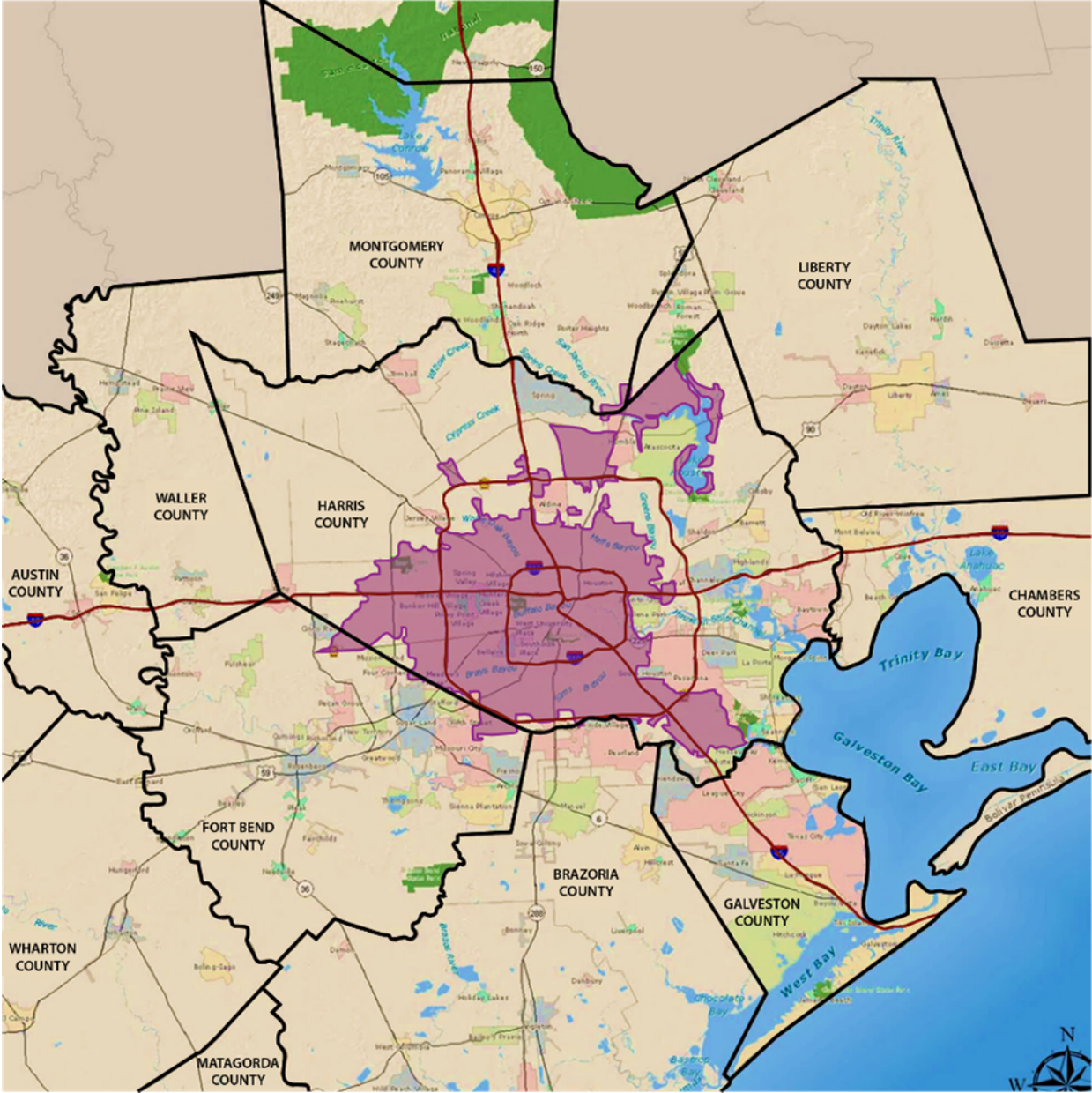
Houston Experience Tax Increment Financing **2018**



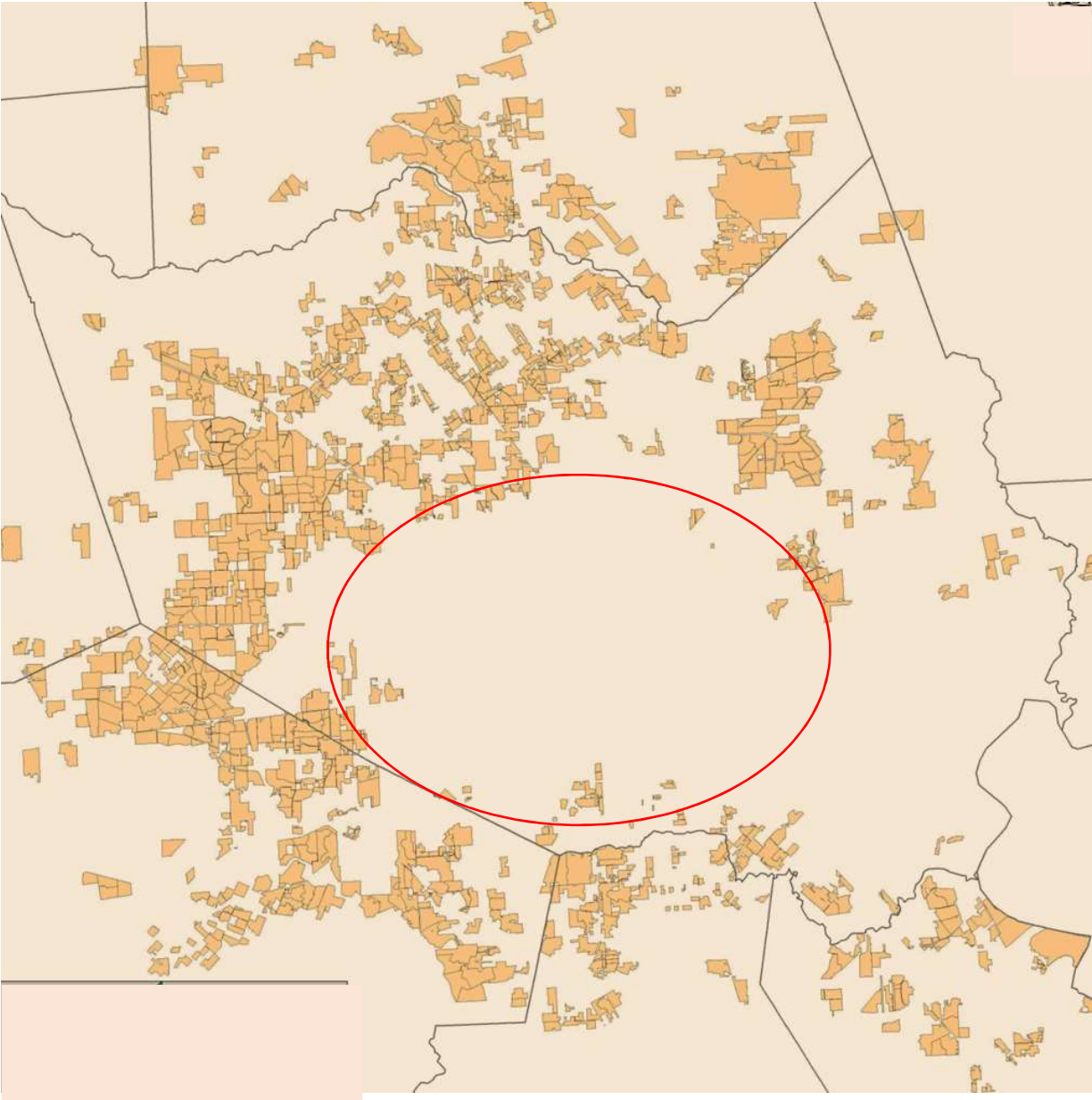
Our Regions

| | Houston | Philadelphia |
|----------------------|----------------|---------------------|
| Population | 6,772,470 | 6,070,500 |
| Land Area | 8,260 sq. mi. | 4,602 sq. mi. |
| Median Age | 34.2 | 38.6 |
| Per Cap Income | \$31,863 | \$35,292 |
| % Transit Commute | 2.3% | 9.6% |
| <i>Municipality:</i> | | |
| Population | 2,240,582 | 1,559,938 |
| Land Area | 637 sq. mi. | 134 Sq. mi. |

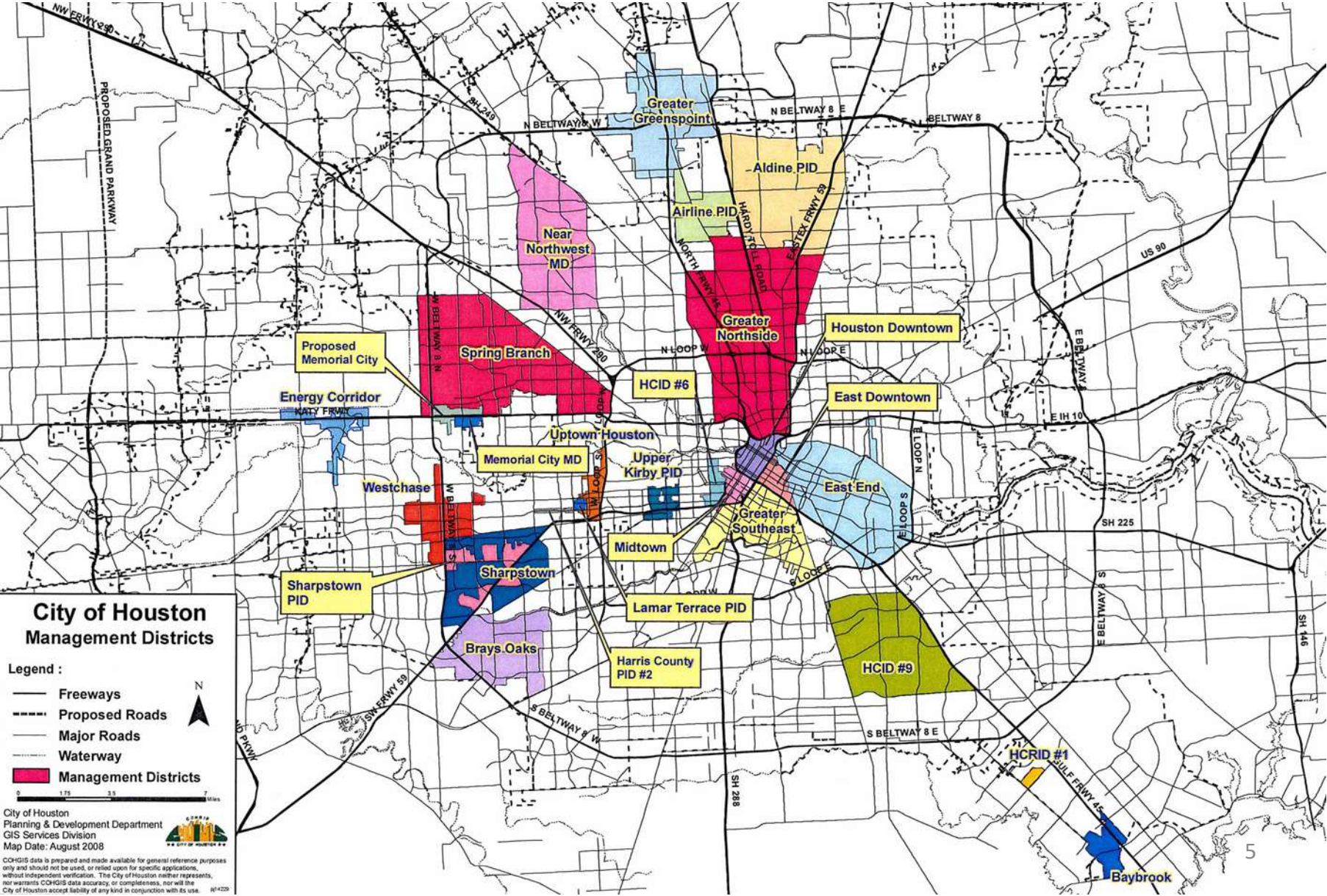
Houston Region Today



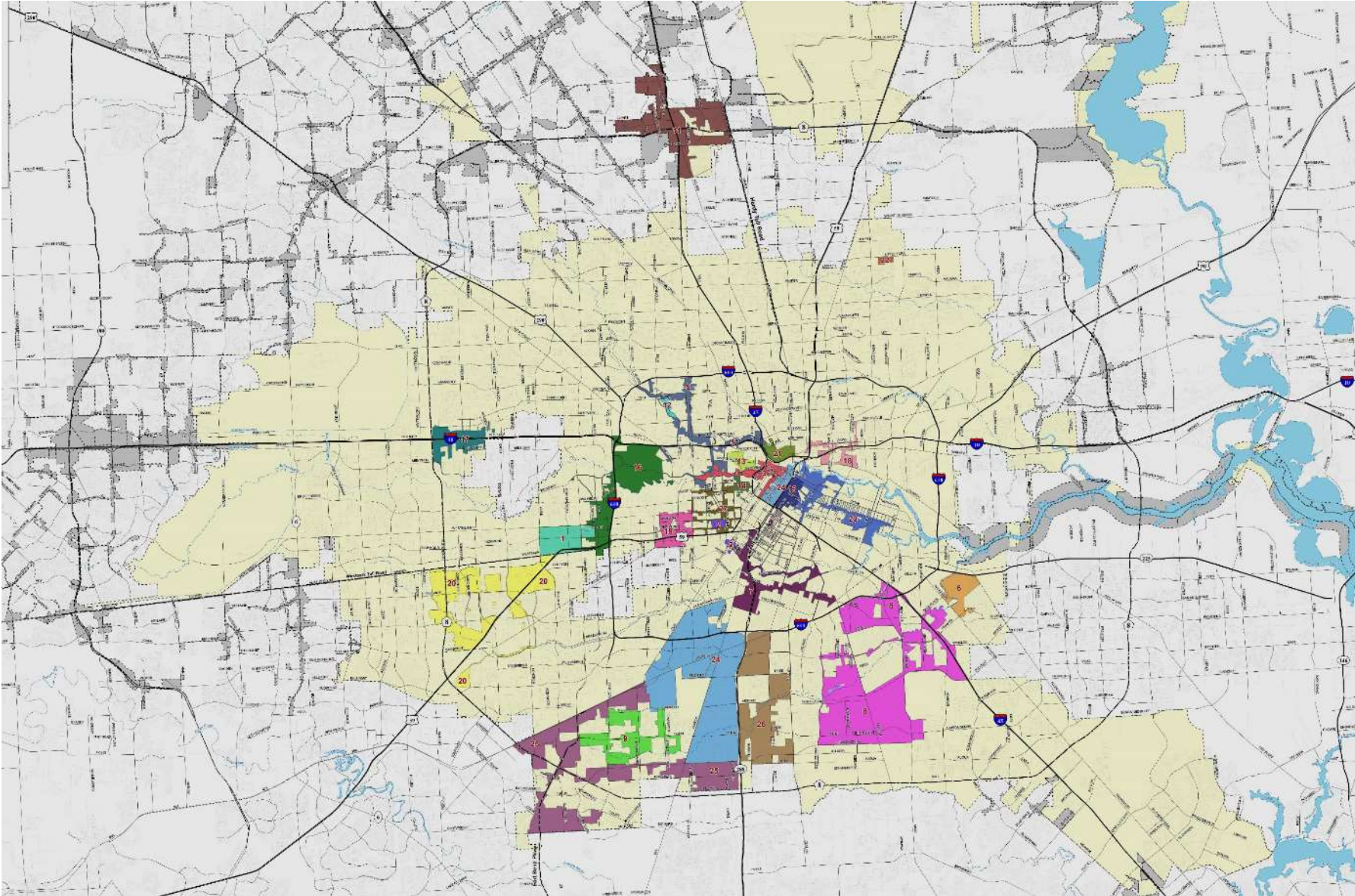
Municipal Utility Districts



Houston's Municipal Management Districts

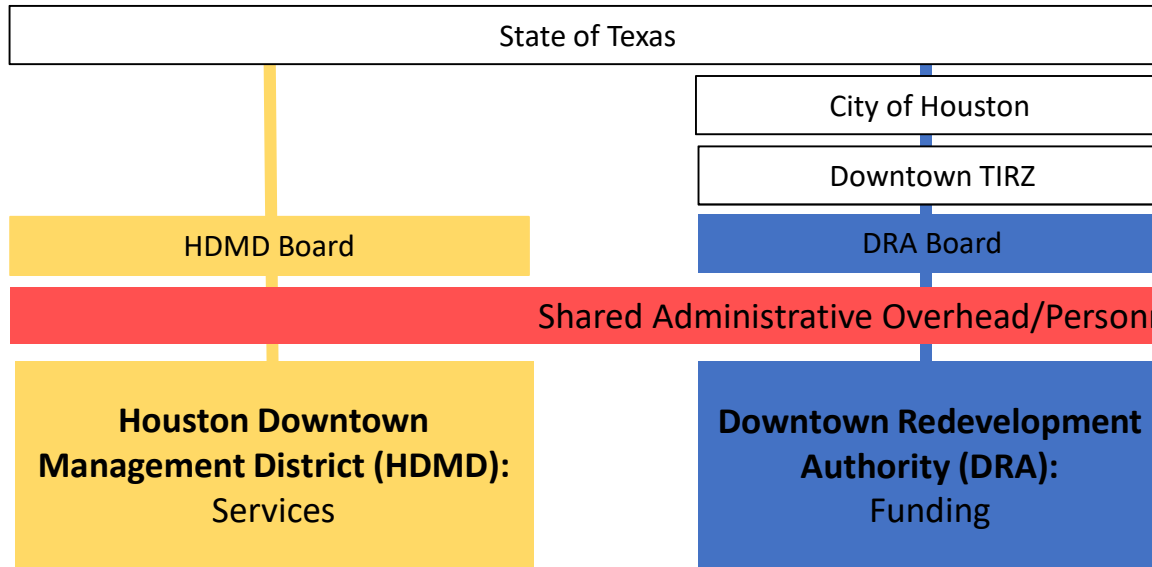


Houston's Tax Increment Reinvestment Zones



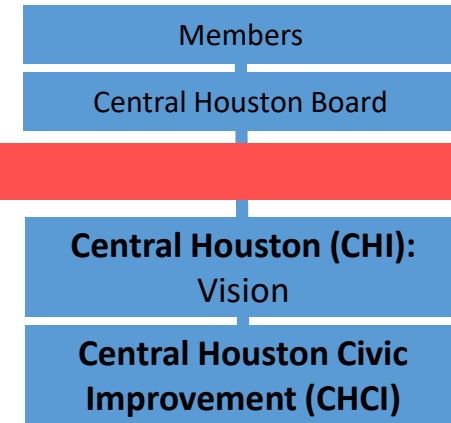
Public

The two public entities enable the organization to operate and access funding with greater efficiency and effectiveness.



Private

As a private membership organization, Central Houston can support the Central City's growth through its network of business leaders.



Shared Administrative Overhead/Personnel

Functions Served

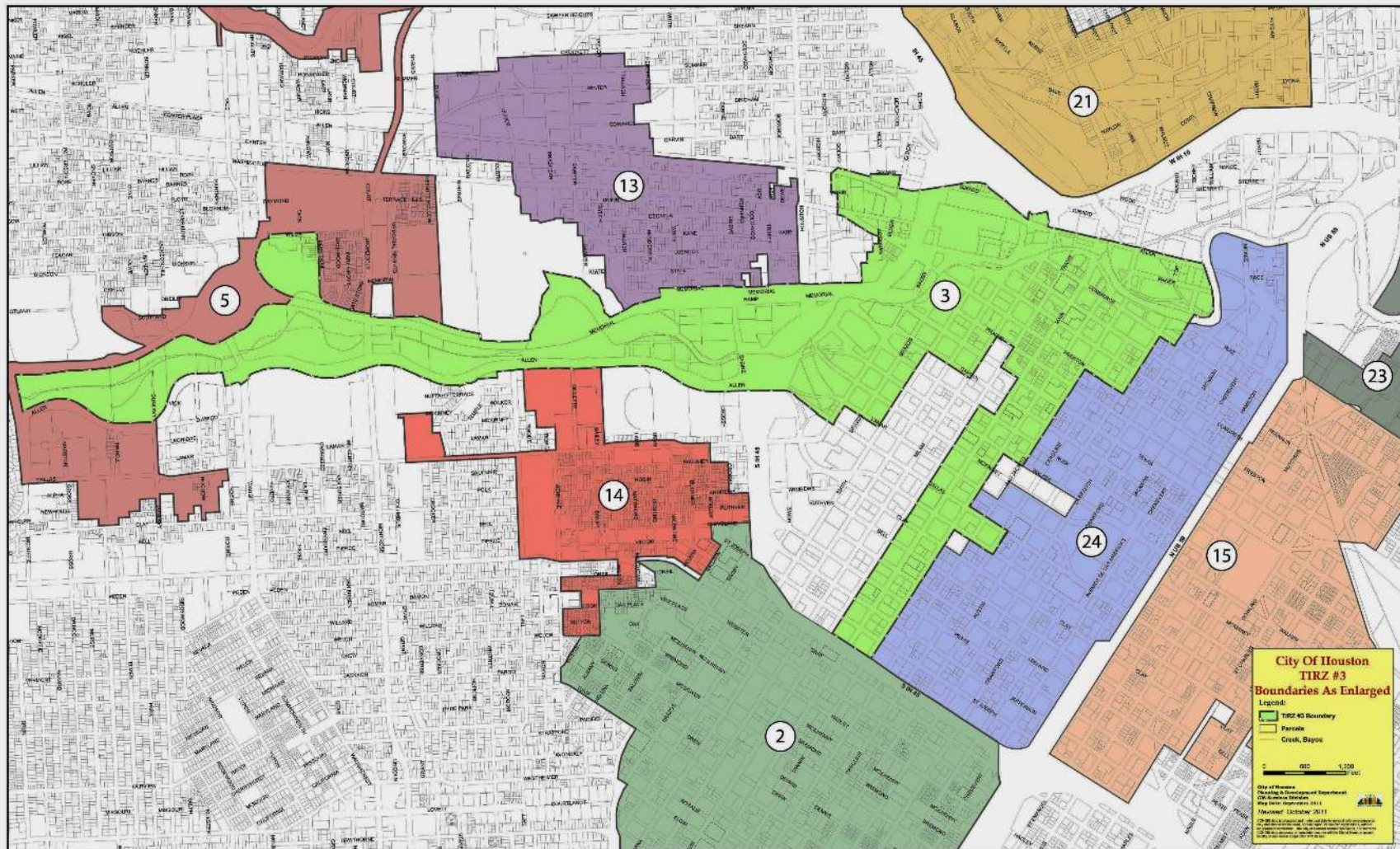
| HDMD | HDMD & DRA | CHI, CHCI, HDMD, & DRA | CHI & CHCI |
|---------------------------|-----------------------|----------------------------|---------------------|
| Operations Clean & Safe | Capital Projects | Economic Development | Membership |
| Homeless Outreach | Historic Preservation | Transportation | Young Professionals |
| Public Art | Program Incentives | Planning | Fundraising |
| Wayfinding | | Place Making | Advocacy |
| Beautification | | Marketing & Communications | Facilitation |
| Programming Public Spaces | | | Organization |

Texas Tax Increment Financing Act

(Chapter 311 Texas Tax Code)

- Creation powers given to municipalities with petition, project plan, hearing and action of City Council
- To address areas *impaired of sound growth, poor platting, deterioration, faulty lot layout, inadequate street & sidewalk layout*
- Broad definition of allowable “project costs”
- No more than 25% of total appraised value or 30% residential property
- Allows for real property and/or sales tax increments

Downtown Tax Increment Reinvestment Zone (TIRZ #3)



Downtown Redevelopment Authority

501(c)(3) Governmental Non-profit Corp.:

- Purpose is to aid and assist City of Houston
- 9 member board (7 City, 1 County, 1 HISD)

Board also serves as advisory board for Main Street Market Square TIRZ #3

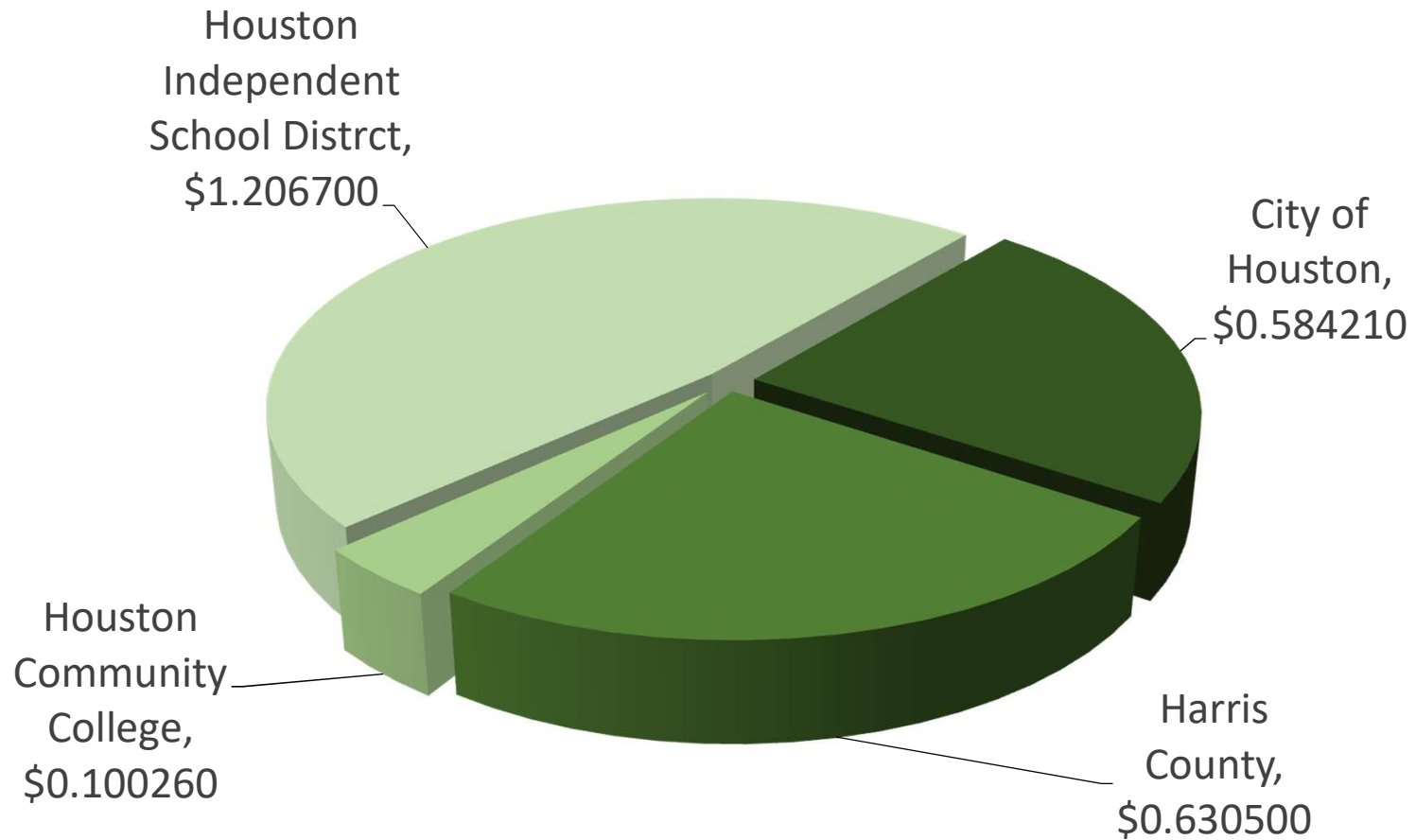
- Tri-party operating agreement between City of Houston, TIRZ#3, DRA
- All agreements countersigned by City's Chief Development Officer

Downtown Redevelopment Authority

- Supported by property tax Increments over base year City/ Harris County/ HISD
- Increments collected by City and transferred to Authority
- Assessed incremental value: \$3.4 billion
- \$27 million expenditure budget FY 2018
- \$58 million of outstanding bond debt

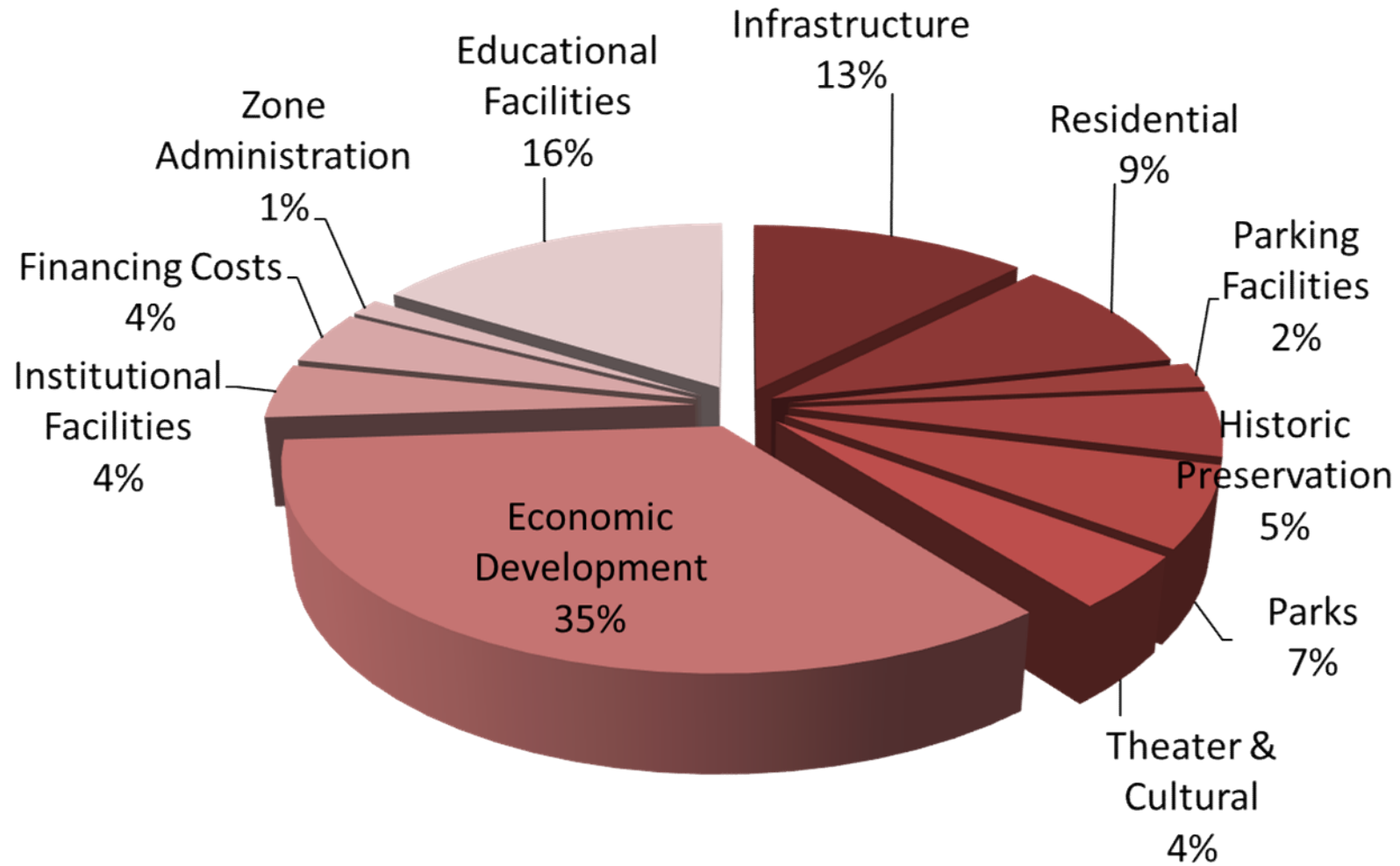


Property Tax Rates



Total: \$2.36/ \$100 of Valuation

Project Plan 1995- 2043



Total: \$488,337,000

Redevelopment Authority Projects

Infrastructure/ Facilities

- Main Street (2004, 2016)
- Dallas Street
- Allen Parkway
- Julia Ideson Library
- Buffalo Bayou projects
- Market Square Park
- Jones Plaza (in progress)
- Bagby Street (in progress)
- South Downtown Park (in progress)

Economic Development:

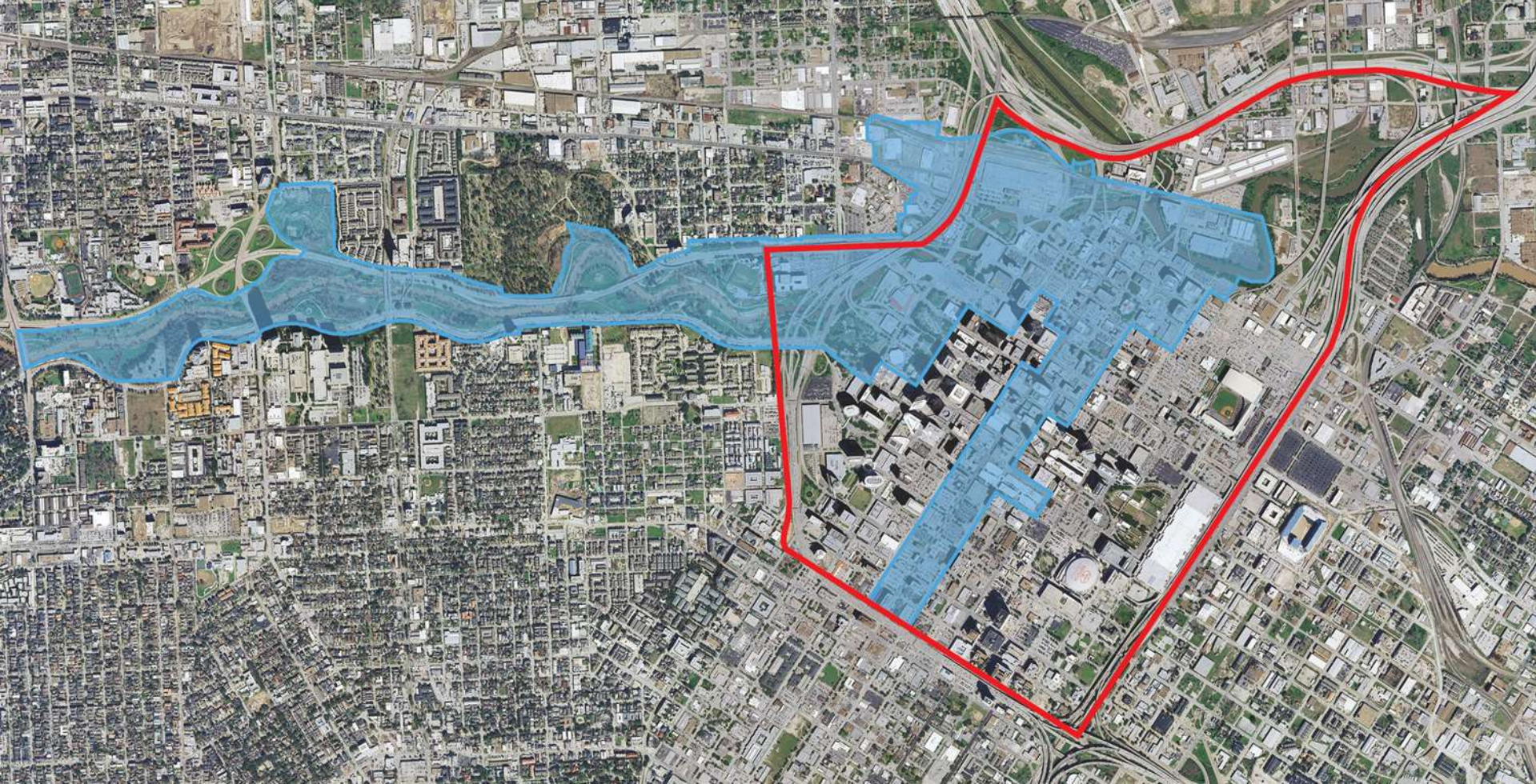
- The Rice Lofts
- Humble Building
- 1000 Main
- JW Marriott (Carter Building)
- The Star (Texaco Building)
- GreenStreet
- Hotel Alessandra
- Savoy Hotel
- Marriott AC (in progress)
- Residential program (6 projects)
- Historic preservation grants

Texas Municipal Management

Districts (Chapter 375 Texas Local Government Code)

- Created by legislature or by petition to Texas Commission on Environmental Quality
- Purposes of economic development, elimination of unemployment, expansion of transportation & commerce
- Powers of a municipality except for police, condemnation and ordinance making
- Directors nominated by governing board and confirmed by City Council
- Can levy assessments & maintenance tax subject to Service & Improvement plan

Houston Downtown Management District



Houston Downtown Management District

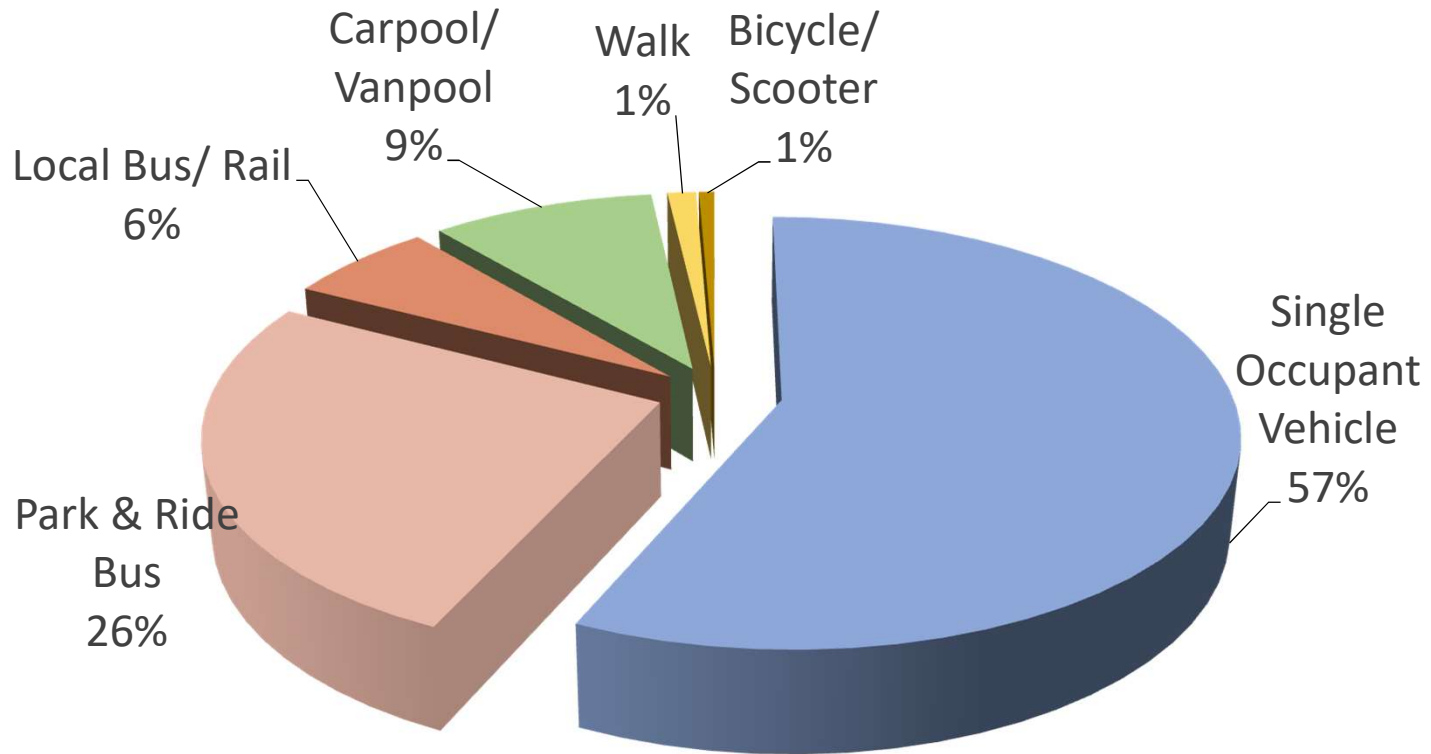
- 30-member Board of Directors
- Qualifications: owner, tenant and/or resident
- Levies assessment: 11.75 cents per \$100 valuation
- 5- year Service & Improvement Plan adopted by board
- Current budget: \$19 million



Houston Transit History



Downtown Commute Mode Split



Main Street 1980s & 90s



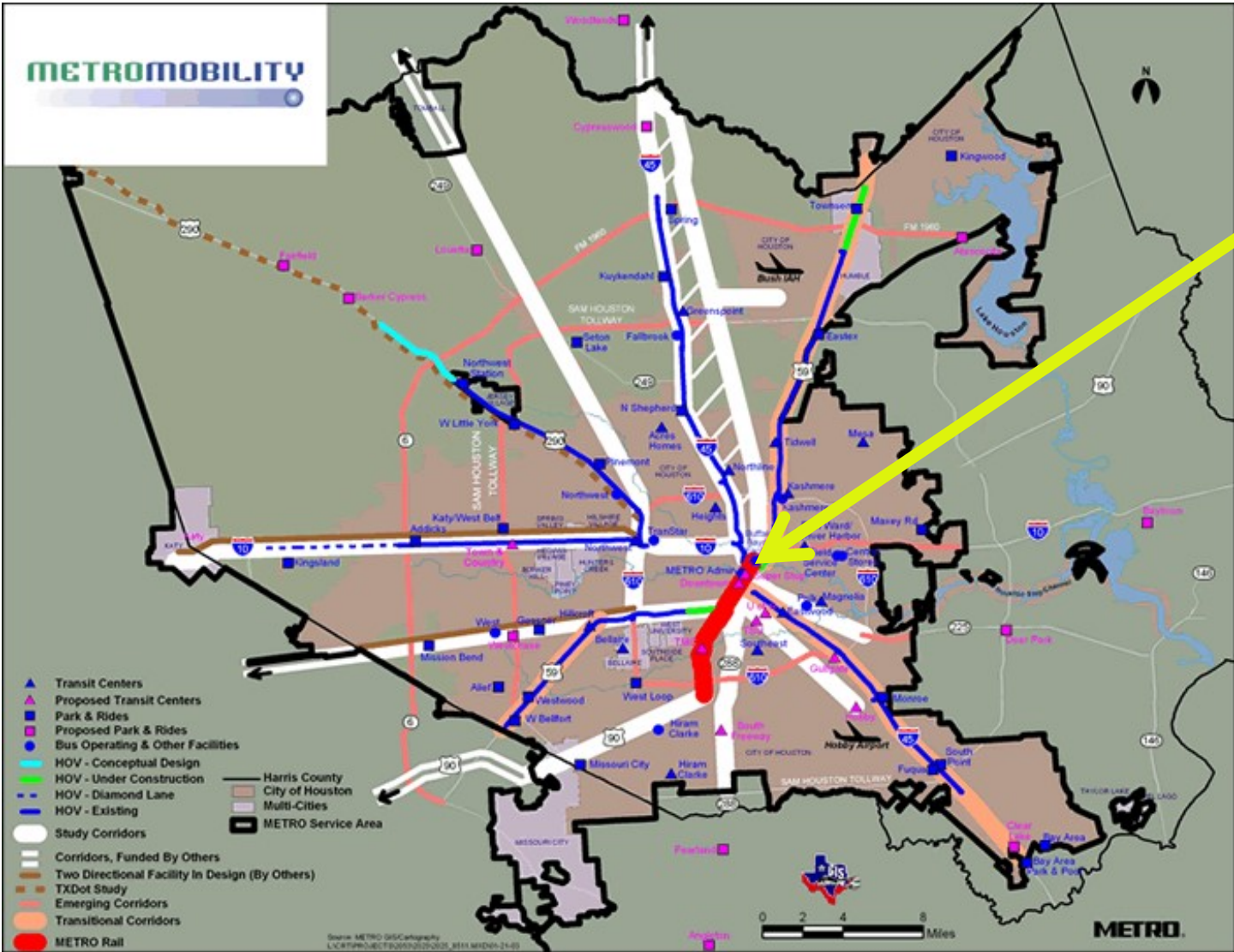
METRO Transit Streets



Main Street Vision



METRO Starter LRT Line

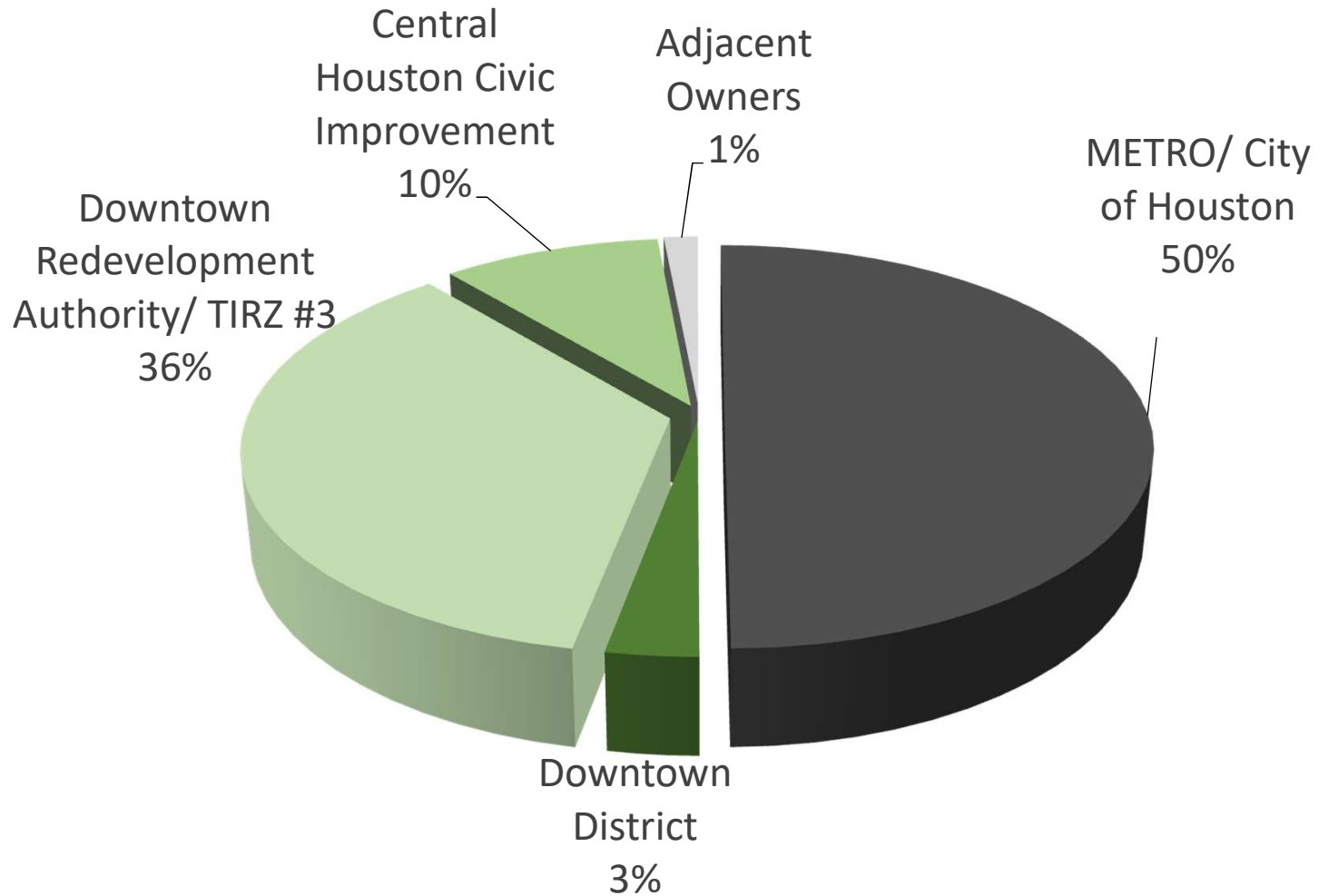


Main Street Partners

- City of Houston- *owner*
- Central Houston Civic Improvement- *project development, initial capital funding & capital replacement*
- METRO- *train operations & station maintenance*
- Downtown Redevelopment Authority- *capital funding & renovation project*
- Downtown District- *operation, maintenance & capital replacement*



Main Street Funding



Total: \$65,800,000

Main Street Opening 2004



Main Street Today





Main Street Clean & Safe



Main Street Programming



Main Street Temporary Art

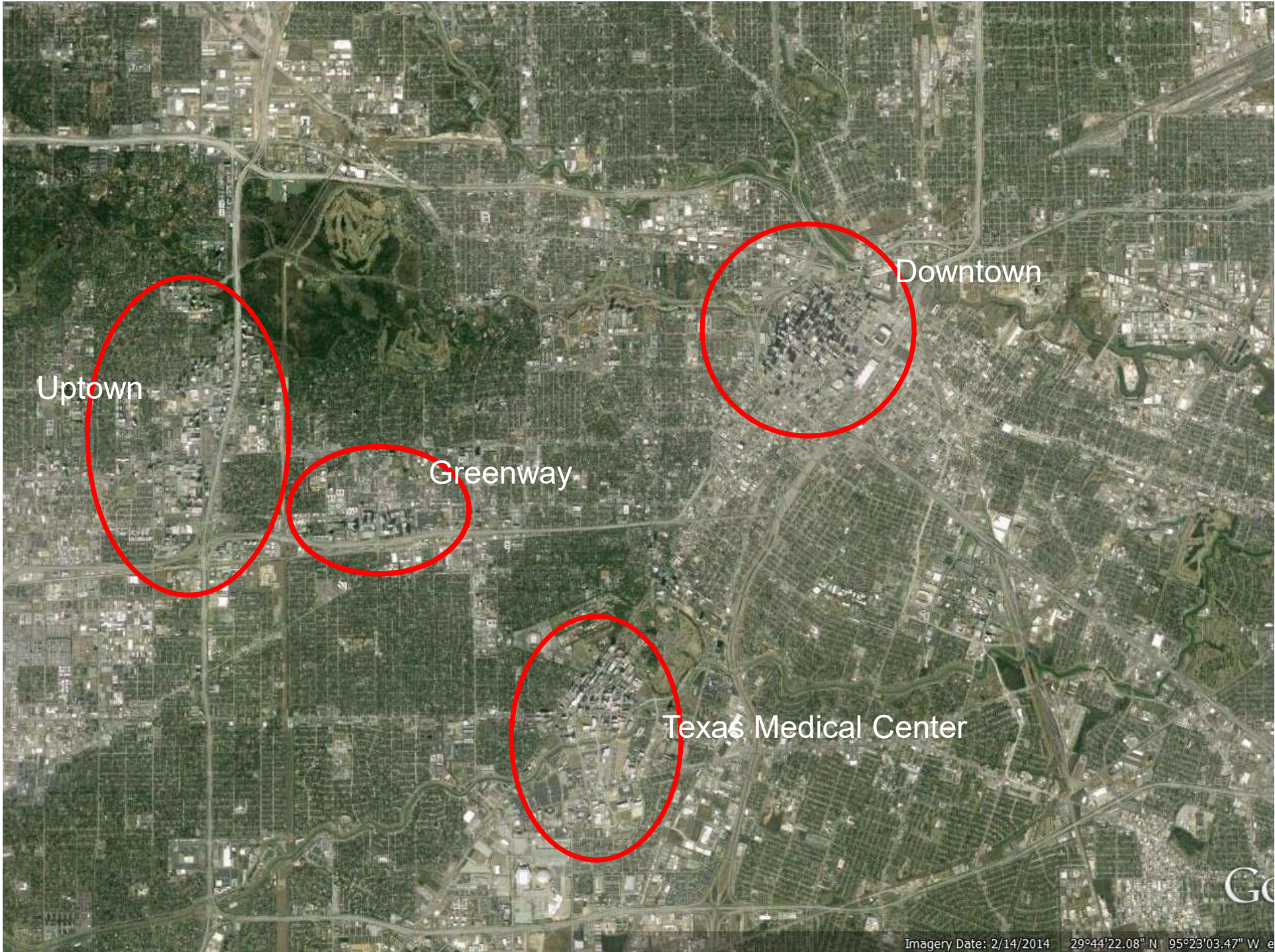


\$2.3 Billion of Development



Main Street Development





Uptown

Greenway

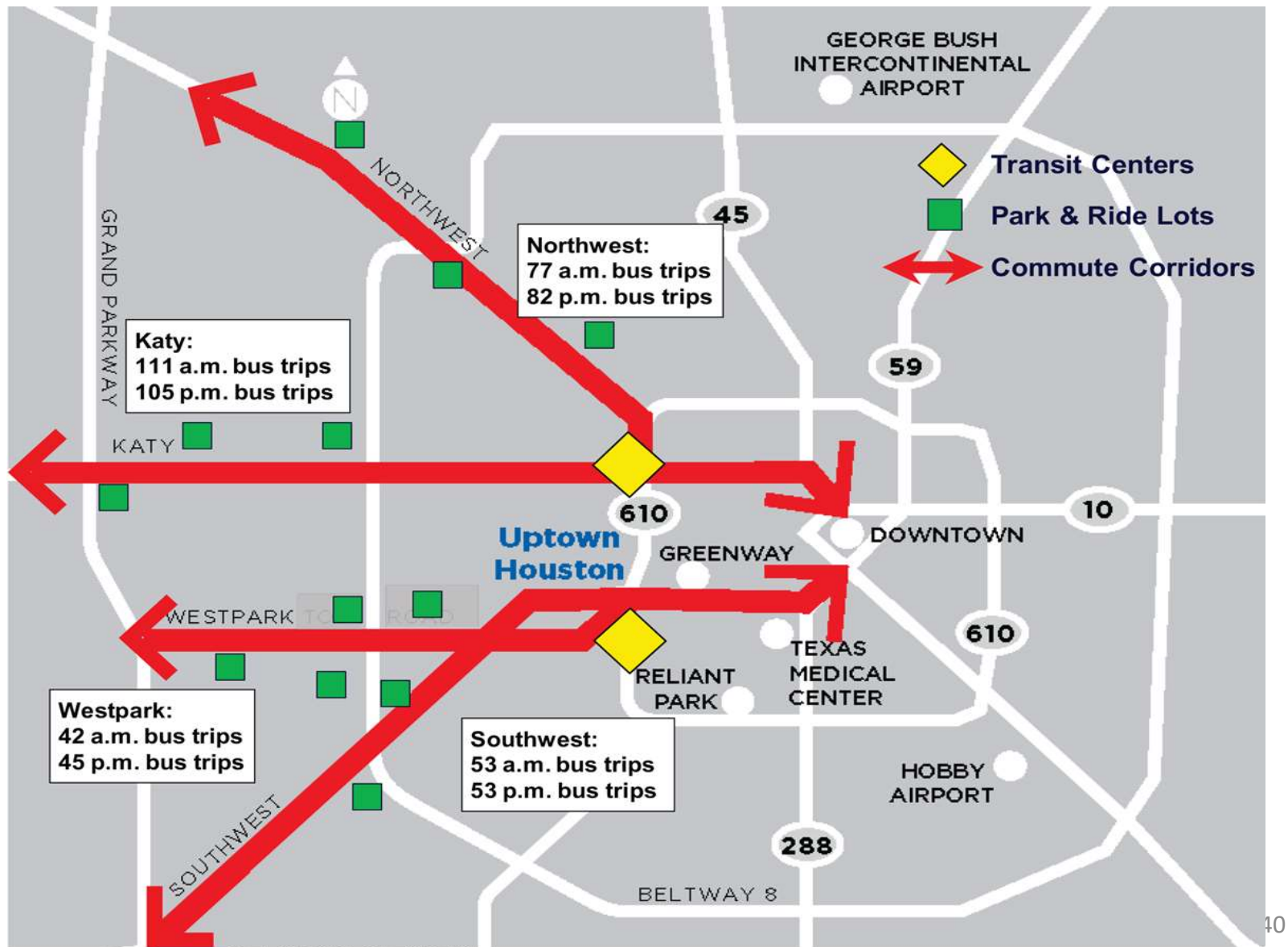
Downtown

Texas Medical Center

Uptown Structure

- Uptown Houston Association- 501 (c)(6) business association (1975)
- Harris County Improvement District #1 (Uptown Houston District)- Municipal Management District (1987)
- Tax Increment Reinvestment Zone #16 (Uptown Houston TIRZ) (1999)
- Uptown Houston Authority- Non-profit, local governmental development corporation (1999)

Park & Ride Corridors



Uptown Transit Connector

1. West Loop HOV/
Northwest Transit Center
2. Post Oak Boulevard
Improvements
3. Bellaire/ Uptown Transit
Center



Uptown Transit Connector



Bellaire/Uptown Transit Center

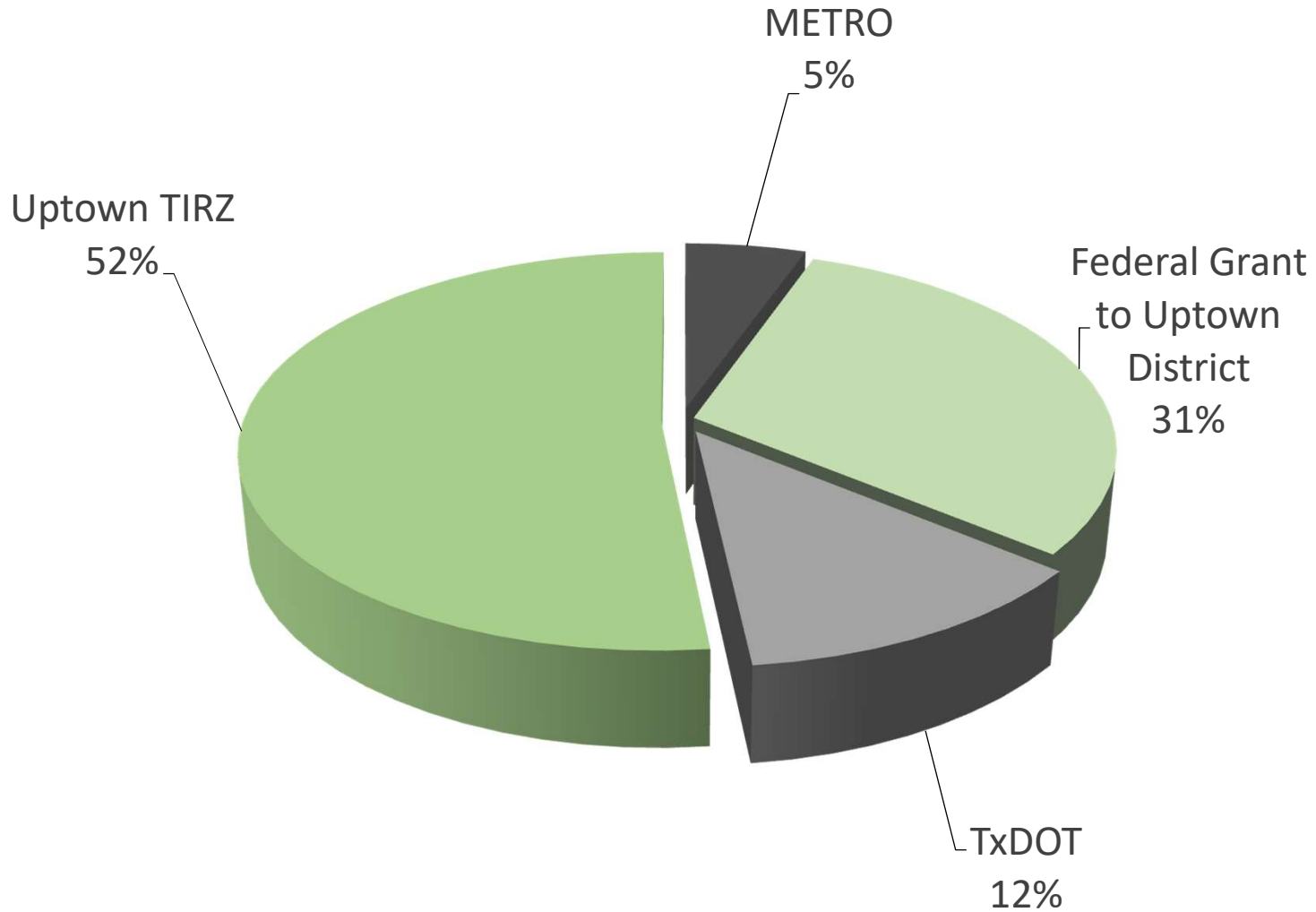




Uptown Transit Project Partners

- City of Houston- *owner*
- Uptown Management District- *federal grant funding & maintenance*
- TIRZ# 16/ Uptown Redevelopment Authority- *capital funding*
- METRO- *vehicle purchase & operation*
- Texas Department of Transportation- *R.O.W & ramp funding*

Uptown Transitway Funding



Total: \$203,000,000

Parks & Greenways Transformation



Market Square Park: Then





Market Square Park: Today



Market Square Park: Partners

- City of Houston- *owner; provides water and electricity*
- Downtown Redevelopment Authority/ TIRZ #3- *Capital funding: \$3.5 million*
- Downtown District- *park operator: \$500,000 annually including allocated staff time*

Buffalo Bayou Waterfront



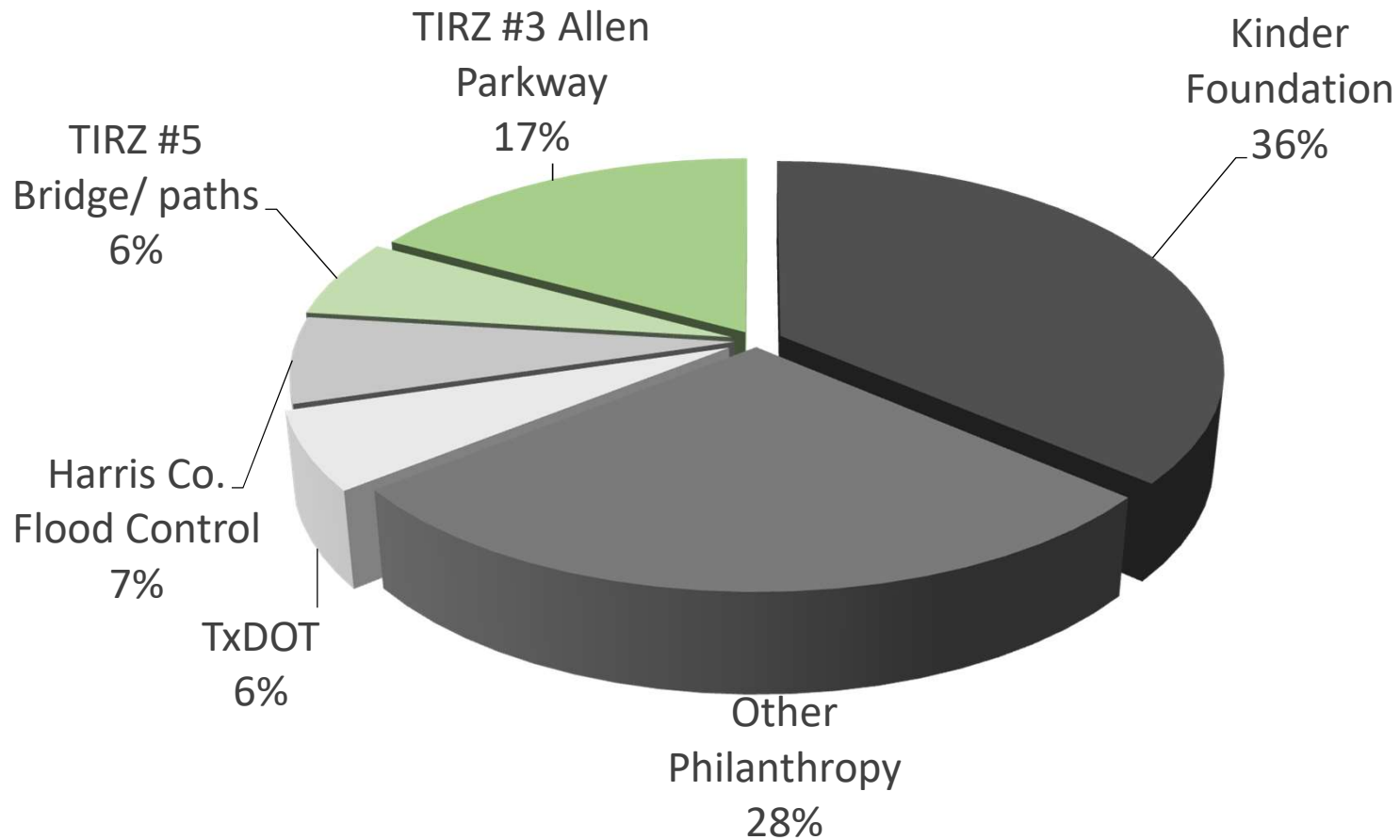
Buffalo Bayou Park



Buffalo Bayou Park: Partners

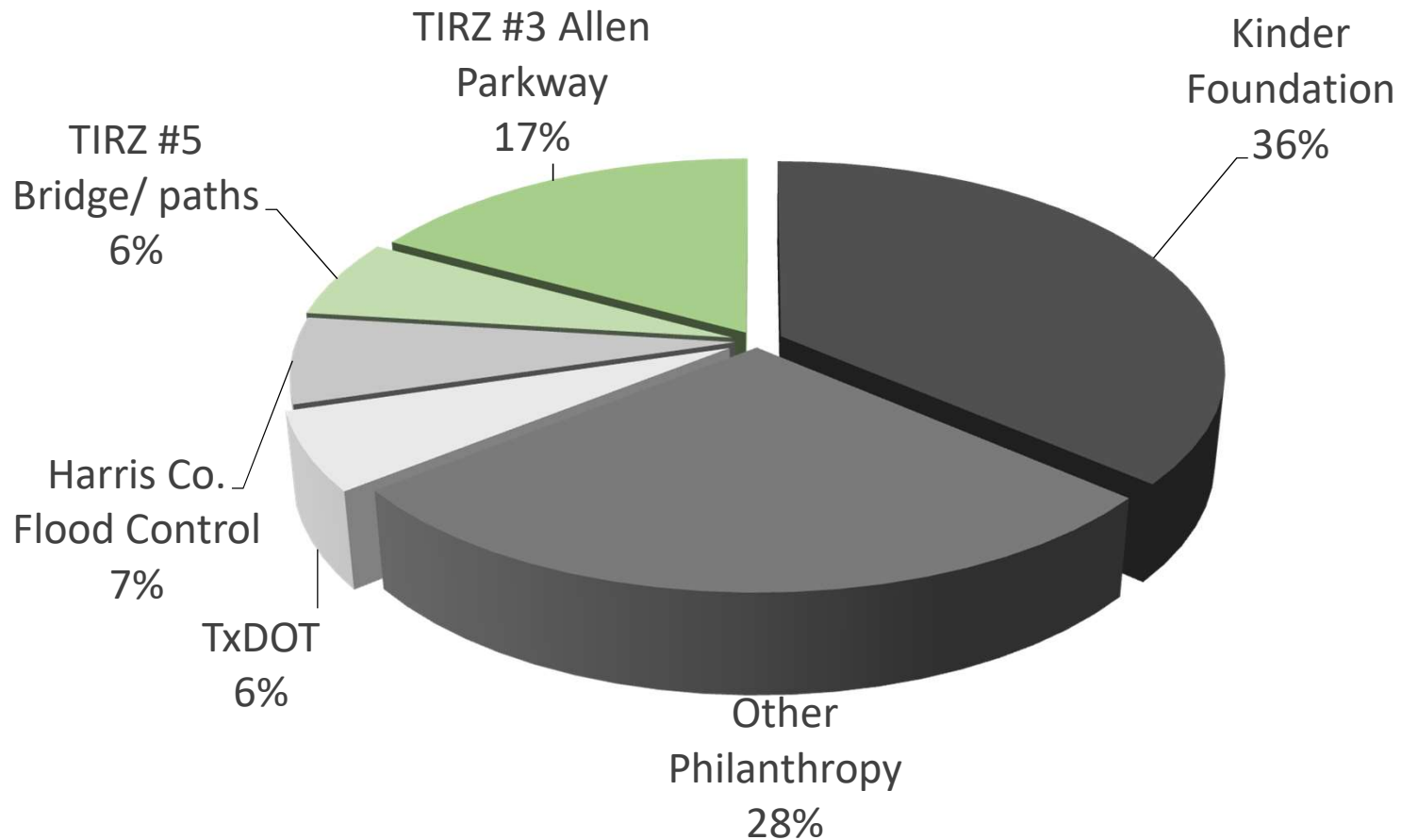
- City of Houston- *owner*
- Buffalo Bayou Partnership- *philanthropic funding, developer & operator*
- Kinder Foundation- *lead donor*
- Harris County Flood Control- *flood control improvements & maintenance*
- Texas Department of Transportation- *hike & bike trails*
- TIRZ# 3/ Downtown Redevelopment Authority- *Allen Parkway & maintenance & operating funding*
- TIRZ# 5- *Rosemont Bridge & adjacent trails*

Buffalo Bayou Park Funding



Total Capital Cost: \$82,500,000

Buffalo Bayou Park Funding



Total Capital Cost: \$82,500,000

TIRZ #3 30-year Maintenance Commitment: \$100 Million

Buffalo Bayou Park

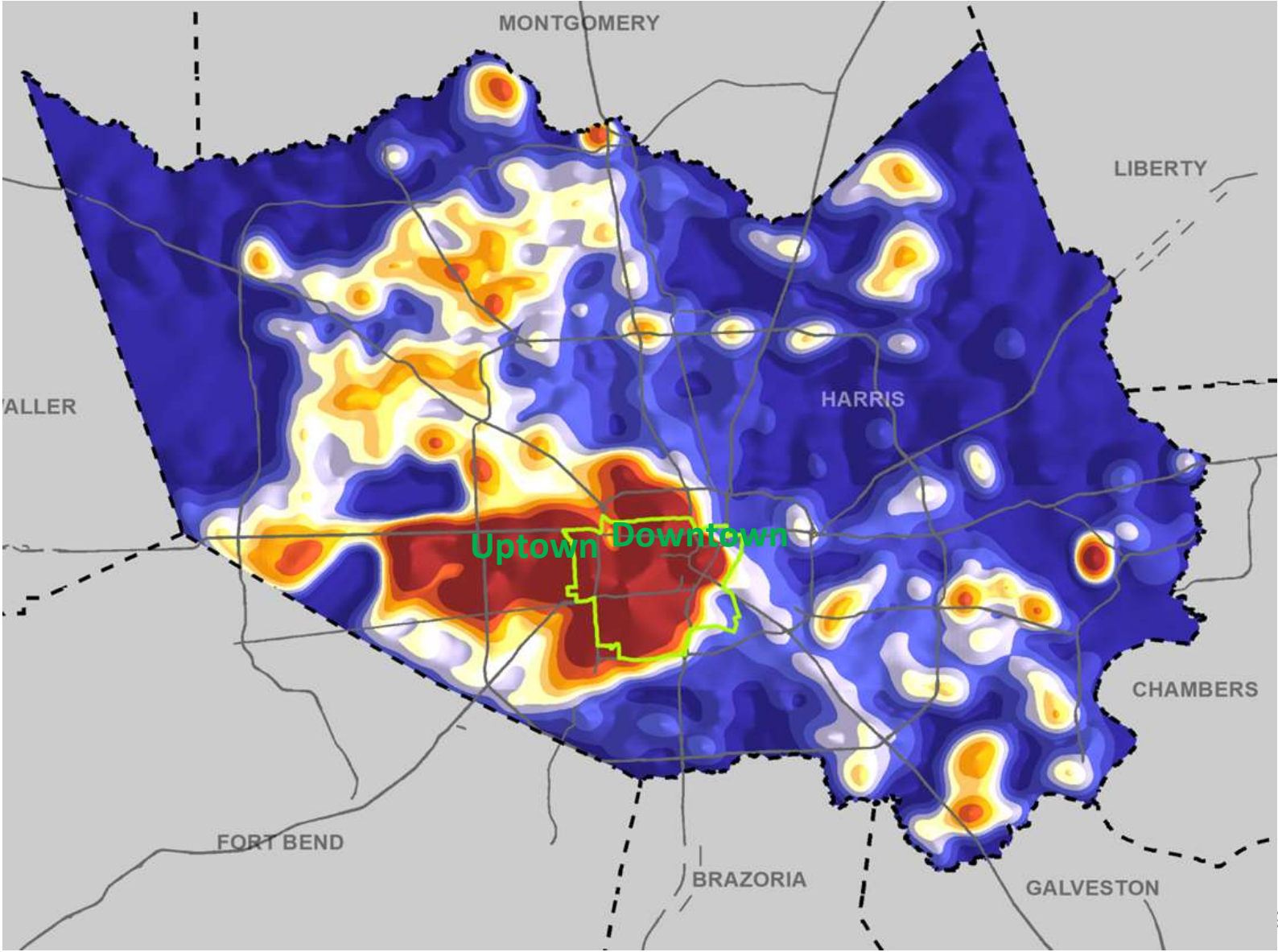


Wrap Up: TIRZs & Management Districts

Challenges:

- Clear priorities- Montrose District dissolution
- Political conflict- Uptown: transit debate
- Anti-tax leadership in Austin
- Pressures of balancing City's general fund under property tax revenue cap
- Equity issues

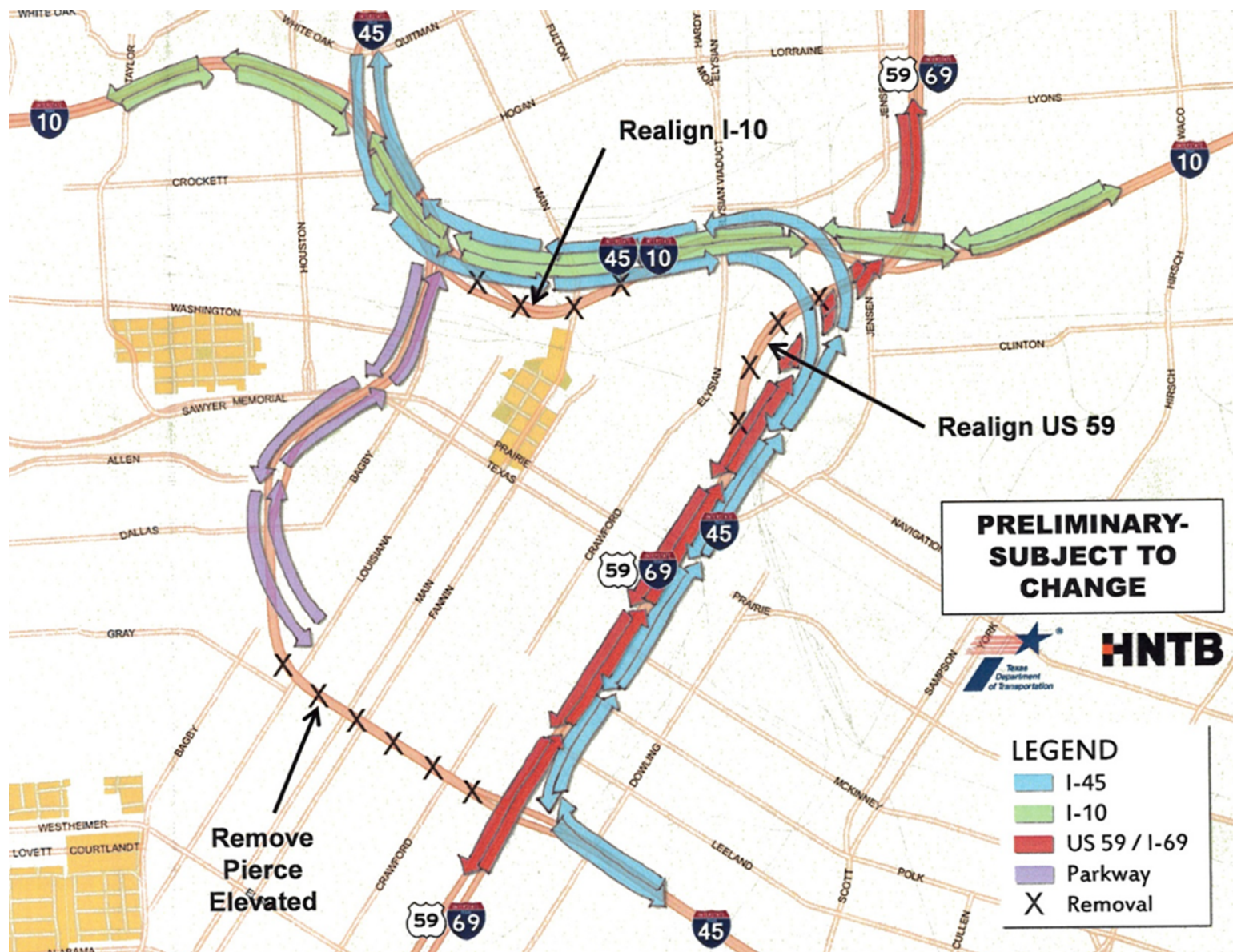
Taxable Value Density



Looking Forward: Memorial Park

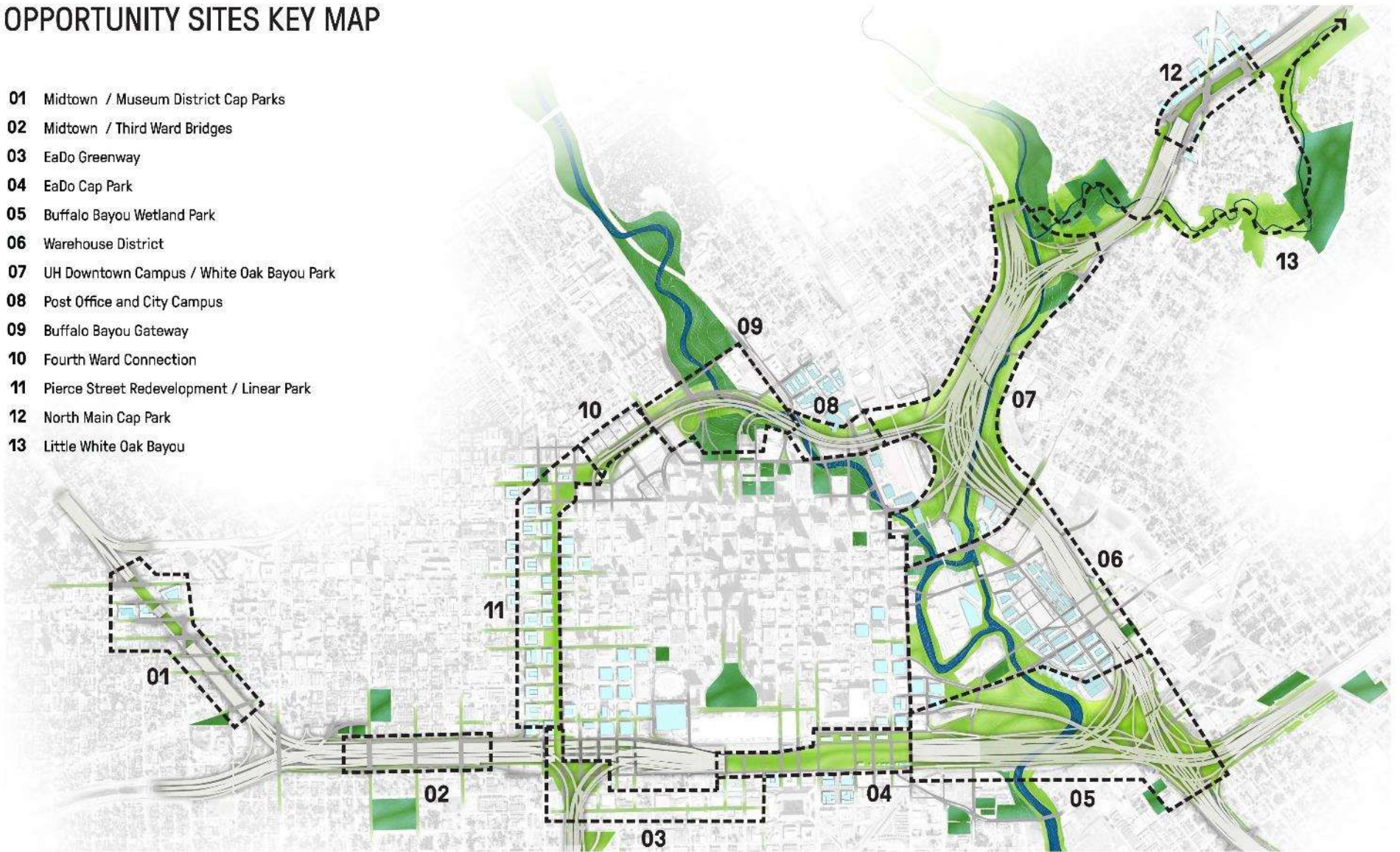


Looking Forward: I-45 Civic Opportunities



OPPORTUNITY SITES KEY MAP

- 01 Midtown / Museum District Cap Parks
- 02 Midtown / Third Ward Bridges
- 03 EaDo Greenway
- 04 EaDo Cap Park
- 05 Buffalo Bayou Wetland Park
- 06 Warehouse District
- 07 UH Downtown Campus / White Oak Bayou Park
- 08 Post Office and City Campus
- 09 Buffalo Bayou Gateway
- 10 Fourth Ward Connection
- 11 Pierce Street Redevelopment / Linear Park
- 12 North Main Cap Park
- 13 Little White Oak Bayou











Houston Experience Tax Increment Financing 2018

