

AN ORDINANCE DESIGNATING A CONTIGUOUS GEOGRAPHIC AREA WITHIN CITY OF LA PORTE AS REINVESTMENT ZONE NUMBER ONE, CITY OF LA PORTE, 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; FINDING COMPLIANCE WITH THE OPEN MEETINGS LAW; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE HEREOF.

* * * * *

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 La Porte City 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 May 24, 1999, public hearing on the creation of the proposed zone was published on May 16, 1999, in the Bayshore Sun, a newspaper of general circulation in the City; and

WHEREAS, at the public hearing on May 24, 1999, 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 no significant evidence in opposition to the creation of the proposed zone was presented; 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; and

WHEREAS, the total appraised value of taxable real property in the proposed zone and all other reinvestment zones previously created by the City is approximately \$ 6,250,000; and

WHEREAS, the total appraised value of taxable real property taxable by Harris County, in which the proposed zone is located, is approximately \$ 6,250,000; and

WHEREAS, the total appraised value of real property taxable by the La Porte Independent School District, in which the proposed zone is located, is approximately \$ 6,250,000; and

WHEREAS, the total area within the proposed zone is approximately 1,120 acres;

NOW THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LA PORTE, 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 Council 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 Council 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, and have defective or unusual conditions of title, and exhibit deterioration of site or other improvements, which conditions substantially impair and arrest the sound growth of the City.

(d) That the City Council, 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 La Porte;

(2) That the total appraised value of taxable real property in the proposed zone, and in the City's existing reinvestment zones, 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 Harris County, the La Porte 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 La Porte, Texas, (the "Zone"). The City Council specifically declares that the Zone is designated pursuant to Section 311.005(a)(1) 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 nine (9) members. Positions One through Six on the Board of Directors shall be reserved for the City. Positions Seven, Eight and Nine 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 1, 2000, shall be deemed a waiver of the right to appoint a director, and the City shall be entitled to appoint persons to these positions.

The City Council is hereby authorized to immediately nominate and appoint the directors to Positions One through Five of the Board of Directors, and is further authorized to appoint City's Position Six at any time they deem necessary. City Council may nominate and appoint the directors to any position unfilled on January 1, 2000.

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 Three 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 Council 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 Council 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 Council 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 Council 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 Council, 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 Finance 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 on January 1, 2000, for the deposit of tax increments into the Tax Increment Fund established pursuant to Section 6 of this Ordinance, and termination of the operation of the Zone shall occur on December 31, 2029, 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, 1999, 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 hereafter, 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 to set 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 Council 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

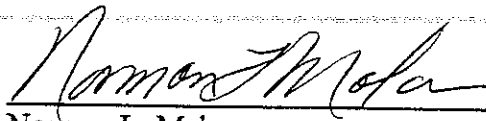
It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of the meeting of the City Council at which this Ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at the City Hall of the City 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 Council 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 Council on May 24, 1999, and the publication of said notice, are hereby ratified, approved and confirmed.

Section 10. This Ordinance shall be effective from and after its passage and approval, and it is so ordered.

PASSED AND APPROVED this 24th day of MAY, 1999.



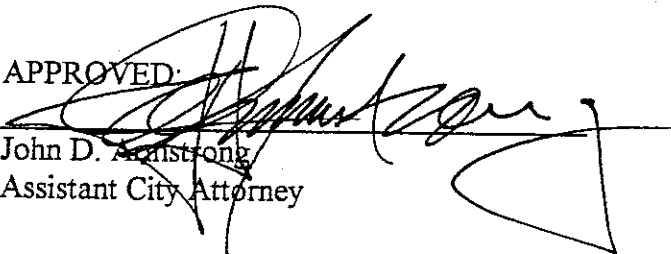
Norman L. Malone
Mayor

ATTEST:



Martha A. Gillett
City Secretary

APPROVED:



John D. Armstrong
Assistant City Attorney

TIRZ Boundary

STATE OF TEXAS

COUNTY OF HARRIS

A BOUNDS description of a reinvestment zone consisting of approximately 1120 acres of land situated in the J. Hunter Survey, Abstract No. 35, W.P. Harris Survey, Abstract No. 30, Richard Pearsall Survey, Abstract No. 625, and the George McKinstry Survey, Abstract No. 47; being more particularly described as follows:

BEGINNING at the intersection of the south right-of-way line of McCabe Road with the east right-of-way line of State Highway 146;

THENCE, in a westerly direction along the south right-of-way line of McCabe Road, and extending to the west approximately 1400 feet to the west line of the Union Pacific Railroad;

THENCE, in a northerly direction along the west line of said railroad approximately 4750 feet to its intersection with the extended south line of a 6.3192 acre tract of land conveyed to Don F. Ford recorded in Clerk's File No. H379832 of the Harris County Official Public Records of Real Property;

THENCE, in an easterly direction across said railroad and along the extended south line of said 6.3192 acre tract of land approximately 1020 feet to its intersection with the west right-of-way line of South 16th Street;

THENCE, in a northerly direction along the west right-of-way line of South 16th Street to its intersection with the south right-of-way line of Fairmont Parkway;

THENCE, in an easterly direction along the south right-of-way line of Fairmont Parkway to the east right-of-way line of South 16th Street;

THENCE, in a southerly direction along the east right-of-way line of South 16th Street to its intersection with the said south line of the 6.3192 acre tract as extended easterly;

THENCE, in an easterly direction along the extended south line of the 6.3192 acre tract to its intersection with the west right-of-way line of South 13th Street;

THENCE, in a northerly direction along the west right-of-way line of South 13th Street to its intersection with the north right-of-way line of West "K" Street;

THENCE, in an easterly direction along the north right-of-way line of West "K" Street to its intersection with the east right-of-way line of South 13th Street;

THENCE, in a southerly direction along the east right-of-way line of South 13th Street to its intersection with the south line of the said 6.3192 acre tract as extended east;

THENCE, in an easterly direction along the extended south line of the said 6.3192 acre tract to its intersection with the east right-of-way line of State Highway 146;

THENCE, in a northerly direction along the east right-of-way line of State Highway 146 to its intersection with the north line of a 19.17 acre tract recorded in Clerk's File No. L798941 of the Harris County Official Records of Real Property;

THENCE, in an easterly direction along the north line of the said 19.17 acre tract to its intersection with the west line of the City of La Porte's Little Cedar Bayou Park;

THENCE, in a northerly direction along the west line of Little Cedar Bayou Park extended north to its intersection with the north right-of-way line of Little Cedar Bayou Drive (West "M" St);

THENCE, in a easterly direction along the north right-of-way line of Little Cedar Bayou Drive to its intersection with the west right-of-way line of South 6th Street;

THENCE, in a northerly direction along the west right-of-way line of South 6th Street to its intersection with the north right-of-way line of West "K" Street;

THENCE, in an easterly direction along the north right-of-way line of West "K" Street to its intersection with the east right-of-way line of South 1st Street;

THENCE, in a southerly direction along the east right-of-way line of South 1st Street to its intersection with the north right-of-way line of West "M" Street;

THENCE, in an easterly direction along the north right-of-way line of West "M" Street to its intersection with the west right-of-way line of South Broadway Street;

THENCE, in a northerly direction along the west right-of-way line of South Broadway Street to its intersection with the south right-of-way line of Fairmont Parkway;

THENCE, in a westerly direction along the south right-of-way line of Fairmont Parkway to its intersection with the west right-of-way line of Bay Area Boulevard;

THENCE, in a northerly direction along the west right-of-way line of Bay Area Boulevard to its intersection with the south right-of-way line of West Main Street;

THENCE, continuing in a northerly direction to the intersection of the north right-of-way line of West Main Street and the west right-of-way line of Sens Road (North 26th Street);

THENCE, continuing in a northerly direction along the west right-of-way line of Sens Road to its intersection with the southeast corner of a 13.2438 acre tract conveyed to La Porte Independent School District recorded in Clerk's File No. S583257 of the Harris County Official Public Records of Real Property;

THENCE, in a westerly direction along the south boundary of said 13.2438 acre tract to its southwest corner;

THENCE, in a northerly direction along the west boundary of said 13.2438 acre tract and extended to its intersection with the north right-of-way line of North "D" Street;

THENCE, in a easterly direction along the north right-of-way line of North "D" Street to its intersection with the east right-of-way line of Sens Road;

THENCE, in a southerly direction along the east right-of-way line of Sens Road to its intersection with the north right-of-way line of West Main Street;

THENCE, in a easterly direction along the north right-of-way line of West Main Street to its intersection with the east right-of-way line of San Jacinto Street as extended northerly;

THENCE, in a southerly direction along the east right-of-way line of San Jacinto Street to its intersection with the west right-of-way line of Bayshore Drive;

THENCE, in a northerly direction along the west right-of-way line of Bayshore Drive to its intersection with the north boundary of Sylvan Beach Park as extended westerly;

THENCE, in a easterly direction along the north boundary of Sylvan Beach Park to its intersection with Galveston Bay;

THENCE, in a southerly direction meandering the shoreline of Galveston Bay to its intersection with the south right-of-way line of Grove Avenue;

THENCE, in a westerly direction along the south right-of-way line of Grove Avenue to its intersection with the east right-of-way line of Bayshore Drive;

THENCE, in a southerly direction along the east right-of-way line of Bayshore Drive to its intersection with the south right-of-way line of Hazel Avenue;

THENCE, in a westerly direction along the south right-of-way line of Hazel Avenue to its intersection with the west right-of-way line of Bayshore Drive;

THENCE, in a northerly direction along the west right-of-way line of Bayshore Drive to its intersection with the west right-of-way line of San Jacinto Street;

THENCE, in a northerly direction with the west right-of-way line of San Jacinto Street to its intersection with the east right-of-way line of Park Street;

THENCE, in a southerly direction along the east right-of-way line of Park Street to its intersection with the north right-of-way line of Fairmont Parkway;

THENCE, in an easterly direction along the north right-of-way line of Fairmont Parkway to its intersection with the west right-of-way line of Bayshore Drive;

THENCE, in a southerly direction along the west right-of-way line of Bayshore Drive to its intersection with the south right-of-way line of Fairmont Parkway;

THENCE, in a westerly direction along the south right-of-way line of Fairmont Parkway to its intersection with the east right-of-way line of Park Street;

THENCE, in a southerly direction along the east right-of-way line of Park Street to its intersection with the north right-of-way line of Cedar Avenue;

THENCE, in a westerly direction along the north right-of-way line of Cedar Avenue to the intersection with the west right-of-way line of Park Street;

THENCE, in a northerly direction along the west right-of-way line of Park Street to its intersection with the west right-of-way line of San Jacinto Street;

THENCE, in a northerly direction along the west right-of-way line of San Jacinto Street to its intersection with the south right-of-way line of West Main Street extended;

THENCE, in a westerly direction along the south right-of-way line of West Main Street to its intersection with the east right-of-way line of Bay Area Boulevard;

THENCE, in a southerly direction along the east right-of-way line of Bay Area Boulevard to its intersection with the north right-of-way line of Fairmont Parkway;

THENCE, in an easterly direction along the north right-of-way line of Fairmont Parkway to its intersection with the west right-of-way line of Park Street;

EXHIBIT "A"

THENCE, in a southerly direction along the west right-of-way line of Park Street to its intersection with the south right-of-way line of Fairmont Parkway;

THENCE, in a westerly direction along the south right-of-way line of Fairmont Parkway to its intersection with the east right-of-way line of South Broadway;

THENCE, in a southerly direction along the east right-of-way line of South Broadway to its intersection with the south right-of-way line of McCabe Road extended east;

THENCE, in a westerly direction along the south right-of-way line of McCabe Road to its intersection with the extended west boundary line of the abandoned Tidewood Section One subdivision as recorded in Volume 66 Page 61 of Harris County Map Records;

THENCE, in a northerly direction along the extended west line of the said abandoned Tidewood Section One subdivision to its intersection with the north right-of-way line of McCabe Road;

THENCE, in an easterly direction along the north right-of-way line of McCabe Road to its intersection with the west right-of-way line of South Broadway;

THENCE, in a northerly direction along the west right-of-way line of South Broadway to its intersection with the south right-of-way line of West "Y" Street (abandoned);

THENCE, in a westerly direction along the south right-of-way line of West "Y" Street to the northwest corner of the said abandoned Tidewood Section One subdivision;

THENCE, in a southerly direction along the west line of the said abandoned Tidewood Section One Subdivision and as it is extended south to its intersection with the south right-of-way line of McCabe Road;

THENCE, in a westerly direction along the south right-of-way line of McCabe Road to its intersection with the center line of West Taylor Bayou;

THENCE, in a southerly direction along the meandering centerline of West Taylor Bayou to its intersection with the south city limit line of La Porte, Texas;

THENCE, in a westerly direction along the southern La Porte city limit line to its intersection with the east right-of-way line of State Highway 146;

THENCE, in a northerly direction along the east right-of-way line of State Highway 146 to the point of beginning.

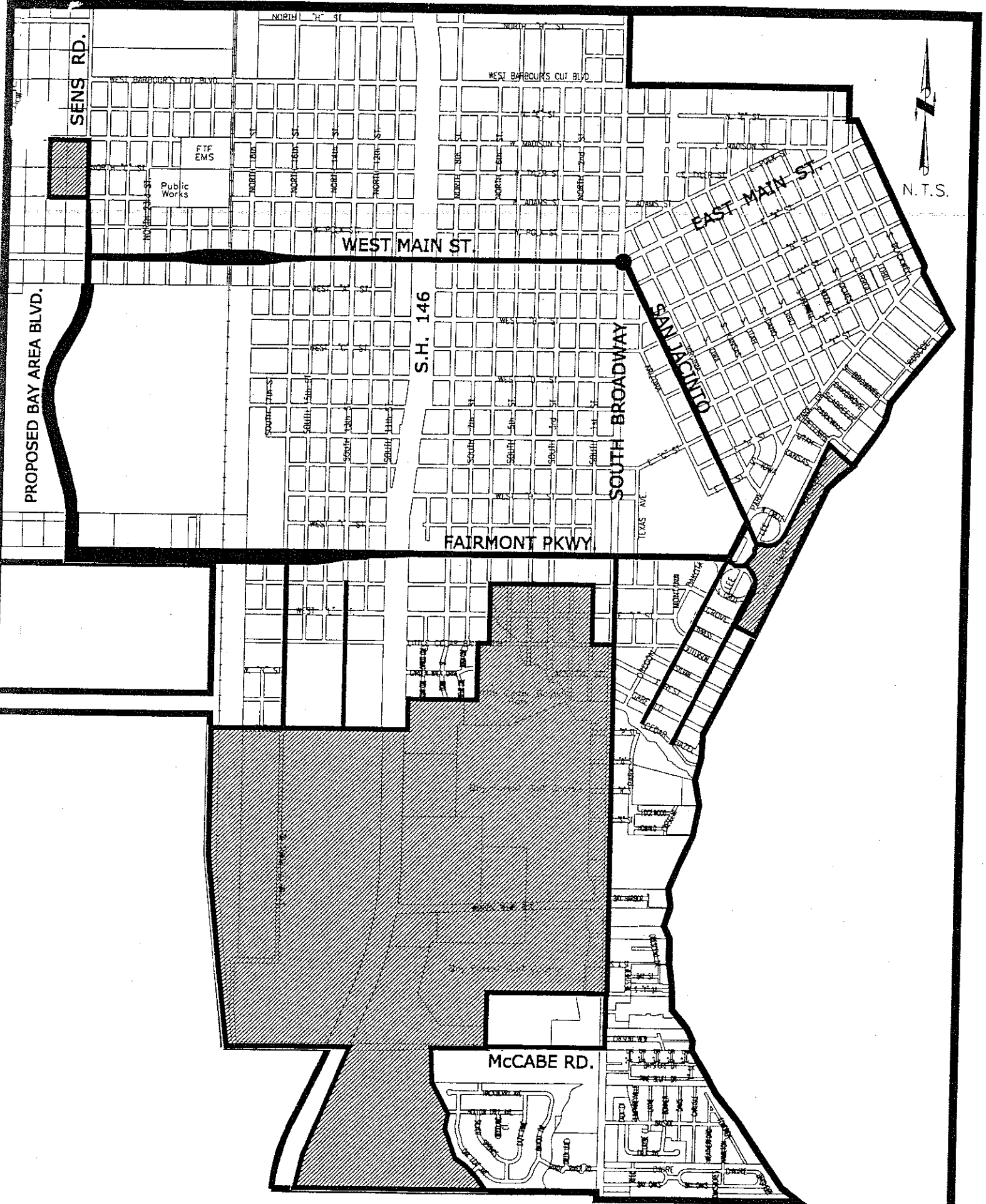


EXHIBIT "B"

ORDINANCE NO. 2000-2449

AN ORDINANCE APPOINTING A MEMBER TO THE BOARD OF DIRECTORS OF THE CITY OF LA PORTE REINVESTMENT ZONE NUMBER ONE; FINDING COMPLIANCE WITH THE OPEN MEETINGS LAW; PROVIDING AN EFFECTIVE DATE HEREOF.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LA PORTE:

Section 1. The City Council of the City of La Porte hereby appoints the following member to the Board of Directors of the City of La Porte Reinvestment Zone Number One, filling the remaining unexpired term of Guy Rankin, beginning on the effective date hereof, and expiring on July 12th of the year indicated, or until their successor shall have been duly appointed and qualified:

Position 5 - NORMAN S. COOK 2001

Section 2. The City Council officially finds, determines, recites, and declares that a sufficient written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code; 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 thereof has been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

Section 3. This Ordinance shall be effective from and after its passage and approval, and it is so ordered.

PASSED AND APPROVED, this 13th day of November, 2000.

CITY OF LA PORTE

By: 
Norman L. Malone
Mayor

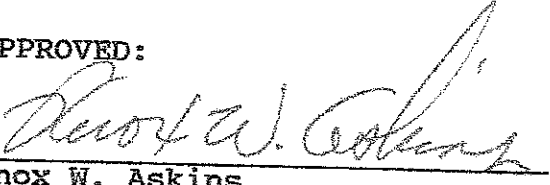
3000-2449

ATTEST:



Martha A. Gillett
City Secretary

APPROVED:



Knox W. Askins
City Attorney