



ECONOMIC DEVELOPMENT PROPOSALS

Budget and Fiscal Affairs

August 4, 2015

Presented by:

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Today's Presentation

- Early discussion of TIRZ annexation analysis
 - ❖ No major decisions needed today
 - ❖ Detailed Council Member discussions are now ongoing
- Work draws heavily from community and TIRZ Board input; ongoing discussions with PWE
- Formal process to implement will begin at the end of August or early September through the end of the year
- Will separately be bringing TIRZ budgets and CIP forward at the end of August or early September

TIRZ Annexation Principals

- Maintain maximum TIRZs below state limit of 25%
 - ❖ Expect to leave significant “room” under this “cap”
- Recognize impact of Revenue Cap on general fund
- Focus on possible annexations that:
 - ❖ Generate long term economic development
 - ❖ Build new prospective projects into ongoing projects and programs in existing TIRZs
 - ❖ Capitalize on Rebuild Houston programs in existing TIRZs
 - ❖ Create infrastructure that supports TIRZs and entire City
- Create new TIRZs that:
 - ❖ Have a direct and complete “community” engagement
 - ❖ Focus on infrastructure projects

TIRZ – Taxable Value Current Status

TIRZ Annexation Overview

		Ratio
Taxable Real Property of ALL TIRZ \$		27,128,091,575
Taxable Real Property of Industrial Districts \$		4,776,452,218
Taxable Real Property with COH \$		187,488,849,631
Tax Increment Financing Act Sec. 311.006(A) \$		192,265,301,849

Taxable Value as of Feb. 2015 (Tax Year 2014)

TIRZ Annexation Ranking Matrix

TIRZ Number	TIRZ Name	Weighted Score	% of 25% Cap	Cap Level w/ annex	Ranking Factors
18	Fifth Ward	2.63	0.04%	14.23%	Taxable value impact Economic Impact Opportunity Area Timing of Increment for Projects Project management experience Undeveloped land PWE CIP leverage
9	South Post Oak	2.43	0.05%	14.28%	
Proposed	Westchase	2.37	2.40%	16.69%	
20	Southwest Houston	2.33	0.16%	16.84%	
2	Midtown	2.33	0.16%	17.00%	
Proposed	Sunnyside	2.30	0.05%	17.05%	
5	Memorial Heights	1.83	0.37%	17.42%	
Proposed	Montrose	1.63	0.55%	17.97%	
1	St. George	1.60	0.47%	18.44%	

Criteria Used for Matrix Ranking

- Taxable Value
 - ❖ In relation to the 25% cap defined in Chapter
 - ❖ In relation to property tax collections
- Economic Opportunity Area
 - ❖ Considered low income and low education areas which correlates to low economic areas; Census data used as source
- Timing Start of Projects
 - ❖ Ability to fund projects one year after increment starts
 - ❖ Annexations generally score higher than newly created TIRZs
- Experience of TIRZs in Managing Public Projects
 - ❖ Based on amount of public projects that a TIRZ has implemented or currently facilitating
- Potential to Function as an Economic Driver
 - ❖ Based on parcel count of undeveloped land
- Ability to leverage PWE CIP 5 plus 5
 - ❖ Proximity of TIRZ projects to priority but unfunded projects in PWE CIP in out years

TIRZ Proposal Summary - continued

PROPOSED TIRZ ANNEXATION/LIFE EXTENSION SUMMARY

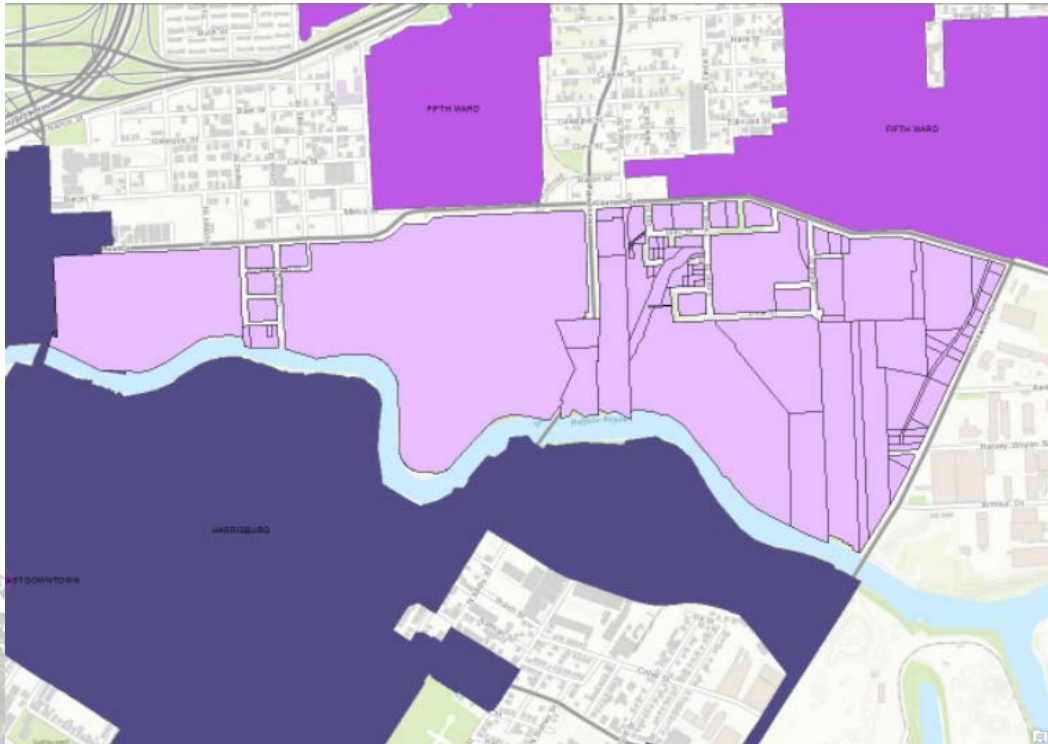
TIRZ No.	TIRZ NAME	Annexation or New	Project Focus - Economic Development Impact	Projects	Council District
18	Fifth Ward	Annexation	The Annexation of the KBR site into TIRZ 18's current boundary supports the goals of The Fifth Ward Housing study by attracting new market rate multi-family projects into the proposed new area, creating the potential for the redevelopment of surrounding areas.	Public improvements: water, sewer, storm and street improvements – finance the construction of public improvements through developer agreements to facilitate residential, commercial and light industrial.	B, H
9	South Post Oak	Annexation	The object of the South Post Oak TIRZ expansion is to capitalize on the reconstruction of Buffalo Speedway and West Orem. The TIRZ was originally created to construct the necessary infrastructure for the Corinthian Pointe residential community. The construction is completed and comprises 462 homes, an HISD elementary school, a YMCA, a senior living housing unit, a medical/dental center and pharmacy. The annexation supports the next phase of commercial development to support the residential community.	Generally, the focus in the newly annexed area will be street infrastructure, streetscape, land acquisitions, and parks and rec facility improvements. The main corridors will be Hiram Clarke, South Post Oak, West Orem, and Allum.	K
P26	Westchase (Evaluating)	New TIRZ	The purpose of establishing a new TIRZ in the Westchase area is to address the loss of future growth to new developments outside of the area to other suburban activity centers, i.e., Sugarland and The Woodlands. While the area is experiencing growth in the commercial office market, Class C apartments are in decline, rents are stagnant and public infrastructure is in disrepair. Additionally, the area has underperforming retail centers throughout. The plan of this proposed TIRZ involves the reconstruction of key streets and the creation of community green space to address distressed public infrastructure and revitalize the area's economic development activity.	Reconstruction: Richmond, Walnut Bend, Westheimer Corridor, Meadowglen, Infill Streets; Transit Center, 3 Public Parking Garages; Community Greenspace (Parks, Hike and Bike Trails).	F, G
2	Midtown	Annexation	Midtown's annexation plan adds more museum district institutions to their portfolio in support of Midtown's designation as a "Cultural District" by the Texas Commission on the Arts. Reconstruction of streets and the construction of parking garages in the area will attract more economic activity in the area and enhance the experience of visitors and residents.	Street projects south of 59 (Caroline, Fannin, Main, and San Jacinto) and 2 Parking Garages: Developer agreement with the Menil to construct a public park and to construct street improvements.	C, D, I
5	Memorial Heights	Annexation	The Memorial Heights Redevelopment Authority's annexation plan features the major thoroughfares of North Shepherd/Durham, Heights Boulevard, and 18th, 19th, and 20th streets between TC Jester and Shepherd. The plan focuses on the reconstruction of these streets to address mobility, connectivity and safety issues and to revitalize economic development in the adjacent retail centers.	18th, 19th, and 20th Street Reconstruction - pre-engineered by PWE; Shepherd/Durham street, pedestrian and bike improvements between 610 and I-10; Various Hike and Bike to complete connectivity.	C, G, H

TIRZ Proposal Summary

PROPOSED TIRZ ANNEXATION/LIFE EXTENSION SUMMARY

TIRZ No.	TIRZ NAME	Annexation or New	Project Focus - Economic Development Impact	Projects	Council District
P27	Sunnyside	New TIRZ	The object of potential Sunnyside TIRZ will be to provide the resources to enhance public safety in the area and thereby removing real or perceived barriers to economic development. There is poor sidewalk infrastructure and very little street lighting.		D
P28	Montrose	New TIRZ	Montrose is one of the most densely populated communities in the city and the current and planned development, most likely midrise multi family, and redevelopment of neighborhood retail and restaurants will increase the density and further contribute to the deteriorating condition of the streets, sidewalks and other public infrastructure. The current condition of the infrastructure could inhibit future growth and create safety and mobility barriers for pedestrian and vehicular movement. The potential Montrose TIRZ will be to improve above-and below- ground infrastructure.	Street infrastructure projects along Montrose, Richmond, Westheimer, West Alabama, and Dunlavy	C
1	Lamar Terrace	Annexation	The Urban Land Institute (ULI) conducted a study to revitalize a area that was thriving during the 1970's and 80's, referred to as the Richmond Strip, but has since declined drastically, lost population, especially the young professional, and has been plagued with adult entertainment establishments. The initiative, "Reimagining Richmond Corridor, will be the vision to support the planned improvements.	Chimney Rock widen to six lanes and reconstruct, Bering ditch, Detention Pond at Anderson Park, Schumacher Connection across Fountain view	G, J
19	Upper Kirby	Annexation/LE	Annexation to include right of way only to improve Westheimer west of Highland Village to RR crossing. Additional improvements include roadway and drainage of Richmond Corridor from Shepherd to Union Pacific Railroad and Wesleyan from Westheimer to Westpark. Additional consideration for Hike/Bike Trails to connect to Memorial Park.	Roadway and Drainage: Richmond Corridor Improvements from Shepherd to Union Pacific RR, Westheimer Improvements from Buffalo Speedway to Union Pacific RR, Wesleyan Improvements from Westheimer to Westpark; Hike and Bike Connectivity from San Felipe/Union Pacific RR to Levy Park and Beyond	C, G
20	Southwest Houston	Annexation/De	The annexation will focus on Harwin Street, which is dense retail area that attracts a significant number of customers both local and visitors and serves as an economic driver for Southwest Houston. In addition, there will be an exchange of territory with the addition of greenspace to improve quality of life for area stakeholders. The green spaces that will benefit includes Lee Leclear Tennis Courts/Braeburn Glen Park, Bonham Park and Sharpstown Green Park	Harwin St Improvements; Bonham Park, Lee Leclear Tennis Court, Braeburn Glen Park, and Sharpstown Green Park.	F, J
24	Greater Houston	Annexation	Address issues of blight, infrastructure need and the redevelopment of vacant or underdeveloped post-industrial land uses.	Projects generally focused along I-45, Cullen and Polk Streets.	B, D, H, J, K
11	Greenspoint	Life Extension	Long Term M&O of Dylan and BMX Parks; Implementation of the plan to reposition Greenspoint Mall.	Awaiting master plan document from Bracewell - they are sending it over by courier today.	B

Proposed Fifth Ward Annexation



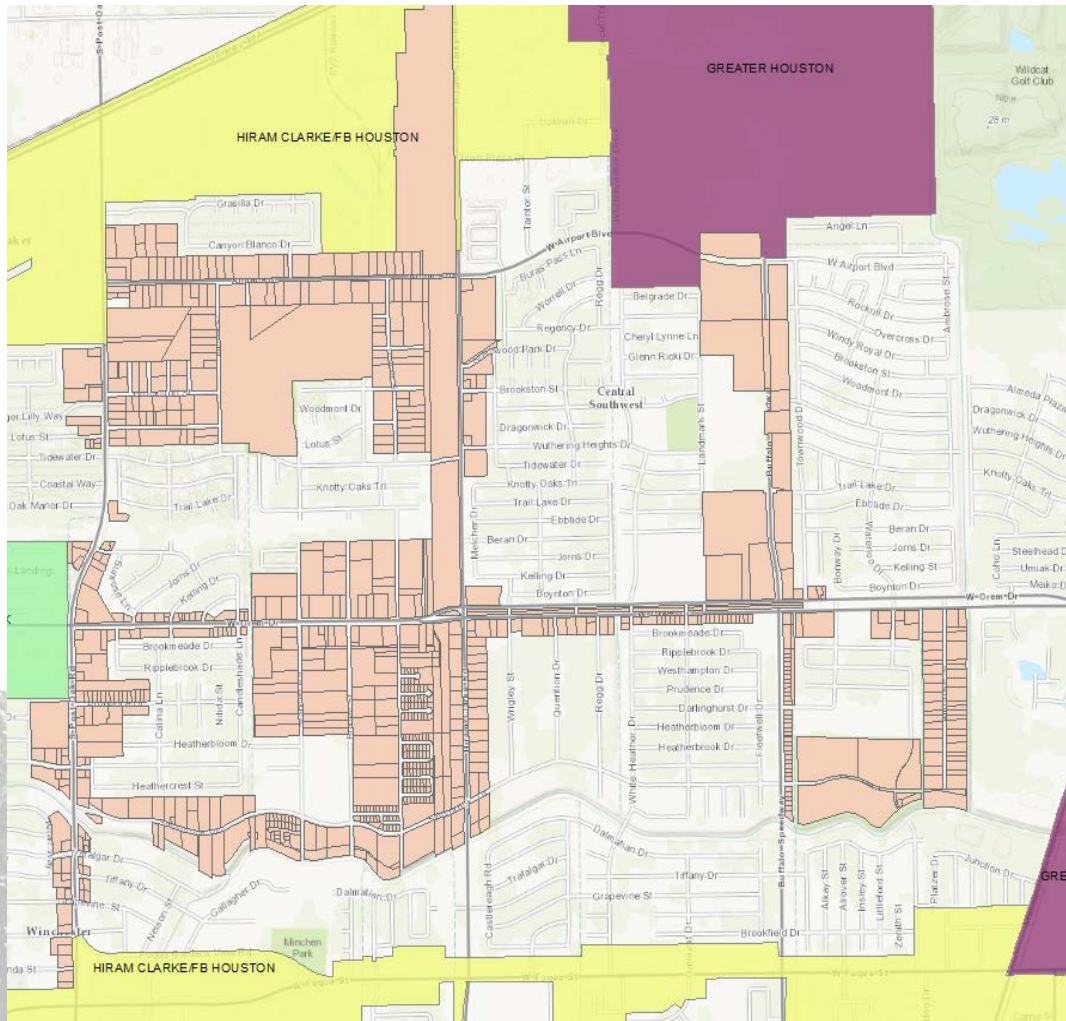
Economic Impact

- *Attracts new market rate multi-family projects into the proposed area, creating potential for the redevelopment of surround areas.*

Proposed Projects

- *Public improvements: water, sewer, storm and street*
- *Finance construction through developer agreements*
- *Facilitate residential, commercial and light industrial*

Proposed South Post Oak Annexation



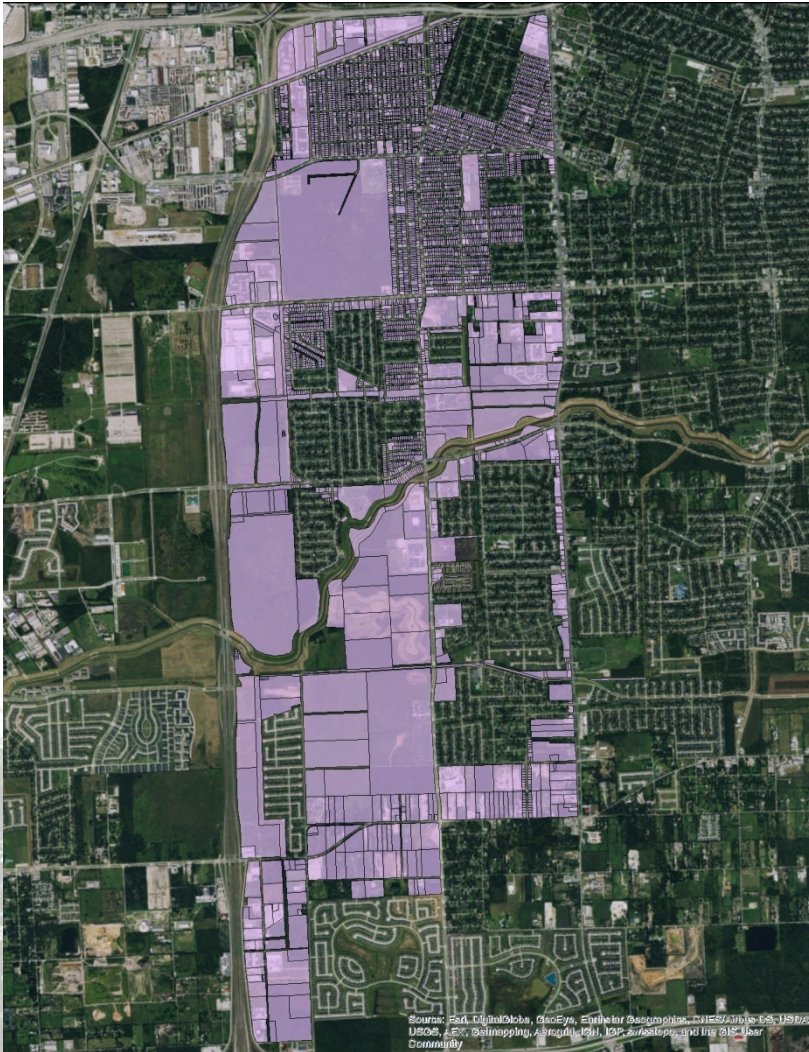
Economic Impact

- Capitalize on the reconstruction of Buffalo Speedway and West Orem
- Construction comprises of 462 homes, an HISD elementary school, a YMCA, Senior living housing unit, a medical/dental and pharmacy

Proposed Projects

- The focus is the newly annexed area will be street infrastructure, streetscape, land, acquisitions, parks and recreation facility improvements.

Proposed Sunnyside New TIRZ



Economic Impact

- *Will provide the resources to enhance public safety in the area and thereby removing real or perceived barriers to economic development.*
- *Improve poor sidewalk infrastructure and very little street lighting*

Proposed Projects

- *Economic incentive program for developers to develop crime mitigating devices*
- *General focus on transit corridors (Scott, Cullen)*

Proposed Greenspoint Life Extension



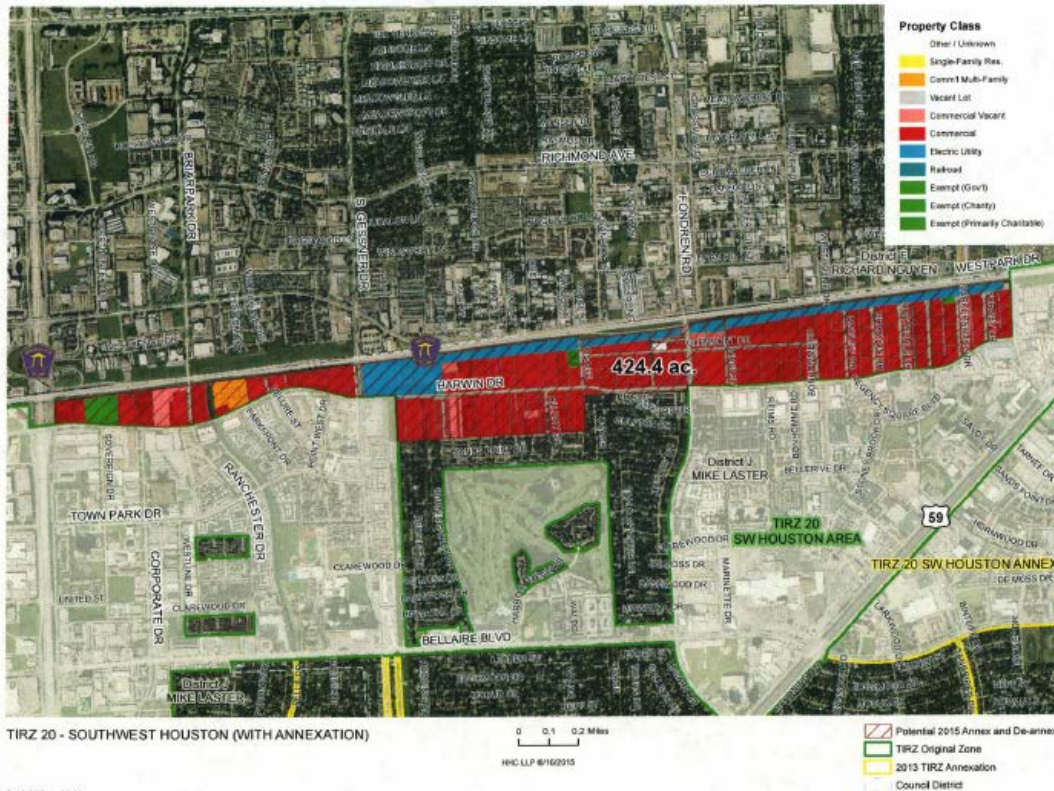
Economic Impact

- Long Term M&O of Dylan and BMX Parks
- Implementation of the plan to reposition Greenspoint Mall

Proposed Projects

- Awaiting for master plan document

Proposed Southwest Houston Annexation/DE



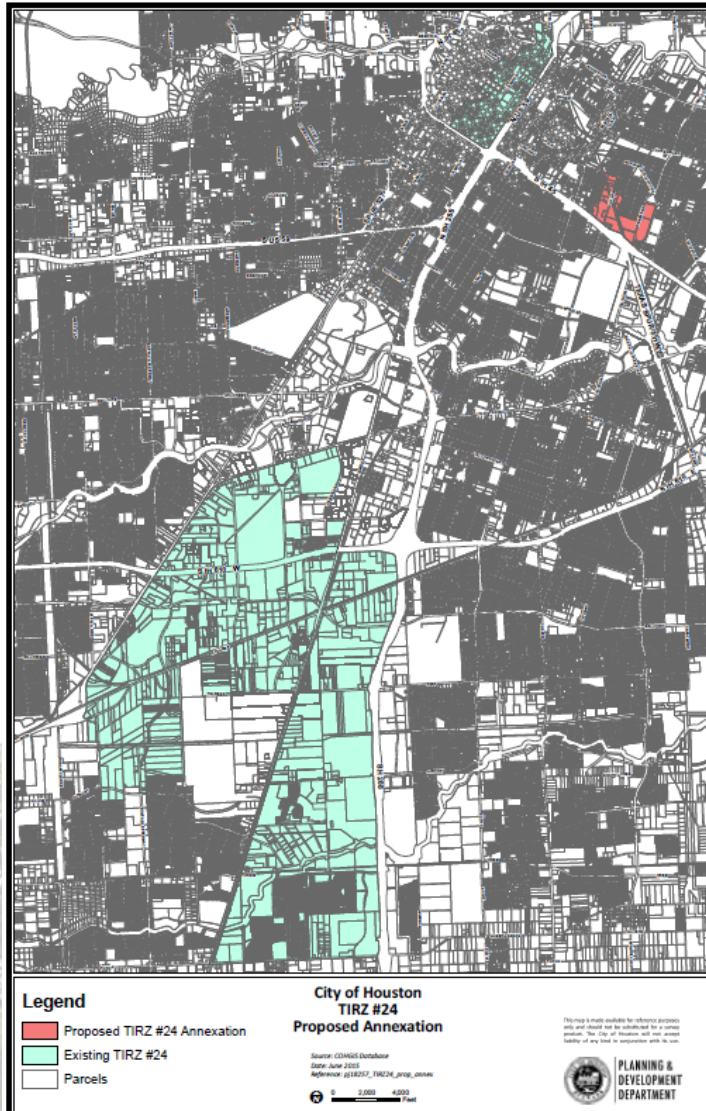
Economic Impact

- Harwin Street retail area
- Greenspace to improve the quality of life for area stakeholders
- Greenspace that will benefit: Lee Leclar Tennis Courts/Braeburn Glen Park, Bonham Park and Sharpstown Green Park

Proposed Projects

- Harwin Street improvements: Bonham Park, Lee Leclar Tennis Courts, Braeburn Glen Park, and Sharpstown Green Park

Proposed Greater Houston Annexation



Economic Impact

- *Address issues of blight, infrastructure need and the redevelopment of vacant or underdeveloped post-industrial land uses.*

Proposed Projects

- *Projects generally focused along I-45, Cullen and Polk Streets*

Proposed Midtown Annexation



LEGEND
■ New Proposed Boundary
— RCW
■ Parks
■ TIRZ 2

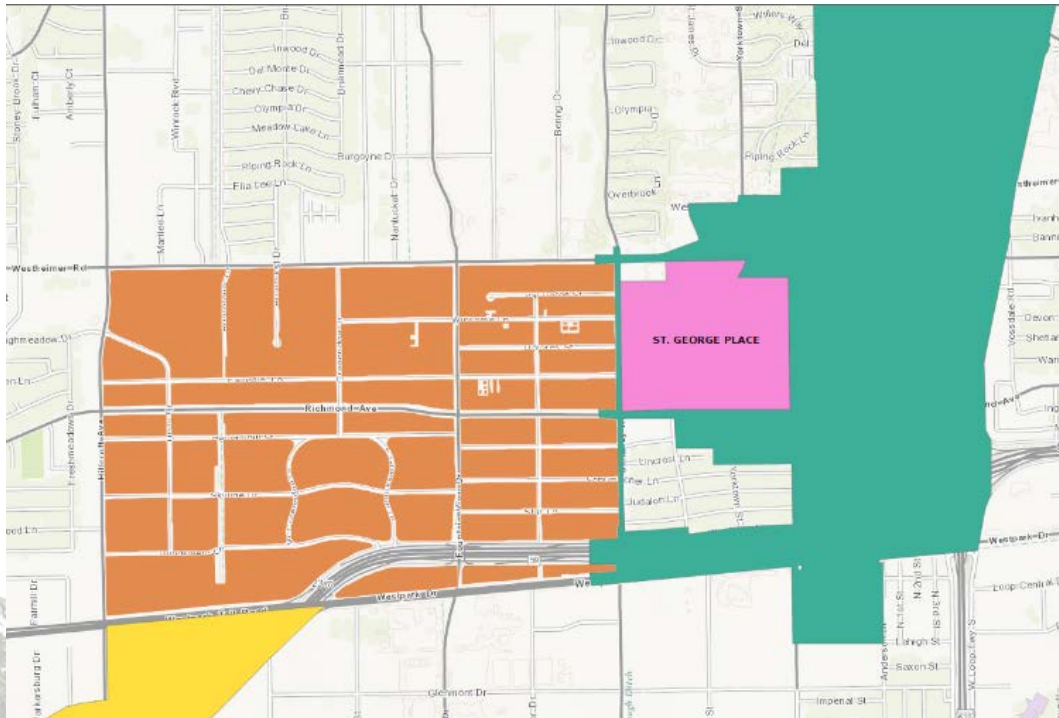
Economic Impact

- Adds more museum district institutions
- Reconstruction of streets and construction of parking garages
- Attract more economic activity/enhance the experience for visitors and residents

Proposed Projects

- Projects south of 59 (Caroline, Fannin, Main, and San Jacinto)
- 2 parking garages

Proposed Lamar Terrace Annexation



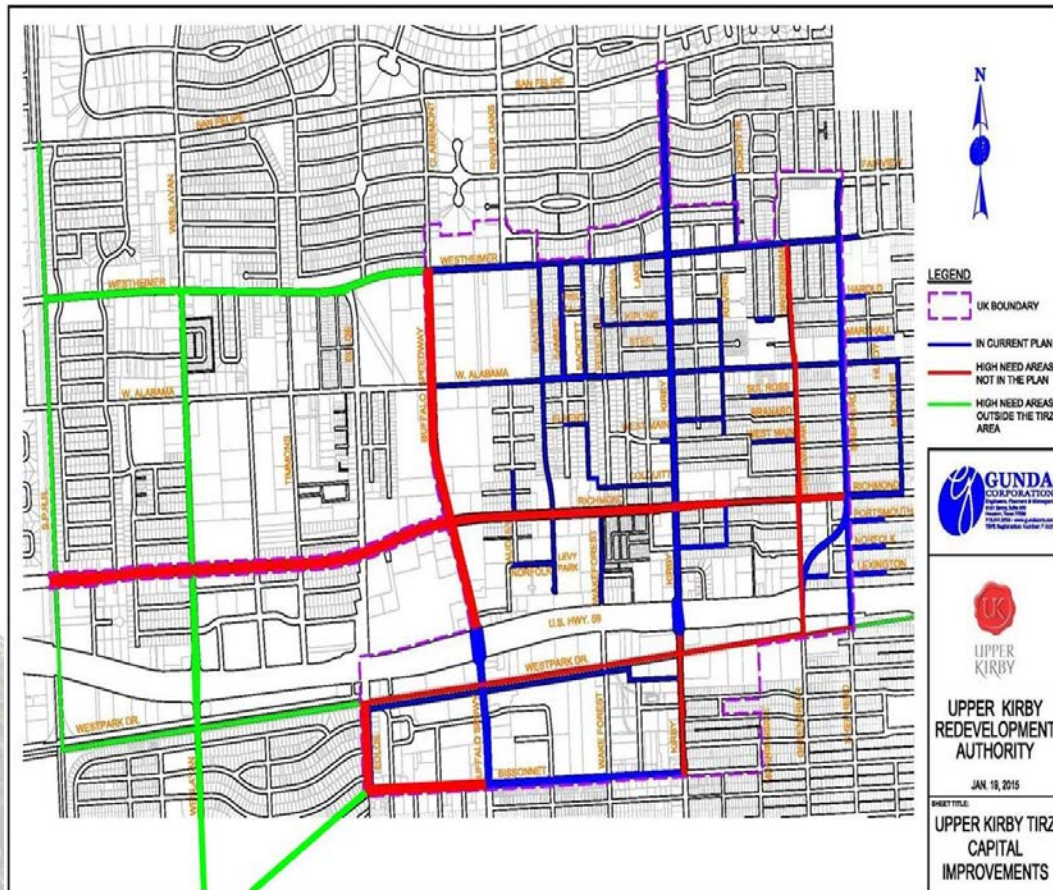
Economic Impact

- Reimagining Richmond Corridor
- Support the planned improvements
- Study initiated by ULI

Proposed Projects

- Chimney Rock widen to six lanes and reconstruct
- Bering ditch
- Detention pond at Anderson Park
- Schumacher Connection across Fountainview

Proposed Upper Kirby Annexation/LE



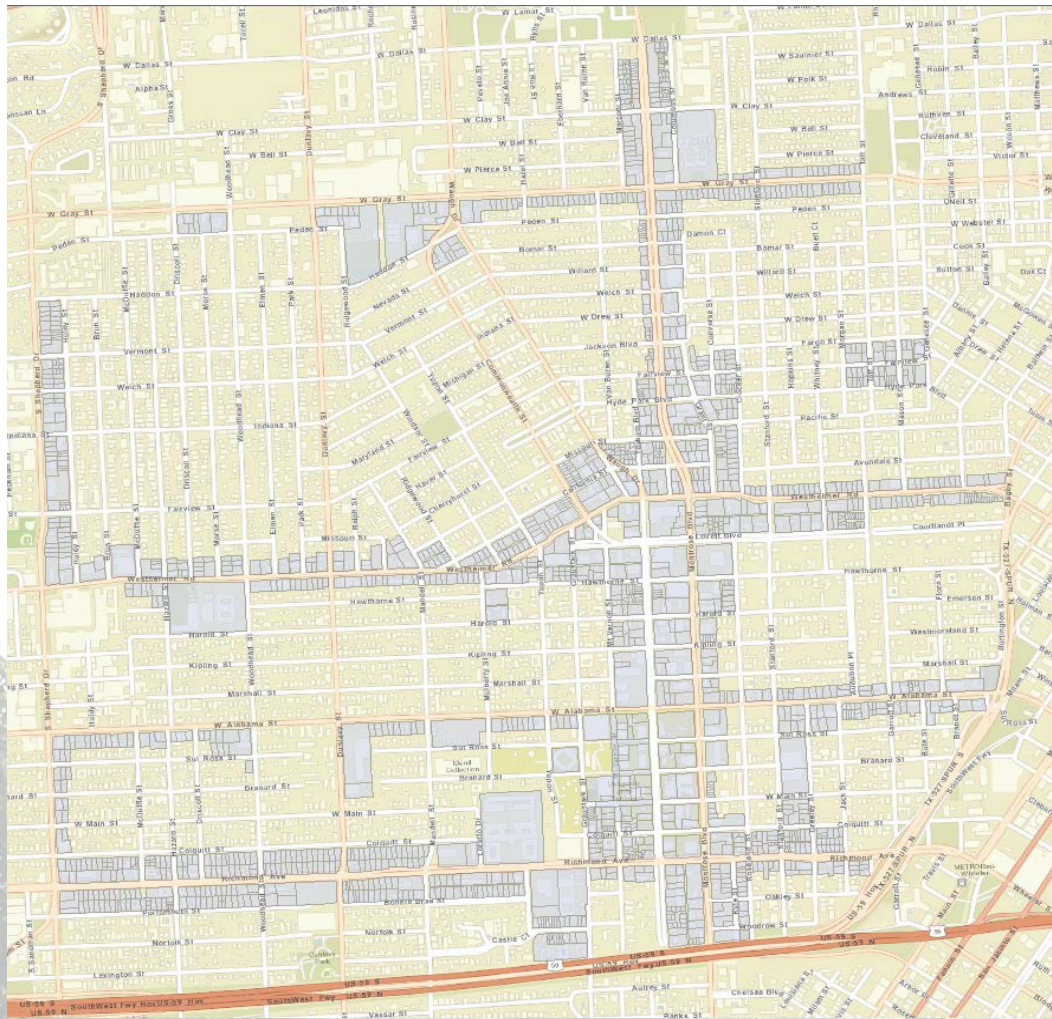
Economic Impact

- To include the right-of-way to improve Westheimer west of Highland Village to RR Crossing
- Roadway and drainage of Richmond Corridor
- Consideration for a Hike/Bike trails to connect to Memorial Park

Proposed Projects

- Roadway and Drainage; Richmond Corridor improvements from Shepherd to Union Pacific RR
- From Buffalo Speedway to Union Pacific RR
- Westheimer to Westpark
- San Felipe/Union RR to Levy Park and Beyond

Proposed Montrose New TIRZ



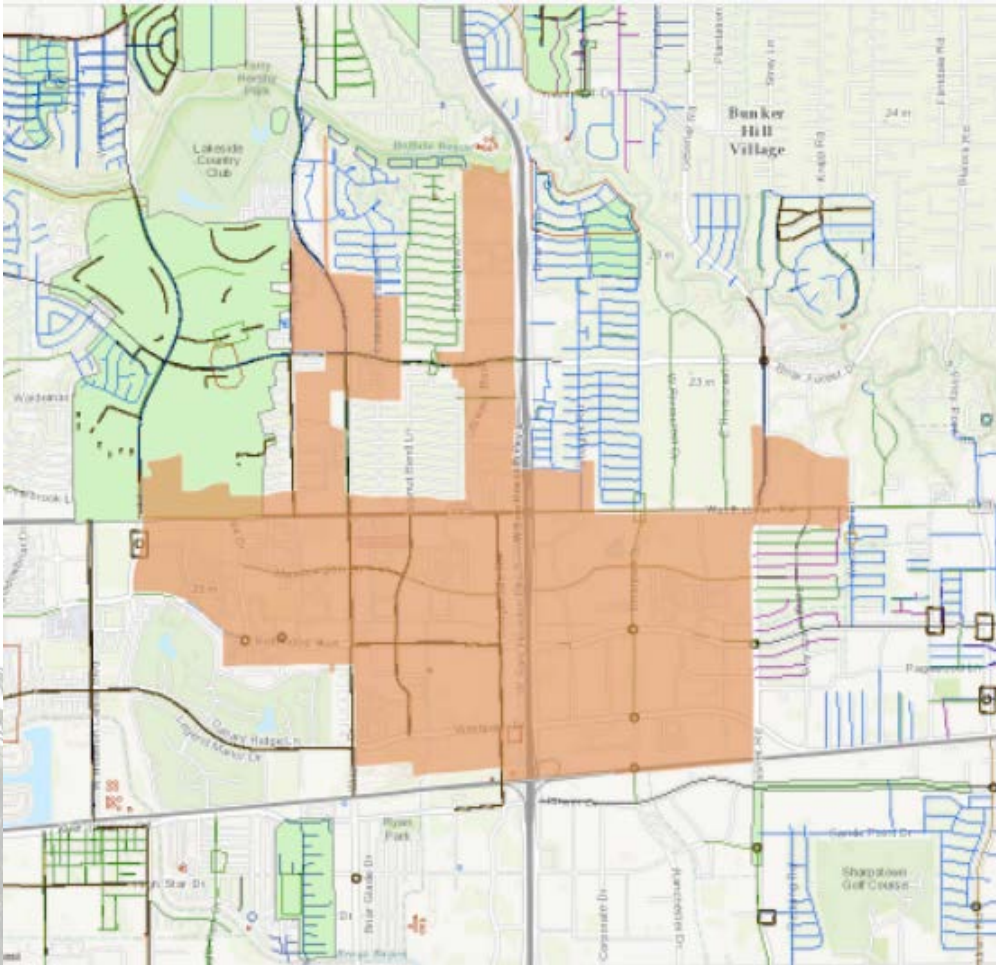
Economic Impact

- *Deteriorating condition of the streets, sidewalks and other public infrastructure*
- *Current condition could inhibit future growth and create safety and mobility barriers*
- *Improve above and below ground infrastructure*

Proposed Projects

- *Street infrastructure projects: Montrose, Richmond, Westheimer, West Alabama and Dunlavy*

Proposed Westchase New TIRZ



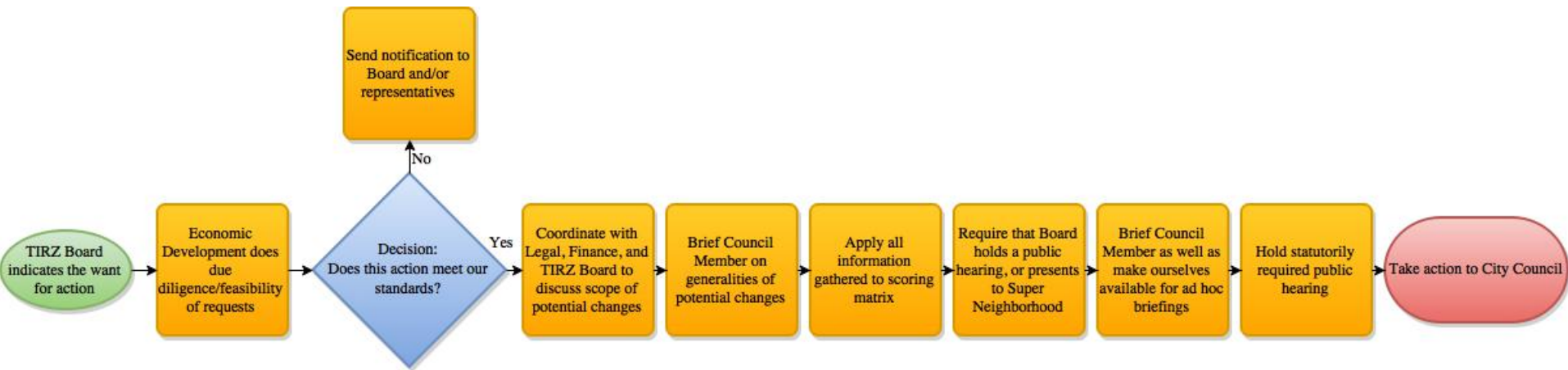
Economic Impact

- *Address the loss of future growth to new development outside of the area*
- *Class C apartments are in decline, rent is stagnant and public infrastructure is in disrepair*
- *Underperforming retail centers*
- *Reconstruction of key streets*

Proposed Projects

- *Reconstruction: Richmond, Walnut Bend, Westheimer Corridor, Meadowglen, Infill streets, Transit Center,*
- *3 public parking garages*
- *Community Greenspace (Parks, Hike & Bike Trails)*

TIRZ – Annexation/Creation Process



Community Engagement

- Community Engagement could include:
 - ❖ Presentation of proposal for annexation/creation at a scheduled Super neighborhood Meeting or Civic Association Meeting
 - ❖ A special called Community Meeting initiated by the Councilmember's Office or TIRZ
 - ❖ Economic Development will Participate
 - ❖ Letters of Support from Community Associations

Questions

