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Ordinance No. 2017-O-001

AN ORDINANCE DESIGNATING A GEOGRAPHIC AREA WITHIN CITY OF LAREDO AS REINVESTMENT ZONE NUMBER ONE, CITY OF LAREDO, 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.

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WHEREAS, pursuant to Chapter 311 of the Texas Tax Code, the City may designate a 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 certain City of Laredo ad valorem property 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 complying with the requirements of Chapter 311, Texas Tax Code, a notice of the November 21, 2016, public hearing on the creation of the proposed zone was published on November 11, 2016, and November 13, 2016, in the Laredo Morning Times, a newspaper of general circulation in the City; and

WHEREAS, at the public hearing on November 21, 2016, 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 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

WHEAREAS, as of the date of this Ordinance, no other tax increment reinvestment zone is in operation within the City; and

WHEREAS, based on the latest certified values, the total appraised value of taxable property in the City and in industrial districts created by the City is approximately \$12,411,402,211 and

WHEREAS, based on the latest certified values, 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 approximately \$299,722,449 and

WHEREAS, based on the latest certified values, the total appraised value of taxable real property used for residential purposes is in the proposed zone is \$28,697,998 and

WHEREAS, the total area within the proposed zone is approximately 652.8 acres, including property that is publicly owned; **NOW, THEREFORE**,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAREDO, 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 that the zone meets the criteria and requirements of Section 311.005 of the Texas Tax Code because the proposed zone contains a substantial number of substandard, slum, deteriorated, or deteriorating structures, unsanitary or unsafe conditions, the deterioration of site or other improvements, and conditions that endanger life or property by fire or other cause, 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 geographic area located within the corporate limits of the City of Laredo; and

- (2) That the total appraised value of taxable real property in the proposed zone does not exceed twenty five percent of the total appraised value of taxable real property in the City and in the industrial districts created by the City; and
- (3) That the total appraised value of taxable real property in the proposed zone used for residential purposes does not exceed thirty percent of the total appraised value of taxable real property in the proposed zone; and
- (4) That based on the latest certified values, 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 Laredo, 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 five (5) members. Position One of the Board of Directors shall be reserved for appointment by the District 8 City Council Member of the City, who may appoint himself/herself or another qualified individual; Position Two shall be reserved for appointment by the City Manager of the City, who may appoint himself/herself or another qualified individual; Position Three shall be reserved for the Director of Finance of the City; Position Four shall be reserved for the Director of Planning of the City; Position Five is reserved for nomination by the Mayor, subject to approval by the City Council. The City reserves the right to increase the number of Board members by ordinance consistent with Section 311.009(a) of the Texas Tax Code.

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 Five 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 6 of this Ordinance 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. Notwithstanding the foregoing, the City reserves the right to rescind, alter or amend such delegation of authority to the Board of Directors as it deems necessary or advisable from time to time by giving the Board written notice.

Section 4. Duration of the Zone

That the Zone shall take effect immediately upon passage of this Ordinance, provided however, that the deposit of tax increments into the Tax Increment Fund established pursuant to Section 6 of this Ordinance shall not commence until January 1, 2017, and termination of the operation of the Zone shall occur on December 31, 2046, 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 any taxing unit participating in the Zone through property tax increments is the total appraised value of all real property taxable by such taxing unit and located in the Zone as of January 1, 2016, the year in which the Zone was designated 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 by Chapter 311 of the Texas Tax Code) received by the City or Zone plus other revenues identified in the project plan and the reinvestment zone financing plan to be approved by the Zone and the City 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. 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.

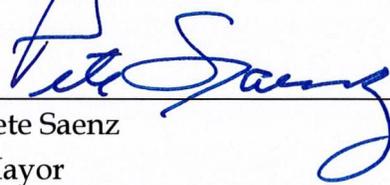
Section 9. Notices

The contents of the notice of the public hearing, which hearing was held before the City Council on November 21, 2016, and the publication of said notice, are hereby ratified, and confirmed.

[EXECUTION PAGE FOLLOWS]

PASSED ON FIRST READING this 21st day of November, 2016.

CITY OF LAREDO, TEXAS

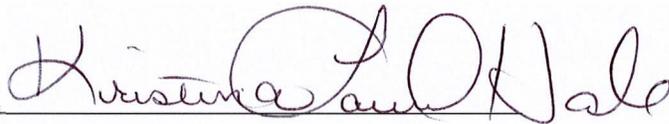


Pete Saenz
Mayor

ATTEST:



Heberto "Beto" Ramirez
City Secretary

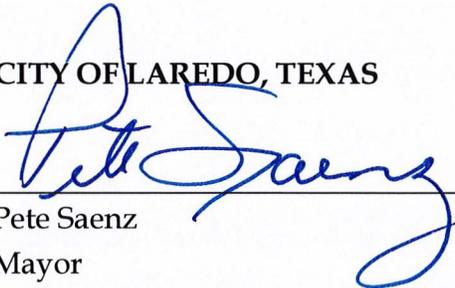


Kristina L. Hale
City Attorney



PASSED AND ADOPTED ON SECOND AND FINAL READING this 5th day of December, 2016.

CITY OF LAREDO, TEXAS



Pete Saenz
Mayor

ATTEST:



Heberto "Beto" Ramirez
City Secretary



Kristina L. Hale
City Attorney

Exhibit A

TIRZ No. 1 Boundary

A tract of land **beginning at a point** within the City of Laredo, Webb County, Texas, at the intersection of the north right of way line of Scott Street and the east right of way line of San Dario Avenue;

Thence south along the east right of way line of San Dario Avenue, passing the north right of way line of Hidalgo Street, and continuing south along the southerly projection of the east right of way line of San Dario Avenue to a point at the intersection of the southerly projection of the east right of way line of San Dario Avenue and the south city limit line of the City of Laredo;

Thence westerly along the south city limit line of the City of Laredo, such line also following the meanders of the Rio Grande River, to a point at the intersection of the south city limit line of the City of Laredo and the southerly projection of the east right of way line of Eagle Pass Avenue;

Thence north along the southerly projection of the east right of way line of Eagle Pass Avenue, passing the south right of way line of Ventura Street and continuing north along the east right of way line of Eagle Pass Avenue, passing the north right of way line of Leyendecker Road and continuing north along the northerly projection of the east right of way line of Eagle Pass Avenue to a point at the intersection the northerly projection of the east right of way line of Eagle Pass Avenue and the south right of way line of Washington Street;

Thence west along the south right of way line of Washington Street to a point at the intersection of the south right of way line of Washington Street and the east line of the 202.89311-acre Laredo Community College Campus-Old Fort McIntosh tract identified as Webb County Appraisal District Property Identification Number 167449 and also being identified as Geographic Identification Number 224-00025-010 (the "College Tract");

Thence southeasterly along the east line of said College Tract to a point at the southeast corner of said College Tract;

Thence westerly along the southern line of said College Tract to a point at the southwest corner of said College Tract;

Thence northerly along the west line of said College Tract to a point at the northwest corner of said College Tract;

Thence east along the north line of said College Tract to a point at the northeast corner of said College Tract to a point at the northeast corner of said College Tract;

Thence southeast along the east line of said College Tract to a point at the intersection of the east line of said College Tract and the north right of way line of Washington Street, it being the intention that all land within the outside boundary of said College Tract, including any other land that may be within separate tax account designations owned by Laredo Community College and wholly within the outer boundary of said College Tract, be included in this description;

Thence east along the north right of way line of Washington Street to a point at the intersection of the north right of way line of Washington Street and the northerly projection of the east right of way line of Eagle Pass Avenue;

Thence north along the northerly projection of the east right of way line of Eagle Pass Avenue to a point at the intersection the northerly projection of the east right of way line of Eagle Pass Avenue and the north right of way line of Scott Street;

Thence east along the north right of way line of Scott Street to a point at the intersection of the north right of way line of Scott Street and the and the east right of way line of San Dario Avenue, such point also being the **Point of Beginning**, and containing an area of 652.8 acres, more or less.

City Council-Regular

Meeting Date: 02/06/2017

Initiated By: Horacio De Leon, Assistant City Manager

Staff Source: Horacio De Leon, Assistant City Manager

SUBJECT

2017-O-001 Designating a geographic area within the City of Laredo as Reinvestment Zone Number One, City of Laredo, 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.

VENDOR INFORMATION FOR COMMITTEE AGENDA

PREVIOUS COUNCIL ACTION

Introduced to City Council on November 21, 2016 City Council Meeting.

BACKGROUND

The City has prepared a preliminary reinvestment zone financing plan, which provides that certain City of Laredo ad valorem property 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 complying with the requirements of Chapter 311, Texas Tax Code, a notice of the November 21, 2016, public hearing on the creation of the proposed zone was published on November 11, 2016, and November 13, 2016, in the Laredo Morning Times, a newspaper of general circulation in the City; and at the public hearing on November 21, 2016, 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 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.

COMMITTEE RECOMMENDATION

N/A

STAFF RECOMMENDATION

N/A

Fiscal Impact

Fiscal Year:

Budgeted Y/N?:

Source of Funds:

Account #:

Change Order: Exceeds 25% Y/N:

FINANCIAL IMPACT:

N/A

Attachments

Ordinance
