

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

SECOND AMENDMENT TO INTERLOCAL AGREEMENT

THIS SECOND AMENDMENT TO INTERLOCAL AGREEMENT (the “Second Amendment”) is made by and among the **CITY OF HOUSTON, TEXAS** (City), a municipal corporation and home-rule city of the State of Texas principally situated in Harris County, acting by and through its governing body, the City Council; **HARRIS COUNTY, TEXAS on behalf of itself and the Harris County Flood Control District** (collectively referred to as the “County”), a body corporate and politic under the laws of the State of Texas, acting by and through its governing body, the Harris County Commissioners Court, the **HARRIS COUNTY REDEVELOPMENT AUTHORITY** (Authority), a local government corporation created and organized under the provisions of Chapter 431, Texas Transportation Code, as amended, and **REINVESTMENT ZONE NUMBER TWENTY-FOUR, CITY OF HOUSTON, TEXAS** (TIRZ or Zone), a reinvestment zone designated by the City of Houston pursuant to Chapter 311 of the Texas Tax Code, acting by and through its Board of Directors (Board). This Second Amendment is made pursuant to Chapter 791 of the Texas Government Code and Chapter 311 of the Texas Tax Code. The City, the County, the Authority and the Zone are hereinafter collectively referred to as the “Parties”.

WHEREAS, pursuant to Ordinance 2012-1048 (the “Original Ordinance”), the City of Houston (The “City”), following a public hearing, designated Reinvestment Zone 24 (the “Zone”), in accordance with Chapter 311 of the Texas Tax Code; and

WHEREAS, pursuant to Ordinance 2022-____ (the “Amended Ordinance”) the City has amended certain provisions of the Original Ordinance relating to the composition of the board of directors for the Zone and amount of the City’s participation in the Zone; and

WHEREAS, the Parties entered into an Interlocal Agreement effective July 25, 2014, as amended by that First Amended Interlocal Agreement approved by the County on July 14, 2015, the Zone and the Authority on June 24, 2015 and by the City on August 26, 2015 (as amended, the “Participation Agreement” or “Agreement”) relating to the City and County participation in the Zone and setting forth various obligations of the Parties with respect to the operation and administration of the Zone and the handling of the tax increments collected from the property within the Zone; and

WHEREAS, the City’s initial contribution to the Zone was limited to five percent (5%) of the City Tax Increment (as defined in the Participation Agreement) which is retained by the City for administrative costs of operating the Zone.

WHEREAS, the City has elected to increase the amount of its participation in the Zone to be used for projects within the Zone to be selected and approved by the City in accordance with the terms hereof; and

WHEREAS, the City and the County have approved an amendment to the Plan (as defined in the Participation Agreement) to increase the City participation to seventy-five percent (75%) of the City’s Tax Increment (as herein defined); and

NOW, THEREFORE, the Parties agree to amend the Participation Agreement in accordance with the following.

1. Article II. Definitions: Article II of the Participation Agreement is amended by adding the following new or revised defined terms:

- a. “City Tax Increment” means, for each year, the amount of property taxes levied and assessed by the City on the Captured Appraised Value.
- b. “City Tax Increment Participation” means the City’s annual ad valorem tax increment payments to the TIRZ pursuant to Section IVA of the Agreement.
- c. “Plan” shall mean the Second Amended Project Plan as approved by the City by Ordinance 2020-848.

2. Article III. Background: Article III of the Participation is amended by adding the following paragraph:

“Notwithstanding anything in this Article to the contrary, the City’s participation in the zone shall be seventy-five percent (75%) of the of the City’s Tax Increment. All of the City’s Tax Increment Participation shall be used, consistent with the Project Plan, for project costs approved by the City associated with City projects.”

3. Article IV. Obligations of the County. Subsection F. of Article IV of the Participation Agreement shall be deleted in its entirety and replaced with the following:

F. Board of Directors

Notwithstanding any provision herein to the contrary and in accordance with Ordinance 2022-_____, which amended the original ordinance designating the TIRZ, the Board of Directors of the TIRZ shall consist of eleven (11) members. The County shall have the continuing, unequivocal right throughout the term of this agreement to recommend to the Mayor of the City for nomination and appointment to the TIRZ Board of Directors and thereafter at all times maintain five (5) members on the TIRZ Board of Directors. Pursuant to Chapter 311 of the Texas Tax Code the County may appoint one additional director to the Board of Directors without action by the City so long as the County is a participating taxing unit in the Zone. The City shall have the right to

appoint five (5) members on the TIRZ Board of Directors. If more than two taxing units that levy taxes on real property in the Zone and have approved the payment of all or part of the tax increment produced by the taxing unit into the tax increment fund for the Zone appoint a director, the number of directors on the Board of Directors shall be increased by two for each taxing unit above two that appoints a director to the Board, provided further that the maximum number of directors shall not exceed fifteen (15). The County shall be entitled to appoint a person to one position of each of the two positions created as a result of more than two taxing units appointing directors. The County may also appoint and maintain as many non-voting ex officio members on the TIRZ Board as the County may desire.

4. Article V. Obligations of the City and the TIRZ. Article V. of the Participation Agreement is amended by adding the following paragraph prior to subsection A. of the Article:

The City shall pay amounts pursuant to this Agreement representing a total of seventy-five percent (75%) of the City Tax Increment in the Zone, consisting of (i) an amount equal to five percent (5%) of the City Tax Increment in the Zone to be retained by the City for administrative costs in administering the Zone, and (ii) an amount equal to seventy percent (70%) of the City Tax Increment in the Zone to be deposited into the Tax Increment Fund which funds shall be administered by the City and used for payment of the costs of projects consistent with the plan and approved by the City ("City Projects").

5. Except as expressly provided herein the Interlocal Agreement, as amended and modified by this First Amendment, is hereby ratified and Confirmed.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the City, County, the Authority and the TIRZ have made and executed this First Amendment in multiple copies, each of which is an original.

ATTEST/SEAL:

CITY OF HOUSTON

By: _____
City Secretary

By: _____
Sylvester Turner
Mayor, City of Houston

APPROVED AS TO FORM:

COUNTERSIGNED:
CONTROLLER, CITY OF HOUSTON

By: _____
Name: _____

Senior City Attorney

By: _____

Date Signed: _____

ATTEST/SEAL:

**TAX INCREMENT REINVESTMENT
ZONE NUMBER TWENTY-FOUR,
CITY OF HOUSTON, TEXAS**

By _____
Name: _____
Secretary, Board of Directors

By: Adrienne Holloway

Chairperson, Board of Directors
Date Signed: 9/15/2022

(signatures continue on following page)

ATTEST/SEAL:

**HARRIS COUNTY
REDEVELOPMENT AUTHORITY**

By: _____

Name:

Secretary, Board of Directors

By: _____

Chairperson, Board of Directors

Date Signed: _____

APPROVED AS TO FORM:

County Attorney

HARRIS COUNTY

By: _____

Assistant County Attorney

By: _____

County Judge, Harris County

Date Signed: _____