

City of Houston, Texas, Resolution No. 2002- 26

A RESOLUTION APPROVING THE CREATION OF THE MEMORIAL CITY REDEVELOPMENT AUTHORITY; APPROVING THE ARTICLES OF INCORPORATION AND THE BYLAWS THEREOF; CONFIRMING THE APPOINTMENT OF THE INITIAL DIRECTORS AND CHAIRPERSON; AND CONTAINING FINDINGS AND OTHER PROVISIONS RELATING TO THE SUBJECT.

* * * * *

WHEREAS, Subchapter D of Chapter 431, Texas Transportation Code (the "Act"), authorizes the creation and organization of public non-profit local government corporations to act as a duly constituted authority of a city to aid and assist the city in the performance of one or more governmental functions; and

WHEREAS, the Act requires a local government corporation to be created pursuant to the provisions of Chapter 394, Texas Local Government Code ("Chapter 394"), and requires the local government corporation's articles of incorporation and bylaws to be in the form, and to be executed, approved, and filed in the manner, prescribed by Chapter 394; and

WHEREAS, a local government corporation may have and exercise all of the powers prescribed by the Act and Article 1396 of Texas Revised Civil Statutes Annotated (collectively, the "Acts"); and

WHEREAS, Chapter 394 requires as a condition to the creation of a local government corporation that at least three (3) residents of the city who are citizens of the state and at least eighteen (18) years of age submit a written application to the City for the incorporation of the local government corporation; and

WHEREAS, there has been presented to and filed with the City an application executed by three (3) residents of the City who meet the requirements of Chapter 394 requesting the incorporation of the Memorial City Redevelopment Authority (the "Authority"); and

WHEREAS, City Council desires to grant the application for incorporation of the Authority, authorize its Articles of Incorporation, approve its Bylaws, appoint the board of directors of the Authority, and take other action with respect to the Authority; **NOW, THEREFORE:**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:

Section 1. The City Council hereby finds, determines, and declares that the application for the incorporation of the Authority is executed and filed in the manner required by Chapter 394 and the City Council therefore has authority to consider and act on the application for incorporation of the Authority.

Section 2. The City Council hereby finds, determines, recites and declares that it is wise, expedient, necessary, and advisable that the Authority be formed, the creation and organization of the Authority under the provisions of the Acts and Chapter 394 as a duly constituted authority of the City is hereby approved, and the Authority is hereby authorized to aid, assist, and act on behalf of the City in the performance of its governmental functions to promote the common good and general welfare of the Memorial City area of Houston and neighboring areas, as more particularly described in City of Houston, Texas,

Ordinance No. 1999-759, and as the boundaries of Reinvestment Zone Number Seventeen, City of Houston, Texas, may be changed from time to time; to promote, develop, encourage and maintain employment, commerce and economic development in Houston; and to perform the other purposes described in the Articles of Incorporation.

Section 3. The City Council hereby approves the Articles of Incorporation of the Authority in substantially the form attached hereto as Exhibit "A" and authorizes the incorporators of the Authority to file such Articles of Incorporation with the Secretary of State of the State of Texas in the manner provided by law.

Section 4. The City Council hereby approves the Bylaws of the Authority in substantially the form attached hereto as Exhibit "B".

Section 5. The City Council hereby confirms the appointment of the directors listed in the Articles of Incorporation attached hereto. The City Council hereby confirms the appointment of Charles S. Turet, Jr. as the initial Chairperson of the Board of Directors. Subsequent chairpersons shall be designated as provided by the Bylaws.

Section 6. The City Council hereby finds, determines, recites, and declares that any notes, bonds, loans, debts or other obligations of the Authority shall not be deemed an indebtedness, liability, general or moral obligation or pledge of the faith or credit of the State of Texas, the City of Houston, or any other political subdivision or governmental unit, nor shall any such notes, bonds, loans, debts or other obligations constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction or an agreement, obligation, or indebtedness of the City or of the State of Texas

within the meaning of the City Charter or of any constitutional or statutory provision whatsoever.

Section 7. The City Council hereby finds, determines, recites, and declares that it is the purpose, intent, and desire of the City in approving the creation of the Authority and its Articles of Incorporation and Bylaws, that such actions and the Authority hereby authorized comply with the requirements of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations and Internal Revenue Service rulings promulgated thereunder and the rulings issued pursuant thereto, such that the Authority shall be deemed to be a constituted authority acting on behalf of the City pursuant to the provisions of the Acts and Chapter 394, Local Government Code.

Section 8. This Resolution shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Resolution within five (5) days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED this 14th day of August, 2002.

APPROVED this _____ day of _____, 2002.

Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Resolution is _____, 2002.

[Signature]
 City Secretary

(Prepared by Legal Dept. *DFM*
 (CSL/csl August 1, 2002) *Clark Stottman, Jr.*)
 (Requested by Robert M. Litke, Director, Planning & Development Department)
 L.D. No. 0619900059009
 Assistant City Attorney

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AYE	NO	<i>Reso. 2002-26</i>
✓		MAYOR BROWN
••••	••••	COUNCIL MEMBERS
	ABSENT-OUT OF CITY CITY BUSINESS	TATRO
	ABSENT-OUT OF CITY CITY BUSINESS	GALLOWAY
✓		GOLDBERG
	ABSENT-OUT OF CITY CITY BUSINESS	EDWARDS
✓		WISEMAN
✓		ELLIS
✓		KELLER
	ABSENT-OUT OF CITY CITY BUSINESS	VASQUEZ
✓		ALVARADO
✓		PARKER
✓		QUAN
✓		SEKULA-GIBBS
✓		BERRY
✓		ROBINSON
CAPTION	ADOPTED	

ARTICLES OF INCORPORATION
OF
MEMORIAL CITY REDEVELOPMENT AUTHORITY

We, the undersigned natural persons, each of whom is at least eighteen (18) years of age or more, and a resident and a qualified voter of the City of Houston, Texas (the "City") and a citizen of the State of Texas, acting as incorporators of a corporation under the provisions of Subchapter D of Chapter 431, Texas Transportation Code (the "Act"), and Chapter 394, Texas Local Government Code, do hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE I

The name of the corporation is **MEMORIAL CITY REDEVELOPMENT AUTHORITY** (the "Authority").

ARTICLE II

The Authority is a public non-profit corporation.

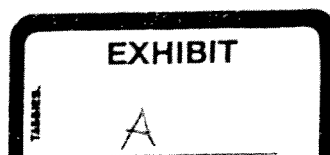
ARTICLE III

The period of duration of the Authority shall be perpetual.

ARTICLE IV

The Authority is organized and will be operated exclusively for one or more charitable purposes, within the meaning of Section 501(c)(3) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"). The Authority is organized for the purpose of aiding, assisting, and acting on behalf of the City in the performance of its governmental functions to promote the common good and general welfare of the area included in Reinvestment Zone Number Seventeen, City of Houston, Texas (the "Memorial City TIRZ") and neighboring areas, as more particularly described in City Ordinance No. 1999-759, and as the boundaries may be amended from time to time (the "Memorial City Area"); to promote, develop, encourage and maintain housing, educational facilities, employment, commerce and economic development in the City.

The Authority is further organized to aid, assist and act on behalf of the City and the Board of Directors of the Memorial City TIRZ:



(a) in the implementation of the Project Plan and the Reinvestment Zone Financing Plan for the Memorial City TIRZ and the preparation and implementation of amendments thereto;

(b) in the development of a policy to finance development of residential, commercial and public properties in the Memorial City Area; and

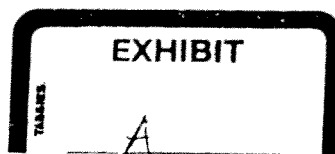
(c) in the development and implementation of a development policy for the Memorial City Area, including the acquisition of land for development purposes.

The Authority is formed pursuant to the provisions of the Act as it now or may hereafter be amended, and Chapter 394, Texas Local Government Code, which authorizes the Authority to assist and act on behalf of the City and to engage in activities in the furtherance of the purposes for its creation, provided that the Authority shall not be authorized to make or acquire home mortgages, or to make loans to lending institutions, the proceeds of which are to be used to make home mortgages or to make loans on residential developments.

The Authority shall have and exercise all of the rights, powers, privileges, authority, and functions given by the general laws of Texas to non-profit corporations incorporated under the Act including, without limitation, Article 1396, Vernon's Texas Civil Statutes (the Texas Non-Profit Corporation Act).

The Authority shall have all other powers of a like or different nature not prohibited by law which are available to non-profit corporations in Texas and which are necessary or useful to enable the Authority to perform the purposes for which it is created, including the power to issue bonds, notes or other obligations, and otherwise exercise its borrowing power to accomplish the purposes for which it was created, provided that the Authority shall not issue bonds without the consent of the City Council of the City.

The Authority is created as a local government corporation pursuant to the Act and shall be a governmental unit within the meaning of Subdivision (2), Section 101.001, Texas Civil Practice and Remedies Code. The operations of the Authority are governmental and not proprietary functions for purposes of the Texas Tort Claims Act, Section 101.001 et seq., Texas Civil Practice and Remedies Code. The Authority shall have the power to acquire land in accordance with the Act as amended from time to time.



ARTICLE V

The Authority shall have no members and shall have no stock.

ARTICLE VI

All powers of the Authority shall be vested in a Board consisting initially of five (5) persons. Additional persons may be added to the Board by the Authority in accordance with the provisions of the Bylaws. The initial directors of the Authority ("Director" or "Directors") shall be those persons named in Article VIII. Each initial Director named in Article VIII hereof shall serve for the term prescribed in the Bylaws. Subsequent Directors shall be appointed by position to the Board as prescribed in the Bylaws. Except as provided in the Articles of Incorporation, each Director shall serve for the term provided in the Bylaws. Any Director may be removed from office at any time, with or without cause, by the City Council of the City.

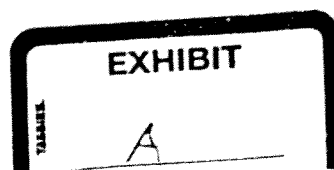
The initial Chairperson shall be Charles S. Turet, Jr. and the Mayor of the City shall designate each subsequent Chairperson of the Board.

If any of the following persons is not serving as a member of the Board, he or she, or his or her designee, shall serve as an ex-officio, non-voting member of the Board:

- (1) Chief of Staff, Mayor's Office;
- (2) Director of the City Department of Public Works and Engineering;
- (3) City Attorney;
- (4) Director of the City Planning and Development Department;
- (5) Chairman of the Board of the Metropolitan Transit Authority of Harris County; and
- (6) Chair of the City Council Fiscal Affairs and Management Initiatives Committee.

In addition, the Board of Directors of the Authority may designate one or more representatives of the Spring Branch Independent School District, Harris County, Houston Community College or other political subdivisions as ex officio, non-voting members of the Board of Directors.

All other matters pertaining to the internal affairs of the Authority shall be governed by the Bylaws of the Authority, so long as such Bylaws are not inconsistent with these Articles of Incorporation, or the laws of the State of Texas.



ARTICLE VII

The street address of the initial registered office of the Authority is Knudson & Associates, 8588 Katy Freeway, Suite 441, Houston, Texas 77024, and the name of its initial registered agent at such address is Patricia Joiner.

ARTICLE VIII

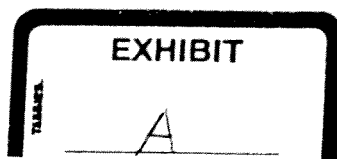
The number of Directors initially constituting the Board is five (5). The names, addresses, and positions of the five (5) initial Directors, each of whom resides within the City, are:

<u>POS. NO.</u>	<u>NAME</u>	<u>ADDRESS</u>
1	Charles S. Turet, Jr.	12454 Barryknoll, Houston, TX 77024
2	Ronald L. Height	1907 Shadowdale Drive, Houston, TX 77043
3	[VACANT]	
4	Robert M. Bryant	2931 Quincannon, Houston, TX 77043
5	Terry S. Cheng	3525 Sage, Number 1615, Houston, TX 77056

ARTICLE IX

The names and street addresses of the incorporators, each of whom resides within the City, are:

<u>NAME</u>	<u>ADDRESS</u>
Charles S. Turet, Jr.	12454 Barryknoll, Houston, TX 77024
Sue Darcy	8588 Katy Freeway, Suite 441, Houston, TX 77024
Trey Lary	1001 Fannin Street, Suite 2300, Houston, TX 77002



ARTICLE X

Resolution No. _____ approving the form of these Articles of Incorporation has been adopted by the City Council of the City on _____, 2002.

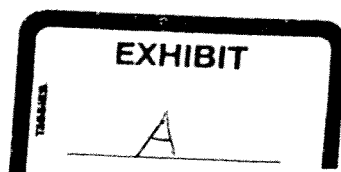
ARTICLE XI

No Director shall be liable to the Authority for monetary damages for an act or omission in the Director's capacity as a Director, except for liability (i) for any breach of the Director's duty of loyalty to the Authority, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for any transaction from which the Director received an improper benefit, whether or not the benefit resulted from an act taken within the scope of the Director's office, or (iv) for acts or omissions for which the liability of a Director is expressly provided by statute. Any repeal or amendment of this Article by the Directors shall be prospective only, and shall not adversely affect any limitation on the personal liability of a Director existing at the time of such repeal or amendment. In addition to the circumstances in which a Director is not personally liable as set forth in the preceding sentences, a Director shall not be liable to the fullest extent permitted by any amendment to the Texas statutes hereafter enacted that further limits the liability of a Director.

ARTICLE XII

In accordance with the provisions of Section 501(c)(3) of the Code, and regardless of any other provisions of these Articles of Incorporation or the laws of the State of Texas, the Authority: (a) shall not permit any part of the net earnings of the Authority to inure to the benefit of any private individual (except that reasonable compensation may be paid for personal services rendered to or for the Authority in effecting one or more of its purposes); (b) shall not devote more than an insubstantial part of its activities to attempting to influence legislation by propaganda or otherwise; (c) shall not participate in, or intervene in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office; and (d) shall not attempt to influence the outcome of any election for public office or to carry on, directly or indirectly, any voter registration drives. Any income earned by the Authority after payment of reasonable expenses, debt and establishing a reserve shall accrue to the City.

The City shall, at all times, have an unrestricted right to receive any income earned by the Authority, exclusive of amounts needed to cover reasonable expenditures and reasonable reserves for future activities. Unless otherwise directed by the City, any income of the Authority received by the City shall be deposited into the Reinvestment Zone Number Seventeen, City of Houston, Texas, Tax Increment Fund, or its successor. No part of the Authority's income shall inure to the benefit of any private interests.



If the Board of Directors determines by resolution that the purposes for which the Authority was formed have been substantially met and all bonds issued by and all obligations incurred by the Authority have been fully paid, the Board shall execute a certificate of dissolution which states those facts and declares the Authority dissolved in accordance with the requirements of Section 394.026 of Texas Local Government Code, or with applicable law then in existence. In the event of dissolution or liquidation of the Authority, all assets will be turned over to the Finance and Administration Department of the City, or its successor, for deposit into the Reinvestment Zone Number Seventeen, City of Houston, Texas, Tax Increment Fund unless the City Council shall otherwise direct.

If required by a contract between the City, the Authority and the Memorial City TIRZ, any capital project(s) of the Authority as well as all plans and specifications of any improvement to be made by the Authority shall be approved by the Director of the Department of Public Works and Engineering of the City.

ARTICLE XIII

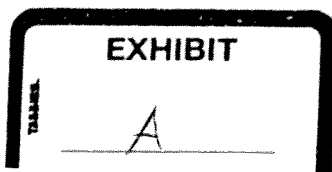
If the Authority is a private foundation within the meaning of Section 509(a) of the Code, the Authority: (a) shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Code; (b) shall not engage in any act of self-dealing as defined in Section 4941(d) of the Code; (c) shall not retain any excess business holdings as defined in Section 4943(c) of the Code; (d) shall not make any investments in such manner as to subject it to tax under Section 4944 of the Code; and (e) shall not make any taxable expenditures as defined in Section 4945(d) of the Code.

ARTICLE XIV

The City Council may at any time consider and approve an ordinance directing the Board to proceed with the dissolution of the Authority, at which time the Board shall proceed with the dissolution of the Authority in accordance with applicable state law. The failure of the Board to proceed with the dissolution of the Authority in accordance with this Section shall be deemed a cause for the removal from office of any or all of the Directors as permitted by Article VI of these Articles of Incorporation.

ARTICLE XV

These Articles may not be changed or amended unless approved by the City Council of the City.



IN WITNESS WHEREOF, we have hereunto set our hands this _____ day of _____, 2002.

Charles S. Turet, Jr.

Sue Darcy

Trey Lary

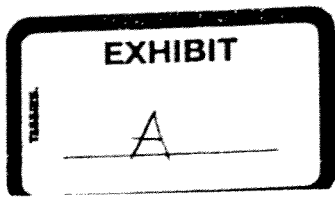
THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Charles S. Turet, Jr., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the _____ day of _____, 2002.

Notary Public in and for
The State of Texas

(NOTARY SEAL)



THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Sue Darcy, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the ____ day of _____, 2002.

Notary Public in and for
The State of Texas

(NOTARY SEAL)

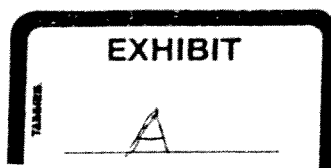
THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Trey Lary, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the ____ day of _____, 2002.

Notary Public in and for
The State of Texas

(NOTARY SEAL)



BYLAWS
OF
MEMORIAL CITY REDEVELOPMENT AUTHORITY

A Texas Local Government Corporation
(Created on behalf of the City of Houston)

Date of Adoption: _____, 2002

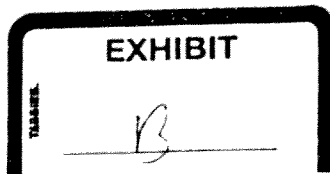
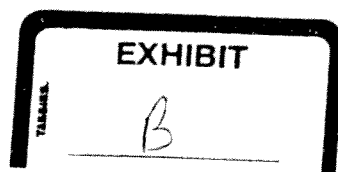
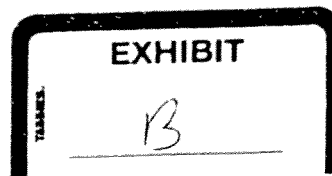


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BYLAWS
OF
MEMORIAL CITY REDEVELOPMENT AUTHORITY

ARTICLE I

PURPOSES

The Memorial City Redevelopment Authority (the "Authority") is organized and will be operated exclusively for one or more charitable purposes, within the meaning of Section 501(c)(3) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"). The Authority is organized for the purpose of aiding, assisting, and acting on behalf of the City of Houston, Texas (the "City") in the performance of its governmental functions to promote the common good and general welfare of the area included in Reinvestment Zone Number Seventeen, City of Houston, Texas (the "Memorial City TIRZ") and neighboring areas as more particularly described in City Ordinance No. 1999-759, and as the boundaries may be amended from time to time (the "Memorial City Area"); to promote, develop, encourage and maintain housing, educational facilities, employment, commerce and economic development in the City.

The Authority is further organized to aid, assist and act on behalf of the City and the Board of Directors of the Memorial City TIRZ:

- (a) in the implementation of the Project Plan and the Reinvestment Zone Financing Plan for the Memorial City TIRZ and the preparation and implementation of amendments thereto;
- (b) in the development of a policy to finance development of residential, commercial and public properties in the Memorial City Area; and
- (c) in the development and implementation of a development policy for the Memorial City Area, including the acquisition of land for development purposes.

The Authority is formed pursuant to the provisions of Subchapter D of Chapter 431, Texas Transportation Code (the "Act"), as it now or may hereafter be amended, and Chapter 394, Texas Local Government Code, which authorizes the Authority to assist and act on behalf of the City and to engage in activities in the furtherance of the purposes for its creation, provided that the Authority shall not be authorized to make or acquire home mortgages, or to make loans to lending institutions, the proceeds of which are to be used to make home mortgages or to make loans on residential developments.

EXHIBIT

The Authority shall have and exercise all of the rights, powers, privileges, authority, and functions given by the general laws of Texas to non-profit corporations incorporated under the Act including, without limitation, Article 1396, Vernon's Texas Civil Statutes.

The Authority shall have all other powers of a like or different nature not prohibited by law which are available to non-profit corporations in Texas and which are necessary or useful to enable the Authority to perform the purposes for which it is created, including the power to issue bonds, notes or other obligations, and otherwise exercise its borrowing power to accomplish the purposes for which it was created, provided that the Authority shall not issue bonds without the consent of the City Council of the City.

The Authority is created as a local government corporation pursuant to the Act and shall be a governmental unit within the meaning of Subdivision (2), Section 101.001, Texas Civil Practice and Remedies Code. The operations of the Authority are governmental and not proprietary functions for purposes of the Texas Tort Claims Act, Section 101.001 et seq., Texas Civil Practice and Remedies Code. The Authority shall have the power to acquire land in accordance with the Act as amended from time to time.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Appointment, Classes, Powers, Number, and Term of Office. All powers of the Authority shall be vested in the Board of Directors (the "Board"). The Board shall initially consist of five (5) persons. The Directors on the Board shall be increased to the number of directors on the board of the Memorial City TIRZ in the event such board is increased to more than five (5) directors. Directors of the Authority ("Director" or Directors") shall be appointed by position to the Board by the Mayor of the City with the consent and approval of the City Council of the City and shall be the same persons appointed to the corresponding positions of the board of the Memorial City TIRZ. Appointment of a person to the corresponding position of the board of the Memorial City TIRZ by the City shall constitute appointment of such person to the corresponding position of the Board by the City. Each taxing unit, who appoints or designates a director to the Memorial City TIRZ shall be assigned a position number on the Board corresponding to the position number of that appointee on the board of the Memorial City TIRZ. Appointment of a person to the corresponding position of the board of the Memorial City TIRZ by any taxing unit shall constitute nomination of such person to the corresponding position of the Board by such taxing unit. The Chairman of the Board shall always be appointed by the Mayor of the City.

Each Director shall serve for a term which expires on the date set forth below for the position to which such person was appointed, or until his or her successor is appointed by the City unless such Director has been appointed to fill an unexpired term in which case the term of the Director shall expire on the expiration date of the term of the Director whose position he or she was appointed to fill. Any Director may be removed from office at any time, with or without cause, by the City Council. The number of Directors may only be increased or decreased by an amendment to the Bylaws with the consent of the City Council of the City, except when the number of Directors is

EXHIBIT

B

increased due to an increase in the number of directors on the board of the Memorial City TIRZ, consent of the City Council of the City is not required.

The term of each position shall be coterminous with the term of the corresponding position on the board of the Memorial City TIRZ as established by City Ordinance No. 1999-759, as may be amended from time to time.

If any of the following persons are not serving as a member of the Board, he or she, or his or her designee, shall serve as an ex-officio, non-voting member of the Board:

- (1) Chief of Staff, Mayor's Office;
- (2) Director of the City Department of Public Works and Engineering;
- (3) City Attorney;
- (4) Director of the City Planning and Development Department;
- (5) Chairman of the Board of the Metropolitan Transit Authority of Harris County; and
- (6) Chair of the City Council Fiscal Affairs and Management Initiatives Committee.

Any person designated as an ex-officio member of the Board is entitled to notice of and to attend meetings of the Board.

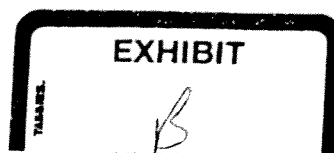
In addition, the Board of Directors of the Authority may designate one or more representatives of the Spring Branch Independent School District, Harris County, Houston Community College or other political subdivisions as ex officio, non-voting members of the Board of Directors.

Section 2. Meetings of Directors. The Directors may hold their meetings and may have an office and keep the books of the Authority at such place or places within the City as the Board may from time to time determine; provided, however, in the absence of any such determination, such place shall be the registered office of the Authority in the State of Texas.

The Board shall meet in accordance with and file notice of each meeting of the Board for the same length of time and in the same manner and location as is required of a City under Chapter 551, Texas Government Code (the "Open Meetings Act").

The Authority, the Board, and any committee of the Board exercising the powers of the Board are subject to Chapter 552, Texas Government Code (the "Open Records Act").

Section 3. Annual Meetings. The annual meeting of the Board shall be held at the time and at the location in the City designated by the resolution of the Board for the purposes of transacting such business as may be brought before the meeting.



Section 4. Regular Meetings. Regular meetings of the Board shall be held at such times and places as shall be designated, from time to time, by resolution of the Board.

Section 5. Special and Emergency Meetings. Special and emergency meetings of the Board shall be held whenever called by the Chairperson of the Board or the Secretary or by a majority of the Directors who are serving duly appointed terms of office at the time the meeting is called.

The Secretary shall give notice of each special meeting in person, by telephone, facsimile, mail or telegraph at least three (3) days before the meeting to each Director and to the public in compliance with the Open Meetings Act. Notice of each emergency meeting shall also be given in the manner required of the City under Section 551.045 of the Open Meetings Act. Unless otherwise indicated in the notice thereof, any and all matters pertaining to the purposes of the Authority may be considered and acted upon at a special or emergency meeting. At any meeting at which every Director shall be present, even though without any notice, any matter pertaining to the purposes of the Authority may be considered and acted upon to the extent allowed by the Open Meetings Act.

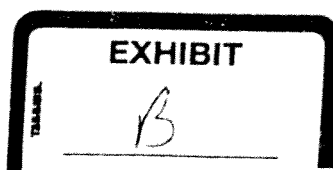
Section 6. Quorum. A majority of the Board then appointed and serving shall constitute a quorum for the consideration of matters pertaining to the purposes of the Authority. If at any meeting of the Board there is less than a quorum present, a majority of those present may adjourn the meeting from time to time. The act of a majority of the Directors present and voting at a meeting at which a quorum is in attendance shall constitute the act of the Board, unless the act of a greater number is required by law, by the Articles of Incorporation, or by these Bylaws.

A Director who is present at a meeting of the Board at which any corporate action is taken shall be presumed to have assented to such action unless his dissent or abstention shall be entered in the minutes of the meeting or unless he shall file his written dissent or abstention to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent or abstention by registered mail to the Secretary of the Authority immediately after the adjournment of the meeting. Such right to dissent or abstain shall not apply to a Director who voted in favor of the action.

Section 7. Conduct of Business. At the meetings of the Board, matters pertaining to the purposes of the Authority shall be considered in such order as from time to time the Board may determine.

At all meetings of the Board, the Chairperson shall preside, and in the absence of the Chairperson, the Vice Chairperson shall preside. In the absence of the Chairperson and the Vice Chairperson, a chairperson shall be chosen by the Board from among the Directors present.

The Secretary of the Authority shall act as secretary of all meetings of the Board, but in the absence of the Secretary, the presiding officer may appoint any person to act as secretary of the meeting.



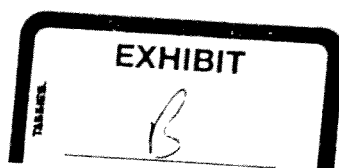
Section 8. Executive Committee, Other Committees. The Board may, by resolution passed by a majority of the Directors, designate three (3) or more Directors to constitute an executive committee or other type of committee. To the extent provided in the authorizing resolution, a committee shall have and may exercise all of the authority of the Board in the management of the Authority, except where action of the Board is specified by statute. A committee shall act in the manner provided in the authorizing resolution. Each committee so designated shall keep regular minutes of the transactions of its meetings and shall cause such minutes to be recorded in books kept for that purpose in the office of the Authority, and shall report the same to the Board from time to time. Committees authorized to exercise the powers of the Board shall give notice of any meeting in the manner required for a meeting of the Board.

Section 9. Compensation of Directors. Directors, as such, shall not receive any salary or compensation for their services as Directors; provided, that nothing contained herein shall be construed to preclude any Director from receiving compensation which is not excessive and which is at commercially reasonable rates for personal services (rendered in other than a "Director" capacity) which are reasonable and necessary in carrying out the Authority's purposes.

Section 10. Board of Advisory Directors. The Board may establish a Board of Advisory Directors composed of members who are, in the judgment of the Board, qualified to advise with respect to the activities of the Authority. Members of the Board of Advisory Directors shall serve for a term of one (1) year or such longer term as may be fixed by the Board, not to exceed four (4) years. Advisory Directors may be removed by the Board at any time with or without cause. The number of members of the Board of Advisory Directors shall be fixed from time to time by the Board. The officers and Directors of the Authority may consult with the Board of Advisory Directors from time to time with respect to the activities of the Authority but the Board of Advisory Directors shall in no way restrict the powers of the Board nor limit its responsibilities or obligations. The Board of Advisory Directors shall have no responsibility for the management of the affairs of the Authority. Advisory Directors shall not receive any salary or compensation for their services as Advisory Directors; provided, that nothing contained herein shall be construed to preclude any Advisory Director from receiving compensation which is not excessive and which is at commercially reasonable rates for personal services (rendered in other than an "Advisory Director" capacity) which are reasonable and necessary in carrying out the Authority's purposes.

Section 11. Director's Reliance on Consultant Information. A Director shall not be liable if while acting in good faith and with ordinary care, he relies on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Authority or another person, that were prepared or presented by:

- (a) one or more other officers or employees of the Authority;
- (b) legal counsel, public accountants, or other persons as to matters the officer reasonably believes are within the person's professional or expert competence; or
- (c) a committee of the Board of which the Director is not a member.



ARTICLE III

OFFICERS

Section 1. Titles and Term of Office. The officers of the Authority shall be a chairperson of the Board, one or more vice chairpersons of the Board, a president, one or more vice presidents, a secretary, a treasurer, and such other officers as the Board may from time to time elect or appoint. One person may hold more than one office, except that neither the Chairperson of the Board nor the President shall hold the office of Secretary. The term of office for each officer (other than the Chairperson) shall commence on the date of such officer's election and terminate on the earlier of: two (2) years; the date that the officer is replaced by the board; or, if the officer is a member of the Board, the date that the officer is no longer a member of the Board. The Chairperson shall serve for the term designated by the Mayor of the City.

All officers (other than the Chairperson) shall be subject to removal, with or without cause, at any time by a vote of a majority of the whole Board then appointed and serving.

A vacancy in the office of any officer (other than the Chairperson) shall be filled by the Board.

Section 2. Powers and Duties of the Chairperson. The Chairperson shall be a member of the Board and shall preside at all meetings of the Board. The Chairperson shall be designated by the Mayor of the City. He or she shall have such duties as are assigned by the Board. The Chairperson may call special or emergency meetings of the Board.

Section 3. Powers and Duties of the Vice Chairperson. The Vice Chairperson shall be a member of the Board. The Vice Chairperson shall perform the duties and exercise the powers of the Chairperson upon the Chairperson's death, absence, disability, or resignation, or upon the Chairperson's inability to perform the duties of his or her office. Any action taken by the Vice Chairperson in the performance of the duties of the Chairperson shall be conclusive evidence of the absence or inability to act of the Chairperson at the time such action was taken.

Section 4. Powers and Duties of the President. The President shall be the principal executive officer of the Authority and, subject to the Board, he or she shall be in general charge of the properties and affairs of the Authority. In furtherance of the purposes of the Authority and subject to the limitations contained in the Articles of Incorporation, the President, Chairperson, or Vice Chairperson may sign and execute all bonds, notes, deeds, conveyances, franchises, assignments, mortgages, notes, contracts and other obligations in the name of the Authority.

Section 5. Vice Presidents. A Vice President shall have such powers and duties as may be assigned to him or her by the Board or the President, including the performance of the duties of the President upon the death, absence, disability, or resignation of the President, or upon the President's inability to perform the duties of his or her office. Any action taken by the Vice President

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in the performance of the duties of the President shall be conclusive evidence of the absence or inability to act of the President at the time such action was taken.

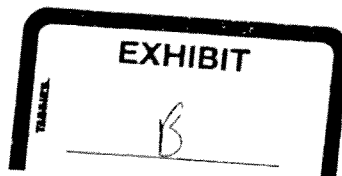
Section 6. Treasurer. The Treasurer shall have custody of all the funds and securities of the Authority which come into his or her hands. When necessary or proper, he or she may endorse, on behalf of the Authority, for collection, checks, notes and other obligations and shall deposit the same to the credit of the Authority in such bank or banks or depositories as shall be designated in the manner prescribed by the Board; he or she may sign all receipts and vouchers for payments made to the Authority, either alone or jointly with such other officer as is designated by the Board; whenever required by the Board, he or she shall render a statement of his or her case account; he or she shall enter or cause to be entered regularly in the books of the Authority to be kept by him or her for that purpose full and accurate accounts of all moneys received and paid out on account of the Authority; he or she shall perform all acts incident to the position of Treasurer subject to the control of the Board; and he or she shall, if required by the Board, give such bond for the faithful discharge of his or her duties in such form as the Board may require.

Section 7. Secretary. The Secretary shall keep the minutes of all meetings of the Board in books provided for that purpose; he or she shall attend to the giving and serving of all notices; in furtherance of the purposes of the Authority and subject to the limitations contained in the Articles of Incorporation, he or she may sign with the President in the name of the Authority and/or attest the signatures thereof, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Authority; he or she shall have charge of the Authority's books, records, documents and instruments, except the books of account and financial records and securities of which the Treasurer shall have custody and charge, and such other books and papers as the Board may direct, all of which shall at all reasonable times be open to the inspection of any Director upon application at the office of the Authority during business hours; and, he or she shall in general perform all duties incident to the office of Secretary subject to the control of the Board.

Section 8. Compensation. Officers may be entitled to receive such salary or compensation for personal services which are necessary and reasonable in carrying out the Authority's purposes as the Board may from time to time determine, provided, that in no event shall the salary or compensation be excessive. Board members, even in their capacity as officers, are not entitled to compensation except as otherwise provided in Article II, Section 9.

Section 9. Officer's Reliance on Consultant Information. In the discharge of a duty imposed or power conferred on an officer of the Authority, the officer may in good faith and with ordinary care rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Authority or another person, that were prepared or presented by:

- (a) one or more other officers or employees of the Authority, including members of the Board; or
- (b) legal counsel, public accountants, or other persons as to matters the officer reasonably believes are within the person's professional or expert competence.



ARTICLE IV

MISCELLANEOUS PROVISIONS

Section 1. Fiscal Year. The fiscal year of the Authority shall begin July 1 of each year.

Section 2. Seal. The seal of the Authority shall be such as from time to time may be approved by the Board.

Section 3. Notice and Waiver of Notice. Whenever any notice whatever, other than public notice of a meeting given to comply with the Open Meetings Act, is required to be given under the provisions of these Bylaws, such notice shall be deemed to be sufficient if given by depositing the same in a post office box in a sealed postpaid wrapper addressed to the person entitled thereto at his or her post office address, as it appears on the books of the Authority, and such notice shall be deemed to have been given on the day of such mailing. A waiver of notice, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

Section 4. Resignations. Any Director, officer or Advisory Director may resign at any time. Such resignations shall be made in writing and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the President or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 5. Gender. References herein to the masculine gender shall also refer to the feminine in all appropriate cases and vice versa.

Section 6. Appropriations and Grants. The Authority shall have the power to request and accept any appropriation, grant, contribution, donation, or other form of aid from the federal government, the State, any political subdivision, or municipality in the State, or from any other source.

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ARTICLE V

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1. Right to Indemnification. Subject to the limitations and conditions as provided in this Article V and the Articles of Incorporation, each person who was or is made a party or is threatened to be made a party to or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitative or investigative (hereinafter a "proceeding"), or any appeal in such a proceeding or any inquiry or investigation that could lead to such a proceeding, by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a Director or officer of the Authority or while a Director or officer of the Authority is or was serving at the request of the Authority as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise shall be indemnified by the Authority to the fullest extent permitted by the Texas Non-Profit Corporation Act, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Authority to provide broader indemnification rights than said law permitted the Authority to provide prior to such amendment) against judgments, penalties (including excise and similar taxes and punitive damages), fines, settlements and reasonable expenses (including, without limitation, attorneys' fees) actually incurred by such person in connection with such proceeding, and indemnification under this Article V shall continue as to a person who has ceased to serve in the capacity which initially entitled such person to indemnity hereunder. The rights granted pursuant to this Article V shall be deemed contract rights, and no amendment, modification or repeal of this Article V shall have the effect of limiting or denying any such rights with respect to actions taken or proceedings arising prior to any such amendment, modification or repeal. It is expressly acknowledged that the indemnification provided in this Article V could involve indemnification for negligence or under theories of strict liability.

Section 2. Advance Payment. The right to indemnification conferred in this Article V shall include the right to be paid in advance or reimbursed by the Authority the reasonable expenses incurred by a person of the type entitled to be indemnified under Section 1 who was, is or is threatened to be made a named defendant or respondent in a proceeding in advance of the final disposition of the proceeding and without any determination as to the person's ultimate entitlement to indemnification; provided, however, that the payment of such expenses incurred by any such person in advance of the final disposition of a proceeding, shall be made only upon delivery to the Authority of a written affirmation by such Director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification under this Article V and a written undertaking, by or on behalf of such person, to repay all amounts so advanced if it shall ultimately be determined that such indemnified person is not entitled to be indemnified under this Article V or otherwise.

Section 3. Indemnification of Employees and Agents. The Authority, by adoption of a resolution of the Board, may indemnify and advance expenses to an employee or agent of the Authority to the same extent and subject to the same conditions under which it may indemnify and advance expenses to Directors and officers under this Article V; and the Authority may indemnify

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and advance expenses to persons who are not or were not Directors, officers, employees or agents of the Authority but who are or were serving at the request of the Authority as a Director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise against any liability asserted against him or her and incurred by him or her in such a capacity or arising out of his or her status as such a person to the same extent that it may indemnify and advance expenses to Directors under this Article V.

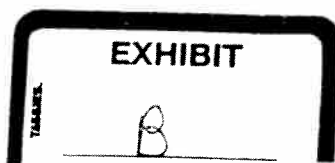
Section 4. Appearance as a Witness. Notwithstanding any other provision of this Article V, the Authority may pay or reimburse expenses incurred by a Director or officer in connection with his or her appearance as a witness or other participation in a proceeding involving the Authority or its business at a time when he or she is not a named defendant or respondent in the proceeding.

Section 5. Non-exclusivity of Rights. The right to indemnification and the advancement and payment of expenses conferred in this Article V shall not be exclusive of any other right which a Director or officer or other person indemnified pursuant to Section 3 of this Article V may have or hereafter acquire under any law (common or statutory), provision of the Articles of Incorporation of the Authority or these Bylaws, agreement, vote of shareholders or disinterested Directors or otherwise.

Section 6. Insurance. The Authority may purchase and maintain insurance, at its expense, to protect itself and any person who is or was serving as a Director, officer, employee or agent of the Authority or is or was serving at the request of the Authority as a Director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, proprietorship, employee benefit plan, trust or other enterprise against any expense, liability or loss, whether or not the Authority would have the power to indemnify such person against such expense, liability or loss under this Article V.

Section 7. Notification. Any indemnification of or advance of expenses to a Director or officer in accordance with this Article V shall be reported in writing to the members of the Board with or before the notice of the next regular meeting of the Board and, in any case, within the 12-month period immediately following the date of the indemnification or advance.

Section 8. Savings Clause. If this Article V or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Authority shall nevertheless indemnify and hold harmless each Director, officer or any other person indemnified pursuant to this Article V as to costs, charges and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, to the full extent permitted by any applicable portion of this Article V that shall not have been invalidated and to the fullest extent permitted by applicable law.



ARTICLE VI

PROVISIONS RELATING TO MINORITY CONTRACTING

The Authority shall attempt to stimulate the growth of disadvantaged businesses inside the City by encouraging the full participation of disadvantaged businesses in all phases of its procurement activities and affording those disadvantaged businesses a full and fair opportunity to compete for Authority contracts. The Authority shall establish one or more programs designed to increase participation by disadvantaged businesses in contract awards which will conform to City approved programs. Any program established by the Authority shall provide that disadvantaged businesses certified by the City shall be the disadvantaged businesses certified for Authority contracts.

ARTICLE VII

CODE OF ETHICS

Section 1. Policy and Purposes.

(a) It is the policy of the Authority that Directors and officers conduct themselves in a manner consistent with sound business and ethical practices; that the public interest always be considered in conducting corporate business; that the appearance of impropriety be avoided to ensure and maintain public confidence in the Authority; and that the Board establish policies to control and manage the affairs of the Authority fairly, impartially, and without discrimination.

(b) This Code of Ethics has been adopted as part of the Authority's Bylaws for the following purposes: (a) to encourage high ethical standards in official conduct by Directors and corporate officers; and (b) to establish guidelines for such ethical standards of conduct.

Section 2. Conflicts of Interest.

(a) Except as provided in subsection (c), a Director or officer is prohibited from participating in a vote, decision, or award of a contract involving a business entity or real property in which the Director or the officer has a substantial interest, if it is foreseeable that the business entity or real property will be economically benefited by the action. A person has a substantial interest in a business (i) if his or her ownership interest is ten percent or more of the voting stock or shares of the business entity or ownership of \$15,000 or more of the fair market value of the business entity, or (ii) if the business entity provides more than ten percent of the person's gross income. A person has a substantial interest in real property if the interest is an equitable or legal ownership with a fair market value of \$2,500 or more. An interest of a person related in the second degree by affinity or the third degree by consanguinity to a Director or officer is considered a substantial interest.

(b) If a Director or a person related to a Director in the first or second degree by affinity or the first, second, or third degree by consanguinity has a substantial interest in a business entity or

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real property that would be pecuniarily affected by any official action taken by the Board, such Director, before a vote or decision on the matter, shall file an affidavit stating the nature and extent of the interest. The affidavit shall be filed with the Secretary of the Board.

(c) A Director who has a substantial interest in a business entity that will receive a pecuniary benefit from an action of the Board may vote on that action if a majority of the Board has a similar interest in the same action or if all other similar business entities in the Authority will receive a similar pecuniary benefit.

(d) An employee of a public entity may serve on the Board.

Section 3. Acceptance of Gifts. No Director or officer shall accept any benefit as consideration for any decision, opinion, recommendation, vote or other exercise of discretion in carrying out official acts for the Authority. No Director or officer shall solicit, accept, or agree to accept any benefit from a person known to be interested in or likely to become interested in any contract, purchase, payment, claim or transaction involving the exercise of the Director's or officer's discretion. As used here, "benefit" does not include:

(a) a fee prescribed by law to be received by a Director or officer or any other benefit to which the Director or officer is lawfully entitled or for which he gives legitimate consideration in a capacity other than as a Director or officer;

(b) a gift or other benefit conferred on account of kinship or a personal, professional, or business relationship independent of the official status of the Director or officer;

(c) an honorarium in consideration for legitimate services rendered above and beyond official duties and responsibilities if:

(1) not more than one honorarium is received from the same person in a calendar year;

(2) not more than one honorarium is received for the same service; and

(3) the value of the honorarium does not exceed \$250 exclusive of reimbursement for travel, food, and lodging expenses incurred by the Director or officer in performance of the services;

(d) a benefit consisting of food, lodging, transportation, or entertainment accepted as a guest is reported as may be required by law.

Section 4. Bribery. A Director or officer shall not intentionally or knowingly offer, confer or agree to confer on another, or solicit, accept, or agree to accept from another:

(a) any benefit as consideration for the Director's or officer's decision, opinion, recommendation, vote, or other exercise of discretion as a Director or officer;

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(b) any benefit as consideration for the Director's or officer's decision, vote, recommendation, or other exercise of official discretion in a judicial or administrative proceeding; or

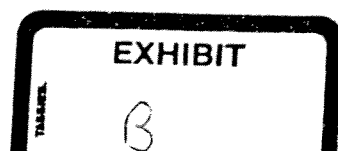
(c) any benefit as consideration for a violation of a duty imposed by law on the Director or officer.

Section 5. Nepotism. No Director or officer shall appoint, or vote for, or confirm the appointment to any office, position, clerkship, employment or duty, of any person related within the second degree by affinity (marriage relationship) or within the third degree of consanguinity (blood relationship) to the Director or officer so appointing, voting or confirming, or to any other Director or officer. This provision shall not prevent the appointment, voting for, or confirmation of any person who shall have been continuously employed in any such office, position, clerkship, employment or duty at least thirty (30) days prior to the appointment of the Director or officer so appointing or voting.


ARTICLE VIII

AMENDMENTS

A proposal to alter, amend, or repeal these Bylaws shall be made by the affirmative vote of a majority of the full Board then appointed and serving at any annual or regular meeting, or at any special meeting if notice of the proposed amendment be contained in the notice of said special meeting. However, any proposed change or amendment to the Bylaws must be approved by the City Council of the City to be effective.



REQUEST FOR COUNCIL ACTION

TO: Mayor via City Secretary		RCA #	
SUBJECT: Adoption of a resolution to approve the creation of the Memorial City Redevelopment Authority.		Category #	Page 1 of 1
FROM: (Department or other point of origin): Planning & Development Department		Origination Date 7/10/2002	Agenda Date
DIRECTOR'S SIGNATURE: 		Council Districts affected: District A - Bruce Tatro District G - Bert Keller	
For additional information contact: Robert M. Litke Phone: 837-7708 Bill Calderon Phone: 837-7787		Date and identification of prior authorizing Council Action: 7/21/1999 Ord. 1999-0759 8/11/1999 Ord. 1999-0852	

RECOMMENDATION: (Summary)

That City Council adopt a resolution to approve the creation of the Memorial City Redevelopment Authority.

Amount of Funding: Not Applicable	F & A Budget:
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SOURCE OF FUNDING: General Fund Grant Fund Enterprise Fund
 Other (Specify)

SPECIFIC EXPLANATION:

On July 21, 1999, City Council created the Memorial City Reinvestment Zone to promote the redevelopment of the Memorial City Mall, Town & Country Mall, and the Katy Frwy./Beltway 8 commercial corridor areas. Subsequently, on August 11, 1999, City Council approved the TIRZ Project Plan and Reinvestment Zone Financing Plan. The proposed Redevelopment Authority is a local government corporation and would be the same as the model used for Lamar Terrace/St. George Place, Midtown, Main St./Market Square, Memorial Heights, OST/Alameda Corridors, Gulfgate, South Post Oak, Greater Greenspoint, City Park, Old Sixth Ward, Fourth Ward, East Downtown, Uptown, Fifth Ward, Upper Kirby, and Southwest Houston TIRZs.

Creation of this authority will provide greater efficiency in administering the Memorial City TIRZ through a contractual relationship between the City, the TIRZ, and the Memorial City Redevelopment Authority. The Board of Directors of the Authority will be the same as the Board of the TIRZ. The contract between the parties will be the subject of a future Council action.

cc: Agenda Director
 City Attorney
 City Secretary

REQUIRED AUTHORIZATION

F&A Director
 F&A 011.A Rev. 5/11/98

City of Houston, Texas, Ordinance No. 1999-759

AN ORDINANCE DESIGNATING A CONTIGUOUS GEOGRAPHIC AREA WITHIN THE CITY OF HOUSTON GENERALLY BOUNDED BY SAM HOUSTON TOLLWAY ON THE WEST, WESTVIEW AND PINE LAKE ON THE NORTH, BUNKER HILL DRIVE ON THE EAST AND BARRYKNOLL DRIVE, PERTSHIRE ROAD AND MEMORIAL DRIVE ON THE SOUTH (MEMORIAL CITY AREA) AS A REINVESTMENT ZONE 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; PROVIDING A SEVERABILITY CLAUSE; AND DECLARING AN EMERGENCY.

* * * * *

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 for the creation of a proposed reinvestment zone within a contiguous area of the City known as the Memorial City area (the "proposed zone"), which provides that City of Houston 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, prior to May 31, 1999, provided written notice of the City's intention to create the proposed zone, complying with the requirements of Chapter 311, Texas Tax Code, to the governing bodies of all other taxing units levying taxes on property within the proposed zone; and

WHEREAS, a notice of the June 22, 1999, public hearing on the creation of the proposed zone was published on June 15, 1999, in the Houston Chronicle, a newspaper

of general circulation in the City, and a notice of the continuation of the June 22, 1999, public hearing, held on July 8, 1999, was published on June 30, 1999, in the Houston Chronicle; and

WHEREAS, Harris County, pursuant to Section 311.003, Texas Tax Code, has waived the Tax Code requirement that it receive notice of the City's intention to create the zone sixty (60) days before the public hearing on the creation of the proposed zone; and

WHEREAS, the Spring Branch Independent School District, pursuant to Section 311.003, Texas Tax Code, has waived the requirement that it receive notice of the City's intention to create the proposed zone sixty (60) days before public hearing on the creation of the proposed zone; and

WHEREAS, at the public hearing on June 22, 1999 and its continuation on July 8, 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 and opposed to the creation of the proposed zone and its proposed boundaries under the provisions of Chapter 311, Texas Tax Code; and

WHEREAS, no owner of real property in the proposed zone protested the inclusion of his 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 property in the proposed zone and all other reinvestment zones previously created by the City is approximately \$3,578,291,987; and

WHEREAS, the total appraised value of taxable real property in the City and in the industrial districts created by the City is approximately \$59,653,340,000; and

WHEREAS, the total appraised value of real property taxable by Harris County, in which the proposed zone is located, is approximately \$102,486,793,000; and

WHEREAS, the total appraised value of real property taxable by the Spring Branch Independent School District, within whose boundaries the proposed zone is located, is approximately \$8,938,504,000; and

WHEREAS, the total area within the proposed zone is approximately 656.70 acres, excluding property that is publicly owned; and

WHEREAS, approximately 6.567 acres of the property in the proposed zone is currently used for residential purposes, as that term is defined in Section 311.006(d) of the Texas Tax Code; **NOW, THEREFORE,**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, 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 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 substantially impairs and arrests the sound growth of the City, retards the provision of housing accommodations, constitutes an economic and social liability and is a menace to the public health, safety, morals, or welfare in its present condition and use because of the presence of:

- a. a substantial number of substandard, slum, deteriorated, or deteriorating structures ;
- b. the predominance of defective or inadequate sidewalk or street layout;
- c. faulty lot layout in relation to size, adequacy, accessibility or usefulness; and
- d. the deterioration of site or other improvements.

(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 Houston;
- (2) That less than ten percent of the property in the proposed zone is used for residential purposes within the meaning of Section 311.006(d), Texas Tax Code.
- (3) That the total appraised value of taxable real property in the proposed zone, and in existing reinvestment zones of the City, does not exceed fifteen percent of the total appraised value of taxable real property in the City and in industrial districts created by the City;
- (4) That the proposed zone does not contain more than fifteen percent of the total appraised value of real property taxable by Harris County or the Spring Branch Independent School District;
- (5) That development or redevelopment of the property within the boundaries of the proposed zone will not occur solely through private investment in the reasonably foreseeable future.

Section 2. Exception to Guidelines

That the City hereby excepts the proposed zone from compliance with any City reinvestment zone guidelines established by the City pursuant to Resolution No. 90-203 that are applicable to the proposed zone and that the zone does not satisfy. Section 1 of

Resolution No. 90-203 specifically authorizes the City Council to grant exceptions on a zone-by-zone basis.

Section 3. Designation of the Zone

That the City, acting under the provisions of Chapter 311, Texas Tax Code (the "Act"), including Section 311.005(a), does hereby designate as a reinvestment zone, and create and designate a reinvestment zone over, the area depicted on the map attached hereto as Exhibit "A" and described in Exhibit "B" attached hereto and incorporated herein to promote the development of the area. The reinvestment zone shall hereafter be named for identification as Reinvestment Zone Number 1 SEVENTEEN, City of Houston, Texas, (the "Zone").

Section 4. Board of Directors

That there is hereby created a Board of Directors for the Zone, which shall consist of seven (7) members. Positions One through Five on the Board of Directors shall be reserved for the City. Positions Six and Seven 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 appointment is received by the City. 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 the position, which shall be filled as provided below.

¹ Sequential number of Reinvestment Zone to be inserted by City Secretary upon effective date of ordinance in accordance with Chapter 311, Texas Tax Code.

If more than two taxing units levying taxes within the Zone appoint a director, the number of directors on the Board of Directors shall be increased by one for each taxing unit above two that appoints a director to the board, provided, if more than four taxing units levying taxes within the Zone appoint a director, the number of directors on the Board of Directors shall be increased by two for each taxing unit above four that appoints a director to the board, provided, further, that the maximum number of directors shall not exceed fifteen (15). The City shall be entitled to appoint a person to one position of each of the two positions created as a result of more than four taxing units appointing directors, which position shall be filled as provided below.

The Mayor is hereby authorized to nominate and appoint the directors to Positions One through Five of the Board of Directors, any position unfilled on January 1, 2000, and any City position created by the appointment of a director by more than two taxing units levying taxes within the Zone, subject to the consent and approval of the City Council.

The following persons are hereby appointed as initial directors to the Board of Directors of the Zone in the position specified below:

<u>Position</u>	<u>Name</u>
1	Charles S. Turet, Jr.
2	Ron Height
3	Diane M. Daleo
4	James R. Jard
5	Terry S. Cheng

The directors appointed to odd-numbered positions shall be appointed for a two year term, 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 One is hereby designated to serve as the chair of the Board of Directors for a term beginning on the effective date of this Ordinance, and ending December 31, 1999. Thereafter, the Mayor shall annually nominate and appoint, subject to City Council approval, the member to serve as chair for a term of one year beginning January 1 of the following year. 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, pursuant to Section 311.010(a) of the Texas Tax Code hereby authorizes the Board of Directors to exercise all of the City's powers necessary to administer, manage or operate the Zone and to prepare the project plan and reinvestment zone financing plan, including the power to employ consultants, legal counsel and financial advisors, or enter into any reimbursement agreements with consultants, legal counsel and financial advisors payable solely from the Tax Increment Fund established pursuant to

Section 7 of this Ordinance, subject to the approval of the Director of the Planning and Development Department, that may be reasonably necessary or convenient to assist the Board of Directors in the administration, management or operation of the Zone and the preparation of the project plan and reinvestment zone financing plan. Notwithstanding the foregoing, the Board of Directors shall not be authorized to issue bonds, impose taxes or fees, exercise the power of eminent domain or give final approval to the project plan and reinvestment zone financing plan. The Board of Directors of the Zone may not exercise any power granted to the City by Section 311.008 of the Texas Tax Code without additional authorization from the City.

Section 5. Duration of the Zone

That the Zone shall take effect immediately upon the passage and approval 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, and the interest on the bonds, have been paid in full.

Section 6. Tax Increment Base

That the Tax Increment Base of the City or any other taxing unit participating in 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 is designated as a reinvestment zone (the "Tax Increment Base").

Section 7. 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 below, 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 and collected by the City or any other taxing unit participating in the Zone for that year on the captured appraised value, as defined by the Act, of real property located in the 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 the Act. All revenues from the sale of any tax increment bonds, notes, or other obligations hereafter issued by the City for the benefit of the Zone, 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 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 purposes pursuant to Section 311.010(b) of the Texas Tax Code.

Section 8. 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.

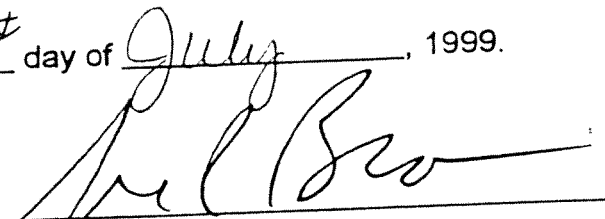
Section 9. Open Meetings

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 this 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 have 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 10. Emergency

There exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days of its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND APPROVED this 21st day of July, 1999.



Mayor of the City of Houston

DEA

(Prepared by Legal Dept. Michael H. Moss *SH*)
(MAM/mam July 13, 1999 Assistant City Attorney)
(Requested by Robert Litke, Director, Planning and Development Department)
L.D. No. 61-99059-02

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Memorial City TIRZ
Legal Description

BEGINNING AT A POINT located at the intersection of the east right-of-way line of Bunker Hill Road and the north right-of-way line of Old Katy Road, in the City of Houston, Harris County, Texas;

THENCE, in a southerly direction crossing Old Katy Road and Interstate Highway 10 along the east right-of-way line of Bunker Hill Road to the extension of the south right-of-way line of Barryknoll Drive;

THENCE, in a westerly direction following the south right-of-way line of Barryknoll Drive approximately 2,600 feet to a point at the east side of the H.C.F.C.D. easement;

THENCE in an southerly direction approximately 250 feet following the east line of the H.C.F.C.D. easement to a point;

THENCE, in a west northwesterly direction approximately 625 feet following the north line of Memorial Hollow Section 8, to a point on the south right-of-way line of Barryknoll Drive;

THENCE, in a westerly direction to the intersection of the south right-of-way line of Barryknoll Lane and the east right-of-way line of Plantation Road;

THENCE, in a southerly direction approximately 620 feet following the east right-of-way line of Plantation Road to a point;

THENCE, in a west northwesterly direction approximately 820 feet, along the north property line of Memorial Hollow Section 7, to a point on the west right-of-way line of Gessner Road;

THENCE, in a northerly direction approximately 600 feet following the west right-of-way line of Gessner Road, to the northeast corner of Memorial Hollow Section 6 Replat;

THENCE, in a westerly direction along the north property line of Memorial Hollow Section 6 Replat to the east right-of-way line Frostwood Drive;

THENCE, in a southerly direction approximately 60 feet along a curve to the left, being the east right-of-way line of Frostwood Drive;

THENCE, in a westerly direction approximately 450 feet along the north subdivision line to the northwest corner of Memorial Hollow Section 5 Replat;

THENCE, in a northerly direction approximately 1,395 feet to a point at the southeast corner of Benignus Acres;

THENCE in a westerly direction 800 feet to a point at the southwest corner of Benignus Acres;

THENCE in a southerly direction 2,795 feet to a point on the south right-of-way line of Perthshire Road;

THENCE in a west southwesterly direction 580 feet along a curve to the left, being the south and east right-of-way line of Perthshire Road;

THENCE in a westerly direction 220 feet along the north line of the Tallowood Town House Condos;

THENCE in a northerly direction approximately 750 feet along the east line of Fonn Villa Section 4 to a point on the south right-of-way line of Vindon Drive;

THENCE in a northerly direction approximately 1,650 feet along the west right-of-way line of Attingham Drive;

THENCE in a west southwesterly direction 1,340 feet along the north right-of-way line of Fonn Villas Section 6 to a point on the east right-of-way line of Town and Country Boulevard;

THENCE in a southerly direction 950 feet to a point on the north right-of-way line of Barryknoll Lane;

THENCE in an east northeasterly direction 870 feet along the north right-of-way line of Barryknoll Lane to a point on the east right-of-way line of Hallie Drive;

THENCE in a southerly direction 960 feet to a point on the south right-of-way line of Kimberly Lane;

THENCE in a westerly direction 770 feet to a point at the northeast corner of Fonn Villas Section 3;

THENCE in a southerly direction 1,885 feet to a point on the east right-of-way line of Memorial Drive;

THENCE in a westerly direction 100 feet to a point on the west right-of-way line of Memorial Drive;

THENCE in a north northwesterly direction 1,680 feet along a curve to the left, being the west and south side of Memorial Drive, to a point on the east right-of-way line of Sam Houston Tollway/Beltway 8;

THENCE in a northerly direction 6,660 feet along the east right-of-way line of Sam Houston Tollway/Beltway 8 to a point on the north side of the right-of-way line of Westview Drive;

THENCE in an easterly direction 2,890 feet along the north right-of-way line of Westview Drive to a point on the east right-of-way line of Shadowdale Drive;

THENCE in a southerly direction 610 feet along the east right-of-way line of Shadowdale Drive;

THENCE in an easterly direction 300 feet to a point on the west right-of-way line of Wisterwood Drive;

THENCE in a southerly direction 280 feet to a point on the west right-of-way line of Wisterwood Drive;

THENCE in an easterly direction 990 feet to a point on the west right-of-way line of Conrad Sauer Road;

THENCE in an northerly direction 100 feet to a point on the west right-of-way line of Conrad Sauer Road;

THENCE in an easterly direction 2,285 feet along the north side of the H.C.F.C.D. easement to a point on the east right-of-way line of Witte Road;

THENCE in a southerly direction 150 feet along the east right-of-way line of Witte Road;

THENCE in an easterly direction 1,605 feet along the south line of Spring Branch Woods Section 1;

THENCE in a northerly direction 20 feet;

THENCE in an easterly direction 300 feet to a point on the north side of the H.C.F.C.D. easement;

THENCE in a northerly direction 300 feet to a point on the north right-of-way line of Pine Lake Drive;

THENCE in a northeasterly direction 844 feet to a point on the east right-of-way line of Bunker Hill Road;

THENCE in a southerly direction 1,930' along the east right-of-way line of Bunker Hill Road to a point on the north right-of-way line of Old Katy Road;

THENCE in a westerly direction 165' to the POINT OF BEGINNING.

SAVE AND EXCEPT the subdivision known as Memorial Village Townhouses Section 1 and Memorial Village Townhouses Section 2, more particularly described by metes and bounds as follows;

BEGINNING at a point approximately 190 feet west along the north right-of-way of Barryknoll Lane from the intersection of Barryknoll Lane and the west right-of-way line of Bunker Hill Road;

THENCE, in a westerly direction approximately 570 feet along the north right-of-way of Barryknoll Lane to the southwest corner of Memorial Village Townhouses Section 2;

THENCE, in a northerly direction approximately 435 feet to a point for corner;

THENCE, in an easterly direction approximately 180 feet to a point for corner;

THENCE, in a northerly direction approximately 136 feet to a point for corner;

THENCE, in a westerly direction approximately 183 feet to a point for corner;

THENCE, in a northerly direction approximately 405 feet to the northeast corner of Memorial City Terrace Replat to a point for corner;

THENCE, in an easterly direction approximately 770 feet to a point in the west right-of-way line of Bunker Hill Road;

THENCE, in a southerly direction approximately 60 feet along the west right-of-way of Bunker Hill Road to a point for corner;

THENCE, in a westerly direction approximately 200 feet to a point for corner;

THENCE, in a southerly direction approximately 920 feet to the north right-of-way line on Barryknoll Lane and being the POINT OF BEGINNING.

AND SAVE AND EXCEPT a parcel of land abutting the Memorial Village Townhouses Section 1 and Memorial Village Townhouses Section 2 on the west, more particularly described by metes and bounds as follows;

BEGINNING at a point approximately 760 feet west of the northwest corner of the intersection of Barryknoll Drive and the west right-of-way line of Bunker Hill Drive,

THENCE in a southerly direction 20 feet to a point on the north right-of-way line of Barryknoll Drive;

THENCE in a westerly direction 528.47 feet;

THENCE in a northerly direction 996.56 feet;

THENCE in an easterly direction 528.47 feet;

THENCE in a southerly direction 976.29 feet TO THE POINT OF BEGINNING.

ROLL CALL VOTE

AYE	NO	
✓		MAYOR BROWN
••••	••••	COUNCIL MEMBERS
✓		TATRO
✓		YARBROUGH
✓		WONG
✓		BONEY
	✓	TODD
✓		DRISCOLL
	✓	KELLEY
✓		FRAGA
✓		CASTILLO
	✓	PARKER
ABSENT-ON PERSONAL BUSINESS		ROACH
	✓	SANCHEZ
✓		BELL
✓		ROBINSON
CAPTION	ADOPTED	

