

By: Coleman

H.B. No. 4703

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Harris County Improvement District No. 28; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3987 to read as follows:

CHAPTER 3987. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 28

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3987.0101. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "City" means the City of Houston.

(3) "County" means Harris County.

(4) "Director" means a board member.

(5) "District" means the Harris County Improvement District No. 28.

Sec. 3987.0102. NATURE OF DISTRICT. The Harris County Improvement District No. 28 is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 3987.0103. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter.

1       (b) By creating the district and in authorizing the city and  
2 other political subdivisions to contract with the district, the  
3 legislature has established a program to accomplish the public  
4 purposes set out in Section 52-a, Article III, Texas Constitution.

5       (c) The creation of the district is necessary to promote,  
6 develop, encourage, and maintain employment, commerce,  
7 transportation, housing, tourism, recreation, the arts,  
8 entertainment, economic development, safety, and the public  
9 welfare in the district.

10       (d) This chapter and the creation of the district may not be  
11 interpreted to relieve the city from providing the level of  
12 services provided as of the effective date of the Act enacting this  
13 chapter to the area in the district. The district is created to  
14 supplement and not to supplant city services provided in the  
15 district.

16       Sec. 3987.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

17       (a) All land and other property included in the district will  
18 benefit from the improvements and services to be provided by the  
19 district under powers conferred by Sections 52 and 52-a, Article  
20 III, and Section 59, Article XVI, Texas Constitution, and other  
21 powers granted under this chapter.

22       (b) The district is created to serve a public use and  
23 benefit.

24       (c) The creation of the district is in the public interest  
25 and is essential to further the public purposes of:

26               (1) developing and diversifying the economy of the  
27 state;

1           (2) eliminating unemployment and underemployment; and  
2           (3) developing or expanding transportation and  
3 commerce.

4           (d) The district will:

5           (1) promote the health, safety, and general welfare of  
6 residents, employers, potential employees, employees, visitors,  
7 and consumers in the district, and of the public;

8           (2) provide needed funding for the district to  
9 preserve, maintain, and enhance the economic health and vitality of  
10 the district territory as a community and business center;

11           (3) promote the health, safety, welfare, and enjoyment  
12 of the public by providing pedestrian ways and by landscaping and  
13 developing certain areas in the district, which are necessary for  
14 the restoration, preservation, and enhancement of scenic beauty;  
15 and

16           (4) provide for water, wastewater, drainage, road, and  
17 recreational facilities for the district.

18           (e) Pedestrian ways along or across a street, whether at  
19 grade or above or below the surface, and street lighting, street  
20 landscaping, parking, and street art objects are parts of and  
21 necessary components of a street and are considered to be a street  
22 or road improvement.

23           (f) The district will not act as the agent or  
24 instrumentality of any private interest even though the district  
25 will benefit many private interests as well as the public.

26           Sec. 3987.0105. INITIAL DISTRICT TERRITORY. (a) The  
27 district is initially composed of the territory described by

1 Section 2 of the Act enacting this chapter.

2 (b) The boundaries and field notes contained in Section 2 of  
3 the Act enacting this chapter form a closure. A mistake in the  
4 field notes or in copying the field notes in the legislative process  
5 does not affect the district's:

6 (1) organization, existence, or validity;

7 (2) right to issue any type of bonds for the purposes  
8 for which the district is created or to pay the principal of and  
9 interest on the bonds;

10 (3) right to impose or collect an assessment or tax; or

11 (4) legality or operation.

12 Sec. 3987.0106. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

13 All or any part of the area of the district is eligible to be  
14 included in:

15 (1) a tax increment reinvestment zone created under  
16 Chapter 311, Tax Code; or

17 (2) a tax abatement reinvestment zone created under  
18 Chapter 312, Tax Code.

19 Sec. 3987.0107. APPLICABILITY OF MUNICIPAL MANAGEMENT  
20 DISTRICTS LAW. Except as otherwise provided by this chapter,  
21 Chapter 375, Local Government Code, applies to the district.

22 Sec. 3987.0108. CONSTRUCTION OF CHAPTER. This chapter  
23 shall be liberally construed in conformity with the findings and  
24 purposes stated in this chapter.

25 SUBCHAPTER B. BOARD OF DIRECTORS

26 Sec. 3987.0201. GOVERNING BODY; TERMS. (a) The district is  
27 governed by a board of five voting directors who serve staggered

1 terms of four years, with two or three directors' terms expiring  
2 June 1 of each odd-numbered year.

3 (b) The board by resolution may change the number of voting  
4 directors on the board if the board determines that the change is in  
5 the best interest of the district. The board may not consist of  
6 fewer than 5 or more than 15 voting directors.

7 Sec. 3987.0202. APPOINTMENT OF VOTING DIRECTORS. The mayor  
8 and members of the governing body of the city shall appoint voting  
9 directors from persons recommended by the board. A person is  
10 appointed if a majority of the members of the governing body,  
11 including the mayor, vote to appoint that person.

12 Sec. 3987.0203. NONVOTING DIRECTORS. The board may appoint  
13 nonvoting directors to serve at the pleasure of the voting  
14 directors.

15 Sec. 3987.0204. QUORUM. For purposes of determining the  
16 requirements for a quorum of the board, the following are not  
17 counted:

18 (1) a board position vacant for any reason, including  
19 death, resignation, or disqualification;

20 (2) a director who is abstaining from participation in  
21 a vote because of a conflict of interest; or

22 (3) a nonvoting director.

23 Sec. 3987.0205. COMPENSATION. A director is entitled to  
24 receive fees of office and reimbursement for actual expenses as  
25 provided by Section 49.060, Water Code. Sections 375.069 and  
26 375.070, Local Government Code, do not apply to the board.

27 Sec. 3987.0206. INITIAL VOTING DIRECTORS. (a) The initial

1 board consists of the following voting directors:

2	<u>Pos. No.</u>	<u>Name of Director</u>
3	<u>1</u>	<u>_____</u>
4	<u>2</u>	<u>_____</u>
5	<u>3</u>	<u>_____</u>
6	<u>4</u>	<u>_____</u>
7	<u>5</u>	<u>_____</u>

8 (b) Of the initial directors, the terms of directors  
9 appointed for positions one through three expire June 1, 2021, and  
10 the terms of directors appointed for positions four and five expire  
11 June 1, 2023.

12 (c) Section 3987.0202 does not apply to this section.

13 (d) This section expires September 1, 2023.

14 SUBCHAPTER C. POWERS AND DUTIES

15 Sec. 3987.0301. GENERAL POWERS AND DUTIES. The district  
16 has the powers and duties necessary to accomplish the purposes for  
17 which the district is created.

18 Sec. 3987.0302. IMPROVEMENT PROJECTS AND SERVICES. (a) The  
19 district, using any money available to the district for the  
20 purpose, may provide, design, construct, acquire, improve,  
21 relocate, operate, maintain, or finance an improvement project or  
22 service authorized under this chapter or Chapter 375, Local  
23 Government Code.

24 (b) The district may contract with a governmental or private  
25 entity to carry out an action under Subsection (a).

26 (c) The implementation of a district project or service is a  
27 governmental function or service for the purposes of Chapter 791,

1 Government Code.

2 Sec. 3987.0303. NONPROFIT CORPORATION. (a) The board by  
3 resolution may authorize the creation of a nonprofit corporation to  
4 assist and act for the district in implementing a project or  
5 providing a service authorized by this chapter.

6 (b) The nonprofit corporation:

7 (1) has each power of and is considered to be a local  
8 government corporation created under Subchapter D, Chapter 431,  
9 Transportation Code; and

10 (2) may implement any project and provide any service  
11 authorized by this chapter.

12 (c) The board shall appoint the board of directors of the  
13 nonprofit corporation. The board of directors of the nonprofit  
14 corporation shall serve in the same manner as the board of directors  
15 of a local government corporation created under Subchapter D,  
16 Chapter 431, Transportation Code, except that a board member is not  
17 required to reside in the district.

18 Sec. 3987.0304. LAW ENFORCEMENT SERVICES. To protect the  
19 public interest, the district may contract with a qualified party,  
20 including the city, to provide law enforcement services in the  
21 district for a fee.

22 Sec. 3987.0305. MEMBERSHIP IN CHARITABLE ORGANIZATIONS.  
23 The district may join and pay dues to a charitable or nonprofit  
24 organization that performs a service or provides an activity  
25 consistent with the furtherance of a district purpose.

26 Sec. 3987.0306. ECONOMIC DEVELOPMENT PROGRAMS. (a) The  
27 district may engage in activities that accomplish the economic

1 development purposes of the district.

2 (b) The district may establish and provide for the  
3 administration of one or more programs to promote state or local  
4 economic development and to stimulate business and commercial  
5 activity in the district, including programs to:

6 (1) make loans and grants of public money; and

7 (2) provide district personnel and services.

8 (c) The district may create economic development programs  
9 and exercise the economic development powers provided to  
10 municipalities by:

11 (1) Chapter 380, Local Government Code; and

12 (2) Subchapter A, Chapter 1509, Government Code.

13 Sec. 3987.0307. PARKING FACILITIES. (a) The district may  
14 acquire, lease as lessor or lessee, construct, develop, own,  
15 operate, and maintain parking facilities or a system of parking  
16 facilities, including lots, garages, parking terminals, or other  
17 structures or accommodations for parking motor vehicles off the  
18 streets and related appurtenances.

19 (b) The district's parking facilities serve the public  
20 purposes of the district and are owned, used, and held for a public  
21 purpose even if leased or operated by a private entity for a term of  
22 years.

23 (c) The district's parking facilities are parts of and  
24 necessary components of a street and are considered to be a street  
25 or road improvement.

26 (d) The development and operation of the district's parking  
27 facilities may be considered an economic development program.



1       Sec. 3987.0308. ADDING OR EXCLUDING LAND. The district may  
2 add or exclude land in the manner provided by Subchapter J, Chapter  
3 49, Water Code, or by Subchapter H, Chapter 54, Water Code.

4       Sec. 3987.0309. DISBURSEMENTS AND TRANSFERS OF MONEY. The  
5 board by resolution shall establish the number of directors'  
6 signatures and the procedure required for a disbursement or  
7 transfer of district money.

8       Sec. 3987.0310. NO EMINENT DOMAIN POWER. The district may  
9 not exercise the power of eminent domain.

10                               SUBCHAPTER D. ASSESSMENTS

11       Sec. 3987.0401. PETITION REQUIRED FOR FINANCING SERVICES  
12 AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a  
13 service or improvement project with assessments under this chapter  
14 unless a written petition requesting that service or improvement  
15 has been filed with the board.

16       (b) A petition filed under Subsection (a) must be signed by  
17 the owners of a majority of the assessed value of real property in  
18 the district subject to assessment according to the most recent  
19 certified tax appraisal roll for the county.

20       Sec. 3987.0402. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
21 The board by resolution may impose and collect an assessment for any  
22 purpose authorized by this chapter in all or any part of the  
23 district.

24       (b) An assessment, a reassessment, or an assessment  
25 resulting from an addition to or correction of the assessment roll  
26 by the district, penalties and interest on an assessment or  
27 reassessment, an expense of collection, and reasonable attorney's

1 fees incurred by the district:

2 (1) are a first and prior lien against the property  
3 assessed;

4 (2) are superior to any other lien or claim other than  
5 a lien or claim for county, school district, or municipal ad valorem  
6 taxes; and

7 (3) are the personal liability of and a charge against  
8 the owners of the property even if the owners are not named in the  
9 assessment proceedings.

10 (c) The lien is effective from the date of the board's  
11 resolution imposing the assessment until the date the assessment is  
12 paid. The board may enforce the lien in the same manner that the  
13 board may enforce an ad valorem tax lien against real property.

14 (d) The board may make a correction to or deletion from the  
15 assessment roll that does not increase the amount of assessment of  
16 any parcel of land without providing notice and holding a hearing in  
17 the manner required for additional assessments.

18 SUBCHAPTER E. TAXES AND BONDS

19 Sec. 3987.0501. TAX ELECTION REQUIRED. The district must  
20 hold an election in the manner provided by Chapter 49, Water Code,  
21 or, if applicable, Chapter 375, Local Government Code, to obtain  
22 voter approval before the district may impose an ad valorem tax.

23 Sec. 3987.0502. OPERATION AND MAINTENANCE TAX. (a) If  
24 authorized by a majority of the district voters voting at an  
25 election under Section 3987.0501, the district may impose an  
26 operation and maintenance tax on taxable property in the district  
27 in the manner provided by Section 49.107, Water Code, for any

1 district purpose, including to:

2 (1) maintain and operate the district;

3 (2) construct or acquire improvements; or

4 (3) provide a service.

5 (b) The board shall determine the operation and maintenance  
6 tax rate. The rate may not exceed the rate approved at the  
7 election.

8 (c) Section 49.107(h), Water Code, does not apply to the  
9 district.

10 Sec. 3987.0503. AUTHORITY TO BORROW MONEY AND TO ISSUE  
11 BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on  
12 terms determined by the board.

13 (b) The district may issue bonds, notes, or other  
14 obligations payable wholly or partly from ad valorem taxes,  
15 assessments, impact fees, revenue, contract payments, grants, or  
16 other district money, or any combination of those sources of money,  
17 to pay for any authorized district purpose.

18 (c) The limitation on the outstanding principal amount of  
19 bonds, notes, or other obligations provided by Section 49.4645,  
20 Water Code, does not apply to the district.

21 Sec. 3987.0504. BONDS SECURED BY REVENUE OR CONTRACT  
22 PAYMENTS. The district may issue, without an election, bonds  
23 secured by:

24 (1) revenue other than ad valorem taxes, including  
25 contract revenues; or

26 (2) contract payments, provided that the requirements  
27 of Section 49.108, Water Code, have been met.

1       Sec. 3987.0505. BONDS SECURED BY AD VALOREM TAXES;  
2 ELECTIONS. (a) If authorized at an election under Section  
3 3987.0501, the district may issue bonds payable from ad valorem  
4 taxes.

5       (b) Section 375.243, Local Government Code, does not apply  
6 to the district.

7       (c) At the time the district issues bonds payable wholly or  
8 partly from ad valorem taxes, the board shall provide for the annual  
9 imposition of a continuing direct annual ad valorem tax, without  
10 limit as to rate or amount, for each year that all or part of the  
11 bonds are outstanding as required and in the manner provided by  
12 Sections 54.601 and 54.602, Water Code.

13       (d) All or any part of any facilities or improvements that  
14 may be acquired by a district by the issuance of its bonds may be  
15 submitted as a single proposition or as several propositions to be  
16 voted on at the election.

17       Sec. 3987.0506. CONSENT OF MUNICIPALITY REQUIRED. (a) The  
18 board may not issue bonds until each municipality in whose  
19 corporate limits or extraterritorial jurisdiction the district is  
20 located has consented by ordinance or resolution to the creation of  
21 the district and to the inclusion of land in the district.

22       (b) This section applies only to the district's first  
23 issuance of bonds payable from ad valorem taxes.

24       Sec. 3987.0507. CITY NOT REQUIRED TO PAY DISTRICT  
25 OBLIGATIONS. Except as provided by Section 375.263, Local  
26 Government Code, the city is not required to pay a bond, note, or  
27 other obligation of the district.

SUBCHAPTER I. DISSOLUTION

Sec. 3987.0901. DISSOLUTION. (a) The board shall dissolve the district on written petition filed with the board by the owners of:

(1) 66 percent or more of the assessed value of the property subject to assessment by the district based on the most recent certified county property tax rolls; or

(2) 66 percent or more of the surface area of the district, excluding roads, streets, highways, utility rights-of-way, other public areas, and other property exempt from assessment by the district according to the most recent certified county property tax rolls.

(b) The board by majority vote may dissolve the district at any time.

(c) The district may not be dissolved by its board under Subsection (a) or (b) if the district:

(1) has any outstanding bonded indebtedness until that bonded indebtedness has been repaid or defeased in accordance with the order or resolution authorizing the issuance of the bonds;

(2) has a contractual obligation to pay money until that obligation has been fully paid in accordance with the contract; or

(3) owns, operates, or maintains public works, facilities, or improvements unless the district contracts with another person for the ownership, operation, or maintenance of the public works, facilities, or improvements.

(d) Sections [375.261](#), [375.262](#), and [375.264](#), Local

1 Government Code, do not apply to the district.

2 SECTION 2. The Harris County Improvement District No. 28  
3 initially includes all territory contained in the following area:

4 Being a tract or parcel, containing 6.011 acres (261,835  
5 square feet) of land, situated in the John Austin Two League Grant,  
6 Abstract Number 1, City of Houston, Harris County, Texas, and being  
7 all of Unrestricted Reserve "A" and part of and out of Unrestricted  
8 Reserve "B", Block 1, CWA GILLETTE STREET, a plat of subdivision  
9 recorded under Film Code Number 657260, Map Records of Harris  
10 County, Texas (M.R.H.C.); also being all that certain called 6.011  
11 acres described in deed to Westcreek HTX Real Estate Partners-D,  
12 L.P. (herein referred to as the "Westcreek Tract"), as recorded  
13 under County Clerk's File (C.C.F.) Number 20150175209, Official  
14 Public Records of Real Property of Harris County, Texas  
15 (O.P.R.R.P.H.C.); the herein described 6.011 acre tract being more  
16 particularly described by metes and bounds as follows (bearings  
17 herein are grid bearings based on the Texas State Plane Coordinate  
18 System, South Central Zone, NAD 83, as evidenced on said  
19 subdivision plat of CWA GILLETTE STREET; distances are surface  
20 distances based on the U.S. Survey Foot and may be converted to grid  
21 by multiplying by a combined scale factor of 0.999890843):

22 BEGINNING at a 5/8-inch iron rod with plastic cap, stamped  
23 "TERRA SURVEYING", set marking the intersection of the south  
24 right-of-way (R.O.W.) line of Allen Parkway (public), based on a  
25 195-foot width, with the east R.O.W. line of Gillette Street  
26 (public), based on a 60-foot width; both street rights-of-way being  
27 part of and out of the remainder of that certain called 48.78 acres

1 described in deed to City of Houston, as recorded in Volume 372,  
2 Page 235, Deed Records of Harris County, Texas; also, the alignment  
3 of said street rights-of-way are depicted on City File Room  
4 Drawings 6064 and 9387 for Allen Parkway, and 8064 and 36778 for  
5 Gillette Street; said iron rod also marking the northwest corner of  
6 said Westcreek Tract, said Unrestricted Reserve "A", and the herein  
7 described tract;

8       THENCE, North 87°38'58" East, with the south R.O.W. line of  
9 said Allen Parkway, a distance of 387.79 feet to a 3/4-inch iron rod  
10 found marking the northwest corner of Reserve "A", Block 1, ALLEN  
11 PARKWAY VILLAGE, a plat of subdivision recorded under Film Code  
12 Number 428006, M.R.H.C.; said iron rod also marking the northeast  
13 corner of said Westcreek Tract, said Unrestricted Reserve "A", and  
14 the herein described tract, from which a 5/8-inch iron rod found for  
15 reference bears South 84°04' West, 2.40 feet;

16       THENCE, South 02°19'25" East, departing said south R.O.W.  
17 line with the west line of said Reserve "A", and the east line of  
18 said Westcreek Tract and said Unrestricted Reserve "A", at 373.40  
19 feet pass a 3/4-inch iron rod found marking the most easterly common  
20 corner of the aforesaid Unrestricted Reserves "A" and "B";  
21 continuing, with said west line, and the east line of said Westcreek  
22 Tract and said Unrestricted Reserve "B", a total distance of 675.57  
23 feet to a 5/8-inch iron rod with plastic cap, stamped "TERRA  
24 SURVEYING", set marking the southeast corner of said Westcreek  
25 Tract and the herein described tract;

26       THENCE, South 87°38'09" West, across said Unrestricted  
27 Reserve "B" with the south line of said Westcreek Tract, a distance

1 of 387.31 feet to a 5/8-inch iron rod with plastic cap, stamped  
2 "TERRA SURVEYING", set in the east R.O.W. line of the aforesaid  
3 Gillette Street and marking the southwest corner of said Westcreek  
4 Tract and the herein described tract;

5       THENCE, North 02°21'51" West, with the east R.O.W. line of  
6 said Gillette Street, at 418.66 feet pass the most westerly common  
7 corner of the aforesaid Unrestricted Reserves "A" and "B", from  
8 which a 3/4-inch iron rod found for reference bears South 87°38'58"  
9 West, 0.13 feet; continuing, a total distance of 675.66 feet to the  
10 POINT OF BEGINNING and containing 6.011 acres (261,835 square feet)  
11 of land.

12       SECTION 3. (a) The legal notice of the intention to  
13 introduce this Act, setting forth the general substance of this  
14 Act, has been published as provided by law, and the notice and a  
15 copy of this Act have been furnished to all persons, agencies,  
16 officials, or entities to which they are required to be furnished  
17 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
18 Government Code.

19       (b) The governor, one of the required recipients, has  
20 submitted the notice and Act to the Texas Commission on  
21 Environmental Quality.

22       (c) The Texas Commission on Environmental Quality has filed  
23 its recommendations relating to this Act with the governor,  
24 lieutenant governor, and speaker of the house of representatives  
25 within the required time.

26       (d) All requirements of the constitution and laws of this  
27 state and the rules and procedures of the legislature with respect



1 to the notice, introduction, and passage of this Act have been  
2 fulfilled and accomplished.

3         SECTION 4. This Act takes effect immediately if it receives  
4 a vote of two-thirds of all the members elected to each house, as  
5 provided by Section 39, Article III, Texas Constitution. If this  
6 Act does not receive the vote necessary for immediate effect, this  
7 Act takes effect September 1, 2019.