

ORDINANCE NO. 3115

AN ORDINANCE APPROVING THE AMENDMENT TO THE INTERLOCAL AGREEMENT BY AND BETWEEN THE CITY OF KATY, TEXAS, AND FORT BEND COUNTY, TEXAS PROVIDING FOR TAX INCREMENT CONTRIBUTIONS BY FORT BEND COUNTY, TEXAS TO REINVESTMENT ZONE NUMBER ONE, CITY OF KATY, TEXAS, CONFIRMING THE EXTENSION OF THE TERM OF THE ZONE, AND CONTAINING VARIOUS PROVISIONS RELATED TO THE FOREGOING SUBJECT.

WHEREAS, by the City of Katy, Texas, Ordinance No. 1198, adopted December 22, 1997, the City of Katy, Texas (the "City") created Reinvestment Zone Number One, City of Katy, Texas (the "Zone") for the purpose of assisting the development of the area in the Zone for a period of time through December 31, 2018 (the "Delegation Ordinance"); and

WHEREAS, after meeting the publication and hearing requirements set forth in Chapter 311, Texas Tax Code related to: (1) extending the term of the TIRZ through December 31, 2055; (2) updating the eligible projects included in the TIRZ Project Plan and Reinvestment Zone Financing Plan for the Zone (the "Plan"); and (3) expanding the Zone's boundaries to include certain additional real property as further described in the Plan, the City, by the City of Katy, Texas Ordinance No. 3114, adopted October 9, 2023, passed and adopted the Fifth Amended Project Plan and Reinvestment Zone Financing Plan for the Zone; and

**WHEREAS**, the City desires to confirm the extension of the term of the Zone through December 31, 2055 and such extension's impact on the Delegation Ordinance; and

**WHEREAS**, by the City of Katy, Texas, Ordinance No. 1196, adopted December 8, 1997, the City approved that certain Interlocal Agreement with Fort Bend County, Texas (the "County") governing the County's participation in the Zone through December 31, 2018, that certain First Amendment to Interlocal Agreement, effective as of April 28, 2015, and that certain Second Amendment to Interlocal Agreement, effective as of January 27, 2020 (collectively, the "Interlocal Agreement"), governing the County and the City's participation obligations in the Zone; and

**WHEREAS**, the City and the County desire to amend the Interlocal Agreement to extend the length of the County's current participation in the Zone through which the County contributes fifty percent (50%) of the tax increment produced in the Zone attributable to the County through December 31, 2055, as well as confirm eligible projects for inclusion in the Zone; and

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KATY, TEXAS:**

**Section 1.** That the findings contained in the preamble of this Ordinance are declared to be true and correct and are hereby adopted as part of this Ordinance.

Section 2. The City Council of Katy hereby confirms the extension of the duration of the Zone contained in the Delegation Ordinance from December 31, 2038 to December 31, 2055 and inclusion of additional eligible projects.

Section 3. That the Third Amendment to Interlocal Agreement (the "Amendment"), in the form attached hereto and incorporated herein for all purposes, sets forth the terms and conditions of the County's extended participation in the Zone at a rate of fifty percent (50%) of the tax increment produced in the Zone attributable to the County through December 31, 2055, and includes confirmation of eligible Zone projects and project costs.

Section 4. The City Council hereby approves and authorizes the Amendment in substantially the form attached hereto and incorporated herein by reference. The Mayor, or in the absence of the Mayor, the City Administrator, is hereby authorized to execute such document and all related documents on behalf of the City. The City Secretary, or in the absence of the City Secretary the Assistant City Secretary, is hereby authorized to attest to all such signatures and to affix the seal of the City to all such documents.

Section 5. The City Council officially finds, determines, recites and declares a sufficient written notice of the date, hour, place, and subject of this meeting of the

City Council was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code, 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 thereof has been discussed, considered, and formally acted upon. The City Council further ratifies, approves, and confirms such written notice and the contents and posting thereof.

**Section 6.** This Ordinance shall become effective upon its adoption.

PASSED AND ADOPTED this 9<sup>th</sup> day of October, 2023.

CITY OF KATY, TEXAS

By: William H. Thiele  
William H. Thiele, Mayor

ATTEST:

Becky L. McGrew  
Becky L. McGrew, City Secretary

APPROVED:

Art Fertile, III  
Art Fertile, III, City Attorney

# EXHIBIT A

## Ordinance No. 3115

### Third Amendment to Interlocal Agreement

### THIRD AMENDMENT TO INTERLOCAL AGREEMENT

THE STATE OF TEXAS       §  
  §  
COUNTY OF FORT BEND     §

This **THIRD AMENDMENT TO INTERLOCAL AGREEMENT** (this "Amendment") is made by and between the **CITY OF KATY, TEXAS** (the "City"), a municipal corporation and home-rule city of the State of Texas situated in the counties of Fort Bend, Harris, and Waller, acting by and through its governing body, the City Council and **FORT BEND COUNTY, TEXAS** ("Fort Bend County"), acting by and through its governing body, the Commissioner's Court.

#### RECITALS

**WHEREAS**, the City and Fort Bend County entered into that certain Interlocal Agreement, executed by the City on December 8, 1997 and by Fort Bend County on December 16, 1997, that certain First Amendment to Interlocal Agreement, effective as of April 28, 2015, and that certain Second Amendment to Interlocal Agreement, effective as of January 27, 2020 (collectively, the "Interlocal Agreement"), governing Fort Bend County's participation obligations in Reinvestment Zone Number One, City of Katy, Texas (the "Zone"); and

**WHEREAS**, pursuant to the terms of the Interlocal Agreement, Fort Bend County agreed to participate in the Zone by contributing fifty percent (50%) of the tax increment produced in the Zone attributable to Fort Bend County through December

31, 2038, with such funds to be used for projects included in the Zone Project Plan (as amended from time to time, the "Project Plan"); and

**WHEREAS**, the City intends to adopt the Fifth Amended Project Plan and Reinvestment Zone Financing Plan (the "Fifth Amended Project Plan") to: (1) extend the life of the Zone through December 31, 2055; (2) update the eligible projects included in the Project Plan; and (3) expand the Zone's boundaries to include certain additional real property as further described on **Exhibit "A,"** (the "Additional Property"); and

**WHEREAS**, the County would like to extend the County's current participation in the Zone at the same fifty percent (50%) County participation level to apply to the Additional Property to be effective as of the date on which the City adopts the Fifth Amended Project Plan (the "Effective Date") through the termination of the Zone, as well as in order for additional projects which are included in the Fifth Amended Project Plan to be completed by the Zone; and

**NOW, THEREFORE**, for and in consideration of the mutual covenants, agreements, and benefits to the parties herein named, it is agreed as follows:

#### **AGREEMENT**

**Section 1.** The recitals set forth in this Amendment are hereby found and determined to be true and correct and are hereby approved and adopted.

**Section 2.** Fort Bend County hereby agrees that it will extend the County's participation in the Zone to the extent of fifty percent (50%) of the County's tax increment on property located within the boundaries of the Zone, which shall apply to and include all of the property previously included in the within the boundaries of the

Zone, together with the Additional Property added by and included in the Fifth Amended Project Plan, with such contribution to be effective as of the Effective Date through the termination of the Zone; provided, however, that if the City does not adopt the Fifth Amended Project Plan on or before July 1, 2024, then this Third Amendment shall be of no force and effect, and the County shall have no obligation beyond what has already been agreed to in the executed Second Amendment to the Interlocal Agreement.

**Section 3.** Section VII. Miscellaneous of the Interlocal Agreement (as added by the Second Amendment to Interlocal Agreement) is hereby amended to read as follows:

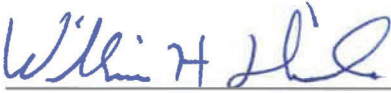
**I. Project Plan Approval.** Notwithstanding anything set forth in Section V, Subsection A related to Project Plan review and approval by the County Judge of Fort Bend County, the City and Fort Bend County hereby agree that Fort Bend County's tax increment contribution may be used for all projects and associated eligible project costs contained in the Amended Project Plan and Reinvestment Zone Financing Plan in the form adopted by the City on April 12, 1999, and all related approved amendments thereto including but not limited to, the Fifth Amended Project Plan and Reinvestment Zone Financing Plan in the form effective as of the date on which the City adopts the Fifth Amended Project Plan. Notwithstanding the foregoing, the City and Fort Bend County hereby agree that Fort Bend County's tax increment contribution may not be utilized for any projects or associated eligible project costs which solely benefit Katy Independent School District, including but not limited to those projects or associated eligible project costs contained in the Second Amended Project Plan and Reinvestment Zone Financing Plan adopted by the City on August 30, 1999.

**Section 4.** Except as specifically amended in this Amendment, the Interlocal Agreement shall remain in full force and effect in accordance with its original terms and conditions.



IN WITNESS HEREOF, the City and Fort Bend County have made and executed this Agreement in multiple copies, each of which is deemed an original.

**CITY OF KATY, TEXAS**

  
\_\_\_\_\_  
William H. Thiele, Mayor                      Date

10-09-2023

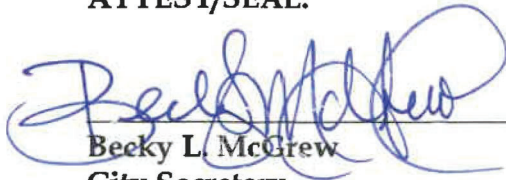
Date

**FORT BEND COUNTY**

  
\_\_\_\_\_  
Fort Bend County Judge                      Date  
Fort Bend County Judge

9/12/2023


**ATTEST/SEAL:**

  
\_\_\_\_\_  
Becky L. McGrew                      Date  
City Secretary

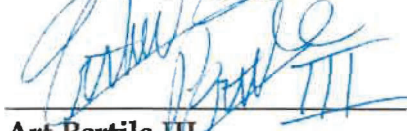
10-09-2023

Date

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
County Attorney                      Date

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Art Pertile III                      Date  
City Attorney

10-09-2023

Date

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## EXHIBIT "A"

Based on Subdivision Plat Prepared by Terra Surveyors



## REINVESTMENT ZONE NUMBER 1 (KATY MILLS)

FIFTH AMENDED PROJECT PLAN