

Saint George Place
Welcome Package
TIRZ/PID Brief
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A. Introduction

Newcomers to St. George Place are amazed at the number of districts, zones, and regulations stacked one on top of the other within such a small neighborhood. Longtime residents are too.

But what may first appear to be legislative overkill has actually helped turn a forgotten, decaying neighborhood into one of the most spectacular and livable communities in Houston.

In order to make that transition, developers and planners have employed such legislative instruments as the PID, the TIRZ, and the city's only area with zoning. This document provides a history of the transition and an overview of each mechanism that has contributed to creating the exceptional neighborhood St. George Place is today.

B. History

Originally known as Lamar Terrace, this neighborhood was built in the early 1950s when Houston was still a young metropolis. Back then, modest single-family homes spread among tree-lined streets made up a community far enough from downtown to qualify as a true suburb.

Through the '60s and '70s, however, Houston's phenomenal expansion overtook the little neighborhood. By the 1980s, the Galleria had grown into a world-class retail destination, and Westheimer had long outpaced its original designation as a Texas farm-to-market road.

Through urban flight and neglect, Lamar Terrace had deteriorated over the intervening 30 years into what became known as the "Galleria Ghetto," complete with dilapidated homes, abandoned cars, and high crime.

Stepping into the void, a developer named Robert Silvers had a vision to turn the old neighborhood around and create an upscale community. Silvers purchased 107 of the 560 lots in 1989 and approached the city for financial and regulatory assistance in repairing the neighborhood's well-worn roads, water, storm drainage, and lighting as well as guiding future development.

The city of Houston responded in 1990 by creating the Lamar Terrace Public Improvement District Number One (PID One) and Tax Increment Reinvestment Zone (TIRZ) Number One, covering the east side of the neighborhood. Both entities were the first of their kind in Houston.

The purpose of the TIRZ was to facilitate infrastructure development. To generate revenue, the city established a baseline for tax receipts within the zone and agreed to collect only that amount for the next 40 years. Subsequent tax receipts above the baseline (the increment) were poured back into the zone for new water, sanitary sewer and storm sewer facilities.

Although similar in nature, the public improvement district employed an assessment on property to generate revenue to construct new roads, sidewalks, landscaping, and street lighting.

In 1992 the city enlarged TIRZ One to include the entire Lamar Terrace neighborhood. That same year the city approved a total of \$3 million in TIRZ and PID bonds for street repairs, new curbs and sidewalks, new sewer and water systems, removal of overhead utility lines and installation of underground lines, and installation of lighting and landscaping.

Just as TIRZ improvements were getting started in 1993, Houston Independent School District claimed approximately 20 acres of land within the Zone for the construction of a 1,200-student junior high school. Through powers of eminent domain, HISD captured 94 lots within a site bounded by Alabama, Yorktown, Hidalgo, and McCulloch.

In 1995 the city created Lamar Terrace Public Improvement District Number Two, which has the same boundary as the TIRZ and whose purpose was three-fold: to provide supplemental services, such as security, maintenance, zoning enforcement and administration; to assist the TIRZ in funding "Western Redevelopment" of new public infrastructure, sidewalks, landscaping, lighting, and parks in the same manner as the east side; and finally, to oversee and fund construction of a new sound buffer between commercial and residential areas of the neighborhood.

Recognizing the need for an administrative body to oversee and guide the zone, the city established the St. George Place Redevelopment Authority in 1998. Governed by a city-appointed, nine-member board of directors, this not-for-profit local government corporation was charged with acting on behalf of the city to promote the common good and general welfare of Reinvestment Zone Number One and the two Public Improvement Districts.

With infrastructure improvements well under way and the new neighborhood taking shape, the city also sought to guide development through zoning. In July 1999, Houston City Council approved plans to organize development within the TIRZ through the use of a zoning ordinance. Using four designations ranging from commercial to single-family residence, the zoning helped maintain the residential character of the

neighborhood yet allowed for commercial and mixed-use development around its perimeter.

Also in 1999, residents formed the Saint George Place Civic Association to assist in maintaining the goals of the TIRZ and PID.

By 2005, the old Lamar Terrace neighborhood was hard to find. Single lots within the neighborhood were selling for well above \$200,000, a five-fold increase from just 10 years earlier, and average home value per residence in the subdivision was \$350,000. In all, 350 new homes had been built and some 200 vacant lots were ready for construction.

All PID One and PID Two infrastructure projects had been completed, representing a combined total project cost of roughly \$8 million. Between 1990 and 2000, the TIRZ had generated some \$40 million in increment tax revenue, most of which had been directed toward paying bond indebtedness for the newly constructed public infrastructure.

In 2006, HISD completed construction of a state-of-the-art elementary school on its site with input from the Authority on traffic flow and architectural elements to match the neighborhood.

Today, the St. George Place Redevelopment Authority continues to work in partnership with the city of Houston, HISD, and the St. George Place Civic Association to finalize the remarkable, if somewhat complicated, transformation of an exceptional urban neighborhood.

C. City of Houston TIRZ One

The city of Houston Tax Increment Reinvestment Zone Number One was created by Houston city council, pursuant to landowner petition and provisions of the Texas Tax Code, to facilitate development of the area known as Saint George Place, a 115-acre zone consisting of the Lamar Terrace subdivision located near the Galleria Shopping Center.

TIRZ One is bounded approximately by South Rice, Chimney Rock, Richmond, Alabama. The zone became effective on January 1, 1991 and will terminate on December 31, 2031.

Originally consisting of the 42.2 acres east of Yorktown, TIRZ One was enlarged on January 1, 1993 to add the 73.3 acres west of Yorktown and encompass the entire Lamar Terrace neighborhood.

The Zone Project Plan and Reinvestment Zone Financing plan includes new streets, sidewalks, driveway aprons, fencing, street lights, and removal and replacement of utility lines. The Plan also provides for the adoption of special zoning regulations to control use of the land. The Zone board has appointed a Zoning Commission and has established planning and zoning regulations which have been approved by city council.

Public improvements on the east side of TIRZ One were substantially complete in 2001. At that time, the east side consisted of 164 new single-family homes, 25 original homes, 31 homes under construction, three commercial properties, and 40 vacant lots.

West side development consisted of 100 original homes, 24 older commercial establishments, one new commercial establishment, one new home, 37 homes under construction, and approximately 80 vacant lots.

D. Lamar Terrace PID One

The city of Houston created Lamar Terrace Public Improvement District Number One on November 7, 1990. Lamar Terrace PID One is bounded approximately by South Rice, West Alabama, Yorktown, and Richmond Avenue.

In March 1992, the city approved one-year and five-year Service and Assessment Plans which included engineering, removal, and construction of new street pavement, sidewalks, driveway aprons, construction and rehabilitation of street lights, and landscaping for Fayette, Val Verde, Navarro, Lampasas, Hidalgo, Fairdale, and McCulloch Circle Streets between Yorktown and South Rice (every east-west street in the PID).

Project costs of \$1.56 million were borne entirely by the PID as were costs of \$750,000 for additional public improvements on Hidalgo Street.

Pursuant to a petition signed by a majority of property owners in the district, the city of Houston approved an assessment of \$1.12 per square foot of lot size within the PID. This assessment was payable as a lump sum or 11 annual payments beginning November 1, 1993 until November 1, 2004.

E. Lamar Terrace PID Two

Lamar Terrace Public Improvement District Number Two was created on August 9, 1995 by city of Houston Ordinance 95-121. Lamar Terrace PID Two shares the same boundaries as the TIRZ, essentially encompassing the entire neighborhood, bounded approximately by South Rice, Chimney Rock, Richmond, and Alabama.

On August 13, 1996, city council adopted a Service and Assessment Plan for the district which focused primarily on providing supplemental services but also included provisions for western redevelopment and the construction of a portion of a sound barrier wall surrounding the neighborhood.

Specific supplemental services enumerated in the plan consisted of constable security services; enhanced enforcement of building, health, and sanitation laws throughout TIRZ#1; administration of development regulations within the zone; board management, and annual maintenance services. As these are ongoing services, an annual assessment of \$0.07 per square foot of lot size approved by City Council remains in place.

Western Redevelopment envisioned infrastructure improvements such as those undertaken on the east side of the zone. Specifically, improvements included: removal of existing street pavement and construction of new permanent street pavement and sidewalks for Kleberg, Fayette, Val Verde, Hidalgo, Navarro, Lampasas, Fairdale, McCulloch Circle, and Yorktown north of Hidalgo; construction of new street, sidewalk, and traffic control devices, landscaping and trees along public rights of way within the Western Redevelopment Area as well as along Chimney Rock and Richmond; removal and upgrading of existing street lights; and construction and improvement of park and recreation facilities. This project was substantially completed in 2003 at a cost of approximately \$3.3 million.

F. Zoning

Houston City Council on July 21, 1999 approved and adopted plans to organize development within TIRZ 1 through the use of a Zoning ordinance.

The purpose was to encourage higher quality development on larger tracts of land, including mixed use and public amenities. Planned Unit Development was intended to encourage pedestrian circulation and access from adjoining residential areas to nearby shopping, offices, and recreation facilities. The four zoning designations within Saint George Place are described below:

Residential District (R-1). Buildings within this subdivision are restricted to single-family detached dwellings, including detached patio and courtyard houses. Accessories such as private garages for a minimum of two automobiles, living quarters above the garage, swimming pools, and related structures including gazebos and pavilions are also permitted.

Residences used primarily as a business location are prohibited, except for homebound employment of handicapped persons, self-employed studio professionals, and office facilities for accountants, engineers, lawyers, realtors, and other similar professions. Home owners may not display signage identifying the residence as a business.

Residential (R-PUD). This zone is exclusively residential yet more inclusive than the R-1 designation. Residential Planned Unit Development allows for different types of housing including single-family residences, patio houses, duplexes, and townhouses, which are restricted to a maximum of four units in a row.

Urban (U-PUD). This area is designated exclusively as non-residential. Development may include shopping centers, retail shops, professional and medial offices, gas stations, and recreational facilities.

Neighborhood Commercial (NC-PUD). The Neighborhood Commercial designation lies somewhere between urban and residential. Acceptable structures include a mix of residential, retail, and commercial, as well as churches, schools, multi-story parking garages, and vertically mixed-use structures.

Parking. Parking of motor vehicles within any of the Planned Unit Development Districts is guided by the following regulations:

A minimum of two off-street parking spaces are required per single-family residential unit. A minimum of 1.5 shared spaces are required per each apartment and multi-family dwelling. Commercial properties must comply with the city's off-street parking ordinance, and no truck exceeding 3/4 ton capacity, bus, recreational vehicle, boat, motor home, or mobile home is permitted to be parked or stored within the front yard. Parking of any vehicle on an unsurfaced area is prohibited.