

**REINVESTMENT ZONE NUMBER TWENTY-SIX
CITY OF HOUSTON, TEXAS**

SUNNYSIDE

PRELIMINARY PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN

November 2, 2015

**REINVESTMENT ZONE NUMBER TWENTY-SIX, CITY OF HOUSTON, TEXAS
Project Plan and Reinvestment Zone Financing Plan**

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Introduction

This document constitutes the Preliminary Project Plan and Reinvestment Zone Financing Plan for **Tax Increment Reinvestment Zone Number 26**, City of Houston as required by Chapter 311, Texas Tax Code. The purpose of the tax increment reinvestment zone (the “Zone”) is to finance construction of public infrastructure necessary to facilitate residential and commercial development and redevelopment within the Zone boundaries. The reinvestment zone includes land where adequate roadway and utility infrastructure is absent and where development will not occur through private investment alone in the reasonably foreseeable future. Additionally, developed areas within the Zone struggle with a similar lack of investment as existing roadways and infrastructure have fallen into disrepair or no longer meet the needs of today’s market demands.

Expenditures associated with the design and construction of public infrastructure, as well as other specific project related costs, will be funded by tax increment revenues derived from increases in property values following the new residential and commercial development.

Location

The reinvestment zone is located in the southern portion of the City of Houston. The Zone is bounded by Loop 610 on the north, SH 288 on the west, Cullen Boulevard on the east and Fuqua Street on south. The zone includes the Sunnyside community as well as a portion of the South Park community. A location map is included in **Map 1**.

Preliminary Redevelopment Plan Concept and Goals

The concept of the Zone is to construct the necessary public infrastructure that will lead to private capital investment in the area that respects the character and culture of Sunnyside, offers a corresponding increase in the tax base, and creates economic opportunity.

Reinvestment into the area through the Zone is intended to achieve the following goals:

Goal 1: Improve and enhance corridors, mobility and connectivity throughout the Zone. Roadway corridors that meet current and anticipated needs, provide the capacity necessary to safely move traffic, and improve visual quality of the community are critical to development and redevelopment potential within the Zone. Roadways, stormwater management in the right-of-way, sidewalks, intersection improvements, lighting, signage, monumentation, managed access, trails, trailheads, landscaping enhancements, and associated on or off-street parking are all among the elements related to corridor improvement. Corridor construction, reconstruction and enhancement is necessary at strategic areas in the Zone to create an environment that will stimulate private investment in retail, commercial and mixed-use developments. All improvements will be coordinated with the mobility, corridor and connectivity construction/reconstruction programs of the City, METRO, TxDOT and other public entities. Attention will be placed on leveraging Zone monies through the funding of elements not addressed by the CIP programs of sister agencies.

Goal 2: Enhance public infrastructure, facilities and services throughout the Zone. Storm water management, as well as water and wastewater services are equally critical to spur investment or reinvestment in the Zone. Portions of the community continue to rely on septic systems rather than wastewater service. Additionally, in some areas, stormwater drainage is channeled through open

ditches rather than underground culverts, resulting in consumption of right-of-way that could be used for pedestrian and bicycle improvements as well as landscaping treatments. Improvements to the infrastructure network will be achieved through the installation, repair and replacement of drainage, water and wastewater systems where needed. The Zone will work closely with entities that address stormwater management and provide water and wastewater service to leverage resources to the extent practical, including the City, Harris County Flood Control, and the Texas Water Development Board.

Goal 3: Promote economic opportunity and private investment and reinvestment in the Zone. The opportunity to reach the full economic potential of the area is based in part on the ability to construct critical infrastructure, minimize risk for investors and customers, build upon local assets and recognize or enhance market demand. The Zone will facilitate economic growth through capital improvements that make sites more attractive and projects feasible, land acquisition and assembly, development of facilities that draw visitors into the Zone, and use of incentivized development agreements (including development agreements). The Zone will also promote value-added site and community improvements that improve the overall marketability of the area, including those that improve safety, employee skill sets, visual quality and customer draw. The Zone will partner with organizations such as the City, Houston-Galveston Area Council, University of Houston, Texas Southern University, and Houston Community College to leverage resources of the Zone and create economic opportunities.

Goal 4: Develop and enhance green spaces, gathering places, trails, recreational or public facilities, and cultural amenities. Recreational amenities, play areas, trail systems, entertainment/cultural facilities and other enhancements to area parks and other public open green space will attract and support redevelopment and improve the quality of life of area neighborhoods and visitors by increasing the attractiveness of the area. Green space also provides the benefit of increasing the visual appeal and perception of the area while also potentially providing an added role as enhancements to the stormwater management network or connectivity between neighborhoods. Public facilities such as police and fire stations, libraries, and community centers enhance local quality of life and further increase the private investment potential of the community.

Goal 5: Promote and support community heritage, culture, character, and affordability for current residents. The Zone enjoys a heritage and character unique to the community that, if promoted and incorporated as new development and redevelopment occurs, will make the area more attractive to investment with an interest in long-term social and economic sustainability. The Zone is also intended to recognize and respect the positive impact of investment by members of the local community, in addition to large-scale development from outside of the area. Zone resources may be used to promote affordability so that existing residents of the Zone can remain so, small business development and expansion, development that is sensitive to community context, as well as development of assets that improve quality of life and economic opportunity.

Preliminary Project Plan

A. Authorized Projects and Project Costs

Improvements in the Zone will consist of mobility, drainage and redevelopment improvements, including roadways, sidewalks, sewer, drainage infrastructure and parks and open spaces. The proposed Zone improvements (Project Costs) are listed in **Exhibit 1**. The project categories describe generally the kind of improvements contemplated in this Preliminary Plan.

B. Existing and Proposed Uses of Land (Texas Tax Code § 311.011(b)(1)):

Existing Conditions The property comprising the Zone consists of older, run-down residential and commercial development with a significant amount of vacant land. The area lacks adequate infrastructure including sanitary sewer, roadways, sidewalks and drainage infrastructure. The area is also experience a high crime rate. **Maps 2, 3 and 4** depict existing conditions.

Surrounding Land Uses Land surrounding the Zone ranges from vacant to developed residential and commercial/industrial tracts. The aerial view shown in **Map 2** shows surrounding land uses.

Proposed Land Use Proposed land uses shall include enhanced multi-family and single-family residential, commercial, retail, industrial, and parks and open spaces with increasingly diminished undeveloped land over time

C. Proposed Changes of Zoning Ordinances, Master Plan of Municipality, Building Codes, and Other Municipal Ordinances (Texas Tax Code § 311.011(b)(2)):

All construction will be done in conformance with existing building code regulations of the City of Houston. There are no proposed changes of any city development ordinances, master plans, or building codes

D. Estimated Non-Project Costs (Texas Tax Code § 311.011(b)(3)):

The project costs referenced in **Exhibit 1** are inclusive of project costs to be incurred by the Zone only. The costs that would otherwise be project costs but are derived from other parties, such as the Texas Department of Transportation or private sources, are non-project costs. Funding identified in **Exhibit 1** for improvements will be leveraged to acquire non-project funding.

E. Method of Relocating Persons to be Displaced, if any, as a result of implementing the Plan (Texas Tax Code § 311.011(b)(4)):

There will be no persons displaced as a result of implementing the Preliminary Plan.

Preliminary Reinvestment Zone Finance Plan

A. Estimated Project Costs (Texas Tax Code § 311.011(c)(1)):

Exhibit 1 lists the estimated project costs for the Zone including administrative expenses. As set forth in this Preliminary Plan, the dollar amounts are approximate and may be amended from time to time by the Board of Directors of the Zone with approval of the City Council. The financing costs are a function of project financing needs and will vary with market conditions from the estimates shown on **Exhibit 1**.

B. Proposed Kind, Number, and Location of all Proposed Public Works or Public Improvements to be Financed by the Zone (Texas Tax Code § 311.011(c)(2)):

These details are described throughout the Preliminary Plan, including but not limited to roadway construction/reconstruction, stormwater conveyance and management systems, water, wastewater improvements, sidewalks, intersection improvements, lighting, signage,

street furniture, monumentation, managed access, trails, trailheads, park and greenspace improvements, landscaping enhancements, cultural and recreational amenities, and associated on or off-street parking. The general number and location of proposed improvements are contained in **Exhibit 1**.

C. Economic Feasibility (Texas Tax Code § 311.011(c)(3)):

An economic feasibility study was completed for the Sunnyside and South Acres areas by Hawes Hill Calderon, LLP in 2015. **Exhibit 2** constitutes incremental revenue estimates for this Preliminary Plan. The cost of proposed improvements exceeds future anticipated revenues without additional consideration to growth in economic activity, reinvestment and subsequent property values, and therefore projects will be implemented based on available funding. The Zone and the City find and determine that the Preliminary Plan is economically feasible.

D. Estimated Amount of Bond Indebtedness; Estimated Time When Related Costs or Monetary Obligations Incurred (Texas Tax Code § 311.011(c)(4), § 311.011(c)(5)):

Issuance of notes and bonds by the Zone will occur as tax increment revenues allow. The value and timing of the issuance of notes or bonds will correlate to debt capacity as derived from the projects and revenue schedules included in **Exhibit 1** and **Exhibit 2**, as well as actual market conditions for the issue and sale of such notes and bonds.

E. Methods and Sources of Financing Project Costs and Percentage of Increment from Taxing Units Anticipated to Contribute Tax Increment to the Zone (Texas Tax Code § 311.011(c)(6)):

Methods and sources of financing include the issuance of notes and bonds, as well as collaboration with developers and other entities for grant funding and partnerships. Tax increment associated will consist of contributions from the City with the possibility of future increment from other taxing entities such as Harris County or Houston Community College. This figure is calculated using a City contribution of \$0.60112/\$100 of assessed valuation.

F. Current Total Appraised Value of Taxable Real Property (Texas Tax Code § 311.011(c)(7)):

As of September 2015, the current appraised value of taxable real property in the Zone is \$200,180,051.

G. Estimated Captured Appraised Value of Zone During Each Year of Existence (Texas Tax Code § 311.011(c)(8)):

It is projected that taxable property values in the Zone will increase to approximately \$355,488,681 by 2045. **Exhibit 2** shows the annual captured value of these increases in property value during the existence of the Zone.

H. Zone Duration (Texas Tax Code § 311.011(c)(9)):

The Zone will take effect January 1, 2015 and will terminate on December 31, 2045. The Zone may terminate at an earlier time designated by subsequent ordinance, or at such time, subsequent to the issuance of proposed revenue bonds, notes or other obligations, if any, that all project costs, bonds, and interest on bonds have been paid in full.

Exhibit 1, Project Costs	Project Costs	Non-Project Costs
Roadways, Sidewalks, Trails and Other Right-of-Way Improvements	\$ 5,200,000.00	\$ -
Water, Wastewater, Storm Drainage and Other Utilities	\$ 4,835,000.00	\$ -
Open Space, Community Facilities and Cultural Amenities	\$ 1,804,000.00	\$ -
Administration	\$ 623,000.00	\$ -
Total Zone Project Costs	\$ 12,462,000.00	\$ -

SUNNYSIDE (VERSION 2)

EXHIBIT 2

TAX INCREMENT REINVESTMENT ZONE, CITY OF HOUSTON (SUNNYSIDE)
Projected Assessed Valuations

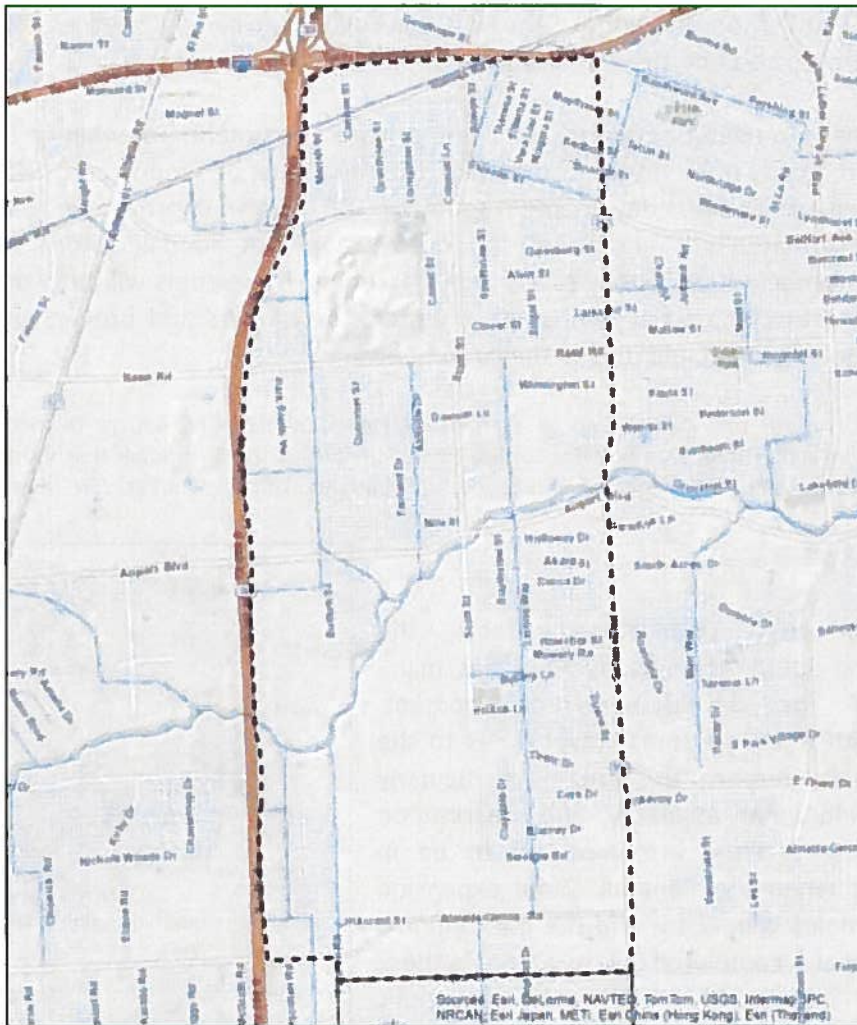
Tax Roll Jan 1	City Taxable Base Value (1)	City Taxable Value (2)	City Captured Appraised Valuation (2)
2016	\$ 200,180,051	\$200,180,051	\$ -
2017	\$ 200,180,051	\$204,183,652	\$ 4,003,601
2018	\$ 200,180,051	\$208,267,325	\$ 8,087,274
2019	\$ 200,180,051	\$212,432,672	\$ 12,252,621
2020	\$ 200,180,051	\$216,681,325	\$ 16,501,274
2021	\$ 200,180,051	\$221,014,951	\$ 20,834,900
2022	\$ 200,180,051	\$225,435,251	\$ 25,255,200
2023	\$ 200,180,051	\$229,943,956	\$ 29,763,905
2024	\$ 200,180,051	\$234,542,835	\$ 34,362,784
2025	\$ 200,180,051	\$239,233,691	\$ 39,053,640
2026	\$ 200,180,051	\$244,018,365	\$ 43,838,314
2027	\$ 200,180,051	\$248,898,732	\$ 48,718,681
2028	\$ 200,180,051	\$253,876,707	\$ 53,696,656
2029	\$ 200,180,051	\$258,954,241	\$ 58,774,190
2030	\$ 200,180,051	\$264,133,326	\$ 63,953,275
2031	\$ 200,180,051	\$269,415,993	\$ 69,235,942
2032	\$ 200,180,051	\$274,804,312	\$ 74,624,261
2033	\$ 200,180,051	\$280,300,999	\$ 80,120,348
2034	\$ 200,180,051	\$285,906,407	\$ 85,726,356
2035	\$ 200,180,051	\$291,624,535	\$ 91,444,484
2036	\$ 200,180,051	\$297,457,026	\$ 97,276,975
2037	\$ 200,180,051	\$303,406,166	\$ 103,226,115
2038	\$ 200,180,051	\$309,474,289	\$ 109,294,238
2039	\$ 200,180,051	\$315,663,775	\$ 115,483,724
2040	\$ 200,180,051	\$321,977,051	\$ 121,797,000
2041	\$ 200,180,051	\$328,416,592	\$ 128,236,541
2042	\$ 200,180,051	\$334,984,923	\$ 134,804,872
2043	\$ 200,180,051	\$341,684,622	\$ 141,504,571
2044	\$ 200,180,051	\$348,518,314	\$ 148,338,263
2045	\$ 200,180,051	\$355,488,681	\$ 155,308,630

TAX INCREMENT REINVESTMENT ZONE, CITY OF HOUSTON (SUNNYSIDE)
Projected Zone Revenues

Tax Year	Coll. Year	100% of City Tax Rate (3)	City Tax Increment Revenues (4)	Total TIRZ Revenues Available	City Accrued Administrative Services (5%)	Total TIRZ Revenues Available for Projects	Cumulative TIRZ Revenues Available for Projects
1 2016	2017	0.60112	\$ -	\$ -	\$ -	\$ -	\$ -
2 2017	2018	0.60112	\$ 23,585	\$ 23,585	\$ 1,179	\$ 22,406	\$ 22,406
3 2018	2019	0.60112	\$ 47,642	\$ 47,642	\$ 2,382	\$ 45,260	\$ 67,666
4 2019	2020	0.60112	\$ 72,180	\$ 72,180	\$ 3,609	\$ 68,571	\$ 136,237
5 2020	2021	0.60112	\$ 97,209	\$ 97,209	\$ 4,860	\$ 92,348	\$ 228,585
6 2021	2022	0.60112	\$ 122,738	\$ 122,738	\$ 6,137	\$ 116,601	\$ 345,186
7 2022	2023	0.60112	\$ 148,778	\$ 148,778	\$ 7,439	\$ 141,339	\$ 486,525
8 2023	2024	0.60112	\$ 175,338	\$ 175,338	\$ 8,767	\$ 166,572	\$ 653,096
9 2024	2025	0.60112	\$ 202,430	\$ 202,430	\$ 10,122	\$ 192,309	\$ 845,405
10 2025	2026	0.60112	\$ 230,064	\$ 230,064	\$ 11,503	\$ 218,561	\$ 1,063,966
11 2026	2027	0.60112	\$ 258,250	\$ 258,250	\$ 12,913	\$ 245,338	\$ 1,309,304
12 2027	2028	0.60112	\$ 287,001	\$ 287,001	\$ 14,350	\$ 272,651	\$ 1,581,954
13 2028	2029	0.60112	\$ 316,326	\$ 316,326	\$ 15,816	\$ 300,509	\$ 1,882,464
14 2029	2030	0.60112	\$ 346,237	\$ 346,237	\$ 17,312	\$ 328,925	\$ 2,211,389
15 2030	2031	0.60112	\$ 376,747	\$ 376,747	\$ 18,837	\$ 357,910	\$ 2,569,299
16 2031	2032	0.60112	\$ 407,867	\$ 407,867	\$ 20,393	\$ 387,474	\$ 2,956,773
17 2032	2033	0.60112	\$ 439,610	\$ 439,610	\$ 21,980	\$ 417,629	\$ 3,374,402
18 2033	2034	0.60112	\$ 471,987	\$ 471,987	\$ 23,599	\$ 448,388	\$ 3,822,790
19 2034	2035	0.60112	\$ 505,012	\$ 505,012	\$ 25,251	\$ 479,761	\$ 4,302,551
20 2035	2036	0.60112	\$ 538,697	\$ 538,697	\$ 26,935	\$ 511,762	\$ 4,814,314
21 2036	2037	0.60112	\$ 573,056	\$ 573,056	\$ 28,653	\$ 544,404	\$ 5,358,717
22 2037	2038	0.60112	\$ 608,103	\$ 608,103	\$ 30,405	\$ 577,697	\$ 5,936,415
23 2038	2039	0.60112	\$ 643,850	\$ 643,850	\$ 32,192	\$ 611,657	\$ 6,548,072
24 2039	2040	0.60112	\$ 680,312	\$ 680,312	\$ 34,016	\$ 646,296	\$ 7,194,368
25 2040	2041	0.60112	\$ 717,503	\$ 717,503	\$ 35,875	\$ 681,628	\$ 7,875,996
26 2041	2042	0.60112	\$ 755,438	\$ 755,438	\$ 37,772	\$ 717,666	\$ 8,593,663
27 2042	2043	0.60112	\$ 794,132	\$ 794,132	\$ 39,707	\$ 754,426	\$ 9,348,088
28 2043	2044	0.60112	\$ 833,600	\$ 833,600	\$ 41,680	\$ 791,920	\$ 10,140,008
29 2044	2045	0.60112	\$ 873,857	\$ 873,857	\$ 43,693	\$ 830,164	\$ 10,970,173
30 2045	2046	0.60112	\$ 914,919	\$ 914,919	\$ 45,746	\$ 869,173	\$ 11,839,346
			\$ 12,462,470	\$ 12,462,470	\$ 623,123	\$ 11,839,346	

(1) Base Value as of Sept. 16, 2015
(2) Includes 2.0% annual appreciation
(3) Proposed City Tax Rate for 2015
(4) 98% Collection

Economic Feasibility Study for Sunnyside and South Acres Area



Hawes Hill Calderon LLP
October 23, 2015

INTRODUCTION

Situated along the City's suburban south side and within Council District D, the Sunnyside and South Acres Study Area is a collection of low-income neighborhoods suffering from blight, aging or non-existent storm water infrastructure, high rates of crime and unemployment.

The 8.3 square mile Study Area is located at the southeast corner of State Highway 288 (South Freeway) and 610 South Loop East Freeway. It is served by a thorough roadway network including Belfort, Reed, Airport and Alameda-Genoa Roads (east to west); and Cullen Boulevard and Scott Street (north to south). Being in close proximity to Houston's South Freeway, between the South Loop and South Sam Houston Tollway, it has quick access to the Port of Houston, Hobby Airport and the Region's other major employment centers.

The Study Area is in need of greater public and private investment. To enhance the economic well-being and quality of life of the community, the Area must be empowered with any and all public financing and business development tools (e.g. TIRZ, active Improvement District, etc.) to finance projects related to business and economic development, flood and storm water control, mobility and transportation, public safety and marketing. These tools will help make the area more appealing to commercial real estate investors, developers and brokers bringing much needed new development and jobs to the community.

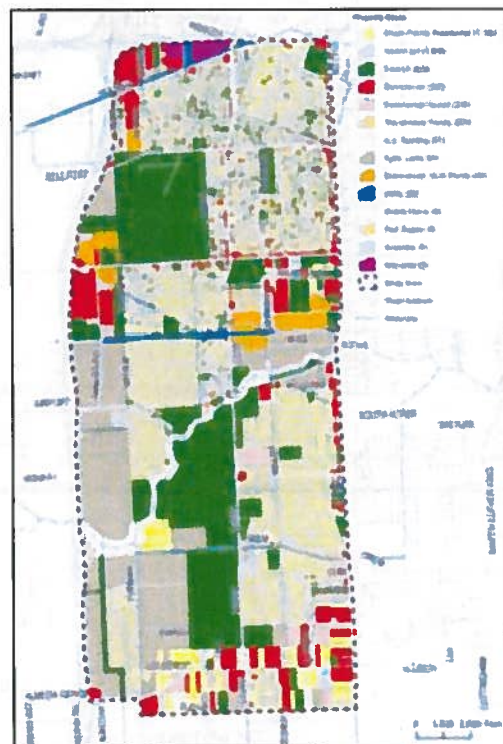
Note: The Study Area is partially covered by the inactive Harris County Improvement District (HCID) No. 10 (Sunnyside) and an active HCID No. 10-B (Five Corners Improvement District). Two Super Neighborhoods cover the Study Area, with Sunnyside (SN71) north of Sims Bayou, and South Acres/Crestmont Park (SN76) to the south.

AREA PROFILE

With several large undeveloped tracts, the Sunnyside and South Acres Study Area has many opportunities for development/redevelopment. Combined with relatively short travel times to the Port and Hobby Airport, this area is particularly suited for additional assembly and distribution facilities. These facilities are expected to be in greater need when the Panama Canal expansion project is completed in 2016, and the International Airport Terminal is completed in late 2015. As these tracts are developed, additional economic development opportunities are likely to follow. What is presented here then is a community snapshot of the Sunnyside and South Acres Study Area as it is today.

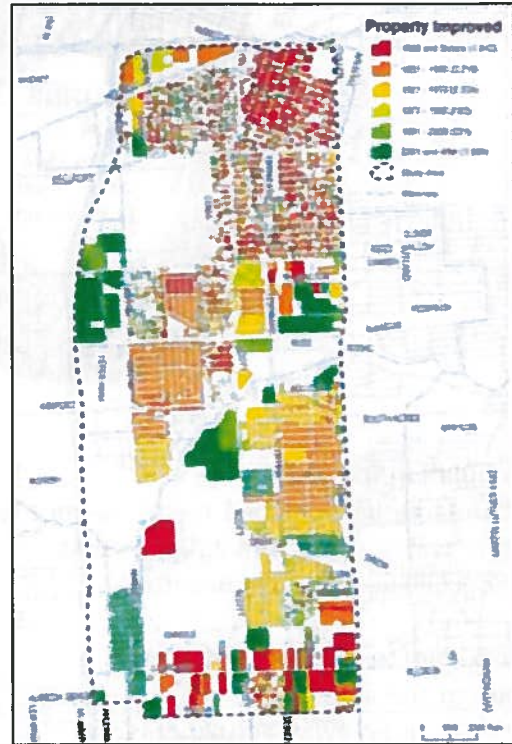
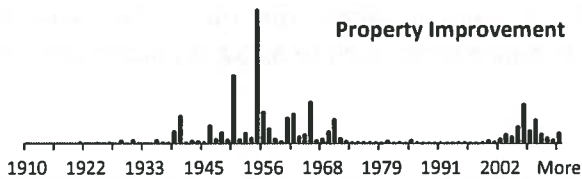
Property Classification

While dominated by single-family subdivisions,



exempt land and vacant lots, there are several large tracts of potentially developable land. In addition, the commercial and retail corridors are sporadically developed. Larger industrial and warehousing properties exist on the north side, and west side along the South Freeway.

The Study Area saw a significant portion of land development and property improvement during the 1950's and 1960's followed by a 20 year period with little improvement activity. Since 2001, the Study Area has seen an increased level of property improvement activity (refer to Real Property Improvement Map to the right).



Parks and Greenspace

Intersected by the Sims Bayou greenspace corridor, local residents also have access to four public parks, specifically Sunnyside and Margaret Jenkins Parks (formerly Scottcrest Park), and over 230 acres of parks, trails and greenspace.

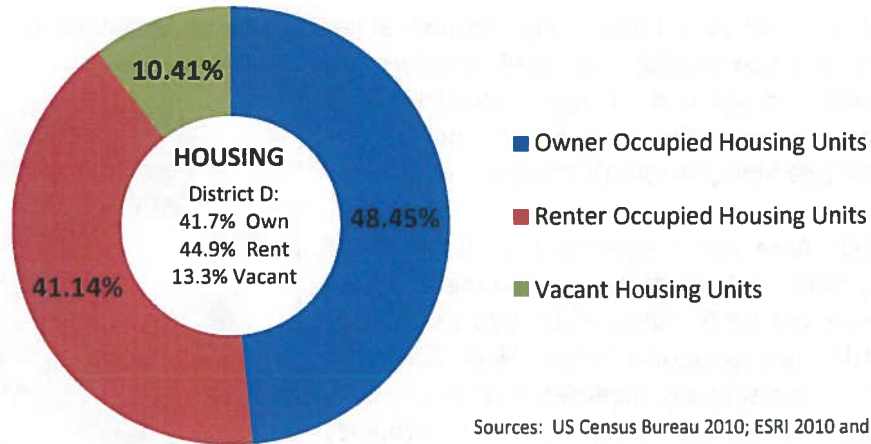
Population and Housing Units

The following table reports population and households for the 2010 census year, 2015 estimated and 2020 projected for the Study Area compared with Council District D as a whole. While coterminous with 13.1% of Council District D (63.3 sq. miles), it has 11.2% of the District's total population. Projected population growth in the Study Area is slightly higher at (1.59%) than in District D (1.46%) over the 2015-2020 Period. The percent of Owner Occupied Housing Units in the Study Area is nearly 7% higher than in Council District D.

POPULATION, HOUSEHOLDS & HOUSING UNITS

	Sunnyside and South Acres			Council District D		
	2010	2015	2020	2010	2015	2020
Population	21,631	23,141	25,034	193,195	205,884	221,358
Households	8,202	8,748	9,452	69,634	74,334	80,315

Source: US Census Bureau 2010, ESRI 2015



Sources: US Census Bureau 2010; ESRI 2010 and 2015

Population Density

With large undeveloped tracts, exempt land and sporadic vacant lots, the Study Area is less densely-populated with **2,778** persons per square mile (compared to **3,252** in Council District D, and **3,500** in the City of Houston).

Proximity to Employment Centers

Due to the area’s close proximity to the South Freeway and South Loop, local residents and businesses are within brief travel times to some of Houston’s major employment centers, the Hobby Airport and Port of Houston Facility. Both Freeways exceed 100,000 vehicles in average daily traffic volume.

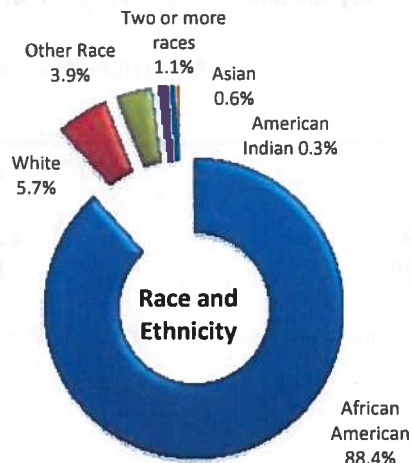


Average drive time from the center of the Study Area to Houston’s CBD is 17 minutes (15 minutes without traffic).

Race, Ethnicity and Origin

The residential population of Sunnyside and South Acres is predominantly African American. Nearly 90% of the Area’s population in 2010 identified as African American with 9% from any race being of Hispanic Origin.

The Diversity Index, which measures the probability that two people from the same



Sources: US Census Bureau 2010; ESRI 2010 and 2015

area will be from different race/ethnic groups, is 3.5 in the Study Area, compared to 6.3 for the U.S. as a whole (on a scale of 0-10, with 10 = Complete Diversity, and 0 = No Diversity).

Median Age

The median age in the Sunnyside and South Acres Study Area is estimated to be 36.6, slightly younger than the U.S. median age of 37.9.

Median Household Income / Poverty

Median household income in the area in 2015 is estimated to be well below that for the City of Houston as a whole, and is expected to see only tepid growth, below 2.0% per year over the 2015-2020 period.

MEDIAN HOUSEHOLD INCOME (\$000s)							
Sunnyside / So. Acres		City of Houston		Harris County		All US Households	
2015	2020	2015	2020	2015	2020	2015	2020
(Est.)	(Proj.)	(Est.)	(Proj.)	(Est.)	(Proj.)	(Est.)	(Proj.)
\$25.4	\$27.9	\$43.9	\$51.0	\$56.6	\$70.7	\$53.2	\$60.7

Source: US Census Bureau 2010, ESRI 2015

According to the 2009-2013 American Community Survey, 29.1% of the residential population earn an income that is at, or below the Poverty Level.

Home Values

Estimated 2015 home values of owner-occupied homes in the Sunnyside and South Acres Study Area are very affordable with the median value being \$97,200 (compared to \$200,000 for the U.S). Median home values are expected to grow modestly to \$116,000 by 2020, up 3.6%.

OWNER OCCUPIED HOMES BY VALUE

Value Range	% of Total	
	2015 Est.	2020 Proj.
Less than \$50,000	8.1%	6.7%
\$50,000 - \$99,999	44.4	36.2
\$100,000 - \$149,999	27.9	22.0
\$150,000 - \$199,999	13.3	19.2
\$200,000 - \$249,999	3.6	7.6
\$250,000 - \$299,999	0.8	2.0
\$300,000 or more	2.0	6.1
Total	100.0%	100.0%
Median Value	\$114,558	\$146,479

Source: US Census Bureau 2010; ESRI, 2015

Public Safety and Health

In 2013 and 2015, the real estate research firm *Neighborhood Scout* ranked a neighborhood in Sunnyside as one of the 10 most dangerous neighborhoods in the nation. For both years, the neighborhood’s rate was 91 violent crimes per 1,000 residents. The study area is covered by the HPD Beats of 14D20 and 14D40.

The health and safety needs are supported locally by the Sunnyside Health / Multi-services Center, the Swindle Community Center, the Martin Luther King Jr. Community Health Center providing essential medical services to adults and children, an HPD Storefront on Reed Rd., and Houston Fire Department Station No. 55 on Cullen Blvd.

Education

The educational needs of the community are served by Houston ISD, specifically Worthing High School, Attucks and Woodson Middle Schools, and five elementary schools. A \$30 MM reconstruction of Worthing High School is scheduled to be completed in 2017. The community is also served by a KIPP Academy, teaching Pre-K through Fourth grade. The Study Area is served by the Houston Community College District with the Central-South Campus located at Airport Blvd. and the South Freeway.

Currently, the adult population in the area is typically blue collar with approximately 15% having a college or graduate level degree.

**EDUCATION LEVELS
AREA POPULATION 25 YEARS OR OLDER**

Level Achieved	% of Population (25+ years)
Area Population Total	14,872
Less than 9 th Grade	5.5%
9 th -12 th Grade, No Diploma	12.2
High school graduate or GED	39.1
Some college, No Degree	25.7
Associate degree	3.6
Bachelor’s degree	10.7
Graduate/Professional degree	3.0
Total	100.0%

Source: US Census Bureau, 2010; American Community Survey

Occupations of Working Population

The working population of the area is engaged in a wide number of occupations led by services, office and administrative support.

Occupation of Employed Population	% of Employed (16+)
Total	8,101
Services	28.3%
Administrative Support	16.0
Professional	15.8
Transportation / Material Moving	9.7
Sales	9.6
Management / Business / Financial	8.3
Construction / Extraction	6.1
Production	3.7
Installation / Maintenance / Repair	2.5
Total	100.0%

Source: U.S. Census, American Community Survey

Employment Rate

Employment Rate is high for the Study Area, ranging double to triple the national average (15 to 30%). The Civilian labor force participation rate is lower, ranging 50 to 60% (compared to 63% for the Country) with many households receiving contributions from Social Security and public assistance.

Transportation to Work

It is estimated that three-fourths of area workers drive alone to work, with almost 9% carpooling. Only 7.1% of residents utilize public transportation.

MEANS OF TRANSPORTATION TO WORK	
Method Used	% of Workers (16+)
Drive alone	76.3%
Carpool	8.9
Public-transportation	7.1
Motorcycle/Bicycle	1.5
Walk	2.2
Other means	0.2
Work at Home	3.8
Total	100.0%

Source: U.S. Census, American Community Survey 2009-2013

With Houston Metro's recent reimagining effort complete, its new system provides transportation options to the Study Area residents. Two north-south routes, 29-Cullen / Hirsch and 54-Scott transit riders to the UH-TSU Campuses, Southeast Rail Line, and Downtown destinations. Both east-west Routes 73-Bellfort and 87-Sunnyside, bring riders to the Main Street Rail terminus at Fannin/W. Bellfort and also north to the Medical Center. 67% of the Study Area is within a quarter mile or less of a Bus Route.

Retail Expenditures

Area households spend nearly \$314 million annually for retail goods and services.

RETAIL GOODS AND SERVICES EXPENDITURES (\$ MILLIONS)

Products or Services	Amount
Apparel and Services	\$10.4
Computer Hardware, Software & Accessories	1.1
Entertainment & Recreation	37.7
Food	38.8
Food at Home	23.9
Food Away from Home	14.3
Alcoholic Beverages	2.4
Nonalcoholic Beverages at Home	2.3
Financial (including vehicle loans)	24.3
Health	3.4

Mortgage Payments & Basics	37.2
Home Maintenance & Remodeling	8.0
Home Utilities	24.9
Household Furnishings & Equipment	4.9
Household Operations, Housekeeping	7.1
Insurance	22.4
Personal Care	2.0
School Supplies	0.8
Smoking Products	2.6
Transportation	39.8
Travel	5.6
Total	\$314

Source: 2011 & 2012 Consumer Expenditure Surveys, Bureau of Labor Statistics

Area Businesses

There are **504** businesses in the Study Area, employing **5,450** workers.

Type of Business	BUSINESSES AND EMPLOYEES		Employees	
	Businesses		Employees	
	No.	% of Total	No.	% of Total
Agriculture & Mining	5	1.0%	18	0.3%
Construction	22	4.4	107	2.0
Manufacturing	10	2.0	1,838	33.7
Transpo., Communication & Util.	19	3.8	187	3.4
Wholesale Trade	12	2.4	67	1.2
Retail Trade	93	18.5	989	18.1
Real Estate, Finance & Insurance	39	7.7	108	2.0
Services	280	55.6	2,059	37.8
Government	6	1.2	60	1.1
Unclassified Establishments	19	3.8	17	0.3
Totals	504	100.0%	5,450	100.0%

Source: Infogroup, Inc., 2015

Tapestry Segments

According to ESRI's 2015 Tapestry Segmentation, the top two segments are **Modest Income Homes (12D)** and **Family Foundations (12A)**, at 44% and 38.2% respectively. The third most dominant segment is **City Commons (11E)**, at 17.7%. Modest Income Homes is predominantly black, where workers are employed in the services industry and public administration. They possess a high school diploma only, and shop at low-cost retailers, warehouse clubs and take public transportation. The Family Foundation segment is mostly black, with residents either attending college, or obtained a degree. They are employed in sales, transportation and material moving, office and administrative support. The City Commons segment is identified with high unemployment (nearly 30%), with workers typically employed only part-time. Almost 60% have graduated high school with only 6% graduating college. City Commons are employed in the food preparation and serving, sales, and office and administrative support.

The Path Forward

The Sunnyside and South Acres Study area is in need of a plan to improve the economic well-being and overall quality of life of its residents. A plan that can only flourish through greater public and private investment, and expedited and directed with a public financing tool such as a TIRZ.

The economic development plan for the Study Area will be implemented through the ability to capture and utilize incremental ad valorem tax revenue generated from real property in the Area, known as the captured taxable value. The development and redevelopment in the Area is anticipated to occur over a ten to twenty years and ultimately bring about a transformation of the Area through development initiatives created and implemented primarily through public-private investment partnerships.

Boundary Description
Tax Increment Reinvestment Zone No. 26 (Sunnyside / South Acres)
City of Houston, Harris County

Lying wholly in the City of Houston Municipal Limits, TIRZ No. 26 (Sunnyside / South Acres) is +/- 3,152 acre tract centered on the intersection of Airport Blvd. and Scott St. in the Sunnyside Place and South Acres neighborhoods with the point of beginning being the south right-of-way (ROW) of S Loop (610) Fwy. East access road (eastbound) and east ROW of Cullen Blvd;

Then south along the east ROW of Cullen Blvd. to north ROW of Fuqua St. and City of Houston Mun. Limits;

Then west along the north ROW of Fuqua St. and City of Houston Mun. Limits to west ROW of Segrest Dr.;

Then north along west ROW of Segrest Dr. to south ROW of Almeda-Genoa Rd.;

Then west along south ROW of Almeda-Genoa Rd. to east ROW of Scott St.;

Then south along east ROW of Scott St. to north ROW of Fuqua St. and City of Houston Mun. Limits;

Then west along north ROW of Fuqua St. and City of Houston Mun. Limits to west ROW of Furman Rd.;

Then north along west ROW of Furman Rd. to south ROW of Almeda-Genoa Rd.;

Then west along south ROW of Almeda-Genoa Rd. to east ROW of east access road (northbound) to State Highway 288 (South Fwy.);

Then generally north along east ROW of east access road (northbound) to State Highway 288 (South Fwy.) to north ROW of W. Airport Blvd.;

Then east along north ROW of Airport Blvd. to west ROW of Scott St.;

Then north along west ROW of Scott St. to south ROW of Reed Rd.;

Then west along south ROW of Reed Rd. to east ROW of east access road (northbound) to State Highway 288 (South Fwy.);

Then generally north along east ROW of east access road (northbound) to State Highway 288 (South Fwy.) to north ROW of Holmes Rd.;

Then east northeast along north ROW of Holmes Rd. and south boundary of Southern Pacific Rail easement to a point due south of southwest corner of 13.5937 acre tract (TRS 4A 5A 7 7A 11B-1 & 21 L ABST 270 B H FREELING);

Then north across Southern Pacific Rail easement to southwest corner of said 13.5937 acre tract;

Then north and northeast along west boundary of said 13.5937 acre tract and parallel to east ROW of State Hwy. 288 access road (northbound) to northeast corner of said tract;

Then generally east from northeast corner of said 13.5937 acre tract and parallel to south ROW of S Loop (610) Fwy. East access road (eastbound) across Southern Pacific Rail easement to east ROW of Scott St. and northwest corner of 0.9790 acre tract (TR 1E ABST 270 B H FREELING);

Then east southeast along north boundary of said 0.9790 acre tract, across Southern Pacific Rail Easement to north ROW of Holmes Road;

Then east northeast along north ROW of Holmes Road to north ROW of S Loop (610) Fwy. East access road (eastbound);

Then east along north ROW of S Loop (610) Fwy. East access road (eastbound) to east ROW of Cullen Blvd. and **point of beginning of +/- 3,152 acre tract;**

Save and Except Tract 1 is +/- 302 acres centered on the intersection of Redbud and Vera Lou Streets in the Brookhaven subdivision with the point of beginning being the west ROW of Cullen Blvd. and south ROW of S Loop (610) Fwy. East access road (eastbound);

Then south along west ROW of Cullen Blvd to north ROW of Belfort St.;

Then west along north ROW of Belfort St. to east ROW of Scott St.;

Then generally north along the east ROW of Scott St. to south ROW of Holmes Rd.;

Then east northeast along south ROW of Holmes Rd. to south ROW of S Loop (610) Fwy. East access road (eastbound);

Then east along south ROW of S Loop (610) Fwy. East access road (eastbound) to west ROW of Cullen Blvd. and point of beginning of +/- 302 acre **Save and Except Tract 1;**

Save and Except Tract 2 is +/- 356 acres centered on the intersection of Alvin and Edgar Streets within the Blue Bonnet Estates subdivision with the point of beginning being the west ROW of Cullen Blvd. and south ROW of Belfort St.;

Then south along west ROW of Cullen Blvd to north ROW of Reed Rd.;

Then west along north ROW of Reed Rd. to east ROW of Scott St.;

Then north along the east ROW of Scott St. to south ROW of Belfort St.;

Then generally east along south ROW of Belfort St. to west ROW of Cullen Blvd. and point of beginning of +/- 356 acre **Save and Except Tract 2;**

Save and Except Tract 3 is +/- 632 acres centered on the intersection of Tavenor and Donegal Way Streets within the Cloverland Subdivision with the point of beginning being the west ROW of Cullen Blvd. and north ROW of Holloway Dr.;

Then south along west ROW of Cullen Blvd to north ROW of Kilkenny Dr.;

Then west along north ROW of Kilkenny Dr. to east ROW of Donegal Way;

Then south along east ROW of Donegal Way to south ROW of Swingle Rd.;

Then west along south ROW of Swingle Rd. to east ROW of Scott St.;

Then north along east ROW of Scott St. to southwest corner of 10.1497 acre tract (TR 7D ABST 774 T TOBIN);

Then east along south boundary of said 10.1497 acre tract to southeast corner of said tract and southwest corner of 0.1302 acre lot (LT 20 BLK 4 SOUTH ACRES ESTATES SEC 7) and west boundary of South Acres Estates Sec. 7 Blk 4;

Then north along east boundary of said 10.1497 acre tract and west boundary of South Acres Estates Sec. 7 Blk 4 to northwest corner of 0.2255 acre lot (LT 5 BLK 4 SOUTH ACRES ESTATES SEC 7);

Then east along north boundary of said 0.2255 acre lot, and Lots 1-4 to northeast corner of 0.1578 acre lot (LT 1 BLK 4 SOUTH ACRES ESTATES SEC 7) and west ROW of South Coast Dr.;

Then south along east boundary of said 0.1578 acre lot and west ROW of South Coast Dr. to a point due west of northwest corner of 0.1374 acre lot (LT 1 BLK 1 SOUTH ACRES ESTATES SEC 7);

Then east across ROW of South Coast Dr. and along north boundary of said 0.1374 acre lot, and LTS 2-7 BLK 1 SOUTH ACRES ESTATES SEC 7, across drainage easement (Swengel Ditch, D.D. #2) to east easement and west boundary of 0.1615 acre lot (W 60.64 FT OF LT 1 BLK 6 HILLWOOD SEC 4);

Then north along east drainage easement (Swengel Ditch, D.D. #2), west boundary of said 0.1615 acre lot, and Hillwood Subdivision Section 4-6, across ROW of E. Orem Dr. to southeast corner of 0.2571 acre lot (LT 15 BLK 13 CLOVERLAND SEC 8);

Then west along south boundary of said 0.2571 acre lot to west ROW of Segrest Dr. and southeast corner of 0.1928 acre lot (LT 31 BLK 14 CLOVERLAND SEC 8);

The north along east boundary of said 0.1928 acre lot, and 0.1446 acre lot (S 60 FT OF LT 30 BLK 14 CLOVERLAND SEC 8) to northeast corner of said 0.1446 acre lot;

Then west along north boundary of said 0.1446 acre lot to northwest corner of said lot and east boundary of 5.7710 acre tract (BLK 2 CLOVERLAND SEC 9);

Then north along west boundary of CLOVERLAND SEC 8 and east boundary of said 5.7710 acre tract to northeast corner of said tract and southeast corner of 0.2572 acre lot (LT 15 BLK 14 CLOVERLAND SEC 6);

Then west southwest along south boundary of said 0.2572 acre lot and CLOVERLAND SEC 6-7 and north boundary of 2.115 acre tract (BLK 1 CLOVERLAND SEC 9) to southwest corner of 0.1924 acre lot (S 66 FT OF LT 36 BLK 15 CLOVERLAND SEC 7);

Then generally north along west boundary of said 0.1924 acre lot, and Lots 30-36 (CLOVERLAND SEC 7) to northwest corner of 0.1543 acre lot (LT 30 & N 2 FT OF LT 31 BLK 15 CLOVERLAND SEC 7) and south boundary of +/- 1.845 acre tract (RES A BLK 15 CLOVERLAND SEC 7);

Then east along south boundary of said +/- 1.845 acre tract to southeast corner of said tract;

Then north along east boundary of said +/- 1.845 acre tract, across ROW of Hickok Ln. to north ROW of Hickok Ln. and south boundary of Cloverland Park, +/- 11.977 acre tract (TR A CLOVERLAND SEC 5 R/P & EXTN);

Then east along north ROW of Hickok Ln. and south boundary of said +/- 11.977 acre tract (Cloverland Park) to southwest corner of said tract;

Then north along east boundary of said +/- 11.977 acre tract to northeast corner of said tract;

Then west along north boundary of said +/- 11.977 acre tract to northwest corner of said tract and east ROW of Scott St.;

Then north along east ROW of Scott St. to southwest corner of +/- 18.979 acre tract (RES A BLK 1 SOUTH ACRES RANCH SEC 3);

Then east along south boundary of said +/- 18.979 acre tract, and +/- 3.598 acre tract (RES B BLK 1 SOUTH ACRES RANCH SEC 3) to southeast corner of said +/- 3.598 acre tract;

Then north along east boundary of said +/- 3.598 acre tract, and +/- 0.289 acre lot (ROW -STREET EXTENSION DEDICATED PER PLAT NM) to northeast corner of said 0.289 acre lot;

Then west along north boundary of said 0.289 acre lot, and said +/- 18.979 acre tract to northwest corner of said tract and east ROW of Scott St.;

Then north along east ROW of Scott St. to south ROW of South Acres Dr;

Then east along south ROW of South Acres Dr. to east ROW of Southview St.;

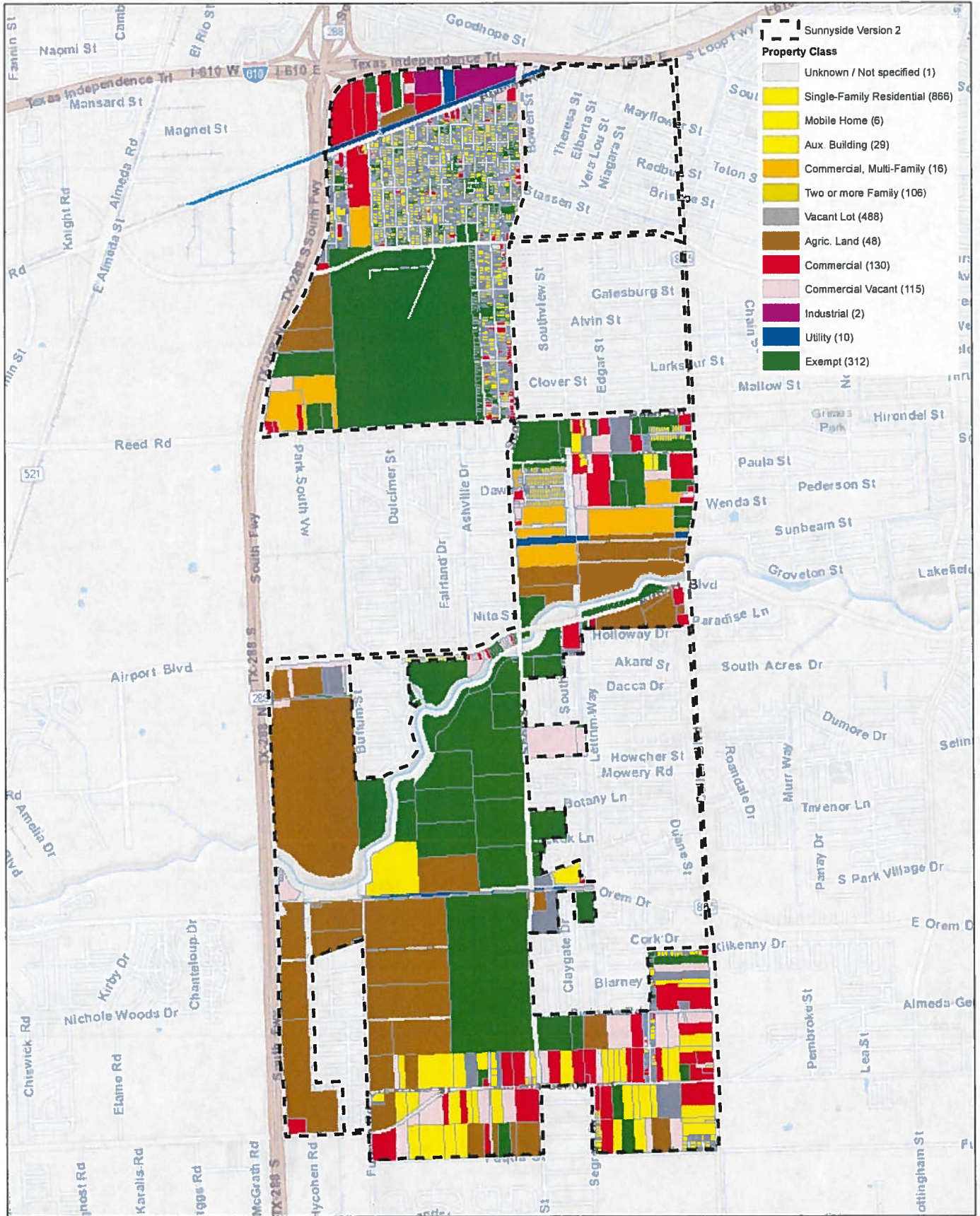
Then north along east ROW of Southview St. and west boundary of BLK 1 SOUTH ACRES ESTATES SEC 6 to northwest corner of 0.1393 acre lot (LT 1 BLK 1 SOUTH ACRES ESTATES SEC 6);

Then east along north boundary of said 0.1393 acre lot, and Lots 15-17 (BLK 1 SOUTH ACRES ESTATES SEC 6) across drainage easement (SWENGEL DITCH, D.D. #2) to west boundary of 0.1465 acre lot (LT 10 & N 3 FT OF LT 11 BLK 3 SOUTH ACRES ESTATES SEC 5);

Then north along east drainage easement (SWENGEL DITCH, D.D. #2) and west boundary of said 0.1465 acre lot and SOUTH ACRES ESTATES SEC 5, to northwest corner of 0.1641 acre lot (LT 1 & N 5 FT OF LT 2 BLK 3 SOUTH ACRES ESTATES SEC 5);

Then east along north boundary of said 0.1641 acre lot, and SOUTH ACRES ESTATES SEC 5 to west ROW of Cullen Blvd. and point of beginning of +/- 632 acre **Save and Except Tract 3**;

Save and Except REEDWOODS Lots 1-15 Blk 29;
Save and Except REEDWOODS Lots 1-2 Blk 30
Save and Except BLUERIDGE SEC 2 Lot 1 Blk 30;
Save and Except BLUERIDGE SEC 2 Lots 1-17 Blk 31;
Save and Except BLUERIDGE SEC 2 Lot 1 Blk 32;
Save and Except SUGAR VALLEY BLK 7-21;
Save and Except SKYVIEW PARK SEC 1-10;
Save and Except ABST 886 D WHITE TR 12J;



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