

**MINUTES OF THE JOINT MEETING OF THE
TIRZ 17 REDEVELOPMENT AUTHORITY/MEMORIAL CITY REDEVELOPMENT AUTHORITY and
TAX REINVESTMENT ZONE NUMBER SEVENTEEN, CITY OF HOUSTON, TEXAS
BOARD OF DIRECTORS**

September 24, 2019

ESTABLISH QUORUM AND CALL MEETING TO ORDER.

The Board of Directors of the TIRZ 17 Redevelopment Authority/Memorial City Redevelopment Authority and Tax Reinvestment Zone Number Seventeen, City of Houston, Texas, held a regular joint meeting on Tuesday, September 24, 2019, at 8:00 a.m., at the Four Points by Sheraton, 10655 Katy Freeway, Wycliffe Room, Houston, Texas 77024, inside the boundaries of the TIRZ, open to the public, and the roll was called of the duly appointed members of the Board, to-wit:

Position 1 – Marshall B. Heins
Position 2 – John Rickel
Position 3 – David P. Durham
Position 4 – Ann T. Givens, *Chair*

Position 5 – Zachary R. Hodges
Position 6 – Brad Freels, *Vice-Chair*
Position 7 – Glenn E. Airola, *Secretary*

and all of the above were present, with the exception of Director Freels, thus constituting a quorum. Also present were Scott Bean and Linda Clayton, both of Hawes Hill & Associates, LLP; Jessica Holoubek, Allen Boone Humphries Robinson, LLP; Pat Hall, ETI Bookkeeping Services; Joseph Ellis, McCall Gibson Swedlund Barfoot PLLC; and Drew Masterson and Kristin Blomquist, both of Masterson Advisors. Others attending the meeting were Torrence Atkinson, District G; Amy Peck, District A; Ben Gillis, Memorial Management District; Karen Glynn, City of Bunker Hill; Kathleen Ellison, Norton Rose Fulbright; Muhammad Ali and Derek St. John, both of Gauge Engineering; Ricky Gonzalez and Michael Salinas, both of LAN; Jim Shroff; Dean Bixler; Donna Freedman; Bob DeLeonardis; Robert Benz; Lois Myers; Bruce Newell; David Tresch; Ed Browne and Cyd Dillahunty. Chair Givens called the meeting to order at 8:01 a.m.

RECEIVE PUBLIC COMMENTS.

Public comments were received from Dean Bixler, Ed Browne, Lois Myers, Donna Freedman and Cyd Dillahunty.

APPROVE MINUTES OF THE AUGUST 27, 2019, MEETING.

Upon a motion duly made by Director Airola, and being seconded by Director Durham, the Board voted unanimously to approve the Minutes of the August 27, 2019, Board meeting, as presented.

RECEIVE AND APPROVE FY2019 ANNUAL FINANCIAL REPORT AND AUDIT FROM McCALL GIBSON SWEDLUND BARFOOT PLLC.

Mr. Ellis presented the FY2019 Annual Financial Report and Audit, included in the Board materials. He went over the Independent Auditor's Report and reported an unmodified/clean opinion. He went

over pages 3-7, Management's Discussion and Analysis; page 10, Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances; pages 13-26, Notes to the Financial Statements; and page 28, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – All Governmental Funds. Upon a motion duly made by Director Rickel, and being seconded by Director Heins, the Board voted unanimously to approve the FY2019 Annual Financial Report and Audit, as presented.

RECEIVE FINANCIAL AND BOOKKEEPER'S REPORT, INCLUDING PAYMENT OF INVOICES, REVIEW OF INVESTMENTS AND PROJECT CASH FLOW REPORTS.

Ms. Hall presented the Bookkeeper's Report and went over invoices, included in the Board materials. Upon a motion duly made by Director Hodges, and being seconded by Director Durham, the Board voted unanimously to accept the Bookkeeper's Report and approved payment of invoices, as presented.

SERIES 2019 CONTRACT TAX REVENUE BONDS, INCLUDING:

- a. Appoint Underwriter;**
- b. Approve Resolution Approving Engagement Agreement for Disclosure Counsel and Authorize Execution of Engagement Letter;**
- c. Authorize Preparation of the Preliminary Official Statement; and**
- d. Approve Resolution Authorizing the Issuance of the Series 2019 Bonds, and Authorizing Representatives to Take Certain Actions on Behalf of the Authority.**

Ms. Blomquist distributed a Plan of Finance for the Series 2019 Tax Revenue Bonds, a copy is attached as Exhibit A. She went over the capacity analysis, refunding statistics, timeline and bond financing team and answered questions. Ms. Holoubek went over the Resolution under agenda item 6.d. and stated Section 3.1 the aggregate principal amount is not to exceed \$55 Million at an interest rate not to exceed 3.5%. Upon a motion duly made by Director Rickel, and being seconded by Director Heins, the Board voted unanimously to (a) appoint Wells Fargo, USB Securities and Stifel Nicolaus & Co as the Underwriters; (b) The Board found based on findings that there is substantial need for legal services specializing in public finance and federal securities law to provide disclosure counsel legal services and approved the Resolution Approving an Engagement Agreement for Disclosure Counsel and Other Matters in Connection Therewith and authorized execution of an Engagement Letter with Norton Rose Fulbright for disclosure counsel services; (c) authorized the preparation of the Preliminary Official Statement; and (d) approved the Resolution Authorizing the Issuance of Tax Increment Contract Revenue and Refunding Bonds, Series 2019, Approving Contract Documents Relating to the Series 2019 Bonds; Authorizing the Redemption Prior to Maturity of Certain Outstanding Bonds; Authorizing the Refunding of Certain Outstanding Bonds and Containing Other Provisions Related Thereto; (e) and authorized the CIP Committee to price the Series 2019 Bonds.

CONSIDER PROPOSED DEVELOPMENT AGREEMENT FOR SANITARY SEWER RELOCATION.

Mr. DeLeonardis with Kimley-Horn provided a presentation on a proposed new public sanitary sewer line from Town & Country Blvd to Kimberly Lane, the presentation is available to view on the website: <http://houstontirz17.org/files/7515/6942/3899/SS Line TIRZ Presentation 09 23 2019 V2.pdf>

He stated it was anticipated for Town Centre Two to be completed in the Fall 2020. He reported the owner is requesting a Reimbursement Agreement with the Authority for the costs associated with the new public sanitary sewer line. There was general discussion regarding the reimbursement component of the agreement to state reimbursement is done after increment is generated from the property. Mr. Bean stated he would work with the developer on the estimates and bring back to the Board for consideration.

CIP COMMITTEE:

a. Project update and recommendations from Gauge Engineering, LLC

Mr. St. John provided a Rain Event Analysis from Tropical Storm Imelda. The presentation is available on the TIRZ website at:

[http://houstontirz17.org/files/5815/6942/3979/September 18th Event Board Presentation Final.pdf](http://houstontirz17.org/files/5815/6942/3979/September%2018th%20Event%20Board%20Presentation%20Final.pdf)

Mr. Ali provided an update on the Briar Branch Channel and Straws Improvements project, a copy of Progress Report is included in the Board materials.

ii. Consider Pay Application No. 9 from Reytec Construction, Briar Branch Channel and Straws Improvements.

Mr. Ali reported Gauge Engineering has reviewed Pay Application 9, Briar Branch Channel and Straws Improvements, from Reytec Construction in the amount of \$1,791,722.50 and concurs with the amounts and quantities and is recommending for approval. Upon a motion duly made by Director Rickel, and being seconded by Director Durham, the Board voted unanimously to approve Pay Application No. 9, Briar Branch Channel and Straws Improvements, from Reytec Construction in the amount of \$1,791,722.50, as presented.

iii. Consider task order for construction phase engineering services for N. Gessner project.

Upon a motion duly made by Director Rickel, and being seconded by Director Durham, the Board voted unanimously to approve the Gauge Engineering task order to provide construction phase services for N. Gessner Drainage and Mobility Improvements project in the amount of \$231,420.00.

9:42 p.m. Director Hodges leaves meeting; a quorum is still present.

i. Presentation on W140-01-05 drainage infrastructure at Long Branch Lane parallel to Springrock Ln.

A presentation was given on the W140 drainage infrastructure, available on the TIRZ website at: [http://houstontirz17.org/files/2115/6942/4053/W140 Board Presentation - 36-inch vs 72-inch Final.pdf](http://houstontirz17.org/files/2115/6942/4053/W140%20Board%20Presentation%20-%2036-inch%20vs%2072-inch%20Final.pdf)

Mr. Ali went over the engineering design for the drainage infrastructure at Long Branch Lane parallel to Springrock Ln. He reported currently the design is for a 36" culvert and an option is enlarging the

36" culvert to 72" culvert to match the existing conditions. He stated the analysis demonstrates this can be done without impacts. He further stated the analysis demonstrates the change has no benefit. He reported the estimated change order cost to the project is \$225,000. Mr. St. John stated we would probably need HCFCD approval for the change. After full discussion by the Board, and upon a motion duly made by Director Durham, and being seconded by Director Rickel, the Board voted unanimously to authorize changing the design of the 36" culvert to the 72" culvert.

b. Project update from LAN.

Mr. Salinas provided an update on the Memorial Drive Improvements project and reported LAN is working on 95% design plans for submittal in November.

c. Project update from The Goodman Corporation. – Progress Reports are in board book for review.

d. Project update from SWA. – Progress Report is in board book for review.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY, WITH REGARD TO PENDING OR CONTEMPLATED LITIGATION; AND CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.072, TEXAS GOVERNMENT CODE, TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE OR VALUE OF REAL PROPERTY.

The Board convened in Executive Session at 9:52 a.m.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTIONS REGARDING PRIVATE CONSULTATION WITH ATTORNEY; AND AUTHORIZE APPROPRIATE ACTIONS WITH REGARD TO THE PURCHASE, EXCHANGE, LEASE OR VALUE OF REAL PROPERTY.

The Board reconvened in Open Session at 10:05 a.m. Upon reconvening in Open Session no action was taken.

ADJOURN.

There being no further business to come before the Board, Chair Givens adjourned the meeting at 10:06 p.m.

(SEAL)



Secretary

List of Exhibits:

A. Plan of Finance – Series 2019 Bonds prepared by Masterson Advisors



Memorial City Redevelopment Authority

Plan of Finance

September 23, 2019

Masterson Advisors LLC
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Houston, Texas 77046

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Ex. A

Capacity Analysis

TY	Series 2019										Accumulated Surplus/ (Deficit)		
	Net City Increment	Outstanding Debt Service ⁽⁴⁾	Refunding Debt Service	New Money Debt Service	New Total Debt Service	Bond Coverage	Excess Increment	Municipal Service Fee	Metro National	Overhead		Total Other Obligations	
2019	18,120,200	4,013,145	114,125	353,375	4,480,645	4.04x	13,639,556	2,256,619	3,013,459	273,400	5,543,478	8,096,077	16,492,010
2020	18,120,200	1,095,966	2,962,250	3,173,375	7,231,591	2.51x	10,888,609	2,256,619	3,013,459	273,400	5,543,478	5,345,131	21,837,140
2021	18,120,200	1,094,397	3,087,250	3,180,625	7,362,272	2.46x	10,757,928	2,256,619	3,013,459	273,400	5,543,478	5,214,449	27,051,590
2022	18,120,200	3,330,174	844,625	3,187,750	7,362,549	2.46x	10,757,651	2,256,619	3,013,459	273,400	5,543,478	5,214,173	32,265,762
2023	18,120,200	3,332,573	845,000	3,184,750	7,362,323	2.46x	10,757,878	2,256,619	3,013,459	273,400	5,543,478	5,214,399	37,480,162
2024	18,120,200	3,333,164	843,625	3,186,500	7,363,289	2.46x	10,756,911	2,256,619	3,013,459	273,400	5,543,478	8,226,892	45,707,054
2025	18,120,200	3,331,948	840,500	3,187,625	7,360,073	2.46x	10,760,128	2,256,619	3,013,459	273,400	5,543,478	8,230,109	53,937,163
2026	18,120,200	3,323,984	840,500	3,197,625	7,362,109	2.46x	10,758,091	2,256,619	3,013,459	273,400	5,543,478	8,228,072	62,165,235
2027	18,120,200	612,290		6,750,125	7,362,415	2.46x	10,757,785	2,256,619	3,013,459	273,400	5,543,478	8,227,766	70,393,001
2028	18,120,200			7,364,625	7,364,625	2.46x	10,755,575	2,256,619	3,013,459	273,400	5,543,478	8,225,556	78,618,557
	199,322,202	27,661,888	10,377,875	36,766,375	74,806,138		124,516,063	24,822,809	18,067,297	3,007,400	45,897,506	78,618,557	

Par Amount	\$28,270,000	\$9,130,000	\$37,400,000
Premium	5,087,540	822,446	5,909,987
Total Sources	\$33,357,540	\$9,952,446	\$43,309,987
Project Fund	31,910,056	9,639,700	41,549,757
Cost of Issuance	989,450	273,900	1,263,350
Bond Insurance	231,874	-	231,874
Underwriter's Discount	226,160	38,056	264,216
Total Uses	\$33,357,540	\$9,951,657	\$43,309,197

All-in TIC 2.64% 2.82% 2.66%

- (1) TY 2018 certified values provided by Equitax. Flat thereafter.
- (2) Includes Metro National Agreement
- (3) Rates as of September 19, 2019
- (4) Net of Refunded Bonds
- Assumptions:
- 0%
- 0

Refunding Stats


	New Money	Refunding	Total Issued	Authorized but Unissued
Par Amount	\$ 28,270,000	\$ 9,130,000	\$ 37,400,000	Authorized \$ 55,000,000
Premium	5,087,540	822,446	5,909,987	Outstanding (27,150,000)
Total	\$ 33,357,540	\$ 9,952,446	\$ 43,309,987	Refunded 9,550,000
Project Fund	\$ 31,910,056	\$ -	\$ 31,910,056	Unissued \$ 37,400,000
Escrow	-	9,639,700	9,639,700	New Money (28,270,000)
Issuance Cost	1,447,484	312,746	1,760,230	Refunding (9,130,000)
Total	\$ 33,357,540	\$ 9,952,446	\$ 43,309,987	Unissued \$ -

	\$ Savings	% Savings
NPV Savings	\$ 217,502	2.28%
Additional Par	420,000	
Total	\$ 637,502	6.68%

FY	Prior Bonds Debt Service	Refunding Debt Service	Savings	Net Present Value Savings
2020	\$ 179,401	\$ 114,125	\$ 65,276	\$ 64,846
2021	3,095,659	2,962,250	133,409	131,276
2022	3,092,374	3,087,250	5,124	5,170
2023	848,984	844,625	4,359	4,279
2024	847,028	845,000	2,028	2,009
2025	844,152	843,625	527	581
2026	845,264	840,500	4,764	4,151
2027	845,272	840,500	4,772	3,992
	\$ 10,598,134	\$ 10,377,875	\$ 220,259	\$ 216,304

Timeline

Sep-19							Oct-19							Nov-19							Dec-19						
S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	S	M	T	W	Th	F	S
1	2	3	4	5	6	7	1	2	3	4	5	1	2	3	4	5	6	7	1	2	3	4	5	6	7		
8	9	10	11	12	13	14	6	7	8	9	10	11	12	3	4	5	6	7	8	9	8	9	10	11	12	13	14
15	16	17	18	19	20	21	13	14	15	16	17	18	19	10	11	12	13	14	15	16	15	16	17	18	19	20	21
22	23	24	25	26	27	28	20	21	22	23	24	25	26	17	18	19	20	21	22	23	22	23	24	25	26	27	28
29	30	27	28	29	30	31	24	25	26	27	28	29	30	24	25	26	27	28	29	30	31	29	30	31			

 Board Meeting

 Holiday

Date	Action	Responsible Party
Tue - Sep 17	» CIP Committee Meeting - Present Plan of Finance and Discuss Financing Team and Underwriters	MCRA
Tue - Sep 24	» Board Meeting - Present Plan of Finance & Adopt Bond Resolution	MCRA
Wed - Oct 2	» Distribute 1st Draft of Bond Documents	DC
Wed - Oct 9	» Receive Comments to 1st Draft of Bond Documents	FWG
Mon - Oct 14	» Distribute 2nd Draft of Bond Documents to Working Group and Rating Agency	DC
Mon - Oct 21	» Receive Comments to 2nd Draft of Bond Documents	FWG
Week of Oct 21	» Rating Call or Meeting	MCRA, FA
Wed - Oct 23	» Provide Bond Documents for inclusion in Board Packets	FA
Wed - Oct 30	» Board Meeting - Approve the Preliminary Official Statement (POS) and Trust Indenture	MCRA
Mon - Nov 4	» Receive Rating	MCRA, FA
Tue - Nov 5	» Electronically Distribute Offering Documents	FA
Tue - Nov 19	» Pricing	FWG
Tue - Dec 10	» Closing	FWG

Bond Financing Team

Financial Advisor

- Advises the issuer on all matters regarding bond issuance
- Issuer's representative in and to the bond market
- Fiduciary duty to the issuer

Bond Counsel

- Counsel retained by the issuer to give legal opinions that the issuer is authorized to issue the bonds
- Provides legal opinion on the tax status of the bonds
- Prepares bond documents with input from financing team

Disclosure Counsel

- conducts independent due diligence to ensure complete and accurate disclosure in offering documents
- Drafts preliminary official statement

Underwriters

- Securities dealer which purchases municipal securities for resale; either by competitive or negotiated sale, and may purchase the securities in a group with other underwriters (an underwriting syndicate)

Underwriters' Counsel

- represents the underwriter and works toward accurate disclosure in the offering documents

Participants

Financial Advisor

Masterson Advisors LLC

Bond Counsel

Allen Boone Humphries Robinson

Disclosure Counsel

Norton Rose Fulbright

Underwriters

Wells Fargo - Senior Manager

UBS Securities

Stifel Nicolaus & Co.

Competitive Calendar

Date	Issuer Description	State	Amount
9/24/2019	EVERGREEN SD # 114	WA	177
9/23/2019	FL DOT -GARVEE	FL	140
9/26/2019	RICHMOND -A -REF	VA	132
9/25/2019	LAS VEGAS VLY WTR DIST -B	NV	94
9/24/2019	WASHINGTON ST -COPS -D	WA	83
9/25/2019	WEST WINDSOR PLAINSBORO	NJ	80
9/24/2019	COLUMBUS BLDG AUTH -REF	GA	74
9/24/2019	HAMPTON -A	VA	51
9/24/2019	VA HSG DEV AUTH -D -TXBL	VA	50
9/25/2019	WEBER SD BOE	UT	35

Negotiated Calendar

Date	Issuer Description	State	Amount
9/23/2019	TX WTR DEV BRD -A	TX	854
9/23/2019	NJ TRANSPRTN TRUST -BB	NJ	800
9/23/2019	NYS ENVIR FACCS CORP-B-REF	NY	329
9/23/2019	MISSISSIPPI ST -C -TXBL	MS	236
9/23/2019	MISSISSIPPI ST -B	MS	164
9/23/2019	NJ TRANSPRTN TRUST -BB-1	NJ	150
9/23/2019	TURLOCK IRR DT -REV -REF	CA	138
9/23/2019	TURLOCK IRR DT -REV -REF	CA	94
9/23/2019	WASHINGTON ST-R-2020A-REF	WA	92
9/23/2019	HAWAII ST DEPT OF BUDGET	HI	80

UPCOMING WEEK

U.K.'s Supreme Court is likely to rule this week whether Boris Johnson's **decision to suspend Parliament was lawful**.

The Forecast for the Fed's preferred inflation measure is 1.8%, the strongest since January.

Economist expect personal spending to increase at a slower pace, suggesting consumers will continue to sustain the longest U.S. expansion on record.

MARKET WRAP

U.S. equities approach all time high as slew of fresh monetary-policy decisions hit investors' radar (**S&P 3,019 // DOW 27,270 // NASDAQ 8,234**)

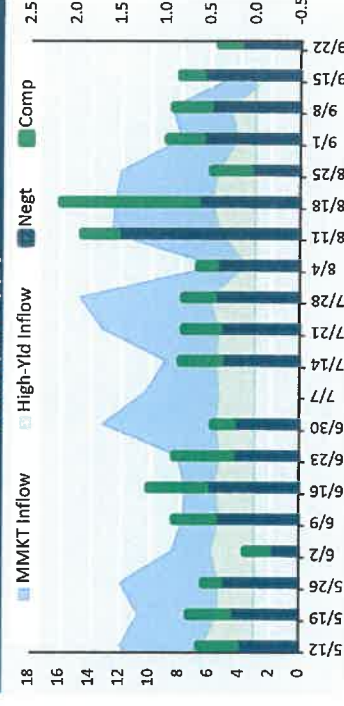
Bonds U.S. Treasury 10-year fell one basis point to 1.79%. Germany's 10-year bund rose one basis point to -0.50%. In the UK, 10-year yield was unchgd at 0.63%.

Fed Injects Cash to calm funding markets. \$52BLN, 75BLN, \$75BLN (TUE/WED/THU) Fed bought (gave cash) via overnight REPO.

Economic Releases This Week

Date	Event	Survey	Prior
9/23/2019	Chicago Fed Nat Activity Index	0.05	-0.36
9/25/2019	MBA Mortgage Applications	--	-0.10%
9/25/2019	New Home Sales	651k	635k
9/26/2019	GDP Annualized QoQ	2.00%	2.00%
9/26/2019	Personal Consumption	--	4.70%
9/26/2019	Advance Goods Trade Balance	-\$73.5b	-\$72.3b
9/26/2019	Initial Jobless Claims	--	208k
9/27/2019	Personal Income	0.40%	0.10%
9/27/2019	Durable Goods Orders	-1.10%	2.00%
9/27/2019	Personal Spending	0.30%	0.60%

Municipal Supply



Notable Deals of Last Week

Issuer	State	Ratings	Insured	Par Amt*	Call Date	Maturity	Coupon	Yield	Spread
Greater Orlando Aviation	FL	NR/AA-/AA-	None	1,135.32	10/1/2029	10/1/2054	3.25%	3.32%	118
Georgia Muni Elec Auth	GA	NR/A/BBB+	None	444.79	7/1/2028	1/1/2063	5.00%	3.41%	123
Deer Park ISD	TX	Aa1/AA+/NR	PSF	35.25	8/15/2028	8/15/2043	4.00%	2.60%	49
Waxahachie (Utility System)	TX	NR/AA-/NR	None	29.09	8/1/2029	8/1/2039	3.00%	2.65%	72
Montg. Co MUD 83	TX	NR/NR/NR	MAC	6.34	9/1/2024	9/1/2033	3.00%	2.63%	90
Sunfield MUD 1	TX	Baa2/NR/NR	AGM	3.635	9/1/2027	9/1/2038	3.00%	2.90%	98

Structured Products

1Y REPO	2Y REPO	Muni SWAP 10Yr	WTI	YoY Δ	12mo High	TexStar	Logic	TexPool	SLGS
1.50%	1.35%	1.23%	\$58.69	(\$9.06)	\$73.84	2.59%	2.31%	2.66%	1.51%

Weekly MMD & Treasury Rates

Maturity	AAA MMD	WoW Δ	Treasury	WoW Δ
1 yr	1.28	11 bps	1.88	6 bps
2 yr	1.26	10 bps	1.74	2 bps
5 yr	1.29	10 bps	1.66	3 bps
10 yr	1.48	6 bps	1.79	2 bps
30 yr	2.08	5 bps	2.23	-3 bps

CONTACT INFORMATION

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Sources: Bloomberg, Refinitiv's Lipper US Fund Flows, TexStar, Logic, TexPool, US Treasury