

**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**

**October 29, 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, October 29, 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 Directors Givens, Rickel and Durham, 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; and Pat Hall, ETI Bookkeeping Services. Others attending the meeting were Kristin Blomquist, Masterson Advisors; Jennifer Curley, COH - Economic Development Dept.; Council Member Greg Travis, District G; Ben Gillis and Pat Walters, both of Memorial Management District; Karen Glynn, City of Bunker Hill; Muhammad Ali and Derek St. John, both of Gauge Engineering; Michael Salinas, LAN; Jim Webb, The Goodman Corporation; Bob DeLeonardis, Kimley-Horn; John Jackson; Jim Shroff; Lois Myers; and David Tresch. The meeting was called to order at 8:01 a.m.

**RECEIVE PUBLIC COMMENTS.**

Public comments were received by John Jackson (comments of Bruce Nichols), Council Member Greg Travis and Lois Myers.

**APPROVE MINUTES OF THE SEPTEMBER 24, 2019, MEETING.**

Upon a motion duly made by Director Heins, and being seconded by Director Airola, the Board voted unanimously to approve the Minutes of the September 24, 2019, Board meeting, 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 Airola, the Board

voted unanimously to accept the Bookkeeper's Report and approved payment of invoices, as presented.

**SERIES 2019 CONTRACT TAX REVENUE BONDS.**

**a. Approve Preliminary Official Statement.**

Ms. Blomquist presented the Preliminary Official Statement, included in the Board materials. A revised Schedule 1: Selected Financial Information (unaudited) was distributed, a copy is attached as Exhibit A. She stated a rating is expected in next 2-3 weeks and we should close on the bonds before the end of the year. Upon a motion duly made by Director Freels, and being seconded by Director Hodges, the Board voted unanimously to approve the Preliminary Official Statement.

**b. Engage rating company to perform credit rating analysis for Series 2019 Bonds.**

Ms. Holoubek requested approval to engage S&P Global as the rating company to perform credit rating analysis for the Series 2019 Bonds. Upon a motion duly made by Director Airola, and being seconded by Director Heins, the Board voted unanimously to approve engaging S&P Global as the rating company to perform the credit rating analysis for the Series 2019 Bonds.

**CONSIDER PROPOSED DEVELOPMENT AGREEMENT FOR SANITARY SEWER RELOCATION.**

Mr. Bean stated the Development Agreement is for the relocation of a sanitary sewer line from Town & Country Blvd to Kimberly Lane as presented to the Board at its last meeting. He reported the Development Agreement was prepared by the Authority's attorney and includes a clause that states reimbursement will be made once increment is produced from the property with an option for the Authority to pay earlier if it so chooses. The Board requested to change the interest rate ceiling to 3.5%, Article I. General Terms, paragraph 4. After full discussion by the Board, and upon a motion duly made by Director Freels, and being seconded by Director Airola, the Board voted unanimously to approve the Development Agreement with TC Blvd Partners II, LLC for the relocation of a public sanitary sewer line.

**CONSIDER TOWN & COUNTRY WAY RIGHT-OF-WAY CONVEYANCE TO CITY OF HOUSTON.**

Ms. Holoubek reviewed the Public Street Right-of-Way Easement Conveyance and noted right-of-way property owned by the Authority is being conveyed to the City. Upon a motion duly made by Director Airola, and being seconded by Director Hodges, the Board voted unanimously to approve the Public Street Right-of-Way Easement Conveyance.

**CIP COMMITTEE**

**a. Project update and recommendations from Gauge Engineering LLC**

Mr. Ali provided an update on the Briar Branch Channel and Straws Improvements and N. Gessner projects, the progress reports are included in the Board materials. He reported the W140 project is ahead of schedule and Bunker Hill Rd. is fully open to traffic. He reported Gauge is working with the

City to adjust the water line to allow the boxes to proceed across Witte. He reported a pre-construction meeting was held for N. Gessner project last week and a Notice to Proceed has been issued.

**i. Consider Change Order No. 1, Briar Branch Channel and Straws Improvements, from Reytec Construction, in the amount of \$225,362.50.**

Mr. Ali reviewed Change Order No. 1 from Reytec Construction to enlarge the 36” culvert to a 72” culvert to match existing conditions in the amount of \$225,362.50. He reported Gauge has reviewed the Change Order and concurs with the amount and is recommending for approval. Upon a motion duly made by Director Freels, and being seconded by Director Airola, the Board voted unanimously to approve Change Order No. 1, Briar Branch Channel and Straws Improvements, from Reytec Construction in the amount of \$225,362.50, as presented.

**ii. Consider Pay Application No. 10, Briar Branch Channel and Straws Improvements, from Reytec Construction.**

Mr. Ali reviewed Pay Application No. 10, Briar Branch Channel & Straws Improvements from Reytec Construction in the amount of \$1,565,966.25. He reported Gauge has reviewed the pay application and concurs with the amount and quantities and is recommending for approval. Upon a motion duly made by Director Airola, and being seconded by Director Heins, the Board voted unanimously to approve Pay Application No. 10, Briar Branch Channel & Straws Improvements from Reytec Construction in the amount of \$1,565,966.25, as presented.

**b. Project update from LAN**

Mr. Salinas provided an update on Memorial Drive Improvement project, a copy of LAN’s progress report is included in the Board materials. He reported 95% design submittal is due in November. No action from the Board was required.

**c. Project update from The Goodman Corporation**

Mr. Webb provided an update on projects and possible grant opportunities. No action from the Board was required.

**d. Project update from SWA**

SWA’s progress report is included in the Board materials 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 8:39 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 9:18 a.m. Upon reconvening in Open Session no action was taken.

**ADJOURN.**

There being no further business to come before the Board, the meeting was adjourned at 9:18 a.m.



Secretary

List of Exhibits:

- A. Revised Schedule 1: Selected Financial Information (unaudited) page viii of Preliminary Official Statement

**Schedule 1: Selected Financial Information (unaudited)**

|  | City             |
|--|------------------|
| 2019 Certified Taxable Value (a)   | \$ 3,690,562,093 |
| Tax Increment Base (b)   | 509,671,530      |
| 2019 Certified Incremental Appraised Value                                 | 3,180,890,563    |
| <br>   |                  |
| 2019 Total Tax Rate Contribution (c)                                       | \$0.56792        |
| <br>   |                  |
| Estimated Collection Rate (d)  | 99.92%           |
| <br>   |                  |
| City Administrative Fee  | 5%               |
| <br>   |                  |
| Contract Tax Increments Constituting<br>Pledged Revenues FYE 6/30/2020 (e) | \$ 17,148,625    |
| <br>   |                  |
| Outstanding Debt   | \$ 55,000,000 *  |
| Average Annual Debt Service (2020-2029)                                    | 7,056,089 *      |
| Maximum Annual Debt Service (2025)   | 7,359,500 *      |
| <br>   |                  |
| Coverage of Estimated 2020 Pledged Revenues from City to:                  |                  |
| Average Annual Debt Service (2020-2029)                                    | 243% *           |
| Maximum Annual Debt Service (2025)   | 233% *           |
| <br>   |                  |
| Ratio of 2019 Captured Appraised Value to Total<br>Appraised Value in Zone | 86.19% (f)       |
| <br>   |                  |
| Debt Service Reserve Fund Requirement                                      | \$ 3,740,000 (g) |

\* Preliminary, subject to change. After issuance of the Bonds and refunding of the Refunded Bonds.

- (a) The 2019 certified taxable value shown is provided by the Authority’s tax consultant. It is based on data provided by the Appraisal District and includes uncertified values in the amount of \$\_\_\_\_\_. Uncertified values reflect the Appraisal District’s estimate of the final taxable value of properties which are currently uncertified. The uncertified accounts are generally being protested by the taxpayers and certified values for these accounts may be lower than the Appraisal District’s estimate. Only values that are certified by the Appraisal District are used to calculate taxes due. The value is net of the City’s tax exemptions. See “FINANCIAL INFORMATION—Schedule 5: Tax Increment Collections.”
- (b) Certified appraised values are established annually by the Harris County Appraisal District (the “*Appraisal District*”) for the current tax year, but are subject to change for a number of years thereafter. The Tax Increment Base is the sum of the taxable value in the Zone as originally constituted on January 1, 1999 plus the taxable value of annexed areas as of the year each was annexed into the Zone. See “SOURCE OF AND SECURITY FOR PAYMENT—Calculation of Tax Increments.”
- (c) See “INVESTMENT CONSIDERATIONS—Tax and Collection Rates May Decline” for information on tax rate reductions in the last five years.
- (d) Projected 2019 collection rate for the City is based on the average of historical collections from 2014 through 2018.
- (e) Payment of 2019 taxes is due by January 31, 2020. The Authority expects that substantially all the Tax Increments arising from these taxes will be transferred to the Authority in calendar year 2020. These Tax Increments are expected to be used to pay debt service on September 1, 2020 and March 1, 2021. See “FINANCIAL INFORMATION—Schedule 6: Historical Debt Service Coverage.”
- (f) See “INVESTMENT CONSIDERATIONS—A Decrease in Taxable Value Produces a Greater Decrease in Captured Appraised Value and Can Reduce Tax Increments Significantly.”
- (g) The Debt Service Reserve Fund is for the benefit of the Bonds only. The Debt Service Reserve Fund may consist of a Debt Service Reserve Policy. See “SOURCE OF AND SECURITY FOR PAYMENT—Debt Service Reserve Fund.”