

MEMORIAL CITY
REDEVELOPMENT AUTHORITY,
TIRZ No. 17,
City of Houston



Agenda and Agenda Materials
Meeting of the Board of Directors

October 29, 2019

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

Notice is hereby given that the Board of Directors of the TIRZ 17 Redevelopment Authority (aka the Memorial City Redevelopment Authority) and the Tax Reinvestment Zone Number Seventeen, City of Houston, Texas, will hold a joint meeting on **Tuesday, October 29, 2019, at 8:00 a.m.**, at Four Points by Sheraton, Wycliffe Room, 10655 Katy Freeway, Houston, Texas 77024, open to the public, to discuss and adopt such orders, resolutions or motions, and take direct or indirect actions as may be necessary, convenient, or desirable with respect to the following matters:

AGENDA

1. Establish quorum and call meeting to order.
2. Receive public comments. (A statement of no more than 3 minutes may be made on items of general relevance. There will be no yielding of time to another person. State law prohibits the Board Chair or members of the Board from deliberating a topic without an appropriate agenda item being posted in accordance with the Texas Open Meetings Law; therefore, questions or comments will not be addressed. Engaging in verbal attacks or comments intended to insult, abuse, malign or slander any individual shall be cause for termination of time privileges).
3. Approve Minutes of the September 24, 2019, meeting.
4. Receive financial and bookkeeper's report, including payment of invoices, review of investments, and project cash flow reports.
5. Series 2019 Contract Tax Revenue Bonds.
 - a. Approve Preliminary Official Statement.
 - b. Engage rating company to perform credit rating analysis for Series 2019 Bonds.
6. Consider proposed Development Agreement for sanitary sewer relocation.
7. Consider Town & Country Way Right-of-Way Conveyance to City of Houston.
8. CIP Committee:
 - a. Project update and recommendations from Gauge Engineering, LLC.
 - i. Consider Change Order No. 1, Briar Branch Channel and Straws Improvements, from Reytec Construction, in the amount of \$225,362.50.
 - ii. Consider Pay Application No. 10, Briar Branch Channel and Straws Improvements, from Reytec Construction.
 - b. Project update from LAN.
 - c. Project update from The Goodman Corporation.
 - d. Project update from SWA.
9. 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.
10. Reconvene in Open Session and authorize appropriate actions regarding private consultation with attorney; and reconvene in Open Session and authorize appropriate actions with regard to the purchase, exchange, lease or value of real property.
11. Adjournment.



Executive Director for Authority

MEMORIAL CITY REDEVELOPMENT AUTHORITY TIRZ No. 17,
HOUSTON, TEXAS

AGENDA MEMORANDUM

TO: Memorial City Redevelopment Authority TIRZ No. 17 Board of Directors
FROM: Executive Director
SUBJECT: Agenda Item Materials

3. Approve Minutes of the September 24, 2019 meeting.

**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 p.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 TIRZ No. 17,
HOUSTON, TEXAS

AGENDA MEMORANDUM

TO: Memorial City Redevelopment Authority TIRZ No. 17 Board of Directors
FROM: Executive Director
SUBJECT: Agenda Item Materials

4. Receive the financial and bookkeeper's report, including payment of invoices, review of investments, and project cash flow reports.

Memorial City Redevelopment Authority

Cash Management Report

September 30, 2019

ETI BOOKKEEPING SERVICES

17111 ROLLING CREEK DRIVE SUITE 108

HOUSTON TX 77090

TELEPHONE 281 444 3384 FAX 281 440 8304

Fiscal Year End: June 30, 2020

Summary

<u>Current Activity</u>	<u>Memorial City Redevelopment Authority</u>			
	<u>General Fund</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total</u>
Beginning Balance	8,505,468.16	0.00	420,867.64	8,926,335.80
Revenue	83,300.55	0.00	728.23	84,028.78
Expenditures	2,207,749.11	0.00	0.00	2,207,749.11
Ending Balance	6,381,019.60	0.00	421,595.87	6,802,615.47

NOTES:

Debt Service Payments due in Fiscal Year End 2020:

Date	Series	Principal	Interest	Total
9/1/2019	2008	535,000.00	11,903.75	546,903.75
9/1/2019	2011R	645,000.00	107,916.00	752,916.00
9/1/2019	2011A	2,045,000.00	122,718.75	2,167,718.75
9/1/2019	2016R	120,000.00	213,526.00	333,526.00
3/1/2020	2008		0.00	0.00
3/1/2020	2011R		96,048.00	96,048.00
3/1/2020	2011A		83,352.50	83,352.50
3/1/2020	2016R		212,080.00	212,080.00
			Total FYE 2020	4,192,545.00

September 30, 2019

General Operating Fund

BEGINNING BALANCE: **8,505,468.16**

REVENUE:

City of Houston Increment	0.00	
Checking Interest - Wells Fargo	94.31	
Texpool Interest	2,963.29	
Wells Fargo/TexSTAR (Surplus Funds) Interest	9,787.65	
Texas Exchange CD Interest	0.00	
Spring Branch Management - Raise Lines	70,455.30	
Voided Check(s)	0.00	
Total Revenue:		83,300.55

DISBURSEMENTS:

Checks Presented At Last Meeting	2,187,799.00
Checks Written at/after Last Meeting	19,950.11

Num	Name	Amount
3015	SWA Group	-11,950.11
3016	McCall Gibson Swedlund Barfoot PLLC	-8,000.00
Total		-19,950.11

Total Expenditures **2,207,749.11**

Ending Balance: **6,381,019.60**

Location of Assets:

Institution	Investment Number	Interest Rate	
Wells Fargo Checking	*5490	0.1800	295,599.03
TexPool	*0001	2.1635	1,669,424.07
Wells Fargo/TexSTAR	TexSTAR Surplus Funds	2.1054	4,165,996.50
Texas Exchange Bank CD	*3601	2.2500	250,000.00
		Total	6,381,019.60
Certificate of Deposit	CD *3601	Term: 12 Months	Matures: 09/28/2020

Memorial City Redevelopment Authority
Checks Presented
October 29, 2019

Num	Name	Description	Amount
3017	Equi-Tax, Inc	Tax Assessor Fee	-400.00
3018	ETI Bookkeeping Services	Bookkeeping Fee	-1,000.00
3019	Gauge Engineering, LLC	Engineering Fee	-90,523.00
3020	Hawes Hill & Associates	Professional Consultant	-8,500.00
3021	Lockwood, Andrews & Newman, Inc.	Memorial Drive Improvements	-30,485.91
3022	McCall Gibson Swedlund Barfoot PLLC	Final FYE 2019 Audit	-3,000.00
3023	McGrath & Co., PLLC	Final FYE 2019 Audit	-9,750.00
3024	Reytec Construction Resources, Inc.	Briar Branch Channel & Straws	-1,565,966.25
3025	SWA Group	Engineering Fee	-22,999.24
3026	Texas Attorney General Office	Bond Series 2019	-9,500.00
3027	Texas Municipal League - IRP Inc	Insurance	-961.38
3028	The Goodman Corporation Inc	Contract Services	-2,200.00
Total			-1,745,285.78

Debt Service Fund

BEGINNING BALANCE		420,867.64
REVENUE		
TexPool DSF Interest	14.53	
Wells Fargo/TexSTAR (2008 DSF) Interest	697.19	
Wells Fargo/TexSTAR (2008 Pled Rev) Interest	16.51	
Total Revenue		728.23
EXPENDITURES		
Debt Service Interest Payment	0.00	
Debt Service Principal Payment	0.00	
Trustee Fee	0.00	
Total Expenditures		0.00
ENDING BALANCE		421,595.87

Location of Assets:

Institution	Investment Number	Interest Rate	Current Balance
Wells Fargo *4601	TexSTAR 2008 DSF	2.1054	403,855.43
Wells Fargo *4600	TexSTAR 2008 Pledged Rev	2.1054	9,546.35
TexPool	*0004	2.1635	8,194.09
		Total	421,595.87

**Memorial City Redevelopment Authority
Investment Report
September 30, 2019**

SCHEDULE OF INVESTMENTS

Investment Pools

Fund	Location Of Assets	Interest Rate	Beginning Balance		Interest Earned	Deposits or (Withdrawals)	Ending Balance		
			Market	N.A.V.			Market	N.A.V.	
GOF	TexPool	2.1635	1,666,644.09	1,00011	2,963.29	0.00	1,669,540.93	1,00007	1,669,424.07
DSF	TexPool	2.1635	8,180.46	1.00011	14.53	(0.00)	8,194.66	1.00007	8,194.09
GOF	Wells Fargo/ TexStar	2.1054	6,539,523.00	0.999941	9,787.65	(2,383,700.00)	4,165,838.19	0.999962	4,165,996.50
DSF	Wells Fargo/ TexStar DSF	2.1054	403,134.45	0.999941	697.19	0.00	403,840.08	0.999962	403,855.43
DSF	Wells Fargo/ TexStar PI Rev	2.1054	9,529.28	0.999941	16.51	0.00	9,545.99	0.999962	9,546.35

Certificates of Deposit

Fund	Location Of Assets	Interest Rate	Purchase Value	Term	Maturity Date	Beginning Balance	Deposits or (Withdrawals)	Interest Earned	Ending Balance
GOF	TX Exch *3601	2.2500	245,000.00	12 Months	9/28/2020	250,000.00	0.00	0.00	250,000.00

Demand Accounts

Fund	Location Of Assets	Interest Rate	Purchase Date	Beginning Balance	Interest Earned	Deposits or (Withdrawals)	Ending Balance
GOF	Wells Fargo	0.18	6/8/2015	49,098.53	94.31	246,406.19	295,599.03

Collateral Pledged In Addition to FDIC

Depository Institution	Total Funds On Deposit	Custodial Institution	Securities Pledged	Collateral Description	Par Value	Market Value
Wells Fargo	295,599.03	BNYM	2,712,480	WU2246	2,154,861	2,250,529

Certification:

The District's investments are in compliance with the investment strategy with the investment strategy as expressed in the District's Investment Policy and the Public Funds Investment Act. I hereby certify that pursuant to the Senate Bill 253 and in connection with the preparation of this investment report, I have reviewed the divestment lists prepared and maintained by the Texas Comptroller of Public Accounts, and the District does not own direct or indirect holdings in any companies identified on such lists.

Bookkeeper

Investment Officer

Investment Officer	Date Assumed Office	Training Completed
Kenneth Byrd	8/6/2015	10/27/2018

Memorial City Redevelopment Authority
Profit & Loss Budget vs. Actual
September 2019

	September			Year To Date (3 Months)			Annual
	Actual	Budget	Variance	Actual	Budget	Variance	Budget
Income							
1000 · Income							
6001 · City Tax Revenue	0	0	0	15,116,144	18,940,967	-3,824,823	18,940,967
8223 · Interest Income	13,573	3,081	10,492	94,294	9,242	85,052	36,969
8930 · Bond Proceeds	0	0	0	0	0	0	36,000,000
Total 1000 · Income	13,573	3,081	10,492	15,210,438	18,950,209	-3,739,771	54,977,936
6-4320 · Increment Collections	0	0	0		0	0	0
Total Income	13,573	3,081	10,492	15,210,438	18,950,209	-3,739,771	54,977,936
Expense							
3335 · Management Consulting Services							
6320 · Legal	0	6,250	-6,250	9,259	18,750	-9,491	75,000
6322 · Eng Consultant/General Prof.Svc	6,330	5,000	1,330	8,530	15,000	-6,470	60,000
6323 · Legal Litigation	0	0	0	0	0	0	0
6337 · Construction Audit	0	0	0	3,500	0	3,500	5,000
6343 · Other	0	0	0	0	0	0	0
Total 3335 · Management Consulting Services	6,330	11,250	-4,920	21,289	33,750	-12,461	140,000
5650 · Transfers							
6420 · COH Administration Fee	0	0	0	0	947,048	-947,048	947,048
6430 · Municipal Services	0	0	0	0	0	0	1,766,619
Total 5650 · Transfers	0	0	0	0	947,048	-947,048	2,713,667
5706 · Debt Service							
5707 · Principal	0	0	0	3,345,000	3,220,000	125,000	3,220,000
5708 · Interest	0	0	0	456,065	487,125	-31,060	1,570,038
5710c · Trustee Fee	0	0	0	850	9,500	-8,650	9,500
Total 5706 · Debt Service	0	0	0	3,801,915	3,716,625	85,290	4,799,538
6300 · Administration & Overhead							
6321 · Auditor	12,750	10,500	2,250	20,750	10,500	10,250	20,500
6333 · Bookkeeping/Accounting	1,300	958	342	4,225	2,875	1,350	11,500
6340 · Administration Salaries/Benefit	8,500	8,500	0	25,500	25,500	0	102,000
6344 · Bond Svcs/Trustee/FA	9,500	367	9,133	34,156	1,100	33,056	4,400
6353 · Insurance	961	0	961	961	0	961	1,000
Total 6300 · Administration & Overhead	33,011	20,325	12,686	85,592	39,975	45,617	139,400
7000 · Capital Expenditure							
1717 · Town & Country W. Drain/Mobil	0	379,131	-379,131	4,533	1,137,392	-1,132,859	4,549,566
1725 · Parks & Green Space Improv.	0	10,417	-10,417	0	31,250	-31,250	125,000
1731A · Detention Basin & W-140 Bridge	0	0	0	2,622	0	2,622	0
1732A · N Gessner Drainage & Mobility	-62,828	18,092	-80,920	12,358,278	54,275	12,304,003	217,100
1734 · W140 Channel Improvements	1,652,044	526,250	1,125,794	5,589,207	1,578,750	4,010,457	6,315,000
1735A · Detention Basin A	0	500,000	-500,000	19,626	1,500,000	-1,480,374	6,000,000
1738 · T&C Way Partners, LLC	0	147,583	-147,583	284,950	442,750	-157,800	1,771,000
1738A · Memorial Dr Drain & Mobility 1	46,173	33,333	12,840	340,304	100,000	240,304	400,000
1738B · Memorial Dr Drain & Mobility 2	0	4,167	-4,167	656	12,500	-11,844	50,000

Memorial City Redevelopment Authority
Profit & Loss Budget vs. Actual
September 2019

	September			Year To Date (3 Months)			Annual
	Actual	Budget	Variance	Actual	Budget	Variance	Budget
1799 - Concrete Panel Replace Program	0	5,000	-5,000	0	15,000	-15,000	60,000
Total 7000 - Capital Expenditure	1,635,389	1,623,973	11,416	18,600,176	4,871,917	13,728,259	19,487,666
Total Expense	1,674,730	1,655,548	19,182	22,508,972	9,609,315	12,899,657	27,280,271
Net Income	-1,661,157	-1,652,467	-8,690	-7,298,534	9,340,894	-16,639,428	27,697,665

ETI Bookkeeping Services
 PO BOX 73109
 Houston, TX 77273


Invoice

Date	Invoice #
10/1/2019	8639

Bill To
 TRZ 17 Redevelopment Authority
 P.O. Box 73109
 Houston, Texas 77273

Description	Qty	Rate	Amount
Bookkeeping		1,000.00	1,000.00

Total	\$1,000.00
Payments/Credits	\$0.00
Balance Due	\$1,000.00

 Code # 6333
 9/30/2019

Equi-Tax Inc.

Suite 200
 17111 Rolling Creek Drive
 Houston Texas 77090
 281-444-4866

Invoice


DATE	INVOICE #
10/1/2019	54502

BILL TO
 TRZ No. 17 - Memorial City RDA
 c/o ETI Bookkeeping Services
 Suite 108
 17111 Rolling Creek Drive
 Houston TX 77090

DESCRIPTION	AMOUNT
Monthly Consultant Services fee per Contract	400.00

Invoices emailed to:
 Michelle Lofton at mlk1@etiaccounting.com
 Scott Bean at sbean@haweshill.com
 Linda Clayton at lclayton@haweshill.com

Total	\$400.00
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 Code # 6333
 9/26/2019



Please make checks payable to:
Gauge Engineering, LLC
3200 Wilcrest Drive, Suite 220
Houston, TX 77042

Please send ACH/Wire payments to:
Amegy Bank
Routing No.: 113011258
Account No.: 5783771931

10/21/2019

Scott Bean - Executive Director
Memorial City Redevelopment Authority/TIRZ 17
9610 Long Point Road, Suite 150
Houston, TX 77055

Project Name: WY40 Channel Improvements Construction (T-1734 T-1734B)

Project No. 1095

Professional Services: from September 14, 2019 to October 18, 2019

Contract Type: Lump Sum

Invoice Number: 012

Task Name	Contract Amount	Percent Complete	Remaining Contract Amount	Total Invoiced to Date	Previously Invoiced	Current Payment Due
Construction Mgmt & Inspection	\$725,500	42.85%	\$414,823	\$310,877	\$261,643	\$49,334
Construction Phase Services	\$217,900	38.80%	\$133,355	\$84,545	\$74,086	\$10,459
Construction Materials Testing (A/iles)	\$498,000	36.50%	\$309,890	\$176,120	\$153,720	\$24,400
Add Services						
Straw Extension Evaluation & Design	\$66,235	18.00%	\$78,093	\$17,142	\$17,142	\$0
Access Road Design	\$63,000	40.00%	\$48,900	\$33,200	\$33,200	\$0
Total This Invoice:						\$84,193

Billings to Date:

Current	Prior	Total
\$49,334	\$261,543	\$310,877
\$10,459	\$74,086	\$84,545
\$24,400	\$153,720	\$178,120
\$0	\$17,142	\$17,142
\$0	\$33,200	\$33,200

I certify the above to be true and correct


Muhammad Ali - PE

Code # 1134
10/22/2019

3200 Wilcrest Drive, Suite 220 • Houston, TX 77042



Please make checks payable to:
Gauge Engineering, LLC
3200 Wilcrest Drive, Suite 220
Houston, TX 77042

Please send ACH/Wire payments to:
Amegy Bank
Routing No.: 113011258
Account No.: 5787315123

10/18/2019

Scott Bean - Executive Director
Memorial City Redevelopment Authority/TIRZ 17
9610 Long Point Road, Suite 150
Houston, TX 77055

Project Name: On-Call Consulting - General Engineering

Project No. 1009

Professional Services: from September 14, 2019 to October 18, 2019

Contract Type: Time and Materials

Invoice Number: 1100

Task Name	Contract Amount	Percent Complete	Remaining Contract Amount	Total Invoiced to Date	Previously Invoiced	Current Payment Due
On-call Engineering	\$15,000	-	\$1,380	\$13,620	\$7,290	\$6,330
Total This Invoice:						\$6,330

Billings to Date:

Current	Prior	Total
\$6,330	\$7,290	\$13,620

I certify the above to be true and correct


Muhammad Ali

Code # 6322
10/22/2019

3200 Wilcrest Drive, Suite 220 • Houston, TX 77042



HAWES HILL & ASSOCIATES
 LLP
10/10/2019
Invoice #: 43016141

Bill To:
 Memorial City Redevelopment Authority/IRZ #17
 PO Box 22167
 Houston, TX 77227-2167



**Lockwood, Andrews
 & Newnam, Inc.**
 A LEO A DALY COMPANY

PLEASE NOTE NEW REMIT ADDRESS:
 Please make checks payable to:
 Lockwood, Andrews & Newnam, Inc.
 PO Box 30065
 Omaha, NE 68103-1165
 15713366690

INVOICE

October 17, 2019
 Invoice No: 128-11172-800-18

Scott Bean
 Memorial City Redevelopment Authority, IRZ #17
 3010 West Loop West, Suite #120
 Houston, Texas 77006

Zodionline Services from September 02, 2019 through October 16, 2019

Balance Due: \$8,500.00

Account No.	Project Name	Original Contract Amount	Percent Complete	Remit/Job Contract Amount	Total Invoiced To Date	Previously Invoiced	Current Payment Due
CIP No. T1730A	Memorial City Mobility and Discharge Improvements - Phase II Detailed Design	\$1,185,700.00	92.7%	\$9,238.48	\$1,080,871.51	\$1,080,871.50	\$10,482.91

CURRENT PAYMENT DUE THIS INVOICE: \$9,485.91

DESCRIPTION	Amount
Professional consulting and administration fee, October 2019	\$8,500.00

Professional consulting and administration fee, October 2019

Billable to Date

Current \$9,485.91
 Prior \$1,080,871.50
 Total \$1,090,357.41

Authorized by: Date: 10-17-19

Terms: C.O.D. **Total \$8,500.00**

Hawes Hill & Associates, LLP, P.O. Box 22167, Houston TX 77227-2167
 713-695-1200 FEIN 76-0666838

*Code # 6340
 10-10-2019*



*Code # 1738A
 10/22/2019*

McCALL GIBSON SWEDLUND BARFOOT PLLC
 Certified Public Accountants

13100 Meridian Center Drive
 Suite 235
 Houston, Texas 77065-5610
 (713) 465-4341
 Fax: (713) 462-2708
 E-Mail: mgsw@callcpa.com

9600 Green Hills Trail
 Suite 1500
 Austin, Texas 78759
 (512) 610-2209
www.mgswcpa.com

October 1, 2019

TIRZ 17 Redevelopment Authority
 ETT Bookkeeping Services
 17111 Rolling Creek, Suite 200
 Houston, TX 77090

Client Number: 574-00

Audit of Memorial City Redevelopment Authority as of and for the year ended June 30, 2019, including distribution of the report and meeting with the Board of Directors and receiving comments from the City of Houston on the draft audit.


Annual Audit Fee	\$ 10,750.00
Postage and Report Production	250.00
Less Interim Billing	<u>8,000.00</u>
Balance Due	<u>\$ 3,000.00</u>

We appreciate your business!

Chris Swedlund

Member of
 American Institute of Certified Public Accountants
 Texas Society of Certified Public Accountants


 Code # 6321
 10/23/2019


 McGrath & Co., PLLC
 PO Box 270148
 Houston, TX 77277 US
mark@mcgrath-co.com

BILL TO
 Memorial City District/TIRZ #17
 c/o Equi-Tek, Inc.
 17111 Rolling Creek Dr, Suite
 200
 Houston, Texas 77090

INVOICE # 1976
DATE 10/15/2019
DUE DATE 11/29/2019
TERMS Net 45

DESCRIPTION AMOUNT
 Interim billing regarding preparation of the District's financial statements and related audit schedules for the year ended June 30, 2019. 9,750.00

BALANCE DUE \$9,750.00



Code # 6321
 10/21/2019



October 18, 2019

Scott Bean
Memorial City Redevelopment Authority/TRZ 17
9810 Long Point, Suite 150
Houston, Texas 77055

Reference: Brifer Branch (W140-01-00) Channel and Shews Improvements Reconstruction and Drainage
Improvements
Gauge Project No.: 1005
WBS No. N-17000-0019-3 (T-1734 & T-1734B)
Reytec Construction Resources, Inc. Payment No. 10

Dear Mr. Bean:

Reytec Construction Resources, Inc. (Reytec) has submitted estimate No. 10 in the amount of \$1,565,986.25 for construction services rendered through September 30, 2019. Based on our review, Reytec has complied with all requirements stated in the estimate and we recommend payment of \$1,565,986.25 to Reytec.

The following billing information is to be used for payment:

Reytec Construction Resources, Inc.
1901 Hollister St.
Houston, TX 77080

If you have any questions or require additional information, please feel free to contact me at (832) 318-8800.

Sincerely,

Muhammad Ali, P.E.
Project Manager

Enclosures: Reytec Pay Est. No. 10

3200 Wilcrest Drive, Suite 220 • Houston, TX 77042



Memorial City Redevelopment Authority/TRZ 17
Estimate and Certificate for Payment Unit Price Work

Estimate No. 10
Estimate Date 10/01/19

Project Name : Brifer Branch (W140-01-00) Channel and Shews Improvements Reconstruction and Drainage
Contractor Name : Reytec Construction Resources, Inc.
Address : 1901 Hollister St., Houston, Texas 77080

Contract Date : 11/02/2018
Start Date : 11/02/2018
Current Contract Completion Date : 11/02/2020
Subcontract Completion Date : 11/02/2020
Percentage By Time : 40.20%
Date Insurance Exp. : 10/18/2019
Drug Policy Due Date : N/A
Contract WBR# : 11.28%

WBS No. N-17000-0019-3 (T-1734 & T-1734B)
CONTRACT TIME IN CALENDAR DAYS : 714
Original Contract Time : 6
Full Contract Time : 714
Days Remaining to Date : 287
Days Remaining to Date : 287
Schedule Update : 08/20/19

CONTRACT AMOUNT TO DATE : \$10,794,857.00

No.	Date	Est. Days	Amount
Total Approved Extensions			
Total Change Orders to Date			

No.	Date	Est. Days	Amount
Total Pending Work Change Orders to Date			

Total Pending Work Change Orders to Date \$0.00
Current Item Billing \$15,350,781.04
\$15,350,781.04

4. EARNINGS TO DATE
1- Work Completed to Date \$0.00
2- Material Stored on Site \$0.00
3- Material Stored in Place \$0.00
4- Balance-Material Accepted Not in Place \$0.00
5- Work Change Orders - In Place @ 85% \$0.00

5. DEDUCTIONS
1- Retainage 5% Of \$13,350,781.04 \$667,539.05
2- Retainage Release 0% Of \$13,350,781.04 \$0.00
3- Total Retainage \$667,539.05
4- Unreleased Damages \$0.00
5- Accruals \$0.00
6- Impact Onetime Costs \$0.00

6. AMOUNT DUE THIS PERIOD
1- Total Earnings to Date \$13,350,781.04
2- Total Deductions \$667,539.05
3- Total Payments Due \$12,683,241.99
4- Net Payments \$12,683,241.99
5- Retention Adjustment \$0.00

TOTAL EARNINGS TO DATE \$13,350,781.04
TOTAL DEDUCTIONS \$667,539.05
TOTAL AMOUNT DUE CONTRACTOR THIS DATE \$12,683,241.99
BALANCE REMAINING \$3,444,185.00

Prepared By:
Date: 10/14/2019

Reviewed By: Muhammad Ali, P.E.
Date: 10/17/2019

Reytec Construction Resources, Inc.

1901 Hollister
Houston, Texas 77060
Office 713.857.4003
Fax 713.861.0077

Briar Branch Channel & Straws Improvements Project Pay Application

October 1, 2019

Mr. Muhammad Ali
Gauge Engineering
3200 Wilcrest Drive, Suite 220
Houston, TX 77042

Re: Memorial City Redevelopment Authority
Briar Branch (W140-01-00) Channel and Straws
Improvements Project
WBS NO. N-TT7000-0018-3

Dear Muhammad,

Please see attached for pay application 010 for
September 2019, Briar Branch (W 140-01-00)
Channel and Straws Improvements.

Thank

Kwaga Mohammed
Kwaga Mohammed
Project Manager
Reytec Construction Resources
832-644-6322
kmdressler@rcs-inc.net

APPLICATION AND CERTIFICATE FOR PAYMENT

AM DOCUMENT 6702

TO TOWNSHIP: Memorial City Redevelopment Authority

PROJECT: Briar Branch

APPLICATION NO: 010

PERIOD TO: 09/01/19

FROM CONTRACTOR: Reytec Construction

1901 Hollister Rd.

Houston, Texas 77060

Ph: 713-857-4003; Fax: 713-861-0077

PROJECT NO: WBS No. N-TT7000-0018-3
TRIZ OF DIP No. T-1704 & T-1748

CONTRACTOR'S APPLICATION FOR CHANGE ORDER SUMMARY

Description of Work	ADDITIONS		DEDUCTIONS	
	Quantity	Price	Quantity	Price
TOTAL				

The undersigned Contractor certifies that to the best of his/her knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all materials have been used as specified, that all labor has been performed as specified, and that current Payment shown herein is now due.

INSPECTOR: _____
CONTRACTOR: *Kwaga Mohammed* Date: 01/19/19

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on documents and information furnished by the Contractor, the Architect certifies to the Owner that the Work has been completed in accordance with the Contract Documents, and that the amount shown herein is now due.

INSPECTOR: _____

Application is made for Payment, as shown below, in connection with the Contract. The amount of Payment requested is stated in the amount shown below.

1. ORIGINAL CONTRACT AMOUNT
2. NET CHANGE BY CHANGE ORDER
3. CONTRACT SUM TO DATE (Line 1+2)
4. TOTAL COMPLETED & STORED TO DATE
5. RETAINAGE: a. _____ % of Completed Work b. _____ % of Stored Materials

Total Retainage (Line 5a + 5b): \$ 867,628.05

6. TOTAL EARNED LESS RETAINAGE (Line 3 - 5)
7. LESS PREVIOUS PAYMENTS
8. CURRENT PAYMENT DUE (Line 6 - 7)
9. BALANCE TO FINISH, PLUS RETAINAGE (Line 8 + 5a)



CITY OF HOUSTON
STANDARD DOCUMENT

MONTHLY SUBCONTRACTOR
PAYMENT REPORTING FORM

Document 00842

MONTHLY SUBCONTRACTOR PAYMENT REPORTING FORM

Legal Project Name: Briar Branch Channel & Straws Improvements
Outline Agreement No.: _____ WBS No.: N-17000-0016-3
Contractor's Company Name: Reylec Construction Resources
Address: 1901 Hollister St. Houston, Texas 77080

CERTIFICATION

Daniel Bonilla Jr, Contractor's Representative for the above referenced Contract, hereby certifies that (1) Contractor has paid all subcontractors, except those noted below, and compliance with all applicable Contract Documents and laws; and (3) Contractor withheld no sums from any subcontractor for allegations of deficiency in Work. The term "subcontractor", as used herein, includes all persons or firms furnishing work, materials, services or equipment Contractor ordered incorporated into Work or placed near the Project for which the City made partial payment.

EXCEPTION: Contractor sent Payment Notifications to the following subcontractors explaining why Contractor withheld payment. Copies are attached.

Subcontractor Name:	Subcontractor Name:
Street Address:	Street Address:
City, State, and Zip Code:	City, State, and Zip Code:
Amount of Payment Withheld:	Amount of Payment Withheld:
Date Payment First Withheld:	Date Payment First Withheld:
Description of Good Faith Reason:	Description of Good Faith Reason:

(Signature of Contractor's Representative)
SWORN TO AND SUBSCRIBED before me on:
 Date: 10/01/2019
 Notary Public in and for the State of Texas
 My Commission Expires: 08/26/2022
 Expiration Date



00842
02-01-2010

Memorial City Redevelopment Authority/TIRZ 17
Unconditional Waivers of Liens

Reylec Construction Resources, Inc has been paid and has received a progress payment in the sum of \$1,791,722.50 for services, equipment or material furnished to Memorial City Development Authority/TIRZ 17 for the Briar Branch Channel & Straws Improvements Project (WBS No. N-17000-0016-3 located in Houston, Texas, and does hereby release any mechanic's lien or bond right that undersigned has on the above referenced project to the following extent. This release covers a progress payment for labor, services, equipment or material furnished to the Memorial City Redevelopment Authority/TIRZ 17 through August 31, 2019 only, and does not cover any retention if any labor, services, equipment or materials furnished after that date. The undersigned warrants that all undisputed amounts due to its equipment lessors, suppliers, subcontractors, labor, insurance and taxes applicable to this work have been paid in full through the date set forth and hold the Memorial City Redevelopment Authority/TIRZ 17 against any loss arising from the nonpayment thereof.

(Signature of Contractor's Representative)
Daniel Bonilla Jr
(Print or Type Name of Contractor's Representative)

SWORN TO AND SUBSCRIBED before me on:
 Date: 10/01/2019
 Notary Public in and for the State of Texas
 My Commission Expires: 08/26/2022
 Expiration Date



(Signature of Notary Public)
Laura Gerie Leal
(Print or Type Name of Notary Public)

Project Name: [Illegible]

NSF Grant Number: [Illegible]

Principal Investigator: [Illegible]

Department: [Illegible]

Institution: [Illegible]

Table with multiple columns and rows of data, likely representing project progress or financial details.

Project Name: [Illegible]

NSF Grant Number: [Illegible]

Principal Investigator: [Illegible]

Department: [Illegible]

Institution: [Illegible]

Table with multiple columns and rows of data, likely representing project progress or financial details.

Handwritten signature and date: [Illegible]

NSF Grant Number: [Illegible]

Principal Investigator: [Illegible]

Department: [Illegible]

Institution: [Illegible]

swa

WORK ORDER # 18
 Date: September 25, 2019
 Invoice No: 178742
 For Period: August
 Project No: RFTS901
 Project Manager: Michael Robinson

To: Memorial City Redevelopment
 Authority/Houston TIRZ 17
 Attn: Linda Clayton
 c/o Haws Hill and Associates LLP
 PO Box 22167
 Houston, TX 77227-2167

Project: W140 Maintenance Access

WORK PERFORMED:
 Planting Plans for Permit & Bid; Project Coordination.
Professional Services from August 1, 2019 to August 31, 2019
 Professional Personnel

Principal	Rate	Hours	Amount
Vick, James	245.00	5.00	1,225.00
Associate Principal			
Robinson, Michael	153.48	4.00	613.92
Staff			
He, Jieru Hedy	92.20	.50	46.10

Total Fee Due This Invoice 1,885.02
Total Due this Invoice \$1,985.02

** Partial Invoice -- Work suspended at TIRZ 17 request on 20 August 2019 until further notice. **

Authorized Fee:	\$ 53,680.00
Previously Billed:	\$ 32,974.24
Billed to Date:	\$ 34,859.26
Remainder Fee:	\$ 18,820.74

Code # 1734
 9/30/2019

Remit to:
 SWA Group
 PO Box 5604
 Sanualito, CA 94986
 +1.415.332.5100

Please refer to our invoice number and Project number when making payment.
 A discount of 1% on current charges allowed if paid in full in thirty days.
 A service charge will be assessed on all past due accounts.

Pay/See Project No. 2203

Devised Plan
 2203: Bldg Branch (W140-01-00)Channel & Storm Improvement
 514,745,837.00
 75% complete

Contract Amount: 514,745,837.00
Work Progress: 75% complete
Pay Balance Number: 30
Pay Period: 8/1/2019 to 8/31/2019
Contract: 3,343,092.35
Current: 1,117,678.56
Contract: 2,225,413.79
Current: 2,225,413.79

MISCELL GOALS	Contracted:	Current:
MRE Goals	1,079,485.20	1,509,596.56
MRE Goals	8.00% \$	7,738 \$
MRE Goals	-6.47% \$	1,457,799.52
MRE Goals		532,538.43

MOVING OPERATIONS (MRE)	Contracted:	Current:
MRE Goals	1,148,571.87	1,509,596.56
MRE Goals	0.58% \$	7,738 \$
MRE Goals	-3.58% \$	1,457,799.52
MRE Goals		532,538.43

ROULETS TRADING (MRE)	Contracted:	Current:
MRE Goals	489,573.63	489,573.63
MRE Goals	2.50% \$	2,498 \$
MRE Goals	-0.10% \$	489,573.63
MRE Goals		152,538.43

FEES (MRE)	Contracted:	Current:
MRE Goals	387,448.57	387,448.57
MRE Goals	0.52% \$	99,255.59
MRE Goals	-0.46% \$	88,713.91

swa

Work Order # 13 CIP T-1738A
Date: October 17, 2019
Invoice No: 178887
For Period: September
Project No: RHTS603
Project Manager: James Vick

To: Memorial City Redevelopment
Authority/Houston TIRZ 17
Attn: Linda Clayton
c/o Hawes Hill and Associates LLP
PO Box 22167
Houston, TX 77227-2167

Project: Memorial Drive Drainage and Mobility

WORK PERFORMED:
Design Coordination and Management of 80% Submittal; Conferences with Design Team, Engineer, TXDOT,
Management District; Prepare Initial Design Revisions.
Professional Services from September 1, 2019 to September 30, 2019
Professional Personnel

Principal	Hours	Rate	Amount
Vick, James	19.00	245.00	4,655.00
Associate Bruner, Clayton	4.00	141.93	567.72
Staff Oliver, Robert	82.00	100.78	8,263.88

Total Fee Due This Invoice

13,486.68
\$13,486.68

Total Budget:	\$286,920.00
Prior Billed:	\$241,038.73
Current:	\$13,486.68
Billed to Date:	\$264,525.41
Percent Complete:	89%
Remaining Budget:	\$32,294.69

Code # 1738A
10/22/2019

Remit to:
SWA Group
PO Box 6804
San Jose, CA 95108
+1415.332.6700

Please refer to our invoice number and Project number when making payment.
A discount of 1% on current charges allowed if paid in full in thirty days.
A service charge will be assessed on all past due accounts.

swa

Work Order # 12 CIP T-1732A/B
Date: October 17, 2019
Invoice No: 178988
For Period: September
Project No: RHTS602
Project Manager: James Vick

To: Memorial City Redevelopment
Authority/Houston TIRZ 17
Attn: Linda Clayton
c/o Hawes Hill and Associates LLP
PO Box 22167
Houston, TX 77227-2167

Project: North Gessner DD CD

WORK PERFORMED:
Coordinate Questions with TXDOT and Engineer; Research Design Issues Including Specification and
Quantities; Coordination/Management of Design Team.
Professional Services from September 1, 2019 to September 30, 2019
Professional Personnel

Principal	Hours	Rate	Amount
Vick, James	21.00	246.00	5,145.00
Associate Bruner, Clayton	4.00	141.93	567.72
Staff Oliver, Robert	19.00	100.78	1,914.82

Total Fee Due This Invoice

7,627.54
\$7,627.54

Total Budget:	\$243,620.00
Prior Billed:	\$211,407.49
Current:	\$7,627.54
Billed to Date:	\$219,035.03
Percent Complete:	90%
Remaining Budget:	\$24,584.97

Code # 1732A
10/22/2019

Remit to:
SWA Group
PO Box 6804
San Jose, CA 95108
+1415.332.6700

Please refer to our invoice number and Project number when making payment.
A discount of 1% on current charges allowed if paid in full in thirty days.
A service charge will be assessed on all past due accounts.

The Goodman Corporation
 3200 Travis Street, Ste. 200
 Houston, TX 77006

The Goodman Corporation
 3200 Travis Street, Ste. 200
 Houston, TX 77006

Invoice

Bill To		Date	Invoice #	Project	
Ms. Michelle Lofon ETI Bookkeeping Services P.O. Box 73109 Houston, TX 77273		9/30/2019	9-2019-9	MCT102	
Item	Description	Rate	Prior %	Curr %	Amount
Contract Services	Task 1 - Purpose and Need	1,500.00	100%	0.00%	0.00
Contract Services	Task 2 - Alternative Analysis	3,500.00	13%	0.00%	0.00
Contract Services	Task 3.1 - Socioeconomic Analysis	3,000.00	100%	0.00%	0.00
Contract Services	Task 3.2 - Water Quality Conditions	4,000.00	100%	0.00%	0.00
Contract Services	Task 3.3 - Plant Communities and Wildlife Habitat	4,500.00	100%	0.00%	0.00
Contract Services	Task 3.4 - Wetlands and Wetlands Identification	1,000.00	95%	0.00%	0.00
Contract Services	Task 3.5 - Air Quality Assessment	1,000.00	70%	0.00%	0.00
Contract Services	Task 3.6 - Floodplain Assessment	1,000.00	100%	0.00%	0.00
Contract Services	Task 3.7 - Cultural Resources Assessment	1,000.00	35%	0.00%	0.00
Contract Services	Task 3.7a - Historical Resource Analysis	0.00			
Contract Services	Task 3.8 - Hazardous Materials	1,300.00	100%	0.00%	0.00
Contract Services	Task 3.9 - Historical Identification	1,500.00	5%	0.00%	0.00
Contract Services	Task 3.9a - Indirect Impacts Assessment	2,000.00	95%	5.00%	100.00
Contract Services	Task 3.10 - Cumulative Impacts Assessment	2,000.00	95%	0.00%	0.00
Contract Services	Task 4 - Draft and Final EA	15,000.00	35%	0.00%	0.00
<i>Memorandum Drive</i>					
Total					\$100.00
Balance Due					\$100.00

Phone # 713-951-7951 Fax # 713-951-7957

SR
 Code # 1738A
 10/2/2019

Invoice

Bill To		Date	Invoice #	Project	
Ms. Michelle Lofon ETI Bookkeeping Services P.O. Box 73109 Houston, TX 77273		9/30/2019	9-2019-30	MCT103	
Item	Description	Rate	Prior %	Curr %	Amount
Contract Services	Task 1 - North Gessner Project Implementation Assistance	20,000.00	100%	0.00%	0.00
Contract Services	Task 2 - Memorial Drive Project Implementation Assistance	105,000.00	95%	2.00%	2,100.00
Total					\$2,100.00
Balance Due					\$2,100.00

Phone # 713-951-7951 Fax # 713-951-7957

SR
 Code # 1738A
 10/2/2019

MEMORIAL CITY REDEVELOPMENT AUTHORITY TIRZ NO. 17,
HOUSTON, TEXAS

AGENDA MEMORANDUM

TO: Memorial City Redevelopment Authority TIRZ No. 17 Board of Directors
FROM: Executive Director
SUBJECT: Agenda Item Materials

5. Series 2019 Contract Tax Revenue Bonds.
 - a. Approve the Preliminary Official Statement
 - b. Engage a rating company to perform credit rating analysis for the Series 2019 bonds

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2019

IN THE OPINION OF BOND COUNSEL, UNDER EXISTING LAW INTEREST ON THE BONDS IS EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES, AND INTEREST ON THE BONDS IS NOT SUBJECT TO THE ALTERNATIVE MINIMUM TAX ON INDIVIDUALS. SEE "TAX MATTERS" FOR A DISCUSSION OF BOND COUNSEL'S OPINION.

The Bonds are NOT qualified tax-exempt obligations" for financial institutions.

NEW ISSUE—BOOK ENTRY ONLY

RATINGS: S&P: _____
See "MUNICIPAL BOND RATINGS" herein.

\$37,400,000*

MEMORIAL CITY REDEVELOPMENT AUTHORITY
TAX INCREMENT CONTRACT REVENUE AND REFUNDING BONDS,
SERIES 2019

Interest Accrues from: Date of Delivery

Due: September 1, as shown below

Memorial City Redevelopment Authority, a public not-for-profit local government corporation (the "Authority"), was established by the City of Houston, Texas (the "City") in 2002 to aid, assist, and act on behalf of the City in the performance of the City's governmental functions to promote the common good and general welfare of the portion of the City within Reinvestment Zone Number Seventeen, City of Houston, Texas (the "Zone") and to promote, develop, encourage and maintain employment, commerce and economic development in the City. The Zone was created by the City pursuant to the provisions of the Tax Increment Financing Act, Chapter 311, Texas Tax Code (the "TIF Act") to facilitate development of the land within the boundaries of the Zone. The Zone consists of approximately 1,000 acres in west Houston between Beltway 8 and Bunker Hill, north and south of Interstate 10. The Zone contains numerous retail, office, multi-family and health care establishments, including CityCentre, Memorial City Mall, and Memorial Hermann Memorial City Medical Center.

Interest on the Memorial City Redevelopment Authority Tax Increment Contract Revenue and Refunding Bonds, Series 2019 (the "Bonds") accrues from the date of delivery of the Bonds and is payable each March 1 and September 1, commencing March 1, 2020, until the earlier of maturity or redemption. The definitive Bonds will initially be registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC"), pursuant to the Book-Entry-Only System described herein. No physical delivery of the Bonds will be made to the owners thereof. Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar, initially The Bank of New York Mellon Trust Company, N.A., to Cede & Co., which will make distribution of the amounts so paid to its participants, which will make distributions of the amounts to the beneficial owners of the Bonds. See "THE BONDS—Book-Entry-Only System" herein.

The Bonds are being issued as Additional Parity Bonds pursuant to the terms and conditions of a Bond Resolution approved by the Board of Directors of the Authority on September 24, 2019, a Pricing Certificate authorized by such Bond Resolution, and an Indenture of Trust dated as of January 15, 2008 (the "Indenture") between the Authority and Wells Fargo Bank, National Association, as Trustee (the "Trustee"). All bonds issued and outstanding under the terms of the Indenture (collectively, the "Contract Revenue Bonds") are equally and ratably secured under the Indenture.

The City has agreed to deposit to the Tax Increment Fund established for the Zone (the "Tax Increment Fund") the tax collections resulting from its taxation of the increase, if any, in the appraised value of real property located in the Zone since the designated base year of 1999. The City, the Authority and the Zone have entered into an agreement (the "Tri-Party Agreement") which sets forth, among other things, the agreement of the City, on behalf of itself and the Zone, to pay to the Authority the tax collections deposited to the Tax Increment Fund less certain fees and deductions set forth in the Tri-Party Agreement (the "Contract Tax Increments"). See "SOURCE OF AND SECURITY FOR PAYMENT."

Pursuant to the Indenture, the Authority has pledged the Contract Tax Increments, certain other funds on deposit with the Trustee or which may be deposited with the Trustee in the future, and earnings and investments thereon (the "Pledged Revenues") to payment of the Contract Revenue Bonds. Once debt service on the Contract Revenue Bonds due in the period ending on the next March 1 has been deposited with the Trustee, the Debt Service Reserve Fund required with respect to any series of Contract Revenue Bonds has been fully funded, and the Trustee's fees have been paid, the Trustee will remit any surplus Contract Tax Increments to the Authority to be used for any lawful purpose under the TIF Act.

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM THE PLEDGED REVENUES, AND ARE NOT OBLIGATIONS OF THE CITY AND DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE CITY. THE BONDS DO NOT CONSTITUTE, WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL PROVISION, AN INDEBTEDNESS, AN OBLIGATION, OR A LOAN OF CREDIT OF THE CITY, THE STATE OF TEXAS, OR ANY OTHER MUNICIPALITY, COUNTY, OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE OF TEXAS. THE CITY IS NOT OBLIGATED TO MAKE PAYMENTS ON THE BONDS.

See Maturity Schedule on the inside cover

The Bonds are offered by the Underwriters subject to prior sale, when, as and if issued by the Authority and accepted by the Underwriters, subject, among other things, to the approval of the initial Bonds by the Attorney General of Texas and the approval of certain legal matters by Allen Boone Humphries Robinson LLP, Bond Counsel. Certain other matters will be passed upon on behalf of the Authority by Norton Rose Fulbright US LLP, as Disclosure Counsel. Certain matters will be passed upon on behalf of the Underwriters by Greenberg Traurig, LLP, Underwriters' Counsel. Delivery of the Bonds is expected through the facilities of DTC on or about _____, 2019 ("Delivery Date").

WELLS FARGO SECURITIES

STIFEL

UBS

*Preliminary, subject to change.

**MEMORIAL CITY REDEVELOPMENT AUTHORITY
TAX INCREMENT CONTRACT REVENUE AND REFUNDING BONDS,
SERIES 2019
MATURITY SCHEDULE***

CUSIP Prefix:

Maturity (September 1) ^(a)	Principal Amount	CUSIP Suffix ^(b)	Interest Rate	Initial Reoffering Yield ^(c)
2020	\$4,395,000		%	%
2021	4,730,000			
2022	2,680,000			
2023	2,820,000			
2024	2,965,000			
2025	3,115,000			
2026	3,280,000			
2027	6,235,000			
2028	7,180,000			

- (a) The Underwriters may combine maturities into one or more term bonds, which will be subject to mandatory sinking fund redemption. Bonds maturing on or after September 1, 20__, are subject to redemption in whole or from time to time in part, at the option of the Authority, on September 1, 20__, or on any date thereafter, at a price equal to the par value thereof plus accrued interest from the most recent interest payment date to the date fixed for redemption. See "THE BONDS—Redemption Provisions."
- (b) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of the American Bankers Association. CUSIP numbers have been assigned to this issue by the CUSIP Service Bureau and are included solely for the convenience of purchasers of the Bonds. None of the Authority, the Financial Advisor nor the Underwriters shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.
- (c) Initial reoffering yield represents the initial offering yield to the public which has been established by the Underwriters for offers to the public and which may be subsequently changed by the Underwriters and is the sole responsibility of the Underwriters.

* Preliminary subject to change

BOARD OF DIRECTORS

**MEMORIAL CITY REDEVELOPMENT AUTHORITY
AND
REINVESTMENT ZONE NUMBER SEVENTEEN, CITY OF HOUSTON, TEXAS^(a)**

<u>Name</u>	<u>Occupation</u>	<u>Appointed to Zone By:</u>	<u>Title/Office</u>
Marshall B. Heins		City (Position 1)	Director
John Rickel		City (Position 2)	Director
David P. Durham		City (Position 3)	Director
Ann T. Givens		City (Position 4)	Chair
Zachary R. Hodges		City (Position 5)	Director
Brad Freels		City (Position 6)	Vice Chair
Glenn E. Airola		City (Position 7)	Secretary

(a) According to the Authority's by-laws, appointment of a director to the Zone by the City constitutes an appointment to serve as a director of the Authority to the corresponding position and for a coterminous term.

Scott Bean

Executive Director

Professional Consultants

**Masterson Advisors, LLC
Allen Boone Humphries Robinson LLP
Equi-Tax, Inc.
McCall Gibson Swedlund Barfoot PLLC**

*Financial Advisor
Co-Bond Counsel
Tax Consultant
Auditor*

For further information, contact:

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USE OF INFORMATION IN OFFICIAL STATEMENT

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document constitutes an Official Statement of the Authority with respect to the Bonds and has been deemed “final” by the Authority as of its date except for the omission of no more than the information permitted by Rule 15c2-12(a)(1).

This Official Statement is not to be used in an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representation must not be relied upon as having been authorized by the Authority.

All of the summaries of the statutes, financing documents, resolutions, contracts, engineering and other related reports referenced or described in this Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from the Authority, c/o Hawes Hill & Associates LLP, P.O. Box 22167, Houston, Texas 77227.

Neither the Authority nor the Underwriters make any representation as to the accuracy, completeness, or adequacy of the information supplied by The Depository Trust Company for use in this Official Statement.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Rule 15c2-12.

This Official Statement contains “forward-looking” statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Such statements may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements to be different from the future results, performance or achievements expressed or implied by such forward-looking statements. Investors are cautioned that the actual results could differ materially from those set forth in the forward-looking statements.

This Official Statement contains, in part, estimates, assumptions and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates, assumptions or matters of opinion, or as to the likelihood that they will be realized. Any information and expressions of opinion herein contained are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority, the Zone, or other matters described herein since the date hereof.

The Underwriters, as defined herein, have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

SALE AND DISTRIBUTION OF THE BONDS

The Underwriters

The Bonds are being purchased, subject to certain conditions, by Wells Fargo Bank, National Association, as representative (the "Representative") of the underwriters named on the cover page (collectively, the "Underwriters") pursuant to a bond purchase agreement with the Authority (the "Bond Purchase Agreement") at a price of \$ _____ (which represents the principal amount of the Bonds, plus original issue premium of \$ _____, less original issue discount of \$ _____ and less an Underwriter's discount of \$ _____). The Representative, on behalf of the Underwriters, will be obligated to purchase all of the Bonds, if any are purchased. The Bonds may be offered and sold to certain dealers and others at a price lower than public offering prices, and such public prices may be changed from time to time by the Underwriters. See "—Prices and Marketability" below.

The remaining paragraphs under this heading have been provided by the Representative.

Wells Fargo Bank, National Association is serving as both underwriter and Trustee for the Bonds and as Paying Agent for the Refunded Bonds and will be compensated separately for serving in each capacity.

Wells Fargo Bank, National Association, acting through its Municipal Products Group ("WFBNA"), the lead underwriter of the Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Bonds with WFA. WFBNA has also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Products Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Prices and Marketability

The delivery of the Bonds is conditioned upon the receipt by the Authority of a certificate executed and delivered by the Underwriters on or before the date of delivery of the Bonds stating the prices at which a substantial amount of the Bonds of each maturity have been sold to the public. For this purpose, the term "public" shall not include any person who is a bond house, broker or similar person acting in the capacity of the Underwriters or wholesaler. Otherwise, the Authority has no understanding with the Underwriters regarding the reoffering yields or prices of the Bonds. Information concerning reoffering yields or prices is the responsibility of the Underwriters.

The prices and other terms with respect to the offering and sale of the Bonds may be changed from time to time by the Underwriters after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Bonds into investment accounts. In connection with the offering of the Bonds, the Underwriters may over-allot or effect transactions which stabilize or maintain the market prices of the Bonds at levels above those which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Authority has no control over trading of the Bonds in the secondary market. Moreover, there is no guarantee that a secondary market will be made in the Bonds. In such a secondary market, the difference between the bid and asked price of the Bonds may be greater than the difference between the bid and asked price of bonds of

comparable maturity and quality issued by more traditional municipal entities, as bonds of such entities are more generally bought, sold or traded in the secondary market.

Securities Laws

No registration statement relating to the offer and sale of the Bonds has been filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been registered or qualified under the securities laws of any other jurisdiction. The Authority assumes no responsibility for registration or qualification of the Bonds under the securities laws of any other jurisdiction in which the Bonds may be offered, sold or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions in such other jurisdiction.

Municipal Bond Insurance

The Authority has made application for a commitment for municipal bond guaranty insurance on the Bonds and for a reserve fund surety policy to fund the Debt Service Reserve Fund. The purchase of such insurance and surety policy, if available and determined to be economically beneficial, and payment of all associated fees, including the premium charged by the insurer, will be at the expense of the Authority.

Municipal Bond Ratings

The Bonds are rated “_____” by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”). The rating reflects only the view of S&P at the time such rating was given and the Authority makes no representation as to appropriateness of the rating. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by S&P, if in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

OFFICIAL STATEMENT SUMMARY

This Official Statement Summary is subject in all respects to the more complete information and to the definitions contained or incorporated in this Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement. No person is authorized to detach this summary statement from this Official Statement or to otherwise use it without the entire Official Statement.

The Authority and the Zone

The Authority Memorial City Redevelopment Authority (the “*Authority*”), a public not-for-profit local government corporation, was authorized to be established by the City of Houston, Texas (the “*City*”) in 2002, to aid, assist, and act on behalf of the City in the performance of the City’s governmental functions to promote the common good and general welfare of the portion of the City within Reinvestment Zone Number Seventeen, City of Houston, Texas (the “*Zone*”), and to promote, develop, encourage and maintain employment, commerce and economic development in the City. The Authority is governed by a board of directors (the “*Board*”), whose members are appointed by the City. The Authority is the administrator of the Zone.

Reinvestment Zone Number Eleven, City of Houston, Texas The Zone was created by the City Council of the City, pursuant to the provisions of the Tax Increment Financing Act, Chapter 311, Texas Tax Code (the “*TIF Act*”), to facilitate development of the land within the boundaries of the Zone, currently consisting of approximately 1,000 acres in west Houston between Beltway 8 and Bunker Hill, north and south of Interstate 10.

Pursuant to the TIF Act, the ordinance of the City establishing the Zone also established a board of directors of the Zone (the “*Zone Board*”). The members of the Zone Board are appointed by the City. The members of the Zone Board and the Board are the same, as required by the by-laws of the Authority. See “REDEVELOPMENT PLAN.”

Project Plan and Reinvestment Zone Financing Plan As required under the TIF Act, the Zone Board adopted, and the City Council of the City approved, a Project Plan and Reinvestment Zone Financing Plan, which has been amended (as amended, the “*Plan*”). The Plan sets out the public improvements needed to develop or induce development within the Zone (the “*Public Improvements*”). The cost of the Public Improvements, the cost of creation of the Zone, and related organizational costs (the “*Project Costs*”) constitute eligible project costs under the TIF Act. A portion of the Project Costs will be financed with proceeds of the Bonds.

Status of Redevelopment in the Zone Taxable value in the Zone has increased from approximately \$510 million in 1999 to approximately \$3.6 billion in 2019, inclusive of annexations. The Zone contains numerous retail, office, multi-family and health care establishments, including CityCentre, Memorial City Mall and Memorial Hermann Memorial Center Medical Center. See “STATUS OF REDEVELOPMENT.”

The Bonds

Description Memorial City Redevelopment Authority Tax Increment Contract Revenue and Refunding Bonds, Series 2019 (the “*Bonds*”) are issued in the aggregate principal amount of \$37,400,000*. The Bonds are offered in fully registered form in integral multiples of \$5,000 principal amount. Interest on the Bonds accrues from the date of delivery of the Bonds and is payable on each March 1 and September 1, commencing

* Preliminary, subject to change.

March 1, 2020, until the earlier of maturity or redemption. See “THE BONDS—Description.”

Authority for Issuance

The Bonds are issued by the Authority pursuant to a Bond Resolution approved by the Board on September 24, 2019 (the “*Bond Resolution*”), a Pricing Certificate authorized by such Bond Resolution, and an Indenture of Trust dated as of January 15, 2008 between the Authority and Wells Fargo Bank, National Association, as trustee (the “*Indenture*”). The issuance of the Bonds has been approved by the City Council of the City.

Book-Entry Only

The Depository Trust Company (“*DTC*”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds and will be deposited with DTC.

Redemption

The Underwriters may combine maturities into one or more term bonds, which will be subject to mandatory sinking fund redemption. Bonds maturing on or after September 1, _____ are subject to redemption in whole, or from time to time in part, at the option of the Authority prior to their maturity dates on September 1, _____ or on any date thereafter at a price of par value plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. See “THE BONDS—Redemption Provisions.”

Use of Proceeds

Proceeds of the Bonds will be used for the purposes of (1) financing the costs of Public Improvements as authorized in the Plan and described in the Zone’s capital improvement program; (2) defeasing and refunding certain outstanding bonds of the Authority; (3) funding the Reserve Requirement of the Debt Service Reserve Fund or paying for a Reserve Fund Surety Policy; and (4) paying costs of issuance, all under and pursuant to the authority of the TIF Act and all other applicable law.

Municipal Bond Insurance

The Authority has made application for a commitment for municipal bond guaranty insurance on the Bonds and a Reserve Fund Surety Policy for the Debt Service Reserve Fund. The purchase of such insurance and Reserve Fund Surety Policy, if available and deemed economically beneficial, and payment of all associated costs, including the premium charged by the insurer, will be at the expense of the Authority. See “MUNICIPAL BOND INSURANCE.”

Municipal Bond Ratings

The Bonds are rated “_____” by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“*S&P*”). The rating fee of S&P will be paid by the Authority; payment of any other rating fee will be the responsibility of the Underwriters. See “MUNICIPAL BOND RATINGS.”

Source of and Security for Payment

Contract Tax Increments

The City has agreed to deposit to the Tax Increment Fund established for the Zone (the “*Tax Increment Fund*”) its tax collections resulting from its taxation of the increase, if any, in the appraised value of real property located in the Zone since the designated base year of 1999 with respect to the Zone as originally constituted plus the taxable value of three annexed areas as of the year each was annexed into the Zone. The City, the Authority and the Zone have entered into an agreement (the “*Tri-Party Agreement*”) which sets forth, among other things, the agreement of the City, on behalf of itself and the Zone, to pay to the Authority the tax collections deposited to the Tax Increment Fund, less certain fees and deductions set forth in the Tri-Party Agreement (the “*Contract Tax Increments*”). See “SOURCE OF AND SECURITY FOR PAYMENT—Contract Tax Increments Defined.”

Pledged Revenues

The Bonds are being issued as Additional Parity Bonds under the Indenture, secured on an equal and ratable basis with all bonds previously issued or subsequently issued as parity bonds under the Indenture (collectively, the “*Contract Revenue Bonds*”). See “THE INDENTURE OF TRUST.”

The Authority has pledged the Contract Tax Increments to payment of the Contract Revenue Bonds. The Indenture provides that the Authority will transfer to the Trustee all Contract Tax Increments once they are received from the City. Once debt service on the Contract Revenue Bonds for the period ending on the next March 1 has been deposited, any Debt Service Reserve Fund required for a Series of Contract Revenue Bonds has been fully funded, and the Trustee’s fees have been paid, the Trustee will remit any surplus Contract Tax Increments to the Surplus Fund for use by the Authority for any lawful purpose under the TIF Act. The Bonds are payable solely from the Contract Tax Increments, certain other funds on deposit with the Trustee or which may be deposited with the Trustee in the future, and earnings and investments thereon (the “*Pledged Revenues*”).

Additional Parity Bonds

The Authority has reserved the right to issue Additional Parity Bonds payable from the Pledged Revenues, on a parity with, or subordinate to, the Bonds, but only on the terms and conditions set out in the Indenture, including a debt service coverage test. See “SOURCE OF AND SECURITY FOR PAYMENT—Additional Parity Bonds.”

Limited Obligations

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM THE PLEDGED REVENUES, AND ARE NOT OBLIGATIONS OF THE CITY AND DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE CITY. THE BONDS DO NOT CONSTITUTE, WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL PROVISION, AN INDEBTEDNESS, AN OBLIGATION, OR A LOAN OF CREDIT OF THE CITY, HARRIS COUNTY, THE STATE OF TEXAS, OR ANY OTHER MUNICIPALITY, COUNTY, OR OTHER MUNICIPAL POLITICAL CORPORATION OF SUBDIVISION OF THE STATE OF TEXAS. THE CITY IS NOT OBLIGATED TO MAKE PAYMENT ON THE BONDS.

*Investment
Considerations*

THE PURCHASE AND OWNERSHIP OF THE BONDS ARE SUBJECT TO SPECIAL INVESTMENT CONSIDERATIONS AND ALL PROSPECTIVE PURCHASERS ARE URGED TO EXAMINE CAREFULLY THIS ENTIRE OFFICIAL STATEMENT WITH RESPECT TO THE INVESTMENT SECURITY OF THE BONDS, PARTICULARLY THE SECTION CAPTIONED “INVESTMENT CONSIDERATIONS.”

Schedule 1: Selected Financial Information (unaudited)

	<u>City</u>
2019 Certified Taxable Value (a)	\$ 3,690,562,093
Tax Increment Base (b)	<u>509,671,530</u>
2019 Certified Incremental Appraised Value	3,180,890,563
2019 Total Tax Rate Contribution (c)	\$0.56792/\$100
Estimated Collection Rate (d)	99.92%
City Administrative Fee	5%
Contract Tax Increments Constituting Pledged Revenues FYE 6/30/2020 (e)	\$ 17,148,625
Outstanding Debt	\$ 37,400,000 *
Average Annual Debt Service (2020-2029)	7,056,089 *
Maximum Annual Debt Service (2025)	7,359,500 *
Coverage of Estimated 2020 Pledged Revenues from City to:	
Average Annual Debt Service (2020-2029)	243% *
Maximum Annual Debt Service (2025)	233% *
Ratio of 2019 Captured Appraised Value to Total Appraised Value in Zone	86.19% (f)
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."

OFFICIAL STATEMENT

\$37,400,000*

MEMORIAL CITY REDEVELOPMENT AUTHORITY TAX INCREMENT CONTRACT REVENUE AND REFUNDING BONDS SERIES 2019

This Official Statement provides certain information in connection with the issuance by Memorial City Redevelopment Authority (the “*Authority*”) of its \$37,400,000* Tax Increment Contract Revenue and Refunding Bonds, Series 2019 (the “*Bonds*”).

The Bonds are issued pursuant to the Texas Constitution, Chapter 431, Texas Transportation Code, as amended, the general laws of the State of Texas, including Chapter 1201, Texas Government Code, a resolution authorizing the issuance of the Bonds (the “*Bond Resolution*”) adopted by the Board of Directors of the Authority (the “*Board*”), a Pricing Certificate authorized by the Bond Resolution, and an Indenture of Trust dated as of January 15, 2008 (the “*Indenture*”) between the Authority and Wells Fargo Bank, National Association, as trustee (the “*Trustee*”). The issuance of the Bonds has been approved by the City Council of the City of Houston, Texas (the “*City*”).

This Official Statement speaks only as to its date and includes descriptions, among others, of the Bonds, the Bond Resolution, the Indenture, certain other information about the Authority, Reinvestment Zone Number Seventeen, City of Houston, Texas (the “*Zone*”), a Project Plan and Reinvestment Zone Financing Plan, as amended (the “*Plan*”), and existing development within the boundaries of the Zone, consisting of approximately 1,000 acres in west Houston between Beltway 8 and Bunker Hill Road, north and south of Interstate 10, including CityCentre, Memorial City Mall, and Memorial Hermann Memorial Center Medical Center. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each document. Copies of documents referenced herein may be obtained from the Authority, c/o Hawes Hill & Associates LLP, P.O. Box 22167, Houston, Texas 77227.

SOURCE OF AND SECURITY FOR PAYMENT

General

The Bonds are limited obligations of the Authority payable solely from the sources described herein and are not obligations of the City, the State of Texas, or any entity other than the Authority. The Authority is not obligated to pay principal of and interest on the Bonds from moneys of the Authority other than the Pledged Revenues as defined herein under “—Pledge of Revenues.”

General Statutory Requirements for Tax Increments

A tax increment reinvestment zone under Chapter 311 of the Texas Tax Code (the “*TIF Act*”) may be created by a city or a county, which also approves a project plan and a financing plan for the zone. In the case of a city, the ordinance creating the zone and the plans may provide that the city will deposit its Tax Increments (as defined below) into a tax increment fund (the “*Tax Increment Fund*”) established by the city for the zone. Other taxing units which tax property in the zone may agree with the city that they will also deposit a portion of their Tax Increments (as defined below) into the tax increment fund established for the zone.

The amount of a taxing unit’s “*Tax Increment*” for a year is the amount of property taxes levied and collected by the taxing unit for that year on the “*Captured Appraised Value*” of real property taxable by the taxing unit and located in the zone. The “*Captured Appraised Value*” of real property taxable by a taxing unit for a year is the total appraised value of all real property taxable by the taxing unit and located in the zone for that year less the “*Tax Increment Base*,” which is the total appraised value of all real property taxable by the taxing unit and located in the zone on January 1 of the year in which the zone was designated as such under the TIF Act. If the boundaries of a zone

* Preliminary, subject to change.

are enlarged, Tax Increment Base is increased by the taxable value of the real property added to the zone for the year in which the property was added.

The TIF Act provides that each taxing unit is required to pay into the tax increment fund for the zone the collected Tax Increments that it has agreed to pay under its agreement with the city or county that created the zone and in accordance with the project plan and financing plan. The TIF Act provides that the payment is to be made by the 90th day after the later of either the delinquency date for the taxing unit’s property taxes, or the date the city that created the zone submits to the taxing unit an invoice specifying the tax increment produced by the taxing unit and the amount the taxing unit is required to pay into the tax increment fund for the zone.

The TIF Act provides that a reinvestment zone terminates on the earlier of: (1) the termination date designated in the ordinance designating the zone or an earlier or later date designated by a subsequent ordinance and (2) the date on which all project costs, tax increment bonds and interest on those bonds, and other obligations have been paid in full. In addition, the TIF Act provides that a reinvestment zone may be terminated if the city that created the zone defeases all of the zone’s tax increment bonds. See “THE BONDS—Defeasance.”

Establishment of the Zone

Pursuant to City Ordinance No. 1999-759, approved on July 21, 1999 (the “City Creation Ordinance”), the City created the Zone, established the Tax Increment Fund for the Zone as a separate fund in the City treasury. The Creation Ordinance provided that the Zone would take effect upon passage of the ordinance and terminate on December 31, 2029, or at an earlier time designated by the City Council of the City, or at such time that all project costs, tax increment bonds, and the interest on the bonds have been paid in full.

A total of 656.70 acres excluding property that was publicly owned were designated as the Zone in 1999 (the “Original Zone”). Additional land was annexed into the Zone in 2011 (the “2011 Annexed Area”) and 2014 (the “2014 Annexed Area” and collectively with the 2011 Annexed Area, the “Annexed Areas”). The Annexed Areas have virtually no taxable value and create no Tax Increments.

Under the Plan for the Zone, the City contributes 100% of its collected Tax Increments arising from the Zone to the Tax Increment Fund during the term of the Zone. At the time the Plan was originally adopted, Harris County, Texas and Spring Branch Independent School District (the “School District”) were expected to contribute taxes to the Zone; however, they elected not to do so. At this time, the Authority does not expect any other taxing units to contribute any Tax Increments to the Tax Increment Fund during the term of the Zone.

Calculation of Tax Increments

The certified appraised value in a zone is supplied to all the taxing units participating in the zone by the applicable appraisal district based on the appraisal district’s identification of all real property accounts within the zone’s boundaries. The Harris County Appraisal District (the “Appraisal District”) appraises the property in the Zone for the City. The City uses the certified appraised taxable value in the Zone obtained from the Appraisal District, but then modifies it based on the various exemptions from taxation granted by the City. It then determines Captured Appraised Value by subtracting the Tax Increment Base of the Zone from the current year’s taxable value in the Zone.

The Appraisal District may issue a “correction roll” which may affect previously certified values. Value changes can be positive or negative depending on the cause. Omitted property adds value while protest settlements, exemptions and error corrections can add or subtract value. Value changes typically are larger in dollar amount and number in the years just following the current tax year and tend to diminish in amount and number over time.

The City’s determination of Captured Appraised Value will depend on the timing of its calculation (that is, what Appraisal District roll it uses) and its exemptions. For the years 2014 through 2018, the City’s determination resulted in the Captured Appraised Values shown under “FINANCIAL INFORMATION—Schedule 5: Tax Increment Collections.” For an explanation of the different exemptions of the City, see “TAXING PROCEDURES OF THE CITY—Property Subject to Taxation by the City.”

Calculation of Tax Increments is subject to administrative interpretation by the City, which may change from time to time, at the option of the City.

Collection of Tax Increments

Tax Increments are derived from tax collections of each taxing unit participating in a zone. See “TAXING PROCEDURES OF THE CITY” for information on the procedures for collecting taxes and the limitations on tax collections.

The Tax Increments that each taxing unit participating in a zone pays into the Tax Increment Fund equal the amount arrived at by multiplying the Captured Appraised Value in the zone by the taxing unit’s contributed tax rate per \$100 of valuation for the tax year and then multiplying that product by the taxing unit’s collection percentage, subject to any aggregate limitation.

The collection percentage is determined by comparing the taxes collected from all taxable real property in the zone to the total taxes due to the taxing unit for the tax year from all real property in the zone. The City’s collection percentage is shown in “FINANCIAL INFORMATION—Schedule 5: Tax Increment Collections.”

The TIF Act provides that payment of Tax Increments by participating taxing units is to be made by the 90th day after the later of either the delinquency date for the taxing unit’s property taxes, or the date the city or county that created the zone submits to the taxing unit an invoice specifying the tax increment produced by the taxing unit and the amount the taxing unit is required to pay into the tax increment fund for the zone.

Pursuant to an agreement among the City, the Zone and the Authority, approved by the City Council of the City on December 20, 2002 (the “*Tri-Party Agreement*”), the City, on behalf of itself and the Zone, has agreed to pay to the Authority all monies then available in the Tax Increment Fund (consisting of 100% of the Tax Increments collected in the Zone) without counterclaim or offset, less (a) any expenses incurred by the City in connection with the collection of the Tax Increments, (b) a reserve of up to five percent of the monies then available in the Tax Increment Fund attributable to the Zone, and (c) funds, if any, required to be paid to the School District for the development of educational facilities pursuant to a contract between the School District, the City, and the Zone (no such contract exists); provided however, the City and the Zone are not obligated to pay to the Authority an amount that exceeds the amount of the approved budget for the then-current fiscal year.

The City will transfer the Contract Tax Increments in the Tax Increment Fund to the Authority not later than the first business day of each July in which a current approved budget is in effect for the Authority. The City has the right to offset from these payments any amount paid by the Authority to a developer, builder, consultant or vendor pursuant to a contract that is not authorized by and consistent with the Tri-Party Agreement or the terms of the contract pursuant to which it was incurred. Nonetheless, this offset does not affect the obligation of the City and the Zone to pay from Tax Increments an amount that will permit the Authority to pay its bonds, promissory notes, and other obligations issued or incurred pursuant to and consistent with the Tri-Party Agreement.

The obligations of the City and the Zone to pay Contract Tax Increments to the Authority are subject to the Tri-Party Agreement and the rights of any of the holders of bonds, notes or other obligations that have been or are hereafter issued by the City that are payable from or secured by a general levy of ad valorem taxes throughout the taxing jurisdiction of the City. See “THE REDEVELOPMENT PLAN—Tri-Party Agreement.”

Contract Tax Increments Defined

The TIF Act requires that the amount of Tax Increments arising from taxation in the Zone which a taxing unit has agreed to contribute to the Zone be deposited to the Tax Increment Fund for the Zone in the City’s treasury. The City has agreed to contribute to the Tax Increment Fund for the Zone 100% of its Tax Increments from the Zone. No other taxing unit has agreed to contribute Tax Increments to the Tax Increment Fund for the Zone.

Pursuant to the Tri-Party Agreement, not later than the first business day of each July in which a current, approved budget is in effect for the Authority, the City will pay to the Authority all amounts then available in the Tax

Increment Fund after deduction of (a) any expenses incurred by the City in connection with the collection of Tax Increments, (b) a reserve of up to five percent of the monies then available in the Tax Increment Fund, and (c) funds, if any, required to be paid to the School District for the development of educational facilities pursuant to a contract between the School District, the City, and the Zone (no such contract exists). This amount is defined herein as the "Contract Tax Increments."

Pledge of Revenues

Pursuant to the Bond Resolution and the Indenture, the Authority has agreed to pay to the Trustee all Contract Tax Increments. The Trustee will deposit such amounts into an Indenture fund which constitutes the Authority's "Pledged Revenue Fund." Once debt service on the Contract Revenue Bonds for the period ending on the next March 1 has been deposited, any Debt Service Reserve Fund required for a Series of Contract Revenue Bonds has been fully funded, and the Trustee's fees have been paid, the Trustee will transfer any surplus Contract Tax Increments to the Surplus Fund for use by the Authority for any lawful purpose under the TIF Act. Moneys can be transferred from the Pledged Revenue Fund, at the direction of the Authority, at any time moneys are received in the Pledged Revenue Fund, provided that the foregoing transfers and deposits have been made. See "THE INDENTURE OF TRUST—The Funds."

The Authority has pledged to the payment of principal of and interest on the Contract Revenue Bonds the "Pledged Revenues," which are defined in the Indenture and the Bond Resolution as all of the Authority's right, title and interest in and to the following described properties and interests, direct or indirect, whether now owned or hereafter acquired:

(a) the Contract Tax Increments and all of the Authority's right, title and interest thereto under the Tri-Party Agreement and any other agreement between the Authority and the City;

(b) all monies deposited or required to be deposited in the Pledged Revenue Fund, the Debt Service Fund (as hereinafter defined), and the Debt Service Reserve Fund (as hereinafter defined) applicable to the respective Series of Contract Revenue Bonds held by the Trustee pursuant to the provisions of the Indenture and all interest earnings and investment income therefrom; and

(c) any and all property of every kind and nature (including without limitation, cash, obligations or securities) which may from time to time hereafter be conveyed, assigned, hypothecated, endorsed, pledged, mortgaged, granted, or delivered to or deposited with, the Trustee as additional security under the Indenture by the Authority, or anyone on behalf of the Authority, or which pursuant to any of the provisions may come into the possession or control of the Trustee as security thereunder, or of a receiver lawfully appointed thereunder, all of which property the Trustee is authorized to receive, hold and apply according to the terms thereof.

As required by the Tri-Party Agreement, the Chief Development Officer of the City and the Zone Board will approve, consent and acknowledge the assignment and pledge of the Pledged Revenues and the terms of the Bond Resolution and the Indenture.

Debt Service Reserve Fund

The Indenture provides that each Bond Resolution authorizing a Series of Contract Revenue Bonds may create and establish with the Trustee one or more funds to be designated a "Debt Service Reserve Fund." A Debt Service Reserve Fund may be pledged to the payment of a particular Series of Contract Revenue Bonds. Each Debt Service Reserve Fund shall initially be funded as provided in the Bond Resolutions.

The Bond Resolution for the Bonds provides for a Debt Service Reserve Fund for the Bonds in an amount equal to the "Reserve Requirement," which is defined in the Bond Resolution as the lesser of (i) 1.25 times the average annual debt service on the Bonds or (ii) the maximum annual debt service on the Bonds. Pursuant to the Indenture, the Authority expressly reserves the right at any time to satisfy all or part of the Reserve Requirement by obtaining for the benefit of the particular Debt Service Reserve Fund one or more Reserve Fund Surety Policies. A "Reserve Fund Surety Policy" is defined as an insurance policy or other credit agreement, as such term is defined by Section 1371.001, Texas Government Code, in a principal amount equal to the portion of the Reserve Requirement to be

satisfied and issued by a financial institution or insurance company with a rating for its long term unsecured debt or claims paying ability of at least "A" or its equivalent (without regard to any modifier) by a nationally recognized statistical rating organization.]

Additional Parity Bonds

The Authority has reserved the right to issue additional parity tax increment contract revenue bonds (the "Additional Parity Bonds") on the terms set out in the Indenture for the purposes set forth in the Plan. Prior to issuing Additional Parity Bonds, the following conditions must be met:

- (a) the Additional Parity Bonds shall mature on, and interest shall be payable on, the same days of the year as the Bonds;
- (b) the City has approved the issuance of the Additional Parity Bonds on the terms set forth in the Tri-Party Agreement, as the same may be modified from time to time;
- (c) there shall be on deposit in the Debt Service Reserve Fund (to the extent created by prior bond resolutions), after issuance of the Additional Parity Bonds, an amount equal to the Reserve Requirement on all Contract Revenue Bonds that have a Reserve Requirement that will be Outstanding after the issuance of the Additional Parity Bonds;
- (d) the Authority certifies that it is not in material default with the terms of the Indenture, the Tri-Party Agreement, or any Bond Resolution;
- (e) the Authority has received a certificate meeting the requirements set forth below which shows Captured Appraised Value which, at the City's tax rate then in existence, will generate Contract Tax Increments that will be at least 125 percent of projected Average Annual Debt Service, taking into account the Outstanding Contract Revenue Bonds and the Additional Parity Bonds sought to be issued (except for Additional Parity Bonds issued for refunding purposes and that reduce the average annual debt service requirements).

The certificate referenced in paragraph (e) above will be based on either (i) a certificate of Harris County Appraisal District showing certified values, adjusted for exemptions, or (ii) a certificate of Harris County Appraisal District showing estimated or preliminary values, adjusted by the Authority for exemptions and losses due to protests, or (iii) a projection prepared by an independent real estate appraiser.

In the Indenture, the Authority represents that the Pledged Revenues are not in any manner pledged to the payment of any debt or obligation of the Authority other than the Contract Revenue Bonds, and the Authority covenants that it will not in any manner pledge or further encumber the Pledged Revenues unless such pledge or encumbrance is junior and subordinate to the lien and pledge granted under the Indenture to secure the Contract Revenue Bonds.

INVESTMENT CONSIDERATIONS

Limited Obligations

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM THE PLEDGED REVENUES, AND ARE NOT OBLIGATIONS OF THE CITY AND DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE CITY. THE BONDS DO NOT CONSTITUTE, WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL PROVISION, AN INDEBTEDNESS, AN OBLIGATION, OR A LOAN OF CREDIT OF THE CITY, HARRIS COUNTY, THE STATE OF TEXAS, OR ANY OTHER MUNICIPALITY, COUNTY, OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE OF TEXAS. THE CITY IS NOT OBLIGATED TO MAKE PAYMENTS ON THE BONDS. THE AUTHORITY DOES NOT HAVE THE POWER TO LEVY TAXES OR ASSESS FEES FOR ANY PURPOSE, INCLUDING PAYMENT OF THE BONDS.

For a variety of reasons, as described below, a decrease or reduction in Tax Increments causing a decrease or reduction in Pledged Revenues may occur. These Bonds are subject to special investment considerations as set forth below.

Impact of Economic Conditions

Each year the then current market value of all real property and improvements in the Zone will determine Captured Appraised Value. The market value of the real property and improvements within the Zone is affected by the demand for such improvements. Demand is affected by many factors, such as interest rates, credit availability, construction costs, energy availability, mobility and the general economic conditions and demographic characteristics of the U.S. economy and the specific economic conditions and demographic characteristics of the Houston metropolitan area and the west Houston market in particular.

The energy industry is a significant contributor to the Houston economy. Oil prices are volatile. A sustained downturn in oil prices may result in lower occupancy of office, retail and multi-family housing developments and lower retail sales.

Nature of the Zone

The Zone is located at the intersection of two main highways in a relatively affluent area of Houston near the “Energy Corridor” where many energy companies are located. The Zone’s taxable value is principally derived from commercial properties. See “STATUS OF DEVELOPMENT: Schedule 2: Breakdown of 2019 Taxable Values in the Zone by Type;” “--Schedule 3: Principal Taxpayers in the Zone.”

The Zone includes CityCentre, a mixed-use high-density development of retail, office, multi-family, restaurant and entertainment facilities; and Memorial City, a mixed use development containing 9 million square feet of developed real estate across 265 acres, including office space, the 1.7 million square foot Memorial City Mall, residential units, hotels and the Memorial Hermann Memorial City Medical Center, the second largest medical campus in the Houston metropolitan area.

Future Taxable Values in the Zone May Decline

The Appraisal District determines the taxable value in the Zone annually based on the then current market value of all taxable real property and improvements in the Zone. **Captured Appraised Value is derived from the taxable value of real property and improvements within the Zone, not from any increase in the appraised value of personal property (such as equipment and inventory).** See “—Impact of Economic Conditions” above.

In determining the market value of property, the Appraisal District is required by Texas law to consider the cost, income and market data comparison methods of appraisal and must use the method the Chief Appraiser of the Appraisal District considers most appropriate. The use of a particular method or combination of methods of appraisal with respect to property in the Zone may, over time, cause a decrease in the Captured Appraised Value in the Zone and, therefore, result in a reduction in the Contract Tax Increments.

Property owners have the right to protest the appraised value of their property in the Zone annually and are not required to render their property for ad valorem taxation at any agreed upon level, unless required by a development agreement with the Authority. The appraised value of the property and improvements will be determined and certified by the Appraisal District in accordance with the procedures described in “TAXING PROCEDURES OF THE CITY.”

Several factors, including those listed below, can adversely affect the taxable value of one or more specific properties within the Zone, which can either individually or in the aggregate affect the Captured Appraised Value in the Zone. See “—Concentration of Risk” below.

First, owners of property in the Zone may sell their properties to entities which do not pay ad valorem taxes on their property or convert their property to a use which is exempt from ad valorem taxes. Currently, a portion of the property in the Zone is owned by governmental units and non-profit entities and is not subject to ad valorem

taxation in whole or in part. In the event these governmental units or non-profit entities buy property to build new facilities in the Zone, property currently on the tax rolls may become exempt from taxation. In addition, multi-family housing developments meeting certain requirements may become exempt from ad valorem taxes. See “TAXING PROCEDURES OF THE CITY—Property Subject to Taxation by the City.”

Second, taxes on property in the Zone may be abated. The TIF Act allows any taxing unit that is not a school district to enter into a tax abatement agreement with an owner of real property in the Zone for a term not to exceed ten years, if the Zone Board and the governing body of the taxing unit approve the agreement. Under such a tax abatement agreement, increases in value in the real property subject to the agreement are not considered in determining the taxable value in the Zone.

Third, a catastrophic event (for example, flooding) may damage or destroy property in the Zone, causing a loss of taxable value. See “Weather Events; Hurricane Harvey” below.

Finally, residential or commercial buildings that are not occupied or are only partially occupied may be appraised at a lower value than occupied facilities. Under certain circumstances, residential real property inventory held by a person in the trade or business will be valued at the price all such property would bring if sold as a unit to a purchaser who would continue the business.

Weather Events; Hurricane Harvey

The Houston area, including the Zone, is susceptible to high winds, heavy rain and flooding caused by rain events, hurricanes, tropical storms and other tropical disturbances. If substantial damage were to occur to taxable property within the Zone as a result of such a weather event, the investment security of the Bonds could be adversely affected. In addition, the frequency of weather events in the Houston area could have a material impact on the long term development of the area’s economy.

The Zone and/or surrounding residential areas have suffered some damage from rain events on at least five occasions since 2009. Hurricane Harvey, which made landfall along the Texas Gulf Coast on August 26, 2017, brought historic levels of rainfall to the Houston area during the successive four days. Tropical Depression Imelda, which occurred on September 18 and 19, 2019, resulted in 6 inches of rain in two hours and 7 inches of rain in three hours in the vicinity of the Zone, resulting in damage to some nearby homes.

The stated and primary focus of the Zone is to improve the drainage infrastructure within the Zone and immediate surrounding areas, and drainage improvement projects are ongoing. See “THE REDEVELOPMENT PLAN—Project Plan and Reinvestment Zone Financing Plan.”

If a future weather event significantly damaged all or part of the improvements within the Zone, the assessed value of property within the Zone could be substantially reduced, which could result in a decrease in Pledged Revenues. Further, there can be no assurance that a casualty loss to taxable property within the Zone will be covered by insurance (or that property owners will even carry flood or other casualty insurance), that any insurance company will fulfill its obligations to provide insurance proceeds, or that insurance proceeds will be used to rebuild or repair any damaged improvements within the Zone. Even if insurance proceeds are available and improvements are rebuilt, there could be a lengthy period in which assessed values within the Zone could be adversely affected. There are special taxing procedures for areas declared to be a disaster area by the governor of the State of Texas which could affect the amount of taxes due and when they are collected. See “TAXING PROCEDURES OF THE CITY—Reappraisal of Property after Disaster” and “—Tax Payment Installments after Disaster.”

There are two general types of flooding: ponding or pluvial flooding and riverine or fluvial flooding, either of which might impact the Zone.

Ponding, or pluvial, flooding occurs when heavy rainfall creates a flood event independent of an overflowing water body, typically in relatively flat areas. Intense rainfall can exceed the drainage capacity of a drainage system, which may result in water within the drainage system becoming trapped and diverted onto streets and nearby property

until it is able to reach a natural outlet. Ponding can also occur in a flood pool upstream or behind a dam, levee or reservoir.

Riverine, or fluvial, flooding occurs when water levels rise over the top of river, bayou or channel banks due to excessive rain from tropical systems making landfall and/or persistent thunderstorms over the same area for extended periods of time. The damage from a riverine flood can be widespread. The overflow can affect smaller rivers and streams downstream, or may sheet-flow over land. Flash flooding is a type of riverine flood that is characterized by an intense, high velocity torrent of water that occurs in an existing river channel with little to no notice. Flash flooding can also occur even if no rain has fallen, for instance, after a levee, dam or reservoir has failed or experienced an uncontrolled release, or after a sudden release of water by a debris or ice jam. In addition, planned or unplanned controlled releases from a dam, levee or reservoir also may result in flooding in areas adjacent to rivers, bayous or drainage systems downstream.

Recent Flood Plain and Development Regulations Might Impede New Development

Both Harris County and the City of Houston have adopted stricter flood plain and development regulations as a result of the flood damage suffered as a result of Hurricane Harvey. These regulations are expected to increase the cost of new developments in Harris County and the City of Houston and could deter the development of new improvements in the Zone.

Risks Related to Shopping Malls and Retail Operations

Retail shopping centers and retail operations can be significantly affected by a variety of risk factors. The following are examples of such risks: changes in international, national, regional and local economic conditions; tenant bankruptcies and a resulting rejection of leases; the impact on retail tenants and demand for retail space due to increased use of the internet by retailers and consumers; the impact of alternative retail shopping centers like outlet centers, community/lifestyle centers, and catalogs; the loss of anchor stores and other major tenants; local real estate conditions, such as an oversupply of, or reduction in demand for, retail space or retail goods, decreases in rental rates, declining real estate values and the availability and creditworthiness of tenants; levels of consumer spending, changes in consumer confidence and fluctuations in seasonal spending; the willingness of retailers to lease space; increased operating costs; changes in applicable laws and regulations, including tax, environmental, safety and zoning; perceptions by consumers of the safety, convenience and attractiveness of retail shopping centers; casualties and other natural disasters; and the potential for terrorist activities.

A Decrease in Taxable Value Produces a Greater Decrease in Captured Appraised Value and Can Reduce Tax Increments Significantly

A percentage decrease in taxable values results in a larger percentage decrease in the Captured Appraised Value (which subtracts the base year value). For instance, if a zone had a taxable value of 100 and a Captured Appraised Value of 10, then a reduction in taxable value to 95 would be a 5% decrease in taxable values and a 50% decrease in Captured Appraised Value. See the "Ratio of 2019 Captured Appraised Value to Total Appraised Value" in Selected Financial Information (Unaudited). Tax Increments are derived from Captured Appraised Value and not taxable value and so will show the same percentage reduction as the Captured Appraised Value.

Tax and Collection Rates May Decline

The amount of Contract Tax Increments available to pay principal of and interest on the Bonds is determined by the appraised value of taxable real property and improvements in the Zone, the tax rate of the City, and the percentage of taxes actually collected from taxpayers in the Zone and paid into the Tax Increment Fund.

The City is not required under Texas law or any contract to set a tax rate sufficient to assure any certain dollar amount of Contract Tax Increments; rather, Texas law and the Tri-Party Agreement only require the City to contribute the Tax Increments actually collected by it and only to the extent provided in the Tri-Party Agreement. The City will set its tax rate in accordance with the Texas Property Tax Code, which allows voters to limit an increase in the tax rate. In the legislative session which ended in May, 2019, the Texas Legislature

amended the Texas Property Tax Code to further reduce the City's ability to increase its tax rate without holding an election. See "TAXING PROCEDURES OF THE CITY—State Law Limitations on Setting the Annual Tax Rate."

The City's tax rate may be further limited by provisions added to its City Charter. In 2014, the City tax rate was limited for the first time by a revenue cap added to the City Charter in 2004. See "TAXING PROCEDURES OF THE CITY—City Charter Limitations." The cap has required the City to lower its tax rate in 2014, 2015, 2016, and 2017, and 2019. The 2017 tax rate was more than 5 cents lower than the 2013 rate and the lowest since 1987. Under the revenue cap formula, the tax rate for 2018 rose slightly from 2017: from \$0.58421 to \$0.58831 per \$100 valuation.

The City's tax rate for the 2019 tax year is \$0.567920 per \$100 valuation (a reduction from the 2018 tax rate of approximately 2 cents). See "FINANCIAL INFORMATION—Schedule 5: Tax Increment Collections" for tax rates from 2014 through 2018. If the tax rate of the City declines, the amount of Pledged Revenues available to pay debt service on the Bonds may decrease.

If the percentage of taxes collected by the City in the Zone declines, the amount of Pledged Revenues available to pay debt service on the Bonds may decrease. Historical tax collection rates may not accurately predict future tax collection rates.

The collection of, and accounting for, Tax Increments involve extensive administration and are subject to error. Moreover, detailed procedures for calculation and collection of Tax Increments are not set forth in the TIF Act and are implemented at the discretion of each taxing unit participating in a tax increment reinvestment zone.

Concentration of Risk

Approximately 45.95% percent of the taxable value in the Zone is owned by the top ten taxpayers. See "FINANCIAL INFORMATION—Schedule 3: Principal Taxpayers in the Zone." Failure of any one or more of these taxpayers to pay its taxes could adversely affect the amount of Contract Tax Increments available for payment of debt service on the Bonds.

Limitations on Tax Collections and Foreclosure Remedies

The Authority's ability to make debt service payments on the Bonds may be adversely affected by the City's inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the City constitutes a lien on the property against which taxes are levied and such lien may be enforced by foreclosure. Foreclosure must be effected through a judicial proceeding. The City's ability to collect ad valorem taxes through such foreclosure may be impaired by cumbersome, time-consuming and expensive collection procedures or economic and market conditions affecting the marketability of taxable property within the Zone and limiting the proceeds from a foreclosure sale of such property. Moreover, the proceeds of any sale of property within the Zone available to pay debt service on the Bonds may be limited by the current aggregate tax rate being levied against the property and by other factors, including the taxpayers' right to redeem property within two years of foreclosure for residential homestead and agricultural use property and within six months of foreclosure for other property. Finally, any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the Zone pursuant to the Federal Bankruptcy Code could stay any attempt by the City to collect delinquent ad valorem taxes assessed against such taxpayer. In addition to the automatic stay against collection of delinquent taxes afforded a taxpayer during the pendency of a bankruptcy, a bankruptcy could affect payment of taxes in two other ways: first, a debtor's confirmation plan may allow a debtor to make installment payments on delinquent taxes for up to six years, and, second, a debtor may challenge, and a bankruptcy court may reduce, the amount of any taxes assessed against the debtor, including taxes that have already been paid. The Authority has no control over the collection of property taxes by the City.

The Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") contains certain provisions which affect the time for protesting property valuations, the fixing of tax liens and the collection of penalties and interest on delinquent taxes on real property owned by the Federal Deposit Insurance Corporation ("FDIC") when the FDIC is acting as the conservator or receiver of an insolvent financial institution. Under FIRREA real property held by the FDIC is still subject to ad valorem taxation, but such act states (1) that no real property of the FDIC shall be subject to foreclosure or sale without the consent of the FDIC and no involuntary liens shall attach to such property, (2) the FDIC shall not be liable for any penalties or fines, including those arising from the failure to pay any real or personal property tax when due and (3) notwithstanding failure of a person to challenge an appraisal in accordance

with state law, such value shall be determined as of the period for which such tax is imposed. These provisions may affect the timeliness of collection of taxes on property which may be owned in the future by the FDIC in the Zone and may prevent the collection of penalties and interest on such taxes.

Limited Remedies After Default

Remedies in the event of a default by the Authority in one or more of its obligations under the Bonds, the Bond Resolution or the Indenture are limited. Although the Indenture provides that the Trustee may obtain a writ of mandamus requiring performance of such obligations, such remedy may prove time-consuming, costly and difficult to enforce. Neither the Bond Resolution nor the Indenture provides for acceleration of maturity of the Bonds, or provides for the foreclosure of any property or assets other than applying the Pledged Revenues to payment of the Bonds in the manner provided in the Indenture. See “—Risk of Bankruptcy” below.

Risk of Bankruptcy

The Authority is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code (“*Chapter 9*”). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or Bondholders of an entity which has sought protection under Chapter 9. Therefore, should the Authority avail itself of Chapter 9 protection from creditors, the ability to enforce a remedy against the Authority would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state courts) and the Bankruptcy Code provides for discretionary power of a Bankruptcy Court in administering any proceeding before it. While the relevant law on this point is not clear, it may be possible for one or more creditors to force the Authority into bankruptcy involuntarily. The opinion of Bond Counsel will note that all opinions relative to enforceability of the Bond Resolution, the Indenture and the Bonds are qualified with respect to the customary rights of debtors relative to their creditors, including rights afforded to debtors under the Bankruptcy Code.

Dependence on Contract Payments

In order for owners of the Bonds to receive principal of and interest as due, the City must perform its obligations under the Tri-Party Agreement, which include transferring the Contract Tax Increments to the Authority on the schedule set forth in the Tri-Party Agreement. Transfer of funds to the Authority cannot occur unless such funds are appropriated to the Authority by action of the City Council of the City. The Zone and the Authority also have obligations under the Tri-Party Agreement. Any of these parties could default in their obligations, and enforcement would be dependent upon judicial redress, which is subject to discretion and delay. In addition, enforcement may be limited or prohibited if the defaulting party files for bankruptcy under the Bankruptcy Code or similar state laws.

Risk of Higher Priority Debt

The obligation of the City to pay Tax Increments into the Tax Increment Fund is subject to the rights of any of the holders of bonds, notes or other obligations that have been or are hereafter issued by the City that are payable from and secured by a general levy of ad valorem taxes throughout the taxing jurisdiction of the City. The City Charter provides that, in preparing the City’s budget, provision shall first be made for the payment of debt service on the City’s outstanding tax obligations, with the remaining revenues to be apportioned among the City’s respective departments. In future fiscal years, the amount of the tax levy allocated to debt service on the City’s tax bonds may need to be increased, reducing the amount allocable for transfer to the Tax Increment Fund and the delivery of essential governmental services if there is no corresponding increase in the overall tax levy or other revenues.

Failure to Generate Sufficient Pledged Revenues

The Zone became effective on July 21, 1999, and will terminate on December 31, 2029, or at an earlier time designated by subsequent ordinance of the City, or at such time that all Project Costs, tax increment bonds, and the

interest on all tax increment bonds, have been paid in full. If Tax Increments collected prior to termination of the Zone have been insufficient to pay principal of and interest on the Bonds when due, no additional Tax Increments are required to be collected, and no remedies are available to the Bondholders to recover amounts remaining unpaid but with respect to which Tax Increments have been insufficient. The final scheduled maturity of the Bonds is September 1, 2028.

In the Tri-Party Agreement, the City has agreed not to dissolve the Authority and that any repeal of the right and power to collect the Tax Increments will not be effective until all the Contract Revenue Bonds have been paid in full or legally defeased.

Growth Limited by Air Quality Issues

Air quality control measures required by the United States Environmental Protection Agency (the "EPA") and the Texas Commission on Environmental Quality ("TCEQ") may curtail new industrial, commercial and residential development in Houston and adjacent areas. Under the Clean Air Act Amendments of 1990, the eight county Houston-Galveston-Brazoria Area ("HGB Area") has been designated by the EPA as a non-attainment area under the EPA's ozone standards, and the EPA and the TCEQ have imposed limitations on sources of air emissions and require any new source of significant air emissions to provide for a net reduction of air emissions. If the HGB Area fails to demonstrate progress in reducing ozone concentrations or fails to meet EPA's standards, EPA may impose a moratorium on the awarding of federal highway construction grants and other federal grants for certain public works construction projects, and may impose severe emissions offset requirements on new major sources of hydrocarbon emissions for which construction has not already commenced. The development of a successful air quality compliance plan may impact a wide cross-section of the business and residential community. Stringent controls on sources of air emissions in the HGB Area, could make the Houston area a less attractive location to businesses in comparison to other areas of the country that do not impose similarly stringent air emissions controls.

Risk of Increased Debt

The Authority has reserved the right to issue Additional Bonds which are secured by the Pledged Revenues on an equal basis with the then-outstanding Contract Revenue Bonds. The issuance of Additional Parity Bonds may adversely affect the investment security of the outstanding Contract Revenue Bonds. For a description of the circumstances under which Additional Parity Bonds may be issued, see "SOURCE OF AND SECURITY FOR PAYMENT—Additional Parity Bonds" and "FINANCIAL INFORMATION—Authority to Issue Bonds and Notes."

Risk of Failure to Comply with Certain Covenants

Failure of the Authority to comply with certain covenants contained in the Bond Resolution and the Indenture on a continuing basis prior to the maturity of the Bonds could result in interest on the Bonds becoming taxable retroactive to the date of original issuance. See "LEGAL MATTERS."

Bond Insurance Risk Factors

The Authority has applied for a bond insurance policy (the "*Policy*") to guarantee the scheduled payment of principal and interest on the Bonds. The Authority has yet to determine whether an insurance policy will be purchased with the Bonds. If an insurance policy is purchased, the following are risk factors relating to bond insurance.

In the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the applicable Policy for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the Authority which is recovered by the Authority from the bond owner as a voidable preference under applicable bankruptcy law is covered by the Policy, however, such payments will be made by the insurer of the Bonds (the "*Bond*

Insurer”) at such time and in such amounts as would have been due absent such prepayment by the Authority unless the Bond Insurer chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the Bond Insurer without appropriate consent. The Bond Insurer may direct and must consent to any remedies and the Bond Insurer’s consent may be required in connection with amendments to any applicable bond documents.

In the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the moneys received pursuant to the applicable bond documents. In the event the Bond Insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The long-term ratings on the Bonds are dependent in part on the financial strength of the Bond Insurer and its claim paying ability. The Bond Insurer’s financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Bond Insurer and of the ratings on the Bonds insured by the Bond Insurer will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. See description of “MUNICIPAL BOND RATING” herein.

The obligations of the Bond Insurer are contractual obligations and in an event of default by the Bond Insurer, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

Neither the Authority nor the Underwriters have made independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the Authority to pay principal and interest on the Bonds and the claims paying ability of the Bond Insurer, particularly over the life of the investment. See “MUNICIPAL BOND INSURANCE” herein for further information provided by the Bond Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Bond Insurer.

Reliance on Debt Service Reserve Fund and Use of Reserve Fund Surety Policy

A Debt Service Reserve Fund for the Bonds in the amount of the Reserve Requirement will be established in connection with the issuance of the Bonds. Available funds in the Debt Service Reserve Fund are required to be used to fund debt service on the Bonds when there are insufficient funds in the Debt Service Fund to do so. However, the amount in the Debt Service Reserve Fund may not be sufficient to pay debt service on the Bonds, depending upon the amount, duration and frequency of the shortage in Contract Tax Increments. If the Debt Service Reserve Fund is accessed for any purpose, the Authority may not have sufficient Contract Tax Increments to replenish the fund.

The Authority intends to satisfy the Reserve Requirement by obtaining for the benefit of the Debt Service Reserve Fund a Reserve Fund Surety Policy. See “SOURCE AND SECURITY FOR PAYMENT—Debt Service Reserve Fund” herein.

The financial strength and claims paying ability of a provider of a Reserve Fund Surety Policy are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of a provider of a Reserve Fund Surety Policy will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. There is no obligation on the part of the Authority to replenish the Debt Service Reserve Fund if the ratings of a provider of a Reserve Fund Surety Policy are downgraded or the provider becomes insolvent or bankrupt.

The obligations of the provider of a Reserve Fund Surety Policy are contractual obligations and in an event of default by the provider, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

Limited Marketability of the Bonds

The Authority has no understanding with the Underwriters regarding the reoffering yields or prices of the Bonds and has no control over trading of the Bonds in the secondary market. Moreover, there is no assurance that a secondary market will be made in the Bonds. If there is a secondary market, the difference between the bid and asked price may be greater than the bid and asked price of bonds of comparable maturity and quality issued by more traditional issuers as such bonds are more generally bought, sold or traded in the secondary market.

Changes in Tax Legislation

Certain tax legislation, whether currently proposed or proposed in the future, may directly or indirectly reduce or eliminate the benefit of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, may also affect the value and liquidity of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed, pending, or future legislation.

PLAN OF FINANCING

Purpose

Proceeds of the Bonds will be used for purposes of (1) financing the costs of Public Improvements as authorized in the Plan and described in the Zone's capital improvement program; (2) defeasing and refunding certain outstanding bonds of the Authority; (3) funding the Reserve Requirement of the Debt Service Reserve Fund or paying for a Reserve Fund Surety Policy; and (4) paying costs of issuance, all under and pursuant to the authority of the TIF Act and all other applicable law.

Refunded Bonds

The bonds to be defeased and refunded with proceeds of the Bonds are certain maturities of the Authority's Tax Increment Contract Revenue Bonds, Series 2011 and Tax Increment Contract Revenue Bonds, Series 2011A in the principal amounts and maturing on the dates set forth below (the "Refunded Bonds"):

2011			2011A		
Maturity Date	Principal	Coupon	Maturity Date	Principal	Coupon
September 1	Amount		September 1	Amount	
2020 (a)	665,000	3.680%	2020 (c)	2,125,000	3.850%
2021 (a)	690,000	3.680%	2021 (c)	2,205,000	3.850%
2022 (a)	720,000	3.680%		4,330,000	
2023 (a)	745,000	3.680%			
2024 (a)	770,000	3.680%			
2025 (a)	800,000	3.680%			
2026 (a)	830,000	3.680%			
	5,220,000				

(c) Term Bond maturing in 2021

(a) Term Bond maturing in 2026

Defeasance of Refunded Bonds

The Bond Resolution provides that the Refunded Bonds, and the interest due thereon, are to be paid on the redemption date from funds to be deposited with Wells Fargo Bank, N.A., as paying agent for the Refunded Bonds (the "Paying Agent for the Refunded Bonds").

The Bond Resolution provides that from the proceeds of the sale of the Bonds, along with other monies lawfully available to the Authority, the Authority will deposit with the Paying Agent for the Refunded Bonds the amount necessary to accomplish the discharge and final payment of the Refunded Bonds. Such funds will be held by the Paying Agent for the Refunded Bonds in a segregated account (the "Deposit Fund") and used to pay the principal of

and interest on the Refunded Bonds at their maturity and will not be available to pay principal of and interest on the Bonds. By the deposit of the cash with the Paying Agent for the Refunded Bonds and the making of irrevocable arrangements for the giving of notice of redemption of the Refunded Bonds, the terms of the prior resolutions of the Authority securing payment of the Refunded Bonds shall have been satisfied and such Refunded Bonds will no longer be considered outstanding except for the payment of the amounts so deposited, and the amounts so deposited will constitute firm banking arrangements under Texas law for the discharge and final payment of the Refunded Bonds. Thereafter, none of the Refunded Bonds will remain outstanding.

Use and Distribution of Bond Proceeds

The following table sets forth the expected use and distribution of Bond proceeds and is subject to change.

Sources of Funds:

Principal	\$
Net Premium/Discount.....	
Total Sources:	<u>\$</u>

Uses of Funds:

Deposit to Project Fund.....	
Deposit to the Debt Service Fund	
Deposit to the Paying Agent for Refunded Bonds	
Cost of Issuance ⁽¹⁾	
Total Uses:	<u>\$</u>

⁽¹⁾ Represents estimated fees, expenses, underwriting discount, and bond insurance policy and reserve fund surety policy premiums, if any, related to the issuance and sale of the Bonds.

THE BONDS

Description

The Bonds will be issued in the aggregate principal amount and will mature on the dates and in the amounts, and will bear interest at the rates per annum set forth on the inside cover page hereof. Interest on the Bonds will be calculated on the basis of a 360-day year of twelve 30-day months and will accrue from the date of delivery of the Bonds. Interest on the Bonds is payable on each March 1 and September 1, commencing March 1, 2020, until the earlier of maturity or redemption. The Bonds are issued in fully registered form, in denominations of \$5,000 or any integral multiple of \$5,000.

Book-Entry-Only System

The information in this section concerning DTC, Cede & Co. and the book-entry system has been furnished by DTC for use in disclosure documents such as this Official Statement. The Authority and the Underwriters believe such information to be reliable, but neither the Authority nor the Underwriters take any responsibility for the accuracy or completeness thereof.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each stated maturity of the Bonds, each in the aggregate principal amount of such stated maturity, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a

“clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“*Direct Participants*”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“*DTCC*”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“*Indirect Participants*”). DTC has a S&P rating of “AA+”. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (the “*Beneficial Owner*”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of the Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co, or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct Participants and the Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Indenture. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC’s procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer of the Bonds as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the issuer or paying agent of the Bonds, on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the

responsibility of such Participant and not DTC nor its nominee, the paying agent or the issuer of the Bonds, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the issuer or paying agent of the Bonds, disbursement of such payments to Direct Participants will be the responsibility to DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct Participants and the Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the issuer or the paying agent of the Bonds. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates will be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). Discontinuance of use of the system of book-entry transfers through DTC may require the approval of DTC participants under DTC's operational arrangements. In the event of such discontinuance, certificates will be printed and delivered.

Method of Payment of Principal and Interest

In the Bond Resolution, the Board has appointed The Bank of New York Mellon Trust Company, N.A. as the initial Paying Agent/Registrar for the Bonds (together with any successors, the "*Paying Agent/Registrar*"). The principal of the Bonds will be payable to the registered owners of the Bonds (the "*Registered Owners*"), initially Cede & Co., without exchange or collection charges, in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, upon presentation and surrender of the Bonds as they respectively become due and payable, at the designated corporate trust office of the Paying Agent/Registrar. In the event the book-entry-only system is discontinued, interest on each Bond will be payable by check payable on each Interest Payment Date, mailed by the Paying Agent/Registrar on or before each Interest Payment Date to the Registered Owner of record as of the close of business on the February 15 or August 15 immediately preceding each Interest Payment Date (each a "*Record Date*"), to the address of such Registered Owner as shown on the Paying Agent/Registrar's records (the "*Register*") or by such other customary banking arrangements as may be agreed upon by the Paying Agent/Registrar and the Registered Owners at the risk and expense of the Registered Owners.

If the date for payment of principal of or interest on any Bond is not a business day, then the date for such paying will be the next succeeding business day, as defined in the Bond Resolution. If interest on any Bond is not paid on any Interest Payment Date and continues unpaid for thirty days thereafter, the Paying Agent/Registrar is required to establish a new record date for the payment of such interest (a "*Special Record Date*") when funds to make such payment are received from or on behalf of the Authority. Such Special Record Date is required to be fifteen days prior to the date fixed for payment of such past due interest.

Redemption Provisions

The Authority reserves the right, at its option, to redeem the Bonds maturing on or after September 1, 20__, prior to their scheduled maturities, in whole or from time to time, in part, in integral multiples of \$5,000 on September 1, 20__, or any date thereafter, at a price of par value plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. If less than all of the Bonds are redeemed at any time, the maturities of the Bonds to be redeemed will be selected by the Authority.

During any period in which ownership of the Bonds is in book-entry-only form, if fewer than all of the Bonds of the same maturity are to be redeemed, the particular Bonds of such maturity to be redeemed will be selected in accordance with the arrangements between the Authority and DTC; provided, that if any Bond is selected for redemption in part, it shall not be redeemed in an amount that would result, upon exchange, in a Bond in a denomination less than \$5,000.

Notice of Redemption

Notice of redemption will be given by the Paying Agent/Registrar not less than 30 days prior to the date of redemption by United States mail, first class, postage prepaid, to the Registered Owners of Bonds called for redemption at the address on the Register maintained by the Paying Agent/Registrar. Notice having been given in the

manner and under the conditions provided in the Bond Resolution and monies for the payment of the redemption price being held by the Paying Agent/Registrar, the Bonds designated for redemption described above will be due and payable at the redemption price specified above and interest thereon will cease to accrue on such Bonds, and such Bonds will cease to be entitled to any lien, benefit or security under the Bond Resolution and shall not be deemed to be outstanding thereunder. The owners of such Bonds will have no right in respect thereof except to receive payment of the redemption price thereof.

Registration and Transfer

So long as any Bonds remain outstanding, the Paying Agent/Registrar will keep the Register at its designated corporate trust office, and subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of the Bond Resolution.

In the event the book-entry-only system is discontinued, each Bond will be transferable only upon the presentation and surrender of such Bond at the designated corporate trust office of the Paying Agent/Registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the Registered Owner or authorized representative in form satisfactory to the Paying Agent/Registrar. Upon due presentation of any Bond in proper form for transfer, the Paying Agent/Registrar has been directed by the Authority to authenticate and deliver in exchange therefor, within three business days after such presentation, a new Bond or Bonds, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity, aggregate principal amount, and Dated Date, and bearing interest at the same rate as the Bond or Bonds so presented.

In the event the book-entry-only system is discontinued, all Bonds will be exchangeable upon presentation and surrender thereof at the principal payment office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any authorized denomination in an aggregate amount equal to the unpaid principal amount of the Bond or Bonds presented for exchange. The Paying Agent/Registrar is authorized to authenticate and deliver exchange Bonds in accordance with the provisions of the Bond Resolution. Each Bond delivered will be entitled to the benefits and security of the Bond Resolution to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

Neither the Authority nor the Paying Agent/Registrar shall be required to transfer or to exchange any Bond during the period beginning on a Record Date and ending on the next succeeding Interest Payment Date (including any Special Record Date) or to transfer or exchange any Bond called for redemption during the thirty (30) day period prior to the date fixed for redemption and ending on the date fixed for redemption; provided, however, that such limitation will not apply to the exchange by the Registered Owner of the unredeemed portion of a Bond called for redemption in part.

The Authority or the Paying Agent/Registrar may require the Registered Owner of any Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Bond. Any fee or charge of the Paying Agent/Registrar for such transfer or exchange will be paid by the Authority.

Replacement of Paying Agent/Registrar

Provision is made in the Bond Resolution for replacement of the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the Authority, the new Paying Agent/Registrar shall act in the same capacity as the previous Paying Agent/Registrar. Any Paying Agent/Registrar selected by the Authority will be a national or state banking institution, doing business under the laws of the United States of America or of any State, authorized under such laws to exercise trust powers, and which will be subject to supervision or examination by federal or state authority, to act as Paying Agent/Registrar for the Bonds.

Lost, Stolen or Destroyed Bonds

In the event the book-entry-only system is discontinued, upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Paying Agent/Registrar will authenticate and deliver in exchange therefor a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. If any Bond is lost, apparently destroyed, or wrongfully taken, the Authority, pursuant to the applicable

laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall, upon receipt of certain documentation from the Registered Owner and an indemnity bond, execute and the Paying Agent/Registrar shall authenticate and deliver a replacement Bond of like maturity, interest rate and principal amount bearing a number not contemporaneously outstanding.

Registered Owners of lost, stolen or destroyed Bonds will be required to pay the Authority's cost to replace such Bonds. In addition, the Authority or the Paying Agent/Registrar may require the Registered Owner to pay a sum sufficient to cover any tax or other governmental charge that may be imposed.

Legal Investment and Eligibility to Secure Public Funds in Texas

Pursuant to Chapter 1201, Texas Government Code, the Bonds are legal and authorized investments for banks, savings banks, trust companies, building and loan associations, savings and loan associations, insurance companies, fiduciaries and trustees and for the sinking funds of cities, town, villages, school districts and other political subdivisions or public agencies of the State of Texas. The Bonds are not an authorized investment for political subdivisions that are required to comply with the Public Funds Investment Act, Chapter 2256, Texas Government Code. Most political subdivisions in the State of Texas are required to adopt investment guidelines consistent with the Public Funds Investment Act. However, political subdivisions otherwise subject to the Public Funds Investment Act may have statutory authority to invest in the Bonds independent from the Public Funds Investment Act. The Bonds are eligible under the Public Funds Collateral Act, Chapter 2257, Texas Government Code, to secure deposits of public funds of the State of Texas, or any political subdivision or public agency of the State of Texas and are lawful and sufficient security for those deposits to the extent of their market value.

The Authority has not reviewed the laws in other states to determine whether the Bonds are legal investments for various institutions in those states or eligible to serve as collateral for public funds in those states. The Authority has made no investigation of any other laws, rules, regulations or investment criteria that might affect the suitability of the Bonds for any of the above purposes or limit the authority of any of the above persons or entities to purchase or invest in the Bonds.

Defeasance

The Authority may defease any or all of the Bonds pursuant to the provisions of the Indenture and discharge its obligations to the Registered Owners in any manner permitted by law.

Under current Texas law, such discharge may be accomplished either (i) by depositing with the Comptroller of Public Accounts of the State of Texas, with the Paying Agent/Registrar or with any other escrow agent so authorized by law either (i) cash in an amount equal to the principal amount and redemption amount, if any, of the Bonds plus interest thereon to the date of maturity or redemption or (ii) pursuant to an escrow or trust agreement, cash and (x) direct noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (y) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the Authority adopts or approves the proceedings authorizing the issuance of refunding bonds or otherwise provides for the funding of an escrow to effect the defeasance of the bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (z) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the Authority adopts or approves the proceedings authorizing the issuance of refunding bonds or otherwise provides for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and which mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment and/or redemption of the Bonds.

Upon such deposit as described above, such Bonds shall no longer be regarded as outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment or redemption of the Bonds have been made as described above, all rights of the Authority to initiate proceedings to call the Bonds for redemption or take any other action amending the terms of the Bonds are extinguished; provided, however, that the right to call the Bonds for redemption is not extinguished if the Authority: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation

of that right to the owners of the Bonds immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

THE INDENTURE OF TRUST

Pursuant to the Indenture, the Authority has assigned all of the Authority's right, title and interest in and to the Pledged Revenues, including the Contract Tax Increments, to the Trustee for the benefit, on an equal and ratable basis, of the holders of the Contract Revenue Bonds, including the Bonds and any Additional Parity Bonds.

Pursuant to the Indenture, the Trustee is to maintain the Pledged Revenue Fund, the Debt Service Fund, the Debt Service Reserve Fund, and the Project Fund as trust funds to be held in trust solely for the benefit of the Registered Owners of the Contract Revenue Bonds. The Pledged Revenue Fund, the Debt Service Fund, the Debt Service Reserve Fund, and the Project Fund are to be invested only in investments authorized by the laws of the State of Texas but must be invested in a manner such that the money required to be expended from any fund will be available at the proper time or times. Amounts in the Debt Service Reserve Fund shall be used to pay interest on and principal of the Series of Contract Revenue Bonds to which it applies when insufficient funds are available for such purpose in the Pledged Revenue Fund or may be applied toward the payment of principal of or interest on such Series of Contract Revenue Bonds in connection with the refunding or redemption of such Bonds.

The Funds

The Indenture creates the following funds:

- (a) the Pledged Revenue Fund, into which all Pledged Revenues will be deposited;
- (b) the Debt Service Fund, into which deposits will be made from the Pledged Revenue Fund as described below, and from which deposits will be applied to the payment of interest and principal installments on the Contract Revenue Bonds as the same becomes due;
- (c) the Debt Service Reserve Fund, which may be initially funded from proceeds of Contract Revenue Bonds, and into which deposits from the Pledged Revenue Fund will be made to attain the Reserve Requirement, and from which moneys will be applied to the Debt Service Fund if amounts in the Pledged Revenue Fund and Debt Service Fund are insufficient to pay the amounts of principal and interest due on the Contract Revenue Bonds;
- (d) the Project Fund, which will be maintained by the Authority and funded initially from Contract Revenue Bond proceeds and disbursed by the Trustee immediately, free and clear of any lien created by the Indenture, to pay costs of issuance and to deposit with the Authority to pay Project Costs as provided in the applicable Bond Resolution;
- (e) the Surplus Fund, into which will be deposited any amounts remaining in the Pledged Revenue Fund; and
- (f) the Rebate Fund, which will be free and clear of any lien created by the Indenture, and into which certain amounts earned by the Authority on the investment of the "gross proceeds" of the Contract Revenue Bonds (within the meaning of section 148(f)(6)(B) of the Code) will be deposited for rebate to the United States federal government.

Pledged Revenues deposited in the Pledged Revenue Fund will be applied by the Trustee as follows: (i) to the Debt Service Fund amounts necessary to make the amounts on deposit therein equal to the interest and principal installments due in the next twelve month period ending on the next March 1; (ii) to the extent required, to the Debt Service Reserve Fund amounts required to attain the Reserve Requirement on a pro rata basis; (iii) to the payment of fees and expenses of the Trustee and Paying Agent/Registrar; and (iv) to the Surplus Fund of the Authority established in accordance with the Tri-Party Agreement, for use by the Authority for any lawful purpose. Moneys can be transferred from the Pledged Revenue Fund to the Project Fund at the written direction of the Authority at the time moneys are received in the Pledged Revenue Fund, provided that immediately prior to any such transfer the transfers and deposits required by clauses (i), (ii), (iii) and (iv) above have been made or provided for.

Events of Default

The Indenture provides that an Event of Default will be either of the following occurrences:

- (a) Failure to pay when due the interest and principal installment on any Contract Revenue Bond; or
- (b) Failure to deposit to the Debt Service Fund money sufficient to pay any principal of or interest on any Contract Revenue Bond no later than the date when it becomes due and payable.

Remedies

Upon the occurrence of an Event of Default, the Trustee, subject to the other provisions of the Indenture, may proceed to protect and enforce its rights and the rights of the Registered Owners of the Contract Revenue Bonds by suit, action or proceeding at equity or at law or otherwise, whether for the specific performance of any covenant or agreement contained in the Indenture, Contract Revenue Bonds or resolutions authorizing the Contract Revenue Bonds, or in aid of the execution of any power granted in the Indenture or for the enforcement of any of the legal, equitable or other remedy as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce any of the rights of the Trustee or Registered Owners, including, without limitation, requesting a writ of mandamus issued by a court of competent jurisdiction compelling the directors and other officers of the Authority to make such payment (but only from and to the extent of the sources provided in the Indenture and the Tri-Party Agreement) or to observe and perform its other covenants, obligations and agreements in the Indenture or the Tri-Party Agreement. The Indenture provides that the Trustee may seek the appointment of receivers, may act without possession of the Contract Revenue Bonds, subject to provisions in the Indenture, may act as attorney in fact for the Registered Owners of the Contract Revenue Bonds, no remedy is exclusive and that the delay or omission in the exercise of any right or remedy will not constitute a waiver.

The Indenture does not provide for any acceleration of maturity of the Contract Revenue Bonds or provide for the foreclosure upon any property or assets of the Authority or the Participants, other than applying the Pledged Revenues in the manner provided in the Indenture.

Limitation on Action by Owners

The Indenture imposes certain limitations on Registered Owners to institute suits, actions or proceedings at law or in equity for the appointment of a receiver or other remedy unless and until the Trustee shall have received the written request of the Registered Owners of not less than 25% of the aggregate principal amount of all Contract Revenue Bonds and the Trustee shall have refused or neglected to institute such suit, action or proceeding for a period of 10 days after having been furnished reasonable indemnity. Notwithstanding the foregoing, Registered Owners of more than 50% of the aggregate principal amount of the Contract Revenue Bonds will have the right, by written instrument delivered to the Trustee, to direct to the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture.

Amendments to the Indenture of Trust

Without the consent of the Registered Owners, the Authority and the Trustee may from time to time enter into one or more indentures supplemental to the Indenture, which will form a part of the Indenture, for any one or more of the following purposes:

- (a) to cure any ambiguity, inconsistency or formal defect or omission in the Indenture;
- (b) to grant to or confer upon the Trustee for the benefit of the Registered Owners of the Contract Revenue Bonds any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners of the Contract Revenue Bonds or the Trustee or either of them;
- (c) to subject to the lien of the Indenture additional revenues, properties or collateral;
- (d) to modify, amend or supplement the Indenture or any supplemental indenture in such manner as to provide further assurances that interest on the Contract Revenue Bonds will, to the greatest extent legally possible, be excludable from gross income for federal income tax purposes;
- (e) to obtain bond insurance for the Contract Revenue Bonds, if any;

- (f) to provide for one or more Reserve Fund Surety Policies;
- (g) to permit the assumption of the Authority's obligations thereunder by any entity that may become the legal successor to the Authority; and
- (h) to define or redefine the Reserve Requirement or clarify the relationship between particular Debt Service Reserve Funds and particular Series of Bonds;

provided, however, that no provision in such supplemental indenture is permitted to be inconsistent with the Indenture or to impair in any manner the rights of the Registered Owners of the Contract Revenue Bonds.

Except as provided in the preceding paragraph, any modification, change or amendment of the Indenture may be made only by a supplemental indenture adopted and executed by the Authority and the Trustee with the consent of the Registered Owners of not less than a majority of the aggregate principal amount of the Contract Revenue Bonds then Outstanding. However, without the consent of the Registered Owner of each Outstanding Contract Revenue Bond, no modification, change or amendment to the Indenture will:

- (1) extend the time of payment of the principal thereof or interest thereon, or reduce the principal amount thereof or premium, if any, thereon, or the rate of interest thereon, or make the principal thereof or premium, if any, or interest thereon payable in any coin or currency other than that of the United States, or deprive such Registered Owner of the lien of the Indenture on the revenues pledged thereunder; or
- (2) change or amend the Indenture to permit the creation of any lien on the revenues pledged under the Indenture equal or prior to the lien thereof, or reduce the aggregate principal amount of Contract Revenue Bonds.

Removal or Resignation of Trustee

The Trustee may be removed at any time, by an instrument or concurrent instruments in writing, signed by the Registered Owners of a majority in principal amount of the Contract Revenue Bonds then Outstanding and delivered to the Trustee, with notice thereof given to the Authority.

The Trustee may at any time resign and be discharged from the trusts created by giving written notice to the Authority and by providing written notice to the Registered Owners of its intended resignation at least sixty (60) days in advance thereof. Such notice will specify the date on which such resignation will take effect and will be sent by first class mail, postage prepaid to each Registered Owner of Contract Revenue Bonds. Resignation by the Trustee will not take effect unless and until a successor to such Trustee shall have been appointed as provided in the Indenture.

Appointment of Successor Trustee

In case the Trustee shall resign, or shall be removed or dissolved, or shall be in the course of dissolution or liquidation, or shall otherwise become incapable of acting, or in case the Trustee shall be taken under control of any public officer or officers or a receiver appointed by a court, a successor may be appointed by the Registered Owners of a majority in principal amount of the Contract Revenue Bonds then Outstanding, by an instrument or concurrent instruments in writing, signed by such Registered Owners or their duly authorized representatives and delivered to the Trustee, with notice thereof given to the Authority; provided, however, that in any of the events above mentioned, the Authority may nevertheless appoint a temporary Trustee to fill such vacancy until a successor shall be appointed by the Registered Owners in the manner above provided, and any such temporary Trustee so appointed by the Authority will immediately and without further act be automatically succeeded by the successor to the Trustee appointed by the Registered Owners. The Authority will provide written notice to the Registered Owners of the appointment of any successor Trustee, whether temporary or permanent, in the manner provided for providing notice of the resignation of the Trustee as described above under "—Removal or Resignation of Trustee." Any successor Trustee or temporary Trustee will be a trust company or bank in good standing located in or incorporated under the laws of the State of Texas duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than \$100,000,000.

In the event that following the occurrence of any of the events described in the first sentence of the foregoing paragraph, no successor Trustee shall have been appointed by the Registered Owners or the Authority, as provided in

the Indenture, and have accepted such appointment, the Registered Owner of any Contract Revenue Bond or the retiring Trustee may apply to any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice as it shall deem proper, if any, appoint a successor Trustee.

THE REDEVELOPMENT PLAN

The Zone

By City Ordinance No. 1999-759, approved on July 21, 1999 (the “*City Creation Ordinance*”), the Zone was created by the City Council of the City pursuant to the provisions of the TIF Act. The Zone consisted of approximately 656.7 acres excluding property that was publicly owned (the “*Original Zone*”). Additional land was annexed into the Zone in 2011 (the “*2011 Annexed Area*”) and 2014 (the “*2014 Annexed Area*” and collectively with the 2011 Annexed Area, the “*Annexed Areas*”).

The Zone took effect upon passage of the City Creation Ordinance and terminates on December 31, 2029, or at an earlier time designated by subsequent ordinance of the City, or at such time that all Project Costs of the Zone, tax increment bonds and the interest on all tax increment bonds, have been paid in full. The City Creation Ordinance designated 1999 as the base tax year for the Zone and established a Tax Increment Fund.

At the time of the Zone’s creation, the City Council found that the Zone met the criteria of the TIF Act because the proposed zone contained (1) a substantial number of substandard, slum, deteriorated, or deteriorating structures, (b) the predominance of defective or inadequate sidewalk or street layout, (3) faulty lot layout in relation to size, adequacy, accessibility or usefulness, and (d) the deterioration of site or other improvements. The City Council further found that the area to be included in the Zone was a contiguous geographic area located wholly within the corporate limits of the City of Houston, and was eligible for designation under the TIF Act as a reinvestment zone.

The City Creation Ordinance also formed the Zone Board. The Zone Board was established with seven positions. The first five positions on the Zone Board were reserved for the City. Positions six and seven were reserved for other taxing units levying taxes within the Zone, each of which could appoint one director. The City Creation Ordinance provided that if other taxing units failed to appoint directors to the open positions by January 1, 2000, the City was entitled to appoint persons to the remaining positions. No taxing units appointed directors to the Zone, and the City appoints directors to the sixth and seventh positions.

The Authority

City Resolution No. 2002-26, passed August 14, 1999, authorized creation of the Authority as a local government corporation pursuant to the provisions of Chapter 431, Texas Transportation Code, and Chapter 394, Texas Local Government Code. According to its Articles of Incorporation, the Authority is organized as a public non-profit corporation for the purpose of aiding, assisting, and acting on behalf of the City in the performance of its governmental functions to promote the common good and general welfare of the Zone and neighboring areas, to promote, develop, encourage, and maintain housing, employment, commerce and economic development in the City. The Authority is further organized to assist the City and the Zone Board in: (1) the implementation of the Plan for the Zone and the preparation and implementation of amendments to the Plan; (2) the development of a policy to finance development and redevelopment of residential, commercial and public properties in the Memorial City area; and (3) the development and implementation of a development policy for the Memorial City area, including the acquisition of land for development purposes.

The Articles of Incorporation provide that the Authority will be managed by a Board of Directors consisting of five persons and permits additional persons to be added to the Board by the Authority in accordance with its bylaws. Any director may be removed from office at any time, with or without cause, by the City Council. According to the bylaws of the Authority, appointment to the Zone Board shall constitute an appointment to serve as director of the Authority, which appointments will be made by position to the Board by the Mayor of the City with the consent and approval of City Council.

The Authority commenced operations in 2002. Its operations are governed by the Tri-Party Agreement. The Authority has no employees but contracts with consultants for administrative and management services. It also contracts with consultants for specialized services. The Authority's operations are currently funded by proceeds of the Contract Tax Increments paid to the Authority by the City pursuant to the Tri-Party Agreement.

The Management District

The Harris County Municipal Management District No. 1 operating as Memorial Management District (the "Management District") is a special district created under Article XVI, Section 59 of the Texas Constitution by the Texas Legislature. The Management District has broad powers to promote the health, safety and general welfare of residents, employers, employees, visitors and consumers in the district, provided needed funding to preserve the economic health and vitality of the area as a community and business center, promote the health, safety, welfare and enjoying of the public by providing pedestrian ways and by landscaping and developing certain areas in the district which are necessary for the restoration, preservation and enhancement of scenic and aesthetic beauty.

Many, but not all, properties within the Zone are also within the Memorial Management District.

The Memorial Management District collects annual assessments on property owners in the district (currently \$0.10 per \$100 assessed value) to provide services and to construct improvements within the district. The Memorial Management District is governed by a board of 11 directors who serve staggered terms of four years. Directors are appointed by the City of Houston.

The District and the Authority collaborate on many projects.

Tri-Party Agreement

The Tri-Party Agreement states in detail the scope of services to be provided to the Zone by the Authority. The services include management and administrative services for the Zone, as requested by the Zone Board, services with respect to the Plan, including implementation and updating, and services with respect to the tax rolls pertaining to the Zone, including analysis and coordination with taxing units. The Authority is also required to assist the Zone Board in establishing a program to increase the level of safety within the Zone, preparing development plans, and planning and design and construction of infrastructure improvements, land acquisition and redevelopment.

The Tri-Party Agreement provides that the Authority has the authority to issue its bonds and notes, to enter into obligations with developers or builders, and to enter into contracts with consultants to be repaid from Contract Tax Increments; provided that the Authority may issue its bonds only upon the approval of the City Council. All development agreements with developers or builders must be approved by the Chief Development Officer of the City. All consultant contracts are subject to approval of the Chief Development Officer of the City, who is required to approve such contracts if they conform to the terms and conditions of City contracts of substantially the same or similar scope for similar services.

The Tri-Party Agreement states that no obligation of the Authority will be issued or incurred by the Authority that cannot be paid from funds budgeted for expenditures in the Authority's current budget unless the obligation is approved by the Zone Board and the Chief Development Officer. The Tri-Party Agreement approves issuance by the Authority of notes in an amount not to exceed \$3,000,000 outstanding at any time. The Zone Board and the Chief Development Officer of the City must consent to the assignment and pledge of the Authority's Revenue Fund. The Authority must obtain the prior approval of the Director of Public Works for the City for any Zone project constructed, caused to be constructed or financed by the Authority.

During the term of the Tri-Party Agreement, the Authority will prepare and submit to the City and the Zone Board by January 1 of each year, its annual budget. Budget amendments that involve an increase, decrease or adjustment of \$400,000 or more must be approved by the Zone Board and the City Council. In the event that the Zone Board or the City Council fails or refuses to approve the proposed budget for the ensuing year, the Authority may continue to operate on the budget for the previous fiscal year for a period not to exceed twelve months. If, at the end

of that period no budget has been approved, either the City or the Authority may terminate the Tri-Party Agreement, subject to payment of the Authority's bonds, notes and other obligations.

The Authority is required to maintain books of records and accounts, obtain an audit at the end of each fiscal year by an independent certified public accountant, and obtain an audit of construction activities at the end of each fiscal year prepared by an independent consultant approved by the Chief Development Officer of the City.

In performing its obligations under the Tri-Party Agreement, the Authority is an independent contractor. The Authority and its contractors are required to indemnify the City, the Zone, and their officers and employees for all claims for injury, death, damage or loss injuries sustained in connection with or incidental to any performance under the Tri-Party Agreement. The obligations of the Authority to indemnify the City and the Zone are subordinate to the Authority's obligation to pay principal and interest on its bonds and notes.

The duties of the Chief Development Officer of the City under the Tri-Party Agreement were previously handled by the Planning Director of the City.

For further information on the Tri-Party Agreement, and the obligations of the City and Zone relating to Tax Increments, see "SOURCE OF AND SECURITY FOR PAYMENT—Collection of Tax Increments."

Project Plan and Reinvestment Zone Financing Plan

The Project Plan and Reinvestment Zone Financing Plan for the Zone was approved by the City Council of the City on August 11, 1999, by City Ordinance No. 1999-852 and was amended by the City on August 17, 2011 by City Ordinance No. 2011-728. A Second Amended Project Plan and Reinvestment Zone Financing Plan for the Zone was approved by the City Council of the City on December 10, 2014 by City Ordinance No. 2014-1130 (the Second Amended Project Plan and Reinvestment Zone Financing Plan, referred to herein as the "*Plan*"). The Plan details the public improvements financed and to be financed by the Zone (the "*Public Improvements*").

The Plan sets out four main goals:

Goal 1: Drainage and Detention. Storm water management will be achieved through the repair and replacement of drainage systems and the design and construction of new storm water utility systems, detention basins and other improvements proven to reduce volumes of runoff from drainage areas.

Goal 2: Streets and Mobility. The reconstruction of key streets and major thoroughfares will enhance the level of service in the area. All improvements will be coordinated with the street reconstruction programs of the City, the Metropolitan Transit Authority ("METRO"), the Texas Department of Transportation ("TxDOT") and other public entities.

Goal 3: Parks and Green Space. Redevelopment and upgrades to public green space, parks and other recreational facilities will be addressed. These include public infrastructure, regional trail systems and other enhancements.

Goal 4: Pedestrian Improvements. The construction of sidewalk systems, including ADA-compliant ramps and other treatments, will improve pedestrian safety, enhance the visual environment and provide connectivity both within the Zone and to adjacent districts. The development of primary commercial and retail corridors will be encouraged through the implementation of an enhanced pedestrian environment with an emphasis on parking, lighting, street trees, landscaping, wide sidewalks, public art and adequate pedestrian amenities.

Methods and sources of financing for the Plan include the issuance of bonds and notes by the Authority. The Plan may be amended from time to time in accordance with the TIF Act if such amendments are adopted by the Zone Board and approved by the City Council.

The Plan lists total Project Costs equal to \$217,128,104. As of June 30, 2019, \$150,814,596 of such costs had been expended.

Completed Capital Improvement Projects

The Authority is required to develop five year capital improvement plans and obtain approval of the plans from the City. The Authority is currently operating under its Capital Improvement Plan for fiscal years 2018-2022. Among the recent projects completed under prior plans are the following:

1. Widening of Gessner Road from Barryknoll to Interstate 10. Project Cost: \$11,020,427.
2. Widening of Bunker Hill Drive from Interstate 10 to Long Point. Project Cost: \$6,099,259.
3. Improvements to Lumpkin Road from Interstate 10 to Northbrook, including improvements to Westview Detention Basin. Project Cost: \$16,697,168.
4. Barryknoll east drainage improvements. Project Cost: \$7,322,178.
6. Queensbury drainage improvements. Project Cost: \$545,086.
7. Kimberly near Beltway 8 drainage improvements. Project Cost: \$1,442,725.
8. Kingside east bound at Gessner. Project Cost: \$669,167.
9. Detention basin and W-140 drainage channel. Project Cost: \$10,554,355.

The Authority has also completed numerous drainage studies.

See “FINANCIAL INFORMATION—Outstanding Obligations of the Authority and Financing Plans—Developer Agreements” for information on the Authority’s reimbursement obligation to the developer for the design and construction of improvements to the existing Conrad Sauer Detention Pond, a bridge across the detention pond, and the extension of Mathewson Lane.

Capital Improvement Projects 2018-2022

The following projects are listed in the Authority’s five-year capital improvement program for fiscal years 2018-2022. The Authority intends to fund the projects with proceeds of the Contract Revenue Bonds and Contract Tax Increments, as well as through collaboration with developers and other entities, such as TxDOT, METRO and the City. The Authority intends to seek federal and state grant funding to the extent available. Completion of the projects is subject to availability of funds, market conditions and other considerations which may necessitate changes to the program.

1. W140 Briar Branch Channel Improvements with Bridge and Straws: This project is intended to lower water levels on Briar Branch, provide flood mitigation storage, and deliver flooding relief and protection to the surrounding area. The Project will enclose Briar Branch with large storm box culverts from Gessner Road to the phase I detention basin located east of Bunker Hill Road and south of Briar Branch. “Straws” will include improvements to the neighborhood drainage system to move water from the streets and homes into the enclosed channel and detention basin. This project will provide approximately 14 acre feet of new detention capacity for the system. Estimated Cost: \$20,541,054. The project is 50% completed and is expected to be finalized in the summer of 2020.
2. North Gessner Drainage and Mobility Improvement from Interstate 10 to Long Point: This project will reconstruct Gessner Road between Interstate 10 frontage road and Long Point Road. The project will include full roadway reconstruction, additional storm sewer box culverts, replacement of aging water lines, wider sidewalks with amenities, street lighting and replacement of the traffic signal at Westview Road. The project is intended to improve drainage, mobility and quality of life. Estimated Cost: \$16,597,534 (a portion will be paid from federal funding). The project has been bid with the lowest bidder being SER Construction Partners, LLC with a bid of \$14.59 million. Ground breaking is expected in the fourth quarter of 2019.
3. Memorial Drive Drainage and Mobility Improvement Project—Phase 1: This project is intended to improve safety, mobility and drainage by installing dual 10’x10’ concrete boxes to increase storage, increase storm level protection and reduce overland flow leaving the project area, reducing roadway ponding and residential flooding. The project will also improve roadway to curb and gutter with raised medians to improve mobility and access management.

The project adds sidewalks and shared use paths and replaces aging or deficient public utilities. Estimated Cost: \$18,851,056 (a portion will be paid from federal funding). This project is 95% designed.

4. Memorial Drive Drainage and Mobility Improvement Project: Phase 2: Flooding and drainage improvements to address flooding on Channel W153-00 and reconstruct Memorial Drive from Tallowood to Bunker Hill City Limits. Estimated Cost: \$10,050,000.
5. Frostwood Drive and Kingside Drainage Improvements: Storm sewer improvements on Frostwood Drive and Kingside between Interstate 10 and Gessner needed to adequately convey storm sewer water to a regional detention basin: Estimated Cost: \$8,824,023.
6. Town and Country West Drainage and Mobility Improvements: Upgrade existing drainage system with large boxes, extend existing 40 foot roadway west to intersection with Beltway 8 North frontage road, build a roundabout to eliminate the offset in North and South Town and Country Blvd., replace all public utilities. Estimated Cost: \$13,548,726.
7. Park and Green Space Improvements: Projects include funding for route studies, design, construction and right-of-way acquisition. Estimated Cost: \$613,993.
8. Detention Basin A: This project may involve multiple phases and is intended to implement regional drainage study recommendations for additional storm water storage. Estimated Cost: \$35,366,724. This project requires federal participation and the Authority is working with the City to apply for a federal Hazard Mitigation and/or FEMA grant.
9. Detention Basin B: This project may involve multiple phases and is intended to implement regional drainage study recommendations for additional storm water storage. Estimated Cost: \$750,000.
10. Concrete Panel Replacement Program: Street maintenance program. Estimated Cost: \$175,000.

STATUS OF REDEVELOPMENT

Conditions at Creation of the Zone

As stated in the Plan, the redevelopment of the Zone was needed to address blighted conditions associated with failing infrastructure, lack of utility capacity, increased traffic congestion and declining retail sales resulting from increased competition to older inner-city malls and shopping centers from suburban retail centers. In particular, Town and Country Mall was declining and had vacancies, the Zone north of Interstate 10 had vacant and deteriorated sites and roadways without adequate drainage, sidewalks, or capacity, and there was congestion resulting from the lack of east-west thoroughfares and insufficient roadway capacity.

Real Estate Development in the Zone

Taxable value in the Zone has increased from approximately \$510 million in 1999 to approximately \$3.6 billion in 2019. Some of the main developments are listed below.

Memorial City. Memorial City is a mixed use development containing 9 million square feet of developed real estate across 265 acres, including:

- 3.1 million square feet of Class A office space, including Air Liquide Centers North and South;
- the 1.7 million square foot Memorial City Mall was built in the mid 1960's and renovated in 2005. It currently contains more than 150 stores, restaurants, and entertainment attractions. Featured stores include Macy's, Dillard's, Zara, American Girl, Michael Kors, Apple Store, Banana Republic, Ben Bridge Jewelers and Coach. Popular restaurants include Perry's Steakhouse & Grille, The Cheesecake Factory, California Pizza Kitchen and Maggiano's

Little Italy. Special attractions include a premier NHL-sized ice rink, a Cinemark movie theater, a historic double-decker Venetian-style carousel and the world’s largest indoor, soft play area for kids, Frolic’s.

- the Memorial Hermann Memorial City Medical Center, with 2.3 million square feet over 40 acres. The facility opened in 1971 and is now second largest medical campus in Houston with more than 1,300 affiliated medical staff physicians, nearly 1,800 employees and 444 licensed hospital beds. The campus includes the 33-story Memorial Hermann Tower.
- upscale hotel accommodations including Hotel ZaZa Memorial City and The Westin Memorial City;
- garden and high rise residential housing totaling 870 units, including The McCarthy atop Hotel ZaZa Memorial City, The Fountains at Memorial City, The Residences at The Westin Memorial City, Memorial City Apartments, and The McAdams Memorial City, which is a 333-unit luxury midrise apartment.

Memorial Center is owned by MetroNational, a privately held real estate investment, development and management company headquartered in Houston, Texas.

CityCentre. CityCentre opened in 2009 on the site of the former Town and Country Mall. CityCentre is a mixed-use high-density development of retail, office, multi-family, restaurant and entertainment facilities. CityCentre encompasses 625,000 square feet of Class A office space consisting of five buildings with ground level retail tenants totaling 400,000 square feet. Residential properties at CityCentre include 1,155 upscale multi-family units and 35 single-family brownstone residences. Hotel Sorella serves as the anchor to CityCentre's central plaza with adjacent meeting space at Norris Conference Center from 430 to 7,700 square feet.

CityCentre was developed by Midway, a Houston-based privately owned, fully integrated real estate development and investment firm.

Houston Community College Spring Branch Campus. The Houston Community College has located its Spring Branch campus north of Interstate 10 in the Zone. Its property is exempt from taxation.

Schedule 2: Breakdown of 2019 Taxable Values in the Zone by Type

	Taxable Value (a)	%
Residential	\$ 25,773,619	0.70%
Multi- Family	568,465,942	15.40%
Vacant Land	105,462,345	2.86%
Commercial	2,989,645,937	81.01%
Utilities	1,276,817	0.03%
	\$ 3,690,624,660	100.00%

(a) Based on City 2019 certified taxable value as of the date calculated.

Schedule 3: Principal Taxpayers in the Zone

The following tables represent the principal taxpayers, the taxable assessed value of such property, and such property’s taxable value as a percentage of the City’s taxable value in the Zone for 2019, 2018 and 2017 based on the most current information available. The value of these properties may be under litigation and lowered at a later date.

2019	Property Type	Tax Assessed Value	% of Total
MC Medical Campus	Commercial	\$ 311,596,235	8.44%
Memorial City Mall	Commercial	310,494,317	8.41%
Memorial City Towers LTD	Commercial	193,621,348	5.25%
Metro National Corporation	Commercial	173,891,141	4.71%
MN Coxen LLC	Commercial	168,151,666	4.56%
ALKF LLC	Commercial	163,678,145	4.44%
VPBH Associates	Commercial	114,578,000	3.10%
Town and Country PTNR	Commercial	90,639,486	2.46%
MNC ZZ LLC	Commercial	84,816,532	2.30%
Domaine CC GP LLC	Multi-Family	84,426,490	2.29%
Total		\$ 1,695,893,360	45.95%
Total Certified Taxable Value		\$ 3,690,562,093	

2018	Property Type	Tax Assessed Value	% of Total
Memorial City Mall	Commercial	\$ 316,071,998	9.05%
MC Medical Campus	Commercial	276,901,913	7.93%
Memorial City Towers LTD	Commercial	197,534,035	5.66%
Metro National Corporation	Commercial	168,894,855	4.84%
MN Coxen LLC	Commercial	167,800,000	4.81%
ALKF LLC	Commercial	161,799,371	4.63%
VPBH Associates	Commercial	121,653,000	3.48%
Town and Country PTNR	Commercial	90,396,735	2.59%
MNC ZZ LLC	Commercial	85,297,440	2.44%
Domaine CC GP LLC	Multi-Family	80,764,075	2.31%
Total		\$ 1,667,113,422	47.74%
Total Certified Taxable Value		\$ 3,492,157,417	

2017	Property Type	Tax Assessed Value	% of Total
Memorial City Mall	Commercial	\$ 299,890,028	8.59%
MC Medical Campus	Commercial	268,726,300	7.70%
Memorial City Towers LTD	Commercial	212,881,595	6.10%
MN Coxen LLC	Commercial	180,676,006	5.17%
ALKF LLC	Commercial	170,141,527	4.87%
Metro National Corporation	Commercial	159,097,580	4.56%
VPBH Associates	Commercial	121,639,236	3.48%
LIPEX Properties	Multi-Family	90,332,821	2.59%
Domaine CC GP LLC	Multi-Family	85,928,085	2.46%
Murphy District No. 1 Et Al	Commercial	81,035,743	2.32%
Total		\$ 1,670,348,921	47.83%
Total Certified Taxable Value		\$ 3,279,255,377	

FINANCIAL INFORMATION

Debt Service Requirements

The following table sets forth the estimated debt service requirements for the Outstanding Bonds payable on and after the issuance of the Bonds, less the debt service on the Refunded Bonds plus the estimated annual debt service on the Bonds, based upon a fiscal year end of June 30.

Fiscal Year	Outstanding Debt Service	Less: Refunded Debt Service	The Bonds*			Total
			Principal	Interest	Total	
2020	\$ 4,192,545	\$ 179,401		\$ 420,750	\$ 420,750	\$ 4,433,895
2021	4,191,625	3,095,659	\$ 4,395,000	1,760,125	6,155,125	7,251,091
2022	4,186,772	3,092,374	4,730,000	1,532,000	6,262,000	7,356,397
2023	4,179,158	848,984	2,680,000	1,346,750	4,026,750	7,356,924
2024	4,179,601	847,028	2,820,000	1,209,250	4,029,250	7,361,823
2025	4,177,316	844,152	2,965,000	1,064,625	4,029,625	7,362,789
2026	4,177,212	845,264	3,115,000	912,625	4,027,625	7,359,573
2027	4,169,256	845,272	3,280,000	752,750	4,032,750	7,356,734
2028	612,290		6,235,000	514,875	6,749,875	7,362,165
2029			7,180,000	179,500	7,359,500	7,359,500
Total	\$ 34,065,773	\$ 10,598,134	\$ 37,400,000	\$ 9,693,250	\$ 47,093,250	\$ 70,560,890

Average Annual Debt Service (2020-2029) \$ 7,056,089 *
 Maximum Annual Debt Service (2025) \$ 7,359,500 *

* Preliminary, subject to change

Authority to Issue Bonds and Notes

By City Ordinance No. 2011-729, the City Council of the City authorized the Authority to issue its notes and bonds in the principal amount of \$55,000,000 outstanding at any time. After issuance of the Bonds, the Authority will not have any authorized but unissued bonds or notes. The Indenture requires that any pledge or encumbrance of Contract Tax Increments to secure payment of notes be junior and subordinate to the lien and pledge securing the Contract Revenue Bonds.

Schedule 4: Authorized and Unissued Bonds and Notes

Bonds the City Council has Authorized the Authority to Have Outstanding at Any One Time	\$ 55,000,000
Less: Outstanding Bonds	
Series 2011 (a)	(5,220,000)
Series 2011A (a)	(4,330,000)
Series 2016	(17,600,000)
Plus: The Refunded Bonds	9,550,000
Less: The Bonds*	<u>(37,400,000)</u>
Unused Authorization	<u>\$ -</u>

Notes the City Council Authorized the Authority to Have Outstanding at Any One Time	\$ 4,000,000
Less: Notes Previously Issued by the Authority	<u>-</u>
Unused Authorization	<u>\$ 4,000,000</u>

(a) Includes Refunded Bonds, preliminary subject to change.

Outstanding Obligations of the Authority and Financing Plans

In addition to contracts entered into by the Authority in normal course to carry out construction projects or operate, the Authority has the following outstanding obligations:

Development Agreements. The Authority has entered into development agreements with private companies and other entities in the Zone which commit to make improvements to property within the Zone. Generally, a developer agreement provides that the Authority will pay the developer for the cost of Public Improvements constructed by the developer; the developer will typically advance the funds necessary to develop the Public Improvements, and the Authority will reimburse the developer on the terms set forth in the development agreement. In some cases the Authority may pay for the cost of Public Improvements directly or the Authority may reimburse a governmental or non-profit entity which advances funds to develop Public Improvements. The Public Improvements generally consist of street improvements, sidewalks, landscaping, lighting, park and recreational facilities, hike and bike trails, public parking facilities, land acquisition to facilitate revitalization, community or convocation/convention centers and various educational facilities. The Authority has one active development agreement:

The Authority entered into a Development Agreement with Lipex Properties, L.P. (the "Company") on September 24, 2014. Under this Agreement, the Authority agreed to reimburse the Company for design and construction of improvements to the existing Conrad Sauer Detention Pond, design and construction of a replacement of the existing Mathewson Lane asphalt pavement, design and construction of a bridge across the Conrad Sauer Detention Pond, and design and construction of an extension of Mathewson Lane to Gessner Road and the installation of a traffic signal. This project was completed, and the Authority agreed to pay the Company for the project costs in seven annual installments of \$3,013,459 (plus interest) commencing on September 1, 2017. To date it has paid three installments.

Agreement with the City. The Authority, the Zone and the City enter into annual agreements whereby the Authority pays to the City the incremental costs of providing increased municipal services incurred as a result of the development of the land in the Zone. Payment of the incremental service costs is from the City's Tax Increment and is limited to "Available Authority Revenues," which are defined as revenues of the Authority in its Surplus Fund derived from the City's Tax Increments after payment of (i) all principal, interest and paying agent/registrar charges on the Contract Revenue Bonds, any notes or other obligations of the Authority, (ii) payments on agreements with developers and builders, and (iii) payments for other Project Costs to be paid pursuant to existing contracts with consultants or other contractors, permitted by the Tri-Party Agreement and the TIF Act. If the City's available Tax Increment is not sufficient in any year to pay the incremental service costs, the costs shall accrue annually and become

due and payable at such time as Available Authority Revenues are sufficient to pay it. In fiscal year 2019 the Authority paid the City \$2,256,619 pursuant to an agreement.

Advance Funding Agreements with TxDOT. The Authority has entered into two Advanced Funding Agreements with the State of Texas through TxDOT, one to fund the reconstruction of Gessner Road from Long Point to Interstate 10, including drainage improvements and sidewalk construction, and the other to fund reconstruction of the roadway including drainage, access management and bicycle/pedestrian accommodations on Memorial Drive from Beltway 8 to Tallowood Road.

Under both Agreements, the Authority is responsible for the “local share” of the projects and the Federal Highway Administration is responsible for the federal share. TxDOT will bid and construct each project.

The estimated cost of the Gessner project was \$14,347,000, of which the Authority was responsible for \$10,860,400 and the Federal Highway Administration was responsible for \$3,441,600. The Authority is required to make an initial deposit with TxDOT and to deposit the remaining amount of its share of the project costs with TxDOT before the date for receipt of construction bids. According to the Authority’s audit, the Authority remitted an initial payment of \$14,000, and subsequent payments of \$5,218,545 and \$7,206,498 as of June 30, 2019.

The estimated cost of the Memorial Drive project was \$17,142,000, of which the Authority was responsible for \$3,426,400, the State was responsible for \$10,000 and the Federal Highway Administration was responsible for \$13,705,600. The Authority is required to make an initial deposit with TxDOT of \$16,000, a subsequent payment of \$160,000 and to deposit the remaining amount of its share of the project costs with TxDOT (estimated at \$3,250,400) before the date of receipt of construction bids. According to the Authority’s audit, the Authority had not made any payments under this agreement as of June 30, 2019.

Interlocal Agreement with the City of Bunker Hill Village: The Authority entered into an Interlocal Agreement with the City of Bunker Hill Village (“Bunker Hill”) effective October 10, 2018. Under this Agreement the Authority and Bunker Hill agree to coordinate to expand the Memorial Drive project described above under “Advance Funding Agreements with TxDOT” to cover Memorial Drive from Tallowood Drive to Gessner Road. Pursuant to this Agreement, Bunker Hill will submit a grant application to secure federal funding for the project and will act as the project sponsor in coordinating construction of the project with TxDOT. The Authority and Bunker Hill will share the 20% local match commitment for the project. Initially the Authority’s proportionate share of the cost is 69% and Bunker Hill’s share is 31%. The total project cost is estimated at \$18,827,404.

Plans to Issue Additional Parity Bonds. The Authority has no plans to issue Additional Contract Revenue Bonds at the present time.

Investment Policy

Under the Texas Public Funds Investment Act, the Authority is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all Authority funds must be invested in accordance with the following objectives: understanding the suitability of the investment to the Authority’s financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth. The Authority’s investments must be made with “judgment and care under prevailing circumstances that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.” No person may invest Authority funds without express written authority from the Board of Directors.

Texas statutes include specifications for and limitations applicable to the Authority and its authority to purchase investments as defined in the Public Funds Investment Act. Authorized investments are summarized as follows: (1) obligations of the United States or its agencies and instrumentalities, (2) direct obligations of the State of Texas or its agencies and instrumentalities, (3) certain collateralized mortgage obligations, (4) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit

Insurance Corporation or by the explicit full faith and credit of the United States; (5) certain A rated or higher obligations of states, agencies, counties, cities, and other political subdivisions of any state, (6) bonds insured, assumed or guaranteed by the State of Israel, (7) insured or collateralized certificates of deposit, (8) certain fully collateralized repurchase agreements secured by delivery, (9) certain bankers' acceptances with limitations, (10) commercial paper rated A-1 or P-1 or higher and a maturity of 270 days or less, (11) no load money market mutual funds and no-load mutual funds with limitations, (12) certain guaranteed investment contracts, (13) certain qualified governmental investment pools, and (14) a qualified securities lending program.

The Authority maintains an investment strategy that emphasizes, in order of priority, safety, liquidity and return on investment, as embodied in its investment policy (the "Investment Policy"). The Authority does not invest in, among other things, inverse floater, interest-only or principal-only mortgage-backed securities. The Investment Policy provides, among other things, that (i) an investment officer must submit quarterly investment reports to the Board and (ii) the Investment Policy must be reviewed annually by the Board.

Schedule 5: Tax Increment Collections

City (a)

	Tax Year	Base Year Value (b)	Current Year Value	Tax Rate	Current Increment	Increment Tax Rate	Increment Collections	Collection Rate (c)
Original	2014	\$ 509,671,530	\$ 2,332,291,162	0.63108	\$ 1,822,619,632	0.63108	\$ 11,502,188	100.00%
	2015	509,671,530	2,719,295,601	0.60112	2,209,624,071	0.60112	13,282,492	100.00%
	2016	509,671,530	3,078,064,863	0.58642	2,568,393,333	0.58642	15,061,572	100.00%
	2017	509,671,530	3,279,255,377	0.58421	2,769,583,847	0.58421	16,176,950	99.98%
	2018	509,671,530	3,492,157,417	0.58831	2,982,485,887	0.58831	17,483,096	99.64%
Projected	2019	509,671,530	3,690,562,093	0.56792	3,180,890,563	0.56792	18,051,184	99.92%

- a) Information for tax years 2004 through 2008 was provided by the City's Department of Finance.
- b) Base year for the Zone is 1999.
- c) Collection rates are determined by comparing total collections to the total tax levy; however, both total collections and the total tax levy change over time, so a calculated collection rate may either increase or decrease.

Schedule 6: Historical Debt Service Coverage

Fiscal Year Ended June 30 (a)	Authority Increments Received/Accrued (b), (c)	Next Fiscal Year's Debt Service Requirements (d)	Debt Service Coverage
2014	\$ 9,675,319	\$ 4,364,667	2.22x
2015	11,488,134	4,363,527	2.63x
2016	12,491,659	4,358,253	2.87x
2017	14,944,614	4,196,176	3.56x
2018	15,112,352	4,194,249	3.60x
2019	15,116,144	4,192,545 (e)	3.61x

- a) This schedule shows payments the Authority has received or are accrued from the City in each of the calendar years 2014 through 2019. It differs from Schedule 5 which shows collections by tax year and not by year of collection.
- b) City tax payments are deposited into the General Fund of the City. Once they are accounted for and allocated to the Zone, the Tax Increment portion of the City tax payments is deposited to the Tax Increment Fund for the Zone. The City Council of the City must appropriate the monies in the Tax Increment Fund to those entitled to them, including the Authority, before such monies are disbursed. Appropriations are normally made annually in June or July. See "INVESTMENT CONSIDERATIONS—Dependence on Contract Payments."
- c) The Tax Increments Received/Accrued in a fiscal year will be lower than actual Tax Increments collected by the City because of the 5% administrative charge. They may also differ due to underpayments or overpayments from prior years. An overpayment can occur, among other circumstances, when the taxable value in the Zone for a tax year on which Tax Increments were previously paid to the Authority because of successful tax protests or tax litigation or when property has been incorrectly coded to the Zone. Due to the large commercial accounts in the Zone, the reduction of Authority Increments Received/Accrued in a given year could be substantial.
- d) Unaudited.
- e) Projected. Includes the Bonds and excludes the Refunded Bonds.

TAXING PROCEDURES OF THE CITY

Authority to Levy Taxes

Under Texas law the City is authorized to levy an annual ad valorem tax on all taxable property within its boundaries.

Property Tax Code and County-Wide Appraisal District

Title I of the Texas Property Tax Code (the “*Property Tax Code*”) specifies the taxing procedures of all political subdivisions of the State of Texas, including the City. Provisions of the Property Tax Code are complex and are not fully summarized here.

The Property Tax Code requires, among other matters, county-wide appraisal and equalization of taxable property values and establishes in each county of the State of Texas an appraisal district with the responsibility for recording and appraising property for all taxing units within a county and an appraisal review board with responsibility for reviewing and equalizing the values established by the appraisal district. The Appraisal District has the responsibility for appraising property for all taxing units within the County, including the City. Such appraisal values are subject to review and change by the Harris County Appraisal Review Board (the “*Appraisal Review Board*”). The Property Tax Code requires each appraisal district to comply with the Uniform Standards of Professional Appraisal Practice.

Property Subject to Taxation by the City

Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, mobile homes and certain categories of intangible personal property with a tax situs in the political subdivision are subject to taxation by the City. However, the tax revenue generated by the City on any personal property is not included in the Tax Increments. Principal categories of exempt property include, but are not limited to: property owned by the State of Texas or its political subdivisions if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies, and personal effects; certain goods, wares and merchandise in transit; farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; and most individually owned automobiles.

Historic Tax Exemptions: The governing body of a taxing unit may exempt from taxation part or all of the assessed value of a structure or archeological site and the land necessary for access to and use of the structure or site, if the structure or site is designated as a recorded Texas Historic Landmark or a state archeological landmark by the Texas Historical Commission or is designated as a historically or archeologically significant site in need of tax relief to encourage its preservation by the governing body of the taxing unit.

Exemptions for Community Housing Development Organizations: The Property Tax Code provides that a Community Housing Development Organization (a “*CHDO*”) is entitled to an exemption from taxation of improved or unimproved real property under certain circumstances. A CHDO which applies for an exemption on or after January 1, 2004, is entitled to exemption from taxation of 50 per cent of the appraised value of improved or unimproved real property it owns if it has, for at least the three preceding years, (i) been exempt from federal taxation under Section 501(c)(3) of the Code, (ii) met certain requirements for a charitable organization as delineated in the Texas Tax Code; and (iii) had as one or more of its purposes to provide low-income housing. In addition, for property to be exempt, the CHDO must own the property for the purpose of constructing or rehabilitating a housing project and renting or selling the property to an individual or family who is below a specified income level, to be adjusted annually by cost of living.

Veteran/First Responder Exemptions: The City must grant certain exemptions to disabled veterans or certain surviving dependents of disabled veterans, if requested, of between \$5,000 and \$12,000 of assessed valuation depending upon the disability of the veteran, if such rating is less than 100%. A veteran who receives a disability rating of 100% and the surviving spouse of such a veteran is entitled to an exemption for the full amount of the veteran’s or surviving spouse’s residential homestead. A partially disabled veteran or the surviving spouse of a partially disabled veteran is entitled to an exemption from taxation of a percentage of the appraised value of their

residential homestead in an amount equal to the partially disabled veteran's disability rating if the residential homestead was donated by a charitable organization. Also, the surviving spouse of a member of the armed forces or a first responder as defined under Texas law, who was killed in action is, subject to certain conditions, entitled to a total tax exemption on such surviving spouse's residential homestead. If the surviving spouse changes homesteads, but does not remarry, then the amount of the exemption as of the last year of the first qualifying residential homestead is applicable to subsequent homesteads.

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in the State of Texas to exempt up to twenty percent (20%) of the appraised value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption by the City may be considered each year, but must be adopted by May 1.

Additional Homestead Exemptions: The City may by its own action exempt residential homesteads of persons sixty-five (65) years or older and of certain disabled persons to the extent deemed advisable by the respective governing body of the City. Qualifying surviving spouses of persons aged 65 years or older are entitled to receive a resident homestead exemption equal to the exemption received by the deceased spouse. The City may be required to offer such an exemption if a majority of voters approve it at an election. The City would be required to call such an election upon petition by twenty percent (20%) of the number of qualified voters who voted in the preceding election. The City is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair its obligation to pay tax-supported debt incurred prior to adoption of the exemption.

Tax Freeze: Under Article VIII of the Texas Constitution and state law, the governing body of the City may freeze the total amount of ad valorem taxes levied on the residence homestead of a disabled person or persons 65 years of age or older to the amount of taxes imposed in the year such residence qualified for such exemption. Also, upon receipt of a petition signed by five percent of the registered voters of the City, an election must be held to determine by majority vote whether to establish such a limitation on taxes paid on residence homesteads of persons 65 years of age or who are disabled. Upon providing for such exemption, such freeze on ad valorem taxes is transferrable to a different residence homestead. Also, a surviving spouse of a taxpayer who qualifies for the freeze on ad valorem taxes is entitled to the same exemption so long as the property was the residence homestead of the surviving spouse when the deceased spouse died and remains the residence homestead of the surviving spouse and the spouse was at least 55 years of age at the time of the death of the individual's spouse. Once established, the tax rate limitation may not be repealed or rescinded.

Abatements: The City is authorized to enter into a tax abatement agreement with an owner of real or personal property in the Zone, if the Zone Board approves the agreement and the governing body of the City approves the agreement. A tax abatement agreement may exempt from ad valorem taxation by the City for a period of up to ten years, all or any part of the increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed, on the condition that the property owner make specified improvements or repairs to the property.

Valuation of Property for Taxation

Generally, property within the boundaries of the City must be appraised by its Appraisal District at market value as of January 1 of each year. Once an appraisal roll is prepared and finally approved by its Appraisal Review Board, it is used by the City in establishing its tax rolls and tax rate. Assessments under the Property Tax Code are generally to be based on one hundred percent (100%) of market value, as such is defined in the Property Tax Code.

In determining the market value of property, the Appraisal District is required to consider the cost method of appraisal, the income method of appraisal, and the market data comparison method of appraisal, and use the method the chief appraiser of the Appraisal District considers most appropriate.

Eligible owners of both agricultural land and open-space land, including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity. The same land may not be qualified as both agricultural and open-space land. The Property Tax Code permits under certain circumstances that residential real property inventory

held by a person in the trade or business be valued at the price all such property would bring if sold as a unit to a purchaser who would continue the business. Landowners wishing to avail themselves of the agricultural use, open space or residential real property inventory designation must apply for the designation and the appraiser is required by the Property Tax Code to act on each claimant's right to the designation individually.

State law requires the appraised value of an owner's principal residence ("homestead" or "homesteads") to be based solely on the property's value as a homestead, regardless of whether residential use is considered to be the highest and best use of the property. State law further limits the appraised value of a homestead to the lesser of (1) the market value of the property, or (2) 110% of the appraised value of the property for the preceding tax year plus the market value of all new improvements to the property.

The Property Tax Code requires each Appraisal District to implement a plan for periodic reappraisal of property to update appraisal values. The plan must provide for appraisal of all real property in the Appraisal District at least once every three (3) years.

Reappraisal of Property after Disaster

The Texas Tax Code provides that the governing body of a taxing unit located within an area declared to be a disaster area by the governor of the State of Texas may authorize reappraisal of all property damaged in the disaster at its market value immediately after the disaster. For reappraised property, the taxes are pro-rated for the year in which the disaster occurred. The taxing unit assesses taxes prior to the date the disaster occurred based upon the market value as of January 1, of that year. Beginning on the date of the disaster and for the remainder of the year, the taxing unit assesses taxes on the reappraised market value of the property.

This provision will be repealed, however, if proposed Constitutional amendment No. 3 is approved at the election scheduled for November 5, 2019. Under the law that would take effect in its place, rather than a reappraisal requested by a taxing unit, individuals in an area declared to be a disaster area by the Governor could apply for a temporary tax exemption for qualified property.

Taxpayer Remedies

Under certain circumstances, taxpayers and taxing units may appeal the orders of the Appraisal Review Board by timely initiating a protest with the Appraisal Review Board. Additionally, taxing units may bring suit against the Appraisal District to compel compliance with the Property Tax Code.

Beginning in the 2020 tax year, owners of certain property with a taxable value in excess of the current year "minimum eligibility amount," as determined by the State Comptroller, and situated in a county with a population of one million or more, may protest the determinations of an appraisal district directly to a three-member special panel of the appraisal review board, appointed by the chairman of the appraisal review board, consisting of highly qualified professionals in the field of property tax appraisal. The minimum eligibility amount is set at \$50 million for the 2020 tax year, and is adjusted annually by the State Comptroller to reflect the inflation rate.

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the City. See "State Law Limitations on Setting the Annual Tax Rate" herein. The Property Tax Code also establishes a procedure for providing notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraised roll.

State Law Limitations on Setting the Annual Tax Rate

Article XI, Section 5 of the Texas Constitution is applicable to the City and limits its maximum ad valorem tax rate to \$2.50 per \$100 of taxable assessed valuation.

The Property Tax Code further limits the City's ad valorem tax rate, which consists of two components: (1) a rate for funding of maintenance and operations expenditures in the current year (the "maintenance and operations tax rate"), and (2) a rate for funding debt service in the current year (the "debt service tax rate"). Under the Property Tax Code, the assessor for the City must submit an appraisal roll showing the total appraised, assessed, and taxable values of all property in the City to the City Council by August 1 or as soon as practicable thereafter.

During the 2019 legislative session, the State Legislature made numerous changes to the requirements for the levy and collection of ad valorem taxes and the calculation of tax rates, including particularly those contained in Senate Bill 2 ("SB 2"). In some instances, the provisions of SB 2 will require further interpretation, and the information contained herein reflects only the Authority's understanding based on information available to the Authority as of the date of this Official Statement, which is subject to change. Reference is made to SB 2 and the Property Tax Code for definitive requirements for the levy and collection of ad valorem taxes and the calculation of tax rates.

Effective January 1, 2020, the following terms are utilized. The "voter-approval tax rate" means the maintenance and operations tax rate that will produce the prior year's total maintenance and operations tax levy (with certain adjustments) from the current year's values (with certain adjustments) multiplied by 1.035, plus the debt service tax rate, plus the "unused increment rate." The "no-new-revenue tax rate" means the combined maintenance and operations tax rate and debt service tax rate that will produce the prior year's total tax levy (with certain adjustments) from the current year's total taxable values (with certain adjustments). The "unused increment rate" means the cumulative difference between a city's voter-approval tax rate and its actual tax rate for each of the three prior tax years, which may be applied to a city's tax rate in the succeeding tax year without impacting the "voter-approval tax rate."

Beginning with the 2020 tax year, the City must annually calculate its "voter-approval tax rate" and "no-new-revenue tax rate" in accordance with forms prescribed by the State Comptroller and provide notice of such rates to each owner of taxable property within the City and the county tax assessor-collector for each county in which all or part of the City is located. The City must adopt a tax rate before the later of September 30 or the 60th day after receipt of the certified appraisal roll, except that a tax rate that exceeds the "voter-approval tax rate" must be adopted not later than the 71st day before the next occurring November uniform election date. If the City fails to timely adopt a tax rate, the tax rate is statutorily set as the lower of the "no-new-revenue tax rate" for the current tax year or the tax rate adopted by the City for the preceding tax year.

As described below, the Property Tax Code provides that if the City adopts a tax rate that exceeds its "voter-approval tax rate" or, in certain cases, its "de minimis rate," an election must be held to determine whether or not to reduce the adopted tax rate to the "voter-approval tax rate." The "de minimis rate" means the maintenance and operations tax rate that will produce the prior year's total maintenance and operations tax rate levy (adjusted) from the current year's values (adjusted), plus the rate that produces an additional \$500,000 in tax revenue when applied to the current year's taxable value, plus the debt service tax rate.

The City may not adopt a tax rate that exceeds the lower of the "voter-approval tax rate" or the "no-new-revenue tax rate" until each appraisal district in which the City participates has delivered notice to each taxpayer of the estimated total amount of property taxes owed and the City has held a public hearing on the proposed tax increase. If the adopted tax rate for any tax year exceeds the "voter-approval tax rate," the City must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the "voter-approval tax rate."

Any city located at least partly within an area declared a disaster area by the Governor of the State or the President of the United States during the current year may calculate its "voter-approval tax rate" using a 1.08 multiplier, instead of 1.035, until the earlier of (i) the second tax year in which such city's total taxable appraised value exceeds the taxable appraised value on January 1 of the year the disaster occurred, or (ii) the third tax year after the tax year in which the disaster occurred.

State law provides cities and counties in the State the option of assessing a maximum one-half percent sales and use tax on retail sales of taxable items for the purpose of reducing its ad valorem taxes, if approved by a majority of the voters in a local option election. If the additional sales and use tax for ad valorem tax reduction is approved and levied, the "no-new-revenue tax rate" and "voter-approval tax rate" must be reduced by the amount of the estimated sales tax revenues to be generated in the current tax year.

City Charter Limitations

General: In addition to the statutory limits described above, the City may limit, increase or change the revenue resources available during a given fiscal year, either by voter authorization as provided by the City Charter or by amending the City Charter itself. The City Charter may not be amended more frequently than once every two

years. Since 2004, voters of the City have limited increases in ad valorem tax revenues and other revenues in Proposition 1 (codified in Article III, Sec. 1 and Article IX, Sec. 20 of the City Charter) and Proposition 2 (codified in Article VI-a, Sec. 7 of the City Charter but not effective). Voters also have increased available revenue sources in Proposition G (codified in Article IX, Sec. 21 of the City Charter) and Proposition H, which did not amend the City Charter.

Proposition 1 and Proposition 2 (2004): In 2004, voters approved Proposition 1 (now codified as Article III, Section 1 and Article IX, Section 20 of the City Charter) in order to limit increases in (i) the City's ad valorem tax revenues by requiring voter approval for increases in ad valorem taxes in future years above a limit equal to the lesser of the actual revenues in the preceding fiscal year, plus 4.5%, or a formula that is based upon the actual revenues received in fiscal year 2005 adjusted for the cumulative combined rates of inflation and the City's population growth; and (ii) water and sewer rates (i.e., the City's Combined Utility System) by limiting rate increases to the combined increases in the rates of inflation and population growth, excluding rate increases required by certain bond covenants and rates established by contract, unless approved by the voters. At the same election, the voters also approved Proposition 2 (Article VI-a, Section 7, City Charter), which purported to limit increases in the City's "combined revenues," including revenues of the General Fund, Special Funds and Enterprise Funds. Based on the specific language of Proposition 1 and Proposition 2, the number of votes for each proposition, and the language of the City Charter, the City declared that Proposition 2 was not effective.

Proposition 2 Litigation: Supporters of Proposition 2 filed a lawsuit to declare Proposition 2 effective. After protracted litigation, on August 26, 2011, the Texas Supreme Court vacated the judgment of the trial court (for lack of ripeness) without reference to the merits and dismissed the case for want of jurisdiction. In April 2014, the suit was refiled. The City filed a plea to the jurisdiction, which was denied by the district court. The City appealed the denial. On August 17, 2017, the appeals court affirmed the trial court's denial of the plea. The City filed a petition for review with the Texas Supreme Court, which was denied and the case has been remanded to the trial court. The City's Supplemental Plea to the Jurisdiction/Motion for Summary Judgment and Motion for Reconsideration were heard on May 24, 2019; however, the Judge allowed plaintiffs to file a counter-motion for summary judgement. The court heard the motion on August 19, 2019 and has taken them under advisement.

Impact of Propositions G and H on Propositions 1 and 2: In response to Proposition 1 and Proposition 2, the City held an election on November 7, 2006, at which the voters approved Proposition G and Proposition H, both of which are currently effective. Proposition G amended the City Charter to exclude revenues of the City's enterprise systems (i.e., Combined Utility System, Houston Airport System and the Convention and Entertainment Facilities Department) from the types of revenues limited under the City Charter. Voter approval of Proposition G removed the enterprise systems from the revenue limitations of Proposition 2, although the limitation on water and sewer rate increases included in Proposition 1 remains in effect. Proposition H allows the City to collect and spend up to \$90 million of revenue, over and above any Proposition 2 limitations, for increased police, fire and emergency medical services and related matters. The amount collected and spent in each year becomes part of the base revenue calculations for the following year. Propositions G and H are incorporated into the City's financial policies, and the City has collected revenues and made expenditures for public safety purposes in compliance with Proposition H.

See "INVESTMENT CONSIDERATIONS—Tax and Collection Rates May Decline" and "—Risk of Higher Priority Debt."

Collection of Taxes

The City is responsible for the collection of its taxes, unless it elects to transfer such functions to another governmental entity. Taxes are due October 1, or when billed, whichever comes later, and become delinquent after January 31 of the following year. The City's tax collector is required to enter into an installment payment agreement with any person who is delinquent on the payment of tax on a residential homestead, if the person requests an installment agreement and has not entered into an installment agreement with the collector in the preceding 24 months. The installment agreement must provide for payments to be made in equal monthly installments and must extend for a period of at least 12 months and no more than 36 months. Additionally, the owner of a residential homestead property who is a person 65 years of age or older or disabled is entitled by law to pay current taxes on a residential homestead in installments or to defer the payment of taxes without penalty during the time of ownership.

City's Rights in the Event of Tax Delinquencies

Taxes levied by the City are a personal obligation of the owner of the property as of January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all state and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of the State of Texas and each taxing unit having power to tax the property. The City's tax lien is on a parity with tax liens of other taxing units. A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien; however, whether a lien of the United States is on a parity with or takes priority over a tax lien of another taxing entity is determined by applicable federal law.

At any time after taxes on property become delinquent, the City may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both, subject to the limitations with respect to residential homesteads described in the preceding section. In filing a suit to foreclose a tax lien on real property, the City must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights and by bankruptcy proceedings that may restrict collection of taxpayer debts. A taxpayer has the right to redeem a mineral estate or property that was used at the time the suit was filed for residential homestead or agricultural purposes within two years after the purchaser's deed issued at the foreclosure sale is filed in the county's real property records. A taxpayer has the right to redeem property that was used for all other purposes within six months after the purchaser's deed is filed in the county records. See "INVESTMENT CONSIDERATIONS—Limitations on Tax Collections and Foreclosure Remedies."

Tax Payment Installments after Disaster

Certain qualified taxpayers, including owners of residential homesteads, located within a disaster area and whose property has been damaged as a direct result of the disaster, are entitled to enter into a tax payment installment agreement with a taxing jurisdiction such as the City if the taxpayer pays at least one-fourth of the tax bill imposed on the property by the delinquency date. The remaining taxes may be paid without penalty or interest in three equal installments within six months of the delinquency date.

Effect of FIRREA on Tax Collections

The Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("*FIRREA*") contains certain provisions which affect the time for protesting property valuations, the fixing of tax liens and the collection of penalties and interest on delinquent taxes on real property owned by the Federal Deposit Insurance Corporation ("*FDIC*") when the FDIC is acting as the conservator or receiver of an insolvent financial institution.

Under *FIRREA*, real property held by the FDIC is still subject to ad valorem taxation, but such act states (i) that no real property of the FDIC shall be subject to foreclosure or sale without the consent of the FDIC and no involuntary liens shall attach to such property, (ii) the FDIC shall not be liable for any penalties, interest, or fines, including those arising from the failure to pay any real or personal property tax when due, and (iii) notwithstanding failure of a person to challenge an appraisal in accordance with state law, such value shall be determined as of the period for which such tax is imposed.

These provisions may affect the timeliness of collection of taxes on property, if any, owned by the FDIC in the Zone and may prevent the collection of penalties and interest on such taxes or may affect the valuation of such property.

LEGAL MATTERS

Legal Proceedings

Delivery of the Bonds will be subject to and accompanied by the unqualified approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and legally binding obligations of the Authority under the Constitution and laws of the State of Texas payable from the Pledged Revenues, based upon his examination of a

transcript of certified proceedings relating to the issuance and sale of the Bonds, the approving legal opinion of Bond Counsel, to a like effect and to the effect that, under existing law, interest on the Bonds is excludable from gross income for federal tax purposes and interest on the Bonds is not subject to the alternative minimum tax on individuals. See "TAX MATTERS" for a discussion of the opinion of Bond Counsel.

The legal fees paid to Bond Counsel for services rendered in connection with the issuance of the Bonds are contingent upon the sale and delivery of the Bonds.

No-Litigation Certificate

The Authority will furnish the Underwriters a certificate dated as of the date of delivery of the Bonds, to the effect that there is not pending, and to the knowledge of the officers executing the certificate, there is not threatened, any litigation affecting the validity of the Bonds, or the levy and/or collection of taxes for the payment thereof, or the organization or boundaries of the Zone, or the title of the officers thereof to their respective offices, and that no Additional Parity Bonds or other indebtedness have been issued since the date of the statement of indebtedness or nonencumbrance certificate submitted to the Attorney General of Texas in connection with approval of the Bonds.

TAX MATTERS

In the opinion of Allen Boone Humphries Robinson LLP, Bond Counsel, under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes under existing law, and interest on the Bonds is not subject to the alternative minimum tax on individuals.

The Internal Revenue Code of 1986 (the "Code") imposes a number of requirements that must be satisfied for interest on state or local obligations, such as the Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of proceeds and the source of repayment, limitations on the investment of proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of proceeds be paid periodically to the United States and a requirement that the issuer file an information report with the Internal Revenue Service. The District has covenanted in the Bond Resolution that they will comply with these requirements.

Bond Counsel's opinion will assume continuing compliance with the covenants of the Bond Resolution pertaining to those sections of the Code which affect the exclusion from gross income of interest on the Bonds for federal income tax purposes and, in addition, will rely on representations by the Authority, the Authority's Financial Advisor and the Underwriter with respect to matters solely within the knowledge of the Authority, the Authority's Financial Advisor and the Underwriter, respectively, which Bond Counsel has not independently verified. In addition, the Authority will rely on the report of Public Finance Partners LLC, regarding the mathematical accuracy of certain computations. If the Authority should fail to comply with the covenants in the Bond Resolution or if the foregoing representations or report should be determined to be inaccurate or incomplete, interest on the Bonds could become taxable from the date of delivery of the Bonds, regardless of the date on which the event causing such taxability occurs.

Under the Code, taxpayers are required to report on their returns the amount of tax exempt interest, such as interest on the Bonds, received or accrued during the year. Payments of interest on tax-exempt obligations such as the Bonds are in many cases required to be reported to the IRS. Additionally, backup withholding may apply to any such payments to any owner who is not an "exempt recipient" and who fails to provide certain identifying information. Individuals generally are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients.

Except as stated above, Bond Counsel will express no opinion as to any federal, state or local tax consequences resulting from the ownership of, receipt of interest on, or disposition of, the Bonds.

Prospective purchasers of the Bonds should be aware that the ownership of tax exempt obligations may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness

to purchase or carry tax exempt obligations, taxpayers owning an interest in a FASIT that holds tax-exempt obligations, and individuals otherwise qualifying for the earned income credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively-connected earnings and profits, including tax exempt interest such as interest on the Bonds. These categories of prospective purchasers should consult their own tax advisors as to the applicability of these consequences.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on Bond Counsel's knowledge of facts as of the date hereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the "Service"); rather, such opinions represent Bond Counsel's legal judgment based upon its review of existing law and in reliance upon the representations and covenants referenced above that it deems relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the District as the taxpayer and the owners of the Bonds may not have a right to participate in such audit. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit regardless of the ultimate outcome of the audit.

Tax Accounting Treatment of Original Issue Discount

The issue price of certain of the Bonds (the "Original Issue Discount Bonds") may be less than the stated redemption price at maturity. In such case, under existing law and based upon the assumptions hereinafter stated (a) The difference between (i) the stated amount payable at the maturity of each Original Issue Discount Bond and (ii) the issue price of such Original Issue Discount Bond constitutes original issue discount with respect to such Original Issue Discount Bond in the hands of any owner who has purchased such Original Issue Discount Bond at the initial public offering price in the initial public offering of the Bonds; and (b) Such initial owner is entitled to exclude from gross income (as defined in Section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the period that such Original Issue Discount Bond continues to be owned by such owner.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Bond was held by such initial owner) is includable in gross income. (Because original issue discount is treated as interest for federal income tax purposes, the discussion regarding interest on the Bonds under the caption "TAX MATTERS" generally applies, except as otherwise provided below, to original issue discount on an Original Issue Discount Bond held by an owner who purchased such Bond at the initial offering price in the initial public offering of the Bonds, and should be considered in connection with the discussion in this portion of the Preliminary Official Statement.)

The foregoing is based on the assumptions that (a) the Underwriter has purchased the Bonds for contemporaneous sale to the general public and not for investment purposes, and (b) all of the Original Issue Discount Bonds have been offered, and a substantial amount of each maturity thereof has been sold, to the general public in arm's-length transactions for a cash price (and with no other consideration being included) equal to the initial offering prices thereof stated on the cover page of this Preliminary Official Statement, and (c) the respective initial offering prices of the Original Issue Discount Bonds to the general public are equal to the fair market value thereof. Neither the District nor Bond Counsel warrants that the Original Issue Discount Bonds will be offered and sold in accordance with such assumptions.

Under existing law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Bond for purposes of determining the amount of gain or loss recognized by such owner upon redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period

is equal to (a) the sum of the issue price plus the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Bond.

The federal income tax consequences of the purchase, ownership, and redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of interest accrued upon redemption, sale or other disposition of such Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership and redemption, sale or other disposition of such Bonds.

Tax Accounting Treatment of Original Issue Premium

The issue price of certain of the Bonds (the "Premium Bonds") may exceed the stated redemption price payable at maturity of such Bonds. Such Bonds (the "Premium Bonds") are considered for federal income tax purposes to have "bond premium" equal to the amount of such excess. The basis of a Premium Bond in the hands of an initial owner is reduced by the amount of such excess that is amortized during the period such initial owner holds such Premium Bond in determining gain or loss for federal income tax purposes. This reduction in basis will increase the amount of any gain or decrease the amount of any loss recognized for federal income tax purposes on the sale or other taxable disposition of a Premium Bond by the initial owner. No corresponding deduction is allowed for federal income tax purposes for the reduction in basis resulting from amortizable bond premium. The amount of bond premium on a Premium Bond that is amortizable each year (or shorter period in the event of a sale or disposition of a Premium Bond) is determined using the yield to maturity on the Premium Bond based on the initial offering price of such Bond.

The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Premium Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of Premium Bonds should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of amortized bond premium upon the redemption, sale or other disposition of a Premium Bond and with respect to the federal, state, local, and foreign tax consequences of the purchase, ownership, and sale, redemption or other disposition of such Premium Bonds.

VERIFICATION OF MATHEMATICAL CALCULATIONS

Public Finance Partners LLC, will deliver to the Authority, on or before the settlement date of the Bonds, its verification report indicating that it has verified the mathematical accuracy of (a) the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the Escrowed Securities, to pay, when due, the maturing principal of, interest on and related call premium requirements of the Refunded Bonds; and (b) the mathematical computations of yield used by Bond Counsel to support its opinion that interest on the Bonds will be excluded from gross income for federal income tax purposes. Public Finance Partners LLC relied on the accuracy, completeness and reliability of all information provided to it by, and on all decisions and approvals of, the Authority. In addition, Public Finance Partners LLC has relied on any information provided to it by the Authority's retained advisors, consultants or legal counsel.

MUNICIPAL BOND RATINGS

S&P has assigned its municipal bond rating of "___" to the Bonds. This rating reflects only the views of S&P, and an explanation of the significance of any rating may be obtained only from S&P. There is no assurance that any such rating will be maintained for any given period of time or that such rating will not be revised downward, suspended or withdrawn entirely by S&P, if in its sole judgment, circumstances so warrant. Any downward revision, suspension or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

CONTINUING DISCLOSURE OF INFORMATION

In the Bond Resolution, the Authority has made the following agreement for the benefit of holders of the Bonds, including the beneficial holders thereof. The Authority is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the Authority will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the Municipal Securities Rulemaking Board (the “MSRB”) of any successor to its functions as a repository through its Electronic Municipal Market Access (“EMMA”) system.

Annual Reports

The Authority will provide certain updated financial information and operating data annually to the MSRB through its EMMA system. The information to be updated includes all quantitative financial information and operating data of the general type included in this Official Statement in **Schedules 1 through 6 (latest year only for top taxpayers)** and **APPENDIX A: FINANCIAL STATEMENTS OF THE AUTHORITY**. The Authority will update and provide this information within six months after the end of each of its fiscal years ending in or after 2020. The Authority may provide updated information in full text or may incorporate by reference certain other documents on the EMMA System, as permitted by Rule 15c2-12 (“Rule”) of the United State Securities and Exchange Commission (“SEC”). The updated information will include audited financial statements if the Authority commissions an audit and the audit is completed by the required time. If the audit of such financial statements is not complete within such period, then the Authority shall provide unaudited financial statements for the applicable fiscal year to the MSRB within such six-month period, and audited financial statements when the audit report on such statements becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in the Bond Resolution, or such other accounting principles as the Authority may be required to employ from time to time pursuant to state law or regulation.

The Authority’s current fiscal year end is June 30. Accordingly, it must provide updated information by December 31 in each year, unless the Authority changes its fiscal year. If the Authority changes its fiscal year, it will notify the MSRB of the change.

Specified Event Notices

The Authority will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The Authority will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of Beneficial Owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the Authority within the meaning of CFR § 240.15c2-12 (the “Rule”); (13) consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of an definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the Authority if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Authority any of which affect Beneficial Owners of the Bonds, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Authority any of which reflect financial difficulties. Neither the Bonds nor the Bond Resolution makes any provision for liquidity enhancement. In addition, the Authority will provide timely notice of any failure by the Authority to provide information, data, or financial statements in accordance with its agreement described above under “Annual Reports.”

Availability of Information from MSRB

The Authority has agreed to provide the foregoing information only to the MSRB. Investors will be able to access, without charge from the MSRB, continuing disclosure information filed with the MSRB at www.emma.msrb.org.

Limitations and Amendments

The Authority has agreed to update information and to provide notices of events only as described above. The Authority has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The Authority makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The Authority disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders or beneficial owners of Bonds may seek a writ of mandamus to compel the Authority to comply with its agreement.

The Authority may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Authority, if but only if the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering made hereby in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and either the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or any person unaffiliated with the Authority (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The Authority may amend or repeal the agreement in the Bond Resolution if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid or unenforceable, but only to the extent that its right to do so would not prevent an underwriter from lawfully purchasing the Bonds in the initial offering. If the Authority so amends the agreement, it has agreed to include with any financial information or operating data next provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

Compliance with Prior Undertakings

During the last five years, the Authority has complied in all material respects with the continuing disclosure agreement it made in connection with SEC Rule 15c2-12.

PREPARATION OF OFFICIAL STATEMENT

Sources and Compilation of Information

The financial data and other information contained in this Official Statement has been obtained primarily from the records of the City, the Appraisal District, and other sources. All of these sources are believed to be reliable, but no guarantee is made by the Authority as to the accuracy or completeness of the information derived from sources other than the Authority, and the Board has made no independent investigation as to the accuracy or completeness of the information derived from sources other than the Authority. Inclusion of such information herein is not to be construed as a representation on the part of the Authority, except that the Authority has represented to the Underwriters that it has no reason to believe that such information contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements herein, in the light of the circumstances under which they are made, not misleading. Furthermore, there is no guarantee that any of the assumptions or estimates contained herein will be realized. The summaries of the agreements, reports, statutes, resolutions, engineering and other related information set forth in this Official Statement are included herein subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents for further information.

Financial Advisor

Masterson Advisors LLC is employed as Financial Advisor to the Authority to render certain professional services, including advising the Authority on a plan of financing and the Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as a part of, their responsibilities to the Authority and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information. The fees paid to the Financial Advisor for services rendered in connection with the issuance of the Bonds are based on a percentage of the Bonds actually issued and sold. Therefore, the payment of such fees is contingent upon the sale and delivery of the Bonds.

MISCELLANEOUS

All estimates, statements and assumptions in this Official Statement and the Appendices hereto have been made on the basis of the best information available and are believed to be reliable and accurate. Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact, and no representation is made that any such statements will be realized.

This Official Statement was approved by the Board of Directors of Memorial City Redevelopment Authority.

APPENDIX A
FINANCIAL STATEMENTS OF THE AUTHORITY

APPENDIX B
LEGAL OPINION OF BOND COUNSEL

MEMORIAL CITY REDEVELOPMENT AUTHORITY TIRZ No. 17,
HOUSTON, TEXAS

AGENDA MEMORANDUM

TO: Memorial City Redevelopment Authority TIRZ No. 17 Board of Directors
FROM: Executive Director
SUBJECT: Agenda Item Materials

6. Consider a proposed development agreement for sanitary sewer relocation.

**DEVELOPMENT AGREEMENT BETWEEN
TC BLVD PARTNERS II LLC AND
MEMORIAL CITY REDEVELOPMENT AUTHORITY**

THIS DEVELOPMENT AGREEMENT ("Agreement"), dated effective as of _____, 2019, (the "Effective Date") is made in Harris County, Texas, by and between TC BLVD PARTNERS II LLC, a Texas limited liability company (the "Company") and MEMORIAL CITY REDEVELOPMENT AUTHORITY, a not for profit local government corporation organized and existing under the laws of the State of Texas (the "Authority") (individually referred to a "Party" and collectively as "Parties").

RECITALS

WHEREAS, by Ordinance No. 1999-759, adopted on July 21, 1999, the City of Houston, Texas (the "City"), created Reinvestment Zone Number Seventeen, City of Houston, Texas (the "Zone") pursuant to Chapter 311, Texas Tax Code (the "Act") pursuant to a preliminary Reinvestment Zone Financing Plan for the Zone; and

WHEREAS, the Board of Directors of the Zone adopted a Project Plan and Reinvestment Zone Financing Plan for the Zone, and by Ordinance No. 1999-852, adopted on August 11, 1999, the City approved the Project Plan and Financing Plan, which was amended by the Amended Project Plan and Reinvestment Zone Plan for the Zone adopted and approved by the City by Ordinance No. 2011-728, adopted on August 17, 2011 (the "Project and Financing Plan"); and

WHEREAS, by Resolution No. 2002-26, adopted on August 14, 2002, the City authorized the creation of the Authority to aid, assist, and act on behalf of the City and the Zone in the implementation of the Project Plan and Financing Plan; and

WHEREAS, the City, the Zone, and the Authority each approved an agreement (the "Tri-Party Agreement"), approved by Ordinance No. 2002-1145, adopted on December 11, 2002, and made effective on January 10, 2003, whereby the Authority agrees to provide for the management and administration of the Zone and the implementation of the Project and Financing Plan; and

WHEREAS, the Tri-Party Agreement authorizes the Authority to enter into a development agreement with a developer relating to the development, construction, remodeling or rehabilitation of a project included in the Project and Financing Plan, subject to approval by the City's Chief Development Officer; and

WHEREAS, the Project and Financing Plan contemplates the acquisition of land for and the design and construction of sanitary sewer improvements in the Zone; and

WHEREAS, the Authority has determined that it is in its best interests to enter into this Agreement with the Company, a Developer/Builder as defined in the Tri-Party Agreement, in connection with the design and construction of the sanitary sewer improvements within the right-of-way of Town and Country Boulevard, more particularly described on the attached Exhibit A (the "Public Improvement"), which project is included in the Project and Financing Plan; and

WHEREAS, the Authority has determined that the Public Improvement Costs are eligible under the Act; and

WHEREAS, the Company and the Authority now wish to enter into this Agreement for the purpose of, among other things, reimbursing the Company for funds paid by the Company for the purpose of acquiring, designing, developing and constructing the Public Improvement;

NOW THEREFORE, and in consideration of the mutual promises, covenants, benefits, and obligations herein described, the City and the Authority hereby agree to the terms and conditions of this Agreement.

ARTICLE I GENERAL TERMS

A. Incorporation of Recitals. The recitals to this Agreement are hereby incorporated for all purposes.

B. Definitions and Terms. Terms not defined herein have the meanings assigned to them under the Tri-Party Agreement. The terms "Act," "Agreement," "Authority," "Company," "Effective Date," "Public Improvement," and "Tri-Party Agreement" have the meanings given to such terms in the Recitals, and the following terms have the following meanings:

1. "Authority Obligations" means bonds, notes or other developer agreements issued or entered into by the Authority that are secured by or payable from funds deposited in the Tax Increment Revenue Fund.

2. "Captured Appraised Value" shall mean the total appraised value of all real property taxable by the City and located in the Project Area as of January 1 of any year less the total appraised value of all real property taxable by the City and located in the Project Area as of January 1, 1999.

3. "Company's Lender" means any entity loaning funds or otherwise providing financing to the Company relative to the design and construction of the Public Improvement.

4. "Developer Interest" means interest accrued on the Public Improvement Costs paid by the Company at a per annum rate equal to the lesser of i) 4.0% or ii) the rate of interest imposed by Company's Lender. Developer Interest shall accrue from the later of x) the Effective Date or y) the date of actual payment by the Company and shall continue until such time the Company receives full payment of the Maximum Reimbursement Amount; provided, however, in no event shall Developer Interest accrue for a period of longer than twelve (12) months from the Effective Date.

5. "Maximum Reimbursement Amount" is the lesser of i) the actual Public Improvement Cost plus Developer Interest or ii) \$_____ plus Developer Interest.

6. "Public Improvement Costs" means the total cost to Company for the design, testing, development and construction of the Public Improvement, whether incurred before or after the Effective Date.

7. "Project Area" means the area of land benefitted by the Public Improvement as shown on the attached Exhibit C.

8. "Project Tax Increment Revenue" means funds from the amount of property taxes levied and collected by the City on the Captured Appraised Value of real property located within the Zone and deposited into the Tax Increment Revenue Fund pursuant to the Act and payable to the Authority by the City pursuant to the Tri-Party Agreement.

9. "Tax Increment Revenue Fund" shall mean the fund into which all Tax Increments are deposited by the City; provided, however, that the Tax Increment Revenue Fund excludes that portion of the Tax Increment pledged or used to pay any Authority Obligations.

ARTICLE II REPRESENTATIONS

A. Representations of the Authority. The Authority hereby represents to the Company that as of the Effective Date:

1. The Authority is a duly created and existing local government corporation created pursuant to Chapter 431 of the Texas Transportation Code and is duly qualified and authorized to carry on the governmental functions and operations as contemplated by this Agreement.

2. The Authority has the power, authority and legal right under the laws of the State of Texas to enter into and perform this Agreement and the execution, delivery and performance hereof (i) will not, to the best of its knowledge, violate any applicable judgment, order, law or regulation, and (ii) do not constitute a default under, or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the Authority under any agreement or instrument to which the Authority is a party or by which the Authority or its assets may be bound or affected.

3. This Agreement has been duly authorized, executed and delivered and constitutes a legal, valid and binding obligation of the Authority, enforceable in accordance with its terms except to the extent that (i) the enforceability of such instruments may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws of general application in effect from time to time relating to or affecting the enforcement of creditors' rights and (ii) certain equitable remedies including specific performance may be unavailable.

4. The execution, delivery and performance of this Agreement by the Authority do not require the consent or approval of any person which has not been obtained.

B. Representations of the Company. The Company hereby represents to the Authority that as of the Effective Date:

1. The Company is a limited liability company organized under the laws of the State of Texas and is duly qualified to do business in Texas to carry on the operations contemplated by this Agreement.

2. The Company has the power, authority and legal right to enter into and perform the specific obligations set forth in this Agreement, and the execution, delivery and performance hereof with respect to such matters and the execution, delivery and performance hereof (i) will not, to the best of its knowledge, violate any applicable judgment, order, law or regulation, and (ii) do not constitute a default under, or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the Authority under any agreement or instrument to which the Authority is a party or by which the Authority or its assets may be bound or affected.

3. The Company has sufficient funds or the ability to obtain sufficient funds to pay the Public Improvement Costs.

4. The execution, delivery and performance of this Agreement by the Company do not require the consent or approval of any person which has not been obtained.

ARTICLE III THE PUBLIC IMPROVEMENT

A. Design. All facilities to be constructed as a part of the Public Improvement will be designed by a licensed and registered professional engineer retained by the Company (the "Engineer"). The design of the Public Improvement will be subject to the review and approval of the Board of Directors of the Authority, as well as all governmental entities with jurisdiction, including, without limitation, Harris County and the City of Houston. Subject to the terms of this Agreement, the phasing, timing, development and construction of the Public Improvement shall be determined by the Company in its sole discretion.

B. Site Acquisition. The Public Improvement must be constructed in public rights-of-way or property otherwise dedicated or conveyed to the City. The Company hereby agrees to dedicate or convey, or cause to be dedicated or conveyed, as appropriate, such public rights-of-way or property interest as necessary for the Public Improvement.

C. Construction.

1. Competitive Bidding. Construction contracts for the Public Improvements shall be let on a competitive bidding basis as required by law applicable to the Authority. After preparation of final plans and specifications and their approvals as required by this Agreement, the Company must advertise for or solicit bids for construction as described in the final plans and specifications. The Authority's representatives shall be notified of, and invited to attend when applicable, pre-bid conferences, bid openings, and the award of contracts. Failure of the Authority's representative to attend any pre-bid conference, bid opening or award of contract meeting shall not be cause to postpone or otherwise delay such meeting.

2. Construction. The construction contracts for the Public Improvement will be awarded in the name of the Company. Construction of the Public Improvement will be in accordance with the approved plans and specifications and with the applicable provisions of City's Construction Code (as defined in Section 10-1 of the Code of Ordinances of the City of Houston) and the City of Houston Department of Public Works & Engineering Infrastructure Design Manual. The Company is responsible for the inspection, supervision and management of the Public Improvement construction; provided, however, the Authority and its representatives will be provided with reasonable access to inspect the Public Improvement during construction. The Public Improvement must be constructed, and all equipment, materials and supplies required in connection therewith acquired, in the name of the Company. The Company is responsible for obtaining all necessary permits and approvals; provided that the

Authority agrees to assist the Company in obtaining the permits and approvals necessary to design, construct and install the Public Improvement.

3. Engineer. The Engineer will serve as project engineer for the Public Improvement and is required to provide the appropriate level of inspection and observation during the construction of the Public Improvement and to recommend final acceptance of the Public Improvement when appropriate.

D. Completion. Upon completion of the Public Improvements, the Company shall issue a Final Completion Certificate in the form attached as Exhibit B. The City and the Authority will thereafter each inspect the Public Improvement. If the Public Improvement is determined by the City and the Authority to be constructed in accordance with the final plans and specifications, or any modifications thereof, and in accordance with all applicable laws, rules and regulations, the City will accept the same in writing, whereupon the Public Improvement will belong to and be the absolute property of the City and will be operated and maintained by the City at its sole expense. The Company agrees to use commercially reasonable efforts to complete the Public Improvement and cause acceptance of the Public Improvement by the City within one calendar year of the approval of final plans by the City and the Authority. The Authority will have no responsibility, financial or otherwise, for the ownership and/or operation of the Public Improvement.

E. Agreement to Fund. In consideration of the Authority's reimbursement obligation contained herein, the Company agrees to fully fund all payments required for contracts entered into in connection with the Public Improvement and manage the construction of the Public Improvement.

ARTICLE IV REIMBURSEMENT

A. Request for Reimbursement. At the completion of the Public Improvement, and acceptance of the Public Improvement by the City, the Company may submit a request for reimbursement (a "Request"). The following documentation shall be delivered with each Request:

1. a written request for reimbursement;
2. a summary of all Company payments, together with proof of payment, for Public Improvement Costs;
3. evidence that all contractors, engineers and other parties performing work in connection with the Public Improvement have been paid in full, together with executed and delivered releases of lien or customary affidavits executed by such contractors;

4. a full and complete set of final record drawings.

B. Reimbursement. Upon receipt of a Request, and on the earliest date that funds are available from the Project Tax Increment Revenue, the Authority agrees to begin reimbursing the Company for the Public Improvement Costs, plus Developer Interest, and will continue to reimburse the Company until the earlier of i) 10 years from the Effective Date or ii) the date on which the Public Improvement Costs plus Developer Interest has been paid in full (the "Term"). The Authority will make annual payments to the Company in an amount equal to the Project Tax Increment Revenue received by the Authority during each year of the Term. The Company does not have any right or claim to be reimbursed from any source of funds other than the Project Tax Increment Revenue, and the Company's right or claim to be reimbursed from the Project Tax Increment Revenue is subject to the provisions of Article III, Section E. of the Tri-Party Agreement; provided, however, the Authority may at its sole discretion use any other source of funds legally available to it for reimbursement.

C. Source of Reimbursement. The Company does not have any right or claim to be reimbursed from any source of funds other than the Tax Increment Revenue Fund, and the Company's right or claim to be reimbursed from the Tax Increment Revenue Fund is subject to the provisions of Article III, Section E. of the Tri-Party Agreement; provided, however, the Authority may at its sole discretion use any other source of funds legally available to it for reimbursement.

D. Eligibility for Reimbursement. The Company hereby bears the risk that any of the Public Improvement Costs may be determined to be ineligible under the Act, by the Attorney General of the State of Texas, or a court of law with competent jurisdiction and further agrees that the Authority will not be obligated to repay the Company for any such ineligible Public Improvement Costs. In the event that all or a portion of the Public Improvement Costs is determined to be ineligible under the Act, by the Attorney General of the State of Texas, or a court of law with competent jurisdiction, or is not included in the Project and Financing Plan during the term of this Agreement, the reimbursement will be reduced by the amount attributable to the ineligible component. If the Authority has already repaid the Company for such ineligible Public Improvement Costs, the Parties hereby agree that i) the amount repaid by the Authority for such ineligible costs will be offset against future repayments by the Authority, or ii) in the event there are not future repayments to be made by the Authority, or such amounts are insufficient, the Company will reimburse the Authority for such amount owed within 90 days of receipt of an invoice from the Authority. Provided, however, that it is not the intent of the Parties that this section operate to deny reimbursement to Company for any eligible Public Improvement Costs.

E. Audit. Prior to any reimbursement, and within 45 calendar days of the Authority's receipt of a Request, the Authority will have prepared, at its expense and by a certified public accountant, an Agreed Upon Procedures report to calculate the amount

due the Company, with a reconciliation of the Developer Interest accrued on the funds advanced by the Company to pay Public Improvement Costs, and to certify that funds are or should be available to make such payment. The Company agrees to provide sufficient information to the Authority's auditor in order that the Authority's auditor may perform a reimbursement audit in accordance with this Agreement.

**ARTICLE V
ADDRESS AND NOTICE**

Any and all notices and communications under this Agreement shall be mailed by first-class mail, or delivered, to the Authority at the following address:

Memorial City Redevelopment Authority
8955 Katy Freeway, Suite 215
Houston, Texas 77024
Attention: Executive Director

With a copy to:

Ms. Jessica B. Holoubek
Allen Boone Humphries Robinson LLP
3200 Southwest Freeway, Suite 2600
Houston, Texas 77027
jholoubek@abhr.com

Any and all notices and communications under this Agreement shall be mailed by first-class mail, or delivered, to the Company at the following address:

TC Blvd Partners II LLC
3003 W. Alabama
Houston, Texas 77098
Attn. Mr. Andrew Beaupre

With a copy to:

John S. Moody, Jr.
Moody Law Group, PLLC
3003 W. Alabama
Houston, Texas 77098

ARTICLE VI DEFAULT AND REMEDY

A. Company Default. The Company agrees that its failure to advance sufficient funds to pay all Public Improvement Costs as they become due, and the failure to complete the Public Improvement within one calendar year of the approval of the final plans by the Authority and the City, is each an event of default. The term completion as used herein shall mean completion of the construction substantially in accordance with the plans and specifications for the Public Improvement as evidenced by a Final Completion Certificate in the form attached as Exhibit B. The Company shall not be considered in default unless it receives written notice from the Authority setting out specifically the nature of the default and shall have 60 days to commence and thereafter diligently proceed to cure of any such default. In the event of default by the Company, the Authority's sole remedy shall be to terminate this Agreement and the Company shall not be entitled to any further reimbursement from the Authority of Public Improvement Costs; provided, however, the Authority is entitled, but not obligated, to assume any outstanding contracts and prosecute construction of the Public Improvement to conclusion at its sole cost and expense.

B. Authority Default. The Authority agrees it is an event of default if it fails to perform its obligations hereunder within 30 days after notice of such failure by the Company and that the Company shall be entitled to any and all of the remedies available in this Article or otherwise at law or equity.

C. Remedies. Subject to Article VI, Section A., upon the occurrence of an event of default, the non-defaulting Party may do any one or more of the following: enforce specific performance of this Agreement; seek actual damages incurred by the non-defaulting Party for any such event of default and terminate this Agreement in which event all of the rights and obligations of the Parties will terminate and be of no further force or effect.

ARTICLE VII GENERAL PROVISIONS

A. Time of the Essence. Time is of the essence of this Agreement. The Parties will make every reasonable effort to expedite the subject matters hereof and acknowledge that the successful performance of this Agreement requires their continued cooperation.

B. Amendments and Waivers. Any provision of this Agreement may be amended or waived if such amendment or waiver is in writing and is approved by the Authority, the Company and, if required, the Company's Lender. No course of dealing on the part of the Parties nor any failure or delay by the Parties with respect to exercising any right, power or privilege pursuant to this Agreement shall operate as a waiver thereof, except as otherwise provided in this section.

C. Invalidity. In the event that any of the provisions contained in this Agreement is held unenforceable in any respect, such unenforceability will not affect any other provisions of this Agreement and, to that end, all provisions, covenants, agreements or portions of this Agreement are declared to be severable.

D. Successors and Assigns; Consent to Assignment. No Party may assign its rights or obligations hereunder without the consent of the other Parties; provided, however, such consent shall not be unreasonably conditioned or withheld. The Authority hereby acknowledges and consents to the Company's collateral assignment to Company's Lender of all of Company's right, title, and interest in payments due to Company under this Agreement. The Authority's Chair and Secretary are each hereby authorized to execute any documents reasonably required by Company's Lender or an Affiliate in furtherance of such assignment and consent thereto.

E. Exhibits, Titles of Articles, Sections and Subsections. The exhibits attached to this Agreement, if any, are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein, except that in the event of any conflict between any of the provisions of such exhibits and the provisions of this Agreement, the provisions of this Agreement shall prevail. All titles or headings are only for the convenience of the Parties and shall not be construed to have any effect or meaning as to the agreement between the Parties hereto. Any reference herein to a section or subsection shall be considered a reference to such section or subsection of this Agreement unless otherwise stated. Any reference herein to an exhibit shall be considered a reference to the applicable exhibit attached hereto unless otherwise stated.

F. Applicable Law. This Agreement is a contract made under and shall be construed in accordance with and governed by the laws of the United States of America and the State of Texas, and any actions concerning this Agreement shall be brought in either the State Courts of Harris County, Texas or the United States District Court for the Southern Authority of Texas.

G. Entire Agreement. This Agreement represents the final agreement between the Parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the Parties. There are no unwritten oral agreements between the Parties.

H. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

I. Interpretation. This Agreement has been jointly negotiated by the Parties and shall not be construed against a Party because that Party may have primarily assumed responsibility for the drafting of this Agreement.

IN TESTIMONY OF WHICH this instrument has been executed in multiple counterparts, each of equal dignity and effect, on behalf of the Authority and the Company effective as of the date first above written.

COMPANY:

TC Blvd Partners II, LLLC

By: _____
Dan M. Moody, III

AUTHORITY:

Memorial City Redevelopment Authority

By: _____
Ann Givens, Chair

APPROVED:

Andrew Icken, Chief Development Officer
City of Houston, Texas

**EXHIBIT A
DESCRIPTION OF PUBLIC IMPROVEMENTS**

CODE	DESCRIPTION	ESTIMATED FINAL COST
A.01	CONSTRUCTION OF NEW PUBLIC SANITARY SEWER LINE <i>(Public Bid Amount – AR Turnkey Construction Company Inc.)</i>	\$415,000.00
B.01	CIVIL ENGINEERING PLANS FOR PUBLIC SANITARY SEWER LINE	\$60,000.00
	PERMITTING & PLAN REVIEW FEES – CITY OF HOUSTON	\$25,000.00
	CONTINGENCY (20%)	\$100,000.00
TOTAL COST NOT TO EXCEED		\$600,000.00



new sanitary sewer line will be utilized in the near future by several new buildings that are

EXHIBIT B
FORM OF FINAL COMPLETION CERTIFICATE

Memorial City Redevelopment Authority
8955 Katy Freeway, Suite 215
Houston, Texas 77024
Attention: Executive Director

Reference: Public Sanitary Sewer Improvement Associated with Town & Country
Boulevard

I hereby certify that to the best of my knowledge the Public Improvement associated
sanitary sewer installation within Town & Country Boulevard which is the subject of that
certain Development Agreement entered into by and between the Memorial City
Redevelopment Authority and TC BLVD PARTNERS II LLC. dated _____,
2019 has been completed substantially in accordance with the plans and specifications.

Very truly yours,

Engineer's Signature and Seal

cc: _____

MEMORIAL CITY REDEVELOPMENT AUTHORITY TIRZ No. 17,
HOUSTON, TEXAS

AGENDA MEMORANDUM

TO: Memorial City Redevelopment Authority TIRZ No. 17 Board of Directors
FROM: Executive Director
SUBJECT: Agenda Item Materials

7. Consider a Town and Country Way right-of-way conveyance to the City of Houston.

PUBLIC STREET RIGHT-OF-WAY EASEMENT CONVEYANCE

STATE OF TEXAS §
COUNTY OF HARRIS §

GRANTOR:

Memorial City Redevelopment Authority

GRANTOR'S MAILING ADDRESS:

c/o Hawes Hill & Associates LLP
P. O. Box 22167
Houston, TX 77227-2167

GRANTEE:

THE CITY OF HOUSTON, a municipal corporation situated in Harris, Fort Bend and Montgomery Counties, Texas

GRANTEE'S MAILING ADDRESS:

P. O. Box 1562
Houston, TX 77251

CONSIDERATION:

Ten and No/100 (\$10.00) Dollars and Other Good and Valuable Consideration

PROPERTY:

A permanent and perpetual easement for public street right-of-way purposes (the "Easement") over, under and across the land described in the attached Exhibits.

RESERVATIONS FROM AND EXCEPTIONS TO CONVEYANCE AND WARRANTY

This Public Street Right-of-Way Easement Conveyance is made subject to all restrictions, covenants, conditions, rights-of-way, easements, mineral reservations and royalty reservations of record, if any, in the office of the County Clerk of Harris County, Texas, but only to the extent that the same are valid and subsisting, are binding upon municipalities, and affect the Property.

Grantee shall have such access across, along, under and upon the Property, and may enter upon such Property to engage in such activities as may be necessary, requisite, convenient or appropriate in connection therewith. Grantee's rights in and to the Property shall include, without limitation, the right to clear and remove trees, growth and shrubbery from within the Easement, and the right to bring and operate such equipment thereupon as may be necessary or appropriate to effectuate the purposes for which this Easement is granted.

Grantor, for the Consideration and subject to any Reservations from Conveyance and any Exceptions to Conveyance and Warranty, grants, sells and conveys to Grantee the Easement, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee, Grantee's successors and assigns forever. Grantor binds Grantor and Grantor's successors and assigns to warrant and forever defend, all and singular, the Property to Grantee and Grantee's successors and assigns against every person whosoever lawfully claiming or to claim the same or any part thereof, except as to the Reservations from Conveyance and any Exceptions to Conveyance and Warranty, by through or under Grantor, but not otherwise.

IN WITNESS WHEREOF, these presents have been executed by Grantor this _____ day of _____, 2019.

MEMORIAL CITY REDEVELOPMENT AUTHORITY

Glenn Airola
Secretary, Board of Directors

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of _____, 2019 by Glenn Airola, Secretary of the Board of Directors for the Memorial City Redevelopment Authority.

[SEAL]

Notary Public, State of Texas

Approved as to Form:

L.D.#: _____
Parcel No: _____

MEMORIAL CITY REDEVELOPMENT AUTHORITY TIRZ No. 17,
HOUSTON, TEXAS

AGENDA MEMORANDUM

TO: Memorial City Redevelopment Authority TIRZ No. 17 Board of Directors
FROM: Executive Director
SUBJECT: Agenda Item Materials

8. CIP Committee
 - a. Project update and recommendations from Gauge Engineering LLC
 - i. Consider Change Order No. 1, Briar Branch Channel and Straws improvements, from Reytec Construction, in the amount of \$225,362.50
 - ii. Consider Pay Application No. 10, Briar Branch Channel and straws improvement, from Reytec Construction
 - b. Project Update Report from LAN
 - c. Project Update Report from Goodman Corporation
 - d. Project Update Report from SWA

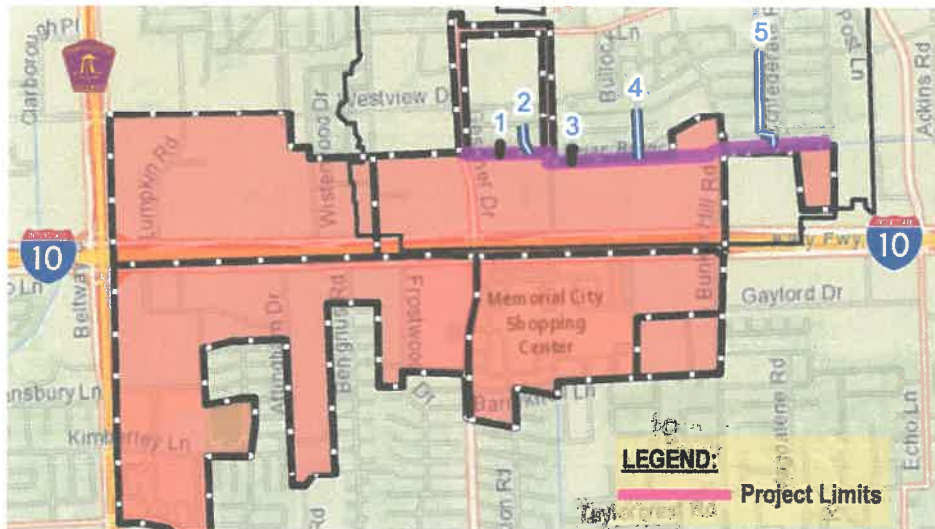
PROGRESS REPORT—OCTOBER 2019

Briar Branch (W140-01-00) Channel & Straws Improvements

WBS No. N-T17000-0018-3, T-1734 & T-1734B

PROJECT LOCATION

The channel improvement project is approximately 6,200 feet long, from Gessner Road east to Oak Tree Drive, approximately 1,750 feet east of Bunker Hill Road. This project is located in City Council District A.



PROJECT STATUS

- Currently 50-FT west of Witte Road.
- The water line lowering is expected to be performed on October 28th. This will allow the boxes to proceed across Witte into the junction box.
- Straws 1, 2 and 3 completed –only minor cleanup and sod remaining.
- Straw 4 construction is underway
- Retaining wall is nearly 90% complete
- Bunker Hill Road fully open to traffic

CURRENT TRAFFIC CONTROL CONFIGURATION

- Full road closure at Witte Road, necessary detour markings and signs have been installed

PROJECT OBJECTIVE

Improve drainage by increasing conveyance and storage

The Briar Branch (W140-01-00) Channel & Straws Improvements project involves the construction of storm drainage improvements that are designed to lower water levels on Briar Branch, provide flood mitigation storage, and deliver flooding relief and protection to the surrounding community.

PROJECT DESCRIPTION

- The channel improvement project is approximately 6,200 feet long, from Gessner Road east to Oak Tree Drive, approximately 1,750 feet east of Bunker Hill Road. The proposed channel improvements will include constructing box culverts ranging in size from 7-FT x 7-FT to 10-FT x 8-FT RCBs along the length of the system, effectively enclosing the channel.
- The Straw improvements consist of approximately 2,600 linear feet of perpendicular improvements at five (5) separate lateral locations along Briar Branch, from Gessner Road east to Confederate Lane, approximately 1,000 feet east of Bunker Hill Road.
- Included in the channel improvements is the reconstruction of the Bunker Hill Road crossing at Briar Branch from dual 7-FT x 7-FT RCBs to triple 8'x8' RCBs.

Cont. PROGRESS REPORT—OCTOBER 2019

Briar Branch (W140-01-00) Channel & Straws Improvements

WBS No. N-T17000-0018-3, T-1734 & T-1734B

CONSTRUCTION TIME

- Contract time: 24 Months
- Notice to Proceed date: December 17, 2018

CONTACT INFORMATION

Construction Manager (CM)
Gauge Engineering
3200 Wilcrest Drive, Suite 220
Houston, TX 77042

Contractor
Reytec Construction Resources
1901 Hollister St.
Houston, TX 77080



PAYMENT ESTIMATES

Original Contract Amount	\$18,794,957.00
Change Order Amount to Date	\$0.00
Current Contract Amount	\$18,794,957.00
Previous Payments	\$11,117,256.74
Current Payment Due	\$1,565,966.25
Contract Completion Date	11/30/2020
Balance Remaining	\$5,444,195.96

PROGRESS PHOTOS



RCB installation — Phase II



Road closure at Witte Rd in preparation for water line lowering



Rail installation on access road — Phase I



RCB installation under low hanging line — Phase II

PROGRESS REPORT

OCTOBER 2019

MEMORIAL CITY REDEVELOPMENT AUTHORITY/TIRZ 17



GESSNER ROAD MOBILITY & DRAINAGE IMPROVEMENTS PS&E (T-1732A & T-1732B):

- Attended Pre-Con meeting with TxDOT – 10/21/2019
- Construction begins – October 28, 2019

Activities Planned for Next Period:

- Review upcoming Submittals
- Review Schedule
- Review RFI 01 for Traffic Control Sequencing
- Coordinate work with TxDOT and Contractor
- Obtain large water meter easement



MEMORIAL CITY REDEVELOPMENT AUTHORITY

Tax Increment Reinvestment Zone No. 17

CHANGE ORDER

Document 00941
CHANGE ORDER No. 1

PROJECT: Briar Branch (W140-01-00) Channel and Straws Improvements

TO: Reytec Construction Resources, Inc.
Contractor and 191 Hollister St.
Address for Written Notice Houston, Texas 77080

PROJECT No.: N-T17000-0018-3

Date of Commencement of the Work:

1.01 DESCRIPTION OF CHANGES

CONTRACT CHANGE

ITEM 1 SCOPE: Remove the 36" RCP and replace with 7'x7' RCB, and a cast-in-place 7'x7' safety end treatment. Pricing includes design costs to produce 100% structural signed and sealed drawings per attached Reytec Letter.

Amount	Time
\$225,362.50	21 Days

JUSTIFICATION: Enlarge 36" culvert to 72" culvert to match existing conditions

TOTALS: \$225,362.50 21 Days

1.02 ACCEPTANCE BY CONTRACTOR

Contractor agrees to perform change(s) included in this Change Order for the price and time indicated. The prices for changes include all costs associated with this Change Order.

[Signature] Project Manager 10/22/19
Contractor Signature and Title Date

1.03 ACCEPTANCE BY THE MEMORIAL CITY REDEVELOPMENT AUTHORITY

[Signature] 10/18/2019
Construction Manager Date

[Signature] 10/21/2019
Project Manager Date

Executive Director, TIRZ No. 17 Date



MEMORIAL CITY REDEVELOPMENT AUTHORITY

Tax Increment Reinvestment Zone No. 17

CHANGE ORDER

Document 00941
CHANGE ORDER No. 1

PROJECT: Briar Branch (W140-01-00) Channel and Straws Improvements

EXECUTIVE SUMMARY

1.01 CONTRACT PRICE SUMMARY		DOLLAR AMOUNT	PERCENT
A.	Original Contract Price	\$18,794,957.00	100%
B.	Previous Change Orders	\$0.00	0.0%
C.	This Change Order	\$225,362.50	1.2%
D.	Contract Price	\$19,020,319.50	101.2%

Date of Commencement of the Work: Monday, December 17, 2018

1.02 CONTRACT TIME SUMMARY		DURATION	COMPLETION DATE
A.	Original Contract Time	714 Days	Monday, November 30, 2020
B.	Previous Change Orders	0 Days	Monday, November 30, 2020
C.	This Change Order	21 Days	Monday, December 21, 2020
D.	Contract Time	735 Days	Monday, December 21, 2020

END OF DOCUMENT

Reytec Construction Resources, Inc.

1901 Hollister
Houston, Texas 77080
Office 713.957.4003
Fax 713.681.0077

Briar Branch Improvements: Change Order #1

Muhammad,

Please see below for preliminary price breakdown to remove the 36" rcp and replace with 7'x7' rcb, and a cast-in-place 7'x7' safety end treatment. The pricing is based off the attached preliminary design. Pricing includes design costs to produce 100% signed and sealed drawings. See below for price and description of whats included.

Additional Contract Time: 21 days

<u>Description</u>	<u>LF</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Total Price</u>
Remove 36" RCP and Replace w/ 7'x7' RCB	30	LF	\$1,285.00	\$38,550.00
Temporary Shoring for 7'x7 SET	96	LF	\$385.00	\$36,960.00
Extended Concrete Curb	1	LS	\$8,850.00	\$8,850.00
Reshaping & Regrading Exist. Channel	10	LF	\$150.00	\$1,500.00
7'x7' Cast-In-Place Safety End Treatment	516	SF	\$225.00	\$116,100.00
Sloped Concrete Channel Lining 6" Thick, w/ Toe Wall	85	SY	\$175.00	\$14,875.00
Clearing and Grubbing	0.5	AC	\$4,255.00	\$2,112.50
Metal Beam Guard Fence	50	LF	\$128.00	\$6,400.00
			Total Price	\$225,362.50

Thanks,

Keegan Droxler
kdroxler@reytec.net
(832) 844-8322



October 18, 2019

Scott Bean
Memorial City Redevelopment Authority/TIRZ 17
9610 Long Point, Suite 150
Houston, Texas 77055

Reference: Briar Branch (W140-01-00) Channel and Straws Improvements Reconstruction and Drainage Improvements
Gauge Project No.: 1005
WBS No. N-T17000-0018-3 (T-1734 & T-1734B)
Reytec Construction Resources, Inc. Payment No. 10

Dear Mr. Bean:

Reytec Construction Resources, Inc. (Reytec) has submitted estimate No. 10 in the amount of \$1,565,966.25 for construction services rendered through September 30, 2019. Based on our review, Reytec has complied with all requirements stated in the estimate and we recommend payment of **\$1,565,966.25** to Reytec.

The following billing information is to be used for payment:

Reytec Construction Resources, Inc.
1901 Hollister St.
Houston, TX 77080

If you have any questions or require additional information, please feel free to contact me at (832) 318-8800.

Sincerely,

A handwritten signature in blue ink, appearing to be "MA", with a long horizontal flourish extending to the right.

Muhammad Ali, P.E.
Project Manager

Enclosures: Reytec Pay Est. No. 10

Estimate No. 10
Cut off Date 09/30/19
Estimate Date 10/01/19

Memorial City Redevelopment Authority/TIRZ 17
Estimate and Certificate for Payment Unit Price Work



Project Name : Briar Branch (W140-01-00) Channel and Straws Improvements Reconstruction and Drainage
Contractor Name : Reytec Construction Resources, Inc.
Address : 191 Hollister St., Houston, Texas 77080

WBS No. N-T17000-0018-3 (T-1734 & T-1734B)

Contract Date : 11/31/2018
Start Date : 12/17/2018
Current Contract Completion Date : 11/30/2020
Substantial Completion Date :
Percentage By Time : 40.20% In Place : 71.03%
Date Insurance Exp. : 10/16/2019 Drug Policy Due Date: N/A Current M/SBE : 11.26%

CONTRACT TIME IN CALENDAR DAYS
Original Contract Time : 714
Approved Extensions : 0
Total Contract Time : 714
Days Used to Date : 287
Days Remaining to Date : 427
Schedule Update : 8/6/2019

CONTRACT AMOUNT TO DATE :

- 1- Original Contract Amount
- 2- Approved Change Orders

\$18,794,957.00

No.	Date	Ext.Days	Amount

Total Approved Extensions 0

Total Change Orders to Date **\$0.00**

- 3- Approved Work Change Directives

No.	Date	Ext.Days	Amount

Total Pending Work Change Directives to Date **\$0.00**

TOTAL CONTRACT AMOUNT (excludes WCDs) \$18,794,957.00

A. EARNINGS TO DATE

1- Work Completed to Date	71.03% Complete	Current Month Billing	<u>\$1,648,385.52</u>
2- Material Stored on Site	\$0.00		<u>\$13,350,761.04</u>
3- Material Stored in Place	\$0.00		
4- Balance-Materials Accepted Not in Place	\$0.00 @ 85%		<u>\$0.00</u>
5- Work Change Directives - In Place			<u>\$0.00</u>

TOTAL EARNINGS TO DATE \$13,350,761.04

B. DEDUCTIONS

1- Retainage	5% Of	\$13,350,761.04	<u>\$667,538.05</u>
2- Retainage Release	0% Of	\$13,350,761.04	<u>\$0.00</u>
3- Total Retainage			<u>\$667,538.05</u>
4- Liquidated Damages	0.00 Days @	\$5,000.00	<u>\$0.00</u>
5- Assessments			<u>\$0.00</u>
6- Inspector Overtime Costs			<u>\$0.00</u>

TOTAL DEDUCTIONS \$667,538.05

C. AMOUNT DUE THIS PERIOD

1- Total Earnings to Date	<u>\$13,350,761.04</u>
2- Total Deductions	<u>\$667,538.05</u>
3- Total Payments Due	\$12,683,222.99
4- Less Previous Payments	<u>\$11,117,256.74</u>
5- Restoration Adjustment	<u>\$0.00</u>

TOTAL AMOUNT DUE CONTRACTOR THIS DATE \$1,565,966.25
BALANCE REMAINING \$5,444,195.96

Prepared By 10/14/2019
Karam Qaddo, P.E. Date

Reviewed By 10/17/2019
Muhammad Ali, P.E. Date

Approved By: _____
Scott Bean, TIRZ17 Executive Date

Reytec Construction Resources, Inc.

1901 Hollister
Houston, Texas 77080
Office 713.957.4003
Fax 713.681.0077

Briar Branch Channel & Straws Improvements Project Pay Application

October 1, 2019

Mr. Muhammad Ali
Gauge Engineering
3200 Wilcrest Drive, Suite 220
Houston, TX 77042

Re: Memorial City Redevelopment Authority
Briar Branch (W140-01-00) Channel and Straws
Improvements Project
WBS No. N-T17000-0018-3

Dear Muhammad,

Please see attached for pay application 010 for
September 2019, Briar Branch (W 140-01-00)
Channel and Straws Improvements.

Thanks,



Keegan Droxler
Project Manager
Reytec Construction Resources
832-844-8322
kdroxler@reytec.net

APPLICATION AND CERTIFICATE FOR PAYMENT

AIA DOCUMENT G702

TO (OWNER): **Memorial City Redevelopment Authority**
 PROJECT: **Briar Branch (W140-01-00) Channel and Straws Improvements**

APPLICATION NO: 010
 PERIOD TO: 9/1/2019
9/30/2019

FROM (CONTRACTOR):

Reytec Construction
 1901 Hollister Rd.
 Houston, Texas 77080
 Ph. 713-957-4003; Fax 713-681-0077

PROJECT NO: WBS No. N-T17000-0018-3
 TIRZ 17 CIP No. T-1734 & T-1734B

CONTRACTOR'S APPLICATION FOR

CHANGE ORDER SUMMARY		ADDITIONS	DEDUCTIONS
Change Orders approved in previous months by owner			
TOTAL			
Approved this Month			
Number	Date		
TOTALS \$			

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current Payment shown herein is now due.

INSPECTOR: _____ Date: _____
 By: _____
 CONTRACTOR: *[Signature]* Date: 10/14/19
 By: _____ Date: _____

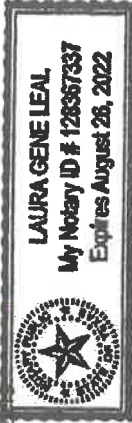
ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the above application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

Application is made for Payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM..... \$ 18,794,957.00
 2. Net change by Change Order..... \$ 0.00
 3. CONTRACT SUM TO DATE (Line 1+2)..... \$ 18,794,957.00
 4. TOTAL COMPLETED & STORED TO DATE..... \$ 13,350,761.04
5. RETAINAGE:
- a. 5 % of Completed Work \$ 667,538.05
- b. _____ % of Stored Material _____
- Total Retainage (Line 5a + 5b or) \$ 667,538.05
6. TOTAL EARNED LESS RETAINAGE..... \$ 12,683,222.99
 (Line 4 less Line 5 Total)
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)..... \$ 11,117,256.74
8. CURRENT PAYMENT DUE..... \$ 1,565,966.25
9. BALANCE TO FINISH, PLUS RETAINAGE..... \$ 6,111,734.01
 (Line 3 less Line 6)

State of: Texas County of: Harris
 Subscribed and sworn to before me this 14th day of October
 Notary Public: *[Signature]*
 My Commission expires: 8/26/2022



AMOUNT CERTIFIED..... \$ 1,565,966.25
 (Attach explanation if amount certified differs from the amount applied for)
 ARCHITECT: _____

By: _____ Date: _____
 This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

Document 00642

MONTHLY SUBCONTRACTOR PAYMENT REPORTING FORM

Legal Project Name: Briar Branch Channel & Straws Improvements

Outline Agreement No.: _____ WBS No.: N-T17000-0018-3

Contractor's Company Name: Reytec Construction Resources

Address: 1901 Hollister St. Houston, Texas 77080

CERTIFICATION

Daniel Bonilla Jr, Contractor's Representative for the above referenced Contract, hereby certifies that (1) Contractor has paid all subcontractors, except those noted below, (2) Contractor made such payments (a) in proportion to the amount City paid Contractor and (b) in accordance and compliance with all applicable Contract Documents and laws; and (3) Contractor withheld no sums from any subcontractor for allegations of deficiency in Work. The term "subcontractor", as used herein, includes all persons or firms furnishing work, materials, services or equipment Contractor ordered incorporated into Work or placed near the Project for which the City made partial payment.

EXCEPTION: Contractor sent Payment Notifications to the following subcontractors explaining why Contractor withheld payment. Copies are attached.

Subcontractor Name: _____ Subcontractor Name: _____

Street Address: _____ Street Address: _____

City, State, and Zip Code: _____ City, State, and Zip Code: _____

Amount of Payment Withheld: _____ Amount of Payment Withheld: _____

Date Payment First Withheld: _____ Date Payment First Withheld: _____

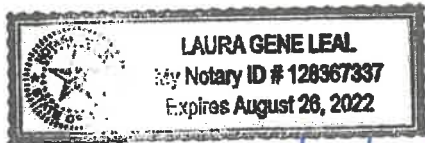
Description of Good Faith Reason: _____ Description of Good Faith Reason: _____


(Signature of Contractor's Representative)

Daniel Bonilla Jr
(Print or Type Name of Contractor's Representative)

SWORN TO AND SUBSCRIBED before me on:

01/01/2019
Date





Notary Public in and for the State of Texas

My Commission Expires: 08/28/2022
Expiration Date

Laura G. Leal
Print or Type Name of Notary Public

Reytec Construction Resources, Inc has been paid and has received a progress payment in the sum of \$1,791,722.50 for services, equipment or material furnished to Memorial City Development Authority/TIRZ 17 for the Briar Branch Channel & Straws Improvements Project (WBS No. N-T17000-0018-3 located in Houston, Texas, and does hereby release any mechanic's lien or bond right that undersigned has on the above referenced project to the following extent. This release covers a progress payment for labor, services, equipment or material furnished to the Memorial City Redevelopment Authority/TIRZ 17 through August 31, 2019 only, and does not cover any retention if any labor, services, equipment or materials furnished after that date. The undersigned warrants that all undisputed amounts due to its equipment lessors, suppliers, subcontractors, labor, insurance and taxes applicable to this work have been paid in full through the date set forth and hold the Memorial City Redevelopment Authority/TIRZ 17 against any loss arising from the nonpayment thereof.



(Signature of Contractor's Representative)

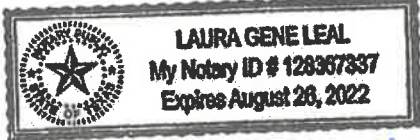
Daniel Bonilla Jr

(Print or Type Name of Contractor's Representative)

SWORN TO AND SUBSCRIBED before me on:

10/01/2019

Date





Notary Public in and for the State of Texas

My Commission Expires: 08/26/2022

Expiration Date

Laura G. Leal

Print or Type Name of Notary Public

Owner:
Memorial City Redevelopment Authority
8610 Long Point Road, 8th 150
Houston, Texas 77085

Contractor:
Royce Construction Resources, Inc
1901 Hollister St
Houston, Texas 77088

Project: Btar Branch (W140-01-00) Channel & Straw Improvements
TIRE 17' CIP No. 1-1734 & 1-1734B

WBS No. W17000-00183
TIRE 17' CIP No. 1-1734 & 1-1734B

Today's Date: 10/16/2019
Pay Period: 09/15 to 09/30
Pay Estimate No. 010
Rain Days This Month 4

Item	Item Description	Unit	Est. Unit Quantity	Unit Price	Contract Amount	Previous Quantity	This Month Quantities	To Date Quantities	This Month Billing	Total Amount Billed	% Complete
1.0	Mobilization	LS	1	\$600,000.00	\$600,000.00	1.00		1.00	\$	\$	100%
2.0	Portable Changeable Message Sign	EA	176	\$50.00	\$8,800.00	0.00		0.00	\$	\$	0%
3.0	Removable and Salvage Existing Sign	EA	11	\$536.00	\$5,896.00	0.00		0.00	\$	\$	0%
3.1	6-foot ID Sign	EA	3	\$650.00	\$1,950.00	1.00		1.00	\$	\$650.00	100%
3.2	12-foot ID Sign	EA	25	\$910.00	\$22,750.00	0.00		0.00	\$	\$	0%
3.3	Placement of Permanent Sign	EA	4	\$150.00	\$600.00	0.00		0.00	\$	\$	0%
4.0	Remove Existing Permanent Markings	EA	4	\$17,000.00	\$70,000.00	2.00		2.00	\$	\$	0%
5.0	Traffic Control and Regulation	LF	500	\$32.00	\$16,000.00	260.00		260.00	\$	\$	52%
6.0	Install Precast Concrete Traffic Barrier	LF	3000	\$24,000.00	\$72,000.00	0.00		0.00	\$	\$	0%
7.0	Rebate Precast Concrete Traffic Barrier	LF	500	\$12.00	\$6,000.00	0.00		0.00	\$	\$	0%
7.1	Remove and Replaces Field Cushions	LF	500	\$6,000.00	\$6,000.00	0.00		0.00	\$	\$	0%
8.0	Flagman	LS	2	\$4,500.00	\$9,000.00	0.00		0.00	\$	\$	0%
9.0	Trees and Plant Protection	EA	4	\$13,500.00	\$54,000.00	2.00		2.00	\$	\$	50%
10.0	Install Protection Barrier (State 1 & II)	EA	4	\$50,000.00	\$200,000.00	3.00		3.00	\$	\$	75%
11.0	Reinforced Fiber Fabric Barrier	EA	93	\$60.00	\$5,580.00	18.00		18.00	\$	\$	19%
12.0	Stabilized Construction Belt	LF	12000	\$1.50	\$18,000.00	6232.00		6232.00	\$	\$	52%
13.0	Rock Filter Dams-Type 3	SV	144	\$5,760.00	\$8,288.00	133.00		133.00	\$	\$	92%
14.0	Groundwater Control for Open-Cut Construction	LF	35	\$55.00	\$1,925.00	0.00		0.00	\$	\$	0%
15.0	Site Restoration	LF	8727	\$1.00	\$8,727.00	0.00		0.00	\$	\$	0%
16.0	Adjust existing manhole frame and cover to new grade	EA	11	\$1,400.00	\$15,400.00	0.00		0.00	\$	\$	0%
17.0	Adjust existing valve box to new grade	EA	9	\$470.00	\$4,230.00	0.00		0.00	\$	\$	0%
18.0	Clearing and Grubbing	AC	6	\$15,000.00	\$90,000.00	0.00		0.00	\$	\$	0%
19.0	Trench Safety System for Trench Excavations	AC	20183	\$6.00	\$1,210,980.00	14791.00	1.00	14791.00	\$	\$	80%
20.0	Hydro Mulch Seeding	AC	4	\$1,500.00	\$6,000.00	0.00		0.00	\$	\$	0%
21.0	Seeding	SV	7800	\$5.00	\$39,000.00	0.00		0.00	\$	\$	0%
Storm Items					\$1,289,725.00				\$	\$	75%
22.0	Remove and Dispose Manholes all sizes/depth	EA	3	\$1,000.00	\$3,000.00	4.00		4.00	\$	\$	133%
23.0	Remove and Dispose Inlets all sizes/depth	EA	30	\$750.00	\$22,500.00	0.00		0.00	\$	\$	0%
24.0	Remove and Dispose Storm Pipe 12-inch diameter	LF	35	\$245.00	\$8,575.00	0.00		0.00	\$	\$	0%
25.0	Remove and Dispose Storm Pipe 15-inch diameter	LF	82	\$43.00	\$3,526.00	0.00		0.00	\$	\$	0%
26.0	Remove and Dispose Storm Pipe 18-inch diameter	LF	133	\$4.00	\$532.00	0.00		0.00	\$	\$	0%
27.0	Remove and Dispose Storm Pipe 24-inch diameter	LF	301	\$6.00	\$1,806.00	0.00		0.00	\$	\$	0%
28.0	Remove and Dispose Storm Pipe 30-inch diameter	LF	61	\$34.00	\$2,074.00	116.00		116.00	\$	\$	191%
29.0	Remove and Dispose Storm Pipe 36-inch diameter	LF	119	\$49.50	\$5,890.50	20.00		20.00	\$	\$	17%
30.0	Remove and Dispose Storm Pipe 48-inch diameter	LF	71	\$70.00	\$4,970.00	168.00		168.00	\$	\$	237%
31.0	Remove and Dispose Storm Pipe 72-inch diameter	LF	293	\$40.00	\$11,720.00	212.00		212.00	\$	\$	72%
32.0	Remove and Dispose Storm Pipe 84-inch diameter	LF	36	\$260.00	\$9,360.00	0.00		0.00	\$	\$	0%
33.0	Plug & Abandon 18-inch Storm Sewer	LF	36	\$23.00	\$828.00	0.00		0.00	\$	\$	0%
34.0	Plug & Abandon 24-inch Storm Sewer	LF	3	\$55.00	\$165.00	0.00		0.00	\$	\$	0%
35.0	Plug & Abandon 36-inch Storm Sewer	LF	3	\$38.00	\$114.00	0.00		0.00	\$	\$	0%
36.0	Clean and CCTV Existing Storm Sewer	LF	377	\$5,200.00	\$1,960,400.00	0.00		0.00	\$	\$	0%
37.0	Type C manhole for 42-inch diameter and smaller sewers w/rim	EA	180	\$11.00	\$1,980.00	0.00		0.00	\$	\$	0%
38.0	Type C manhole for 48-inch to 72-inch diameter storm sewers w/rim	EA	25	\$8,000.00	\$200,000.00	0.00		0.00	\$	\$	0%
39.0	Manhole Riser for Box Sewer w/rim	EA	23	\$7,200.00	\$165,600.00	1.00		1.00	\$	\$	4%
40.0	Manhole Riser for Concrete Box Sewers with 50.5 inch cover	EA	31	\$1,600.00	\$49,600.00	0.00		0.00	\$	\$	0%
41.0	Manhole Risers for Concrete Box Sewers with 50.5 inch cover	EA	36	\$1,000.00	\$36,000.00	0.00		0.00	\$	\$	0%
42.1	Yard Drains and all work associated with modifying, restoring, and extending them	LF	2000	\$14.00	\$28,000.00	0.00		0.00	\$	\$	0%
43.0	24-inch Diameter RCP Storm Sewer by open cut	LF	409	\$205.00	\$83,845.00	262.00		262.00	\$	\$	64%
44.0	30-inch Diameter RCP Storm Sewer by open cut	LF	25	\$560.00	\$14,000.00	12.00		12.00	\$	\$	48%
45.0	36-inch Diameter RCP Storm Sewer by open cut	LF	290	\$55,660.00	\$16,140,600.00	86.00		86.00	\$	\$	30%
46.0	42-inch Diameter RCP Storm Sewer by open cut	LF	29	\$640.00	\$18,560.00	0.00		0.00	\$	\$	0%
47.0	48-inch Diameter RCP Storm Sewer by open cut	LF	25	\$21,500.00	\$537,500.00	0.00		0.00	\$	\$	0%
Subtotal (Contract Amount)					\$4,894,000.00				\$	\$	75%
Subtotal (Contract Billing)					\$3,249,000.00				\$	\$	66%

WBS No. H-17100-001-S-5
TH2.17 CIP No. 1-1734 & 1-1744B

Project: Briar Branch (W140-01-00) Channel & Straw Improvements

Owner: Memorial City Redevelopment Authority
9810 Long Point Road, Ste 180
Houston, Texas 77065

Contractor: Rorkes Construction Resources, Inc.
1801 Hollister St.
Houston, Texas 77060

Today's Date: 10/12/2019
Pay Period: 09/04 to 09/30
Pay Estimate No: 010
Rain Days This Month: 4

Item	Item Description	LOM	Est Unit	Unit Price	Contract Amount	Previous Quantities	This Month Quantities	To Date Quantities	This Month Billing	Total Amount Billed	% Complete
98.0	Saw Cutting		373	\$26.00	\$7,460.00	27.00				\$ 0.00	0%
97.0	Concrete Driveway, Included Excavation 6'-inch thick (flex)	SF	8180	\$7.50	\$61,350.00	4487.68	618.83	5925.14	\$ 5,738.74	\$ 5,738.74	7%
99.0	6-inch Concrete Curb	SF	4812	\$4.00	\$19,248.00	1840.00		1840.00	\$ 0.00	\$ 6,370.00	33%
100.0	Concrete Pavement Header	SF	367	\$12.00	\$4,404.00	61.00		61.00	\$ 0.00	\$ 44.00	2%
101.0	Curb Rims	SF	291	\$11.60	\$3,375.60	0.00		0.00	\$ 0.00	\$ 0.00	0%
102.0	Sidewalk 4-1/2-inch thick	SF	1512	\$9.00	\$13,608.00	0.00		0.00	\$ 0.00	\$ 0.00	0%
102.0	Pay Restairs and Replacement with Base material/ Asphalt Surface	SY	454	\$120.00	\$54,480.00	0.00		0.00	\$ 18,330.00	\$ 48,150.00	88%
Wastewater Items											
103.0	Remove and Dispose 4-inch diameter Sanitary Sewer	LF	36	\$17.00	\$612.00	0.00		0.00	\$ 0.00	\$ 0.00	0%
104.0	Remove and Dispose 6-inch diameter Sanitary Sewer	LF	22	\$15.00	\$330.00	30.00		30.00	\$ 0.00	\$ 45.00	13%
105.0	Remove and Dispose 8-inch diameter Sanitary Sewer	LF	23	\$17.00	\$391.00	85.00	44.60	129.60	\$ 1,825.00	\$ 3,642.00	400%
107.0	Remove and Dispose 10-inch diameter Sanitary Sewer	LF	110	\$27.00	\$2,970.00	169.00		169.00	\$ 0.00	\$ 4,791.00	148%
108.0	4-inch diameter PVC Sanitary Sewer Pipe, by open-cut	LF	22	\$35.00	\$770.00	0.00		0.00	\$ 0.00	\$ 0.00	0%
109.0	4-inch diameter PVC Sanitary Sewer Pipe, by open-cut with casing	LF	4	\$425.00	\$1,700.00	0.00		0.00	\$ 0.00	\$ 0.00	0%
110.0	6-inch diameter PVC Sanitary Sewer Pipe, by open-cut	LF	4	\$560.00	\$2,240.00	0.00		0.00	\$ 0.00	\$ 0.00	0%
111.0	6-inch diameter PVC Sanitary Sewer Pipe, by open-cut with casing	LF	18	\$860.00	\$15,480.00	0.00		0.00	\$ 0.00	\$ 0.00	0%
112.0	8-inch diameter PVC Sanitary Sewer Pipe, by open-cut	LF	8	\$500.00	\$4,000.00	0.00		0.00	\$ 0.00	\$ 0.00	0%
113.0	8-inch diameter PVC Sanitary Sewer Pipe, by open-cut with casing	LF	144	\$131.00	\$18,864.00	68.00	61.93	129.93	\$ 0.00	\$ 16,400.00	100%
114.0	10-inch diameter PVC Sanitary Sewer Pipe, by open-cut	LF	16	\$140.00	\$2,240.00	0.00		0.00	\$ 0.00	\$ 0.00	0%
115.0	10-inch diameter PVC Sanitary Sewer Pipe, by open-cut with casing	LF	204	\$110.00	\$22,440.00	190.00		190.00	\$ 0.00	\$ 33,380.00	78%
116.0	15-inch diameter PVC Sanitary Sewer Pipe, by open-cut	LF	2	\$950.00	\$1,900.00	0.00		0.00	\$ 0.00	\$ 0.00	0%
117.0	15-inch diameter PVC Sanitary Sewer Pipe, by open-cut with casing	LF	2	\$1,700.00	\$3,400.00	0.00		0.00	\$ 0.00	\$ 0.00	0%
118.0	Point Repair 4-inch diameter Sanitary Sewer	EA	2	\$3,300.00	\$6,600.00	1.00		1.00	\$ 0.00	\$ 3,300.00	50%
120.0	Point Repair 6-inch diameter Sanitary Sewer	EA	4	\$3,000.00	\$12,000.00	0.00		0.00	\$ 0.00	\$ 0.00	0%
121.0	Point Repair 8-inch diameter Sanitary Sewer	EA	8	\$3,000.00	\$24,000.00	0.00		0.00	\$ 0.00	\$ 0.00	0%
122.0	Point Repair 15-inch diameter Sanitary Sewer	EA	2	\$7,800.00	\$15,600.00	0.00		0.00	\$ 0.00	\$ 0.00	0%
122.1	4-foot diameter recessed sanitary sewer manhole	EA	4	\$4,500.00	\$18,000.00	0.00		0.00	\$ 0.00	\$ 0.00	0%
122.2	Construct 4-foot Extra Depth Sanitary Sewer Manhole	WF	3	\$300.00	\$900.00	0.00		0.00	\$ 0.00	\$ 0.00	0%
Water Items											
123.0	Adjust existing meter box to new grade	EA	20	\$60.00	\$1,200.00	0.00		0.00	\$ 0.00	\$ 0.00	0%
124.0	Remove and Dispose 6-inch diameter Water Line	LF	52	\$18.00	\$936.00	0.00		0.00	\$ 0.00	\$ 0.00	0%
125.0	Remove and Dispose 20-inch diameter Water Line	LF	51	\$59.00	\$3,009.00	0.00		0.00	\$ 0.00	\$ 0.00	0%
126.0	Cut, pile, and abandon existing 8-inch diameter Water Line	EA	16	\$49.00	\$784.00	0.00		0.00	\$ 0.00	\$ 0.00	0%
127.0	8-inch diameter Water Line, by Open-cut	LF	258	\$143.00	\$36,894.00	123.00		123.00	\$ 0.00	\$ 7,450.00	20%
128.0	8-inch diameter DIP water line, by open-cut with restrained joints	LF	223	\$259.00	\$57,757.00	386.00		386.00	\$ 0.00	\$ 17,280.00	49%
130.0	20-inch diameter DIP water line, by Open-cut	LF	10	\$160.00	\$1,600.00	0.00		0.00	\$ 0.00	\$ 88,500.00	178%
132.0	20-inch diameter water connection	LF	40	\$80.00	\$3,200.00	0.00		0.00	\$ 0.00	\$ 0.00	0%
132.1	20-inch diameter wet connection	EA	16	\$1,400.00	\$22,400.00	18.00		18.00	\$ 0.00	\$ 27,400.00	160%
132.2	Repair damaged water service line, 4-inch	EA	2	\$3,500.00	\$7,000.00	0.00		0.00	\$ 0.00	\$ 0.00	0%
132.2	Repair damaged water service line, 6-inch	EA	150	\$40.00	\$6,000.00	0.00		0.00	\$ 0.00	\$ 0.00	0%
132.3	Repair damaged water service line, 8-inch	LF	150	\$100.00	\$15,000.00	0.00		0.00	\$ 0.00	\$ 0.00	0%
Pavement Marking Items											
133.0	Raised Pav Markers Type 1 with Two Face Reflective (W1)	EA	3	\$7.00	\$21.00	0.00		0.00	\$ 0.00	\$ 0.00	0%
134.0	Thermolabile Pavement Marking, 4-inch white, Solid	EA	92	\$6.00	\$552.00	0.00		0.00	\$ 0.00	\$ 0.00	0%
135.0	Thermolabile Pavement Marking, 4-inch yellow, Dashed	EA	10	\$4.00	\$40.00	0.00		0.00	\$ 0.00	\$ 0.00	0%
Extra Unit Prices											
136.0	Remove in-place concrete and install	CY	100	\$45.00	\$4,500.00				\$ 0.00	\$ 0.00	0%
137.0	6-inch Over Excavate trench bottom	LF	100	\$15.00	\$1,500.00				\$ 0.00	\$ 0.00	0%

WB5 No. N-1717000-0016-3
 TR2Z 17 CIP No. T-1734 & T-1734B
 Project: Blar Branch (W140-01-00) Channel & Straw Improvements


Owner:
 Memorial City Redevelopment Authority
 8810 Long Point Road, Ste 150
 Houston, Texas 77068

Contractor:
 Reflex Construction Resources, Inc
 1814 Hollister St
 Houston, Texas 77088

Today's Date: 10/12/16
 Pay Period: 09/01 to 09/30
 Pay Estimate No. 010
 Rain Days This Month 4

Item	Item Description	UOM	Est Unit Quantity	Unit Price	Contract Amount	Quantity	Thru Month	Quantities	To Date	Quantities	This Month Billing	Total Amount Billed	% Complete
138.0	Extra Excavation around obstructions	CY	100	\$25.00	\$2,500.00								0%
139.0	Extra Hand Excavation	CY	100	\$35.00	\$3,500.00								0%
140.0	Extra Machine Excavation	CY	50	\$25.00	\$1,250.00								0%
141.0	Extra Placement of Backfill Material	CY	100	\$25.00	\$2,500.00								0%
142.0	Extra Placement of granular fill	CY	100	\$25.00	\$2,500.00								0%
143.0	Extra Cement Stabilized Sand	CY	100	\$30.00	\$3,000.00								0%
144.0	Extra Water Fittings in Place	TON	200	\$40.00	\$8,000.00								0%
145.0	Extra Grade 60 Reinforcing Steel	LB	1000	\$3.50	\$3,500.00								0%
146.0	Extra Class "A" concrete with or without forms (containing rebar)	CY	100	\$65.00	\$6,500.00								0%
146.1	Installation of wooden fence. Complete in place	LF	2500	\$25.00	\$62,500.00								0%
146.2	Installation of chain link fence. Complete in place	LF	1500	\$30.00	\$45,000.00								0%
Cash Allowances													
147.0	City of Houston Permits	LS	1	\$3,000.00	\$3,000.00								0%
148.0	Street Cut Permit	LS	1	\$3,000.00	\$3,000.00								0%
149.0	HCCD Permit	LS	1	\$750.00	\$750.00								0%
150.0	TPDES Permit	LS	1	\$750.00	\$750.00								0%
151.0	Prepared Power Pole and/or street light pole removal/relocation/replacement with re-druck	LS	1	\$300,000.00	\$300,000.00								0%
152.0	Work Change Directives	LS	1	\$2,000,000.00	\$2,000,000.00								0%
152A	Remove 36" RCP & Reinstall with 54" RCP	LF	176	\$300.00	\$52,800.00								0%
152B	Remove 36" RCP & Replace with 36" RCP	LF	60	\$272.00	\$16,320.00								0%
152C	Install 24" RCP	LF	420	\$314.00	\$131,280.00								0%
152E	Adjust BB inlet	EA	2	\$2,400.00	\$4,800.00								0%
152E	Install 8" Diameter Manhole	EA	315	\$11,400.00	\$3,591,000.00								0%
152G	Manhole at 24" leads	EA	2	\$45.00	\$90.00								0%
152H	Remove & Install Wooden Fence	LF	40	\$30.00	\$1,200.00								0%
152I	Remove & Install Chainlink Fence	LF	380	\$35.00	\$13,300.00								0%
152J	Clearing and Grubbing	LS	1	\$2,500.00	\$2,500.00								0%
152K	Traffic Control & Flagging	LS	1	\$4,000.00	\$4,000.00								0%
152L	Manhole Tree Removal at 10015 Lantson	LS	1	\$750.00	\$750.00								0%
152M	Tree Removal at 10023 Lantson St	LS	1	\$1,300.00	\$1,300.00								0%
152N	Temporary Asphalt Along Loop Branch	LS	1	\$8,273.00	\$8,273.00								0%
Subtotal Extra Unit Price \$2,017,000.00													

Overall Totals
 Work Change Directive Budget \$16,784,967.00
 Work Change Directive Completed To Date \$2,000,000.00
 Remaining Work Change Directive Budget \$14,784,967.00

Contractor:  Date: 10/14/16

Owner: _____ Date: _____

Sub Total \$11,117,256.74
 Retainage 5% \$ 667,638.05
 Amount due this Estimate \$1,665,966.2

Less Total Previous Payment \$11,117,256.74
 Amount due this Estimate \$1,665,966.2

Reytec Project No. 2203

Deviated Plan

Project Name: 2203: Briar Branch (W140-01-00)Channel & Straws Improvement
 Contract Amount: \$18,794,957.00
 Work Progress: 72% complete
 Pay Estimate Number: 10
 Pay Period: 9/1/2019 to 09/30/2019

Overall Goal:

Contracted:	18.00%	\$	3,383,092.26
Current:	11.26%	\$	2,117,478.56
	-6.74%	\$	(1,265,613.70)

double check Overall Goal

MWSBE Goal:

WBE Goal:

MBE Goal:

Contracted:	10.00%	\$	1,879,495.70
Current:	3.53%	\$	664,679.04
	-6.47%	\$	(1,311,904.96)

Contracted:	8.00%	\$	1,503,596.56
Current:	7.73%	\$	1,452,799.52
	-0.27%	\$	(52,538.83)

Individual Goal:

Moran Construction (MBE)

Contracted:	6.11%	\$	1,148,371.87
Current:	0.53%	\$	99,678.11
	-5.58%	\$	(-1,048,693.76)

Access Data (WBE)

Contracted:	8.00%	\$	1,503,596.56
Current:	7.73%	\$	1,452,799.52
	-0.27%	\$	(52,538.83)

Ecung (MBE)

Contracted:	0.36%	\$	67,661.85
Current:	0.08%	\$	15,225.00
	-0.28%	\$	(52,436.85)

Rosales Trucking (MBE)

Contracted:	2.50%	\$	469,873.93
Current:	2.40%	\$	450,540.34
	-0.10%	\$	(19,333.59)

Fabco (MBE)

Contracted:	1.00%	\$	187,949.57
Current:	0.52%	\$	99,235.59
	-0.48%	\$	(88,713.98)



**Lockwood, Andrews
& Newnam, Inc.**
A LEO A DALY COMPANY

Memorial City Redevelopment Authority - TIRZ 17
One-Page Monthly Consultant Report

October 2019

Project Number: 120-11972-000
Memorial Drive Improvements

Ongoing Activities:

Item	Description
1	Working on 95% design submittal – Due November 2019
2	Working on Property Acquisition process
3	Working with TxDOT on Utility Coordination/Environmental efforts
4	Working with City on required design variances



HOUSTON:
3200 Travis Street
Suite 200
Houston, TX 77006
(713) 951-7951

THEGOODMANCORP.COM

AUSTIN:
911 W. Anderson Lane
Suite 200
Austin, TX 78757
(512) 236-8002

PROGRESS REPORT

To: Scott Bean
From: Jim Webb
Date: October 1, 2019
Re: Memorial City Redevelopment Authority Continued Implementation Assistance (MCT103) –
September 2019

Task	Previous % Complete	Current % Complete
1 – North Gessner Project Implementation Assistance Comment: Task complete.	100%	100%
2 – Memorial Drive Project Implementation Assistance Comment: Coordination with TxDOT and project team related to minor ROW acquisition (corner clips), and the decision by TxDOT to classify the project as a categorical exclusion.	92%	94%



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AUSTIN:
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(512) 236-8002

PROGRESS REPORT

To: Scott Bean, Executive Director
From: Stephanie Kirschner
Date: October 1, 2019
Re: Environmental Studies for Categorical Exclusion Memorial Drive (Beltway 8 to Tallowood Road) (MCT102) – September 2019

Task	Previous % Complete	Current % Complete
1 – Purpose and Need Comment: Task is complete.	100%	100%
2 – Alternative Analysis Comment: No activity.	15%	15%
3.1 – Socioeconomic Analysis Comment: Task is complete.	100%	100%
3.2 – Water Quality Conditions Comment: Task is complete.	100%	100%
3.3 – Plant Communities and Wildlife Habitat Comment: Task is complete.	100%	100%
3.4 – Waters and Wetlands Identification Comment: No activity.	95%	95%
3.5 – Air Quality Assessment Comment: No activity.	70%	70%
3.6 – Floodplains Assessment Comment: Task is complete.	100%	100%
3.7 – Cultural Resource Identification	35%	35%

Comment:
No activity.

3.7a – Historical Resource Analysis **0%** **0%**

Comment:
No activity.

3.8 – Hazardous Materials **100%** **100%**

Comment: Task is complete.

3.9 – Historical Resource Identification **5%** **5%**

Comment:
No activity.

3.9A – Indirect Impacts Assessment **95%** **100%**

Comment:
Coordination with TxDOT on impacts/mitigation for comments matrix

3.10 – Cumulative Impacts Assessment **95%** **95%**

Comment:
No activity.

4 – Draft and Final EA **35%** **35%**

Comment:
No activity.

SWA Houston

1245 W 18th Street
Houston, Texas
77008
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PROJECT STATUS REPORT BY SWA

SCOPE: LANDSCAPE ARCHITECTURE FOR MEMORIAL CITY
REDEVELOPMENT AUTHORITY
PROJECTS: TIRZ #17 CIP
DATE: 29 October 2019

CURRENT PROJECTS STATUS

1. N. GESSNER DRAINAGE AND MOBILITY IMPRVTS – PH 1 (T-1732A) (SWA WO#12)
 - SWA has finalized post-100% / bid-ready design of the streetscape with Gauge Engineering, TXDOT, METRO, CenterPoint as well as with the partnering management districts (Memorial Management and Spring Branch Management Districts) and key property owners and other agencies. The next phase of work will be Construction Administration (CA) services.
2. MEMORIAL DRIVE DRAINAGE AND MOBILITY IMPROVEMENTS - (T1731B)(SWA WO#13)
 - SWA is coordinating design review of the 90% design and preparing the 95% submittal in mid-November of the streetscape package in conjunction with TXDOT and LAN, as well as the Memorial Management District and local property owners.
3. ON-CALL (SWA WO#15)
 - SWA is working with area stakeholders (TIRZ 17, City of Houston, TXDOT, Memorial Management District, H-GAC) on the Beltway 8 Pathway connecting Buffalo Bayou and Memorial Drive. Phase One of the project by TXDOT is complete and work on amenity design and installation on-going. (also see SWA WO#17 below). (Project paused at Client's request).
4. TOWN & COUNTRY WEST DRAINAGE AND MOBILITY IMPRVTS (T-1717) (SWA WO#16)
 - Project is complete.
5. ON-CALL BELTWAY 8 TXDOT ENHANCE SIDEWALK (SWA WO#17)
 - SWA has prepared design documents to construct the landscape amenities to complement the sidewalk installation by TXDOT and is coordinating these with TxDOT. (Project paused at Client's request).

6. W140 MAINTENANCE ACCESS LAYOUT (SWA WO#18)

- SWA is preparing design documents for access improvements associated with the W140 in coordination with Gauge Engineering. (Project paused at Client's request).

END OF REPORT