

HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY

JOINT MEETING OF THE BOARDS OF DIRECTORS

May 9, 2016

**REINVESTMENT ZONE NUMBER TWENTY-ONE,
CITY OF HOUSTON, TEXAS
(HARDY/NEAR NORTHSIDE ZONE)**

HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY

AND

REINVESTMENT ZONE NUMBER TWENTY-ONE, CITY OF HOUSTON, TEXAS
NOTICE OF JOINT MEETING

TO: THE BOARD OF DIRECTORS OF THE HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY AND REINVESTMENT ZONE NUMBER TWENTY-ONE, CITY OF HOUSTON, TEXAS, AND TO ALL OTHER INTERESTED PERSONS:

Notice is hereby given that the Board of Directors of the Hardy/Near Northside Redevelopment Authority (the "Authority") will hold a joint meeting with the Board of Directors of the Reinvestment Zone Number Twenty-One, City of Houston, Texas (the "Zone") to be held on **Monday, May 9, 2016, at 4:00 p.m., at 218 Joyce Street, Houston, Texas, 77009**, open to the public, to consider, discuss and adopt such orders, resolutions or motions, and take other direct or indirect actions as may be necessary, convenient, or desirable with respect to the following matters:

1. Minutes of the previous meetings.
2. Presentations, reports, or updates from the Directors, consultants, City of Houston Staff, or others regarding development in the Authority and the Zone and implementation of Project Plan and Reinvestment Zone Financing Plan.
3. Engage auditor to conduct annual audit for fiscal year-end June 30, 2016.
4. Bookkeeper's Report, including:
 - a. payment of invoices.
5. Budget for Fiscal Year-End 2017 and Capital Improvements Plan for Fiscal Years 2017-2021.
6. Projects Report:
 - a. Agreement with Houston Parks Board--pedestrian pathways/hike and bike project.
 - b. Contract for Hardy Yards Improvements project Phases 1 and 2.
 - i. Contractor Pay Requests;
 - ii. Change Orders; and
 - iii. Report from Tifworks, LLC.
7. Capital improvements plan, economic development projects and Zone boundary extensions:
 - a. Resolution Adopting Third Amended Project Plan.
8. Executive Session – the Authority:
 - a. confer with legal counsel, Open Meetings Act, V.T.C.A., Government Code § 551.071;
 - b. purchase, exchange, lease or value of real property, Open Meetings Act, V.T.C.A., Government Code § 551.072; and
 - c. economic development negotiations, Open Meetings Act, V.T.C.A., Government Code § 551.087.
9. Executive Session – the Zone:
 - a. confer with legal counsel, Open Meetings Act, V.T.C.A., Government Code § 551.071;
 - b. purchase exchange, lease or value of real property, Open Meetings Act, V.T.C.A., Government Code § 551.072; and
 - c. economic development negotiations, Open Meetings Act, V.T.C.A., Government Code § 551.087.
10. Public comments.



Clark Stockton Lord
Attorney for the Authority and the Zone

MINUTES OF REGULAR MEETING

OF

HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY

April 11, 2016

The Board of Directors (the "Board") of Hardy/Near Northside Redevelopment Authority (the "Authority") convened in regular session, open to the public, at 218 Joyce Street, Houston, Texas, 77009, on the 11th day of April 2016, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Edward Reyes	Chair/Assistant Secretary
Lloyd Burke	Vice Chair/Investment Officer
Sylvia Cavazos	Secretary
Richard Cantu	Assistant Secretary
Fernando Zamarripa	Assistant Secretary

and all of said persons were present except Directors Burke and Cantu, thus constituting a quorum.

Also present were: Clark Lord and Debbie Russell of Bracewell & Giuliani, LLP; Steven Eligio of Bentley, Bratcher & Associates, P.C.; Ralph De Leon of TIF Works; Steven David of the City of Houston; Ken Belanger of CRV Hardy Yards; David Koret of HBS Warehouse; and Rebecca Reyna of Greater Northside Management District.

DETERMINE QUORUM; CALL TO ORDER

Director Reyes noted that a quorum was present and called the meeting to order.

MINUTES OF PREVIOUS MEETINGS

The Board considered approval of the minutes of February 8, 2016. Following discussion, upon a motion made by Director Zamarripa and seconded by Director Cavazos, the Board voted unanimously to approve the minutes of February 8, 2016.

BOOKKEEPER'S REPORT

Mr. Eligio then presented the bookkeeper's report and invoices submitted for payment to the Board for review and approval. A copy of the bookkeeper's report is attached to these minutes.

Following discussion on the bookkeeper's report and the invoices submitted for payment, upon a motion made by Director Cavazos and seconded by Director Zamarripa, the Board voted unanimously to approve the bookkeeper's report and the invoices submitted for payment.

AGREEMENT WITH HOUSTON PARKS BOARD

Mr. Lord reported on meeting about the proposed agreement with the Houston Parks Board. He stated that HPB does not want to take any action that would interfere with the TIGER Grant. The Board took no action on the matter.

CONTRACT FOR HARDY YARDS IMPROVEMENTS

The Board next discussed the contract for the Hardy Yards Improvements including the pay estimates and change orders for same. Mr. Lord informed the Board that Grantworks has reviewed all of the pay estimates and change orders and certified that everything has been performed in accordance with the requirements of the GLO and the City. He then presented a Resolution Authorizing Draw 7 on City of Houston/GLO Grant Proceeds. After review and discussion, Director Cavazos moved that the Board adopt the Resolution as presented, approve the pay estimates and change orders as presented and approve the draw on the contract for the Hardy Yards Improvements. Director Zamarripa seconded the motion and it carried by unanimous vote.

Mr. Koret addressed the Board regarding the driveway to one of the warehouses that he manages. He stated that during the construction of the Hardy Yards Improvements, the driveway was curbed over. Mr. Koret requested that the driveway be restored to the condition as it was originally. Mr. Lord stated that retainage is available under the contract. The Board requested that the developer work with Mr. Koret to address the restoration of the driveway.

Mr. Belanger reported that the City has accepted all of the Hardy Yards Improvements. The Board acknowledged the City's acceptance.

CAPITAL IMPROVEMENTS PLAN, ECONOMIC DEVELOPMENT PROJECTS AND BOUNDARY EXTENSIONS

Mr. Lord reported that because of the change in City administration, the proposed Project Plan Amendment has been delayed. The Board then discussed areas that might be included in any future annexation. The Board took no action on the matter.

Mr. Belanger reported that the City requested that the developer restore a historic sign on the tunnel entrance which has been done. He stated that because the tunnel is currently undergoing renovations, that the sign needs to be stored temporarily. Director Reyes stated that he would work with the developer on storage of the sign.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTIONS 551.087, CHAPTER 551, TEXAS GOVERNMENT CODE

The Board did not go into executive session.

There being no further business to come before the Board, the meeting was adjourned.

Secretary

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MINUTES OF REGULAR MEETING

OF

REINVESTMENT ZONE NUMBER TWENTY-ONE, CITY OF HOUSTON

April 11, 2016

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Secretary

McCALL GIBSON SWEDLUND BARFOOT PLLC

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May 9, 2016

Board of Directors
Hardy/Near Northside
Redevelopment Authority
City of Houston, Texas

We are pleased to confirm our understanding of the services we are to provide Hardy/Near Northside Redevelopment Authority (the "Authority") for the year ended June 30, 2016. We will audit the financial statements of the governmental activities and each major fund, including the related notes to the financial statements, which collectively comprise the basic financial statements of the Authority as of and for the year ended June 30, 2016. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Authority's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Authority's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis, and
- 2) Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund

We have also been engaged to report on supplementary information other than RSI that accompanies the Authority's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and we will provide an opinion on it in relation to the financial statements as a whole except for that portion marked "unaudited", on which we will express no opinion:

- 1) Schedule of expenditures of federal awards, and
- 2) Other Supplementary Information, including supplementary information required by the City of Houston, Texas

Audit Objective

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control over financial reporting and compliance with the provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Board of Directors of the Authority. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements or the single audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

Audit Procedures – General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditor's is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures – Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

Audit Procedures – Internal Control (Continued)

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Authority's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the Authority has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Authority's major programs. The purpose of these procedures will be to express an opinion on the Authority's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in the preparation of the schedule of expenditures of federal awards and related notes in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

Management Responsibilities

Management is responsible for (1) establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. general accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreement (including award agreements).

Management Responsibilities (Continued)

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Authority involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Authority received in communications from employees, former employees, consultants, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Authority complies with applicable laws, regulations, contracts, agreements and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that include our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

Management Responsibilities (Continued)

You are responsible for the preparation of the supplementary information in conformity with the City's requirements. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with the City's requirements, (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with the City's requirements, (3) that the methods of measurement or presentation have not changed from those used in the prior period, and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the schedule of expenditures of federal awards, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the schedule of expenditures of federal awards and related notes and that you have reviewed and approved the schedule of expenditures of federal awards and related notes prior to their issuance and have acceptable responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

With regard to using the auditor's report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Engagement Administration, Fees and Other

In accordance with the Tri-Party Agreement, the Authority will not pay any consultant for services that are determined to be an ineligible Project Cost under the TIRZ Act and the consultant shall repay the Authority for any payment made by the Authority to the consultant that is determined to be an ineligible Project Cost.

Engagement Administration, Fees and Other (Continued)

We are aware of the City of Houston's requirement to have the audit completed by September 30, 2016, and barring any unforeseen circumstances every effort will be made to comply with this requirement

In accordance with provisions of the Local Records Retention Schedule Section 2-1: Item 1025-01(e) we agree to retain our audit work papers in our office for a period of three years after all questions arising from the audit have been resolved. In order to allow for all questions arising from the audit to be resolved and to comply with Rule 501.76(f) of the Rules of Professional Conduct of the Texas State Board of Public Accountancy the actual date will be the five-year anniversary of the audit report in question.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period.

The audit documentation for this engagement is the property of McCall Gibson Swedlund Barfoot PLLC and constitutes confidential information. Workpapers that support balances within the financial statements that are needed by the Authority or its consultants will be provided. We can be compelled to provide information under legal process. In addition, we may be requested by regulatory or enforcement bodies to make certain workpapers available to them pursuant to authority granted by law or regulation. You agree that we have no legal responsibility to you in the event we provide such documents or information.

We expect to present a draft of the audit report within 45 days of the availability of the Authority's accounting records. Chris Swedlund is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign the report. The following is an estimate of our fees for the services included in this engagement letter. These fees do not include out-of-pocket costs (such as report production, postage, travel, copies, etc.) that may be billed separately.

- Audit of the Authority's financial statements as of and for the year ended June 30, 2016, to range between \$6,500 and \$7,500.
- Single Audit for the fiscal year ended June 30, 2016, to range between \$2,000 and \$4,000.

Not included in the fees above are out-of-pocket costs such as printing, postage, and other charges incidental to the completion of our audit. These additional costs will be minimal. If for any reason our services are terminated prior to issuance of a final report, our engagement will be deemed to have been completed, even if we have not completed our report. The Authority will be obligated to compensate us for our time expended through the date of termination. The above fee is based on anticipated cooperation from your consultants and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Engagement Administration, Fees and Other (Continued)

You agree that any dispute regarding this engagement will, prior to resorting to litigation, be submitted to mediation upon written request by either party. Both parties agree to try in good faith to settle the dispute in mediation. The American Arbitration Association will administer any such mediation in accordance with its Commercial Mediation Rules. The results of the mediation proceeding shall be binding only if each of us agrees to be bound. We will share any costs of mediation proceedings equally.

We believe this letter accurately summarizes the significant terms of the engagement. If you have any questions, please let us know. If you agree with the terms of the engagement as described in this letter, please sign the enclosed copy and return it to us. We appreciate the confidence you have placed in us by retaining this firm as your independent auditor in this matter.

Sincerely,

McCall Gibson Swedlund Barfoot PLLC

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants

This letter correctly sets forth the understanding of Hardy/Near Northside Redevelopment Authority.

_____	_____	_____
Signature	Title	Date
_____	_____	
	Date	
Mayor's Office of Economic Development		

HARDY/NEAR NORTHSIDE TIRZ # 21
Balance Sheet
As of May 9, 2016

	<u>May 9, 16</u>
ASSETS	
Current Assets	
Checking/Savings	
BANK OF AMERICA	301,476.26
TEX POOL AC 7932300001	<u>653,506.84</u>
Total Checking/Savings	<u>954,983.10</u>
Total Current Assets	954,983.10
Fixed Assets	
CIP - Hardy Yards Phase 1 Imp.	8,458,809.28
Devel. Cost - Hike and Bike Tr	<u>123,022.07</u>
Total Fixed Assets	<u>8,581,831.35</u>
TOTAL ASSETS	<u><u>9,536,814.45</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	<u>3,685.22</u>
Total Current Liabilities	<u>3,685.22</u>
Total Liabilities	3,685.22
Equity	
*Fund Balance	7,677,155.23
Net Income	<u>1,855,974.00</u>
Total Equity	<u>9,533,129.23</u>
TOTAL LIABILITIES & EQUITY	<u><u>9,536,814.45</u></u>

HARDY/NEAR NORTHSIDE TIRZ # 21
Profit Loss Budget vs. Actual
 July 1, 2015 through May 9, 2016

	Actual	Budget		
	July 1, 2015 - May 9, 2016	July 1, 2015 - May 9, 2016	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Grant Income - Construction	1,908,345.57	7,093,238.00	-5,184,892.43	26.9%
Interest on TexPool	1,003.62	162.00	841.62	619.52%
Interest on TIRZ revenue	0.00	170.00	-170.00	0.0%
Tax increments	0.00	185,329.00	-185,329.00	0.0%
Total Income	<u>1,909,349.19</u>	<u>7,278,899.00</u>	<u>-5,369,549.81</u>	<u>26.23%</u>
Gross Profit	1,909,349.19	7,278,899.00	-5,369,549.81	26.23%
Expense				
Program and Project Consultants				
Legal Consultants				
General Counsel Representation	6,503.34	25,000.00	-18,496.66	26.01%
Total Legal Consultants	<u>6,503.34</u>	<u>25,000.00</u>	<u>-18,496.66</u>	<u>26.01%</u>
Other Consultants	2,869.09	0.00	2,869.09	100.0%
Total Program and Project Consultants	<u>9,372.43</u>	<u>25,000.00</u>	<u>-15,627.57</u>	<u>37.49%</u>
TIRZ Administration Overhead				
Accounting Services	15,046.00	10,000.00	5,046.00	150.46%
Administrative Services	17,945.63	15,000.00	2,945.63	119.64%
Audit Services	10,000.00	8,000.00	2,000.00	125.0%
Bank Charges	134.01	0.00	134.01	100.0%
Insurance - Liability	877.12	800.00	77.12	109.64%
Office Expense	0.00	75.00	-75.00	0.0%
Total TIRZ Administration Overhead	<u>44,002.76</u>	<u>33,875.00</u>	<u>10,127.76</u>	<u>129.9%</u>
Property Improvements	0.00	12,368,600.00	-12,368,600.00	0.0%
Total Expense	<u>53,375.19</u>	<u>12,427,475.00</u>	<u>-12,374,099.81</u>	<u>0.43%</u>
Net Ordinary Income	<u>1,855,974.00</u>	<u>-5,148,576.00</u>	<u>7,004,550.00</u>	<u>-36.05%</u>
Net Income	<u>1,855,974.00</u>	<u>-5,148,576.00</u>	<u>7,004,550.00</u>	<u>-36.05%</u>

HARDY/NEAR NORTHSIDE TIRZ #21

Profit & Loss Detail

July 1, 2015 through May 9, 2016

Type	Date	Num	Memo	Paid Amount
Ordinary Income/Expense				
Income				
Grant Income - Construction				
Deposit	11/10/2015		Grant income received to reimburse Cypress Advisors for payment of construction expenses requested on Draw #5	1,080,941.09
Deposit	01/14/2016		Deposit from City of Houston	29,882.15
Deposit	02/05/2016		Grant income received to reimburse Cypress Advisors for payment of construction expenses requested on Draw #6	797,522.33
Total Grant Income - Construction				1,908,345.57
Interest on TexPool				
Deposit	07/31/2015		July 2015 Interest	34.90
Deposit	08/31/2015		August 2015 Interest	39.67
Deposit	09/30/2015		September 2015 Interest	45.60
Deposit	10/30/2015		October 2015 Interest	53.54
Deposit	11/30/2015		November 2015 Interest	59.22
Deposit	12/31/2015		December 2015 Interest Income	103.29
Deposit	01/31/2016		January 2016 Interest Income	148.24
Deposit	02/29/2016		February 2016 Interest Income	156.17
Deposit	03/31/2016		March 2016 Interest Income	181.53
Deposit	04/30/2016		April 2016 Interest Income	181.46
Total Interest on TexPool				1,003.62
Total Income				1,909,349.19
Gross Profit				1,909,349.19
Expense				
Program and Project Consultants				
Legal Consultants				
General Counsel Representation				
Bill	08/07/2015	21624241	General Counsel through July 31, 2015	360.00
Bill	09/11/2015	21627361	General Counsel through August 31, 2015	1,563.60
Bill	10/06/2015	21629431	General Counsel through September 30, 2015	540.00
Bill	11/04/2015	21631941	General Counsel through October 31, 2015	756.45
Bill	02/04/2016	21640408	General Counsel through January 31, 2016	720.97
Bill	03/03/2016	21642961	Capital Improvements Projects - Telephone conference with R Lybrand regarding tunnel issues.	567.00
Bill	03/04/2016	21642960	General Counsel through February 29, 2016	1,095.32
Bill	04/05/2016	21645523	General Counsel through March 31, 2016	360.00
Bill	04/05/2016	21647613	General Counsel through April 30, 2016	540.00
Total General Counsel Representation				6,503.34
Total Legal Consultants				6,503.34
Other Consultants				
Bill	07/31/2015	2	Attend Jun B.M.; Attend Const. Prog. Mtgs	1,397.39
Bill	10/15/2015	3	Attend Const. Prog. Mtgs; Field reconnaissance	1,471.70
Total Other Consultants				2,869.09
Total Program and Project Consultants				9,372.43

HARDY/NEAR NORTHSIDE TIRZ #21
Profit & Loss Detail
 July 1, 2015 through May 9, 2016

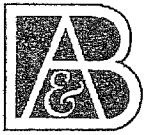
Type	Date	Num	Memo	Paid Amount
TIRZ Administration Overhead				
Accounting Services				
Bill	08/06/2015	13030-001-005	Apr B.M.; Prep for and Attend May B.M.; Apr, May bkkp Prep for and Attend Aug B.M.; Aug & Sep bkkp; Prep draft Fin. Stmt. for FY 2015 audit.	3,707.00
Bill	09/24/2015	13030-001-006	Prep draft Fin. Stmt. for FY 2015 audit; Assist auditors	3,782.00
Bill	10/08/2015	13030-001-007	Prep for Oct. B.M.; Assist auditors with FY 2015 audit.	1,434.00
Bill	10/16/2015	13030-001-008	Oct B.M.; Bank of America PIN	957.00
Bill	11/06/2015	13030-001-009	Prep for subsequently canceled Nov. & Dec. B.M.; Oct & Nov bkkp	531.00
Bill	01/06/2016	13030-001-0010	Prep for and Attend Jan B.M.	825.00
Bill	02/03/2016	13030-001-0011	Prep for and Attend Feb. B.M., January bkkp	725.00
Bill	03/09/2016	13030-001-0012	Prep for March B.M., March bkkp, Draw #6	1,643.00
Bill	04/03/2016	13030-001-0013	Prep for and Attend Apr. B.M., April bkkp	717.00
Bill	05/05/2016	13030-001-014		725.00
Total Accounting Services				15,046.00
Administrative Services				
Bill	08/07/2015	21624027	Meeting Services through July 31, 2015	1,559.82
Bill	09/11/2015	21627317	Meeting Services through August 31, 2015	2,551.56
Bill	10/06/2015	21629434	Meeting Services through September 30, 2015	1,277.98
Bill	11/04/2015	21631932	Meeting Services through October 31, 2015.	2,654.10
Bill	12/03/2015	21635150	Meeting Services through November 30, 2015.	1,170.05
Bill	01/07/2016	21637563	Meeting Services through December 31, 2015.	658.16
Bill	02/04/2016	21640410	Meeting Services through January 31, 2016	2,579.09
Bill	03/03/2016	21642959	Meeting Services through February 29, 2016	2,195.67
Bill	04/05/2016	21645524	Meeting Services through March 31, 2016	878.98
Bill	05/04/2016	21647614	Meeting Services through April 30, 2016	2,420.22
Total Administrative Services				17,945.63
Audit Services				
Bill	11/10/2015	300-20	FYE 06.30.15 Final Audit Billing	7,000.00
Bill	11/10/2015	300-20	FYE 06.30.15 Single Audit Billing	3,000.00
Total Audit Services				10,000.00
Bank Charges				
Check	09/15/2015	ACH	August 2015 Account Analysis Fee	87.41
Check	12/15/2015	ACH	November 2014 Account Analysis Fee	46.60
Total Bank Charges				134.01
Insurance - Liability				
Bill	12/01/2015	6754	2015 - 2016 FY Insurance Premiums	877.12
Total Insurance - Liability				877.12
Total TIRZ Administration Overhead				44,002.76
Total Expense				53,375.19
Net Ordinary Income				1,855,974.00
Net Income				1,855,974.00

HARDY/NEAR NORTHSIDE TIRZ # 21

Unpaid Bills Detail

As of May 9, 2016

	Type	Date	Num	Open Balance	Page(s)
Bentley, Bratcher & Associates, P.C.					
	Bill	05/05/2016	13030-001-014	<u>725.00</u>	6
Total Bentley, Bratcher & Associates, P.C.				725.00	
BRACEWELL & GIULIANI, LLP					
	Bill	05/04/2016	21647613	540.00	7
	Bill	05/04/2016	21647614	<u>2,420.22</u>	8-10
Total BRACEWELL & GIULIANI, LLP				<u>2,960.22</u>	
TOTAL				<u><u>3,685.22</u></u>	



BENTLEY, BRATCHER & ASSOCIATES, P.C.

Certified Public Accountants

Hardy/Near Northside Redevelopment Authority
515 W. Greens Rd., Suite 710
Houston, TX 77067

Invoice Date: May 5, 2016
Invoice Number: 13030-001-014

For professional services rendered through May 1, 2016 in connection with the following:

- ❖ Preparation for April Board meeting
- ❖ Attend April Board meeting
- ❖ Post Board meeting procedures

as well as miscellaneous advice and consultation related thereto

\$ 725

As a reminder, our invoices are due and payable within 30 days from the invoice date, noted above. Interest commences at the rate of 1.5% per month for any portion of a month the invoice is outstanding beyond this time period.

Bracewell LLP
ATTORNEYS AT LAW

P. O. Box 848566
Dallas, TX 75284-8566
713 223-2300
TAX ID 74-1024827

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Hardy/Near Northside Redevelopment Authority
c/o John R. Madsen, Bookkeeper
6750 West Loop South Freeway
Bellaire, TX 77401-4108

May 4, 2016
Invoice: 21647613
B/A: 04674

Our Matter #: 037619.000001 For Services Through April 30, 2016
General Counsel

		Hours	Rate/Hr	Amount	
04/11/16	Prepare for and attend Board meeting	Clark Stockton Lord	1.50	400.00	600.00
		Hours	Rate/Hr	Amount	
	Clark Stockton Lord	1.50	400.00	600.00	
	Total	1.50	400.00	600.00	
	Less Discount				(60.00)
	Total Fees for Professional Services				\$ 540.00
	Fees for Professional Services.....				\$ 540.00
	Total Current Billing for this Matter				\$ 540.00

Bracewell LLP
ATTORNEYS AT LAW

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Dallas, TX 75284-8566
713 223-2300
TAX ID 74-1024827

Page 1

Hardy/Near Northside Redevelopment Authority
c/o John R. Madsen
6750 West Loop South Freeway
Bellaire, Texas 77401-4108

May 4, 2016
Invoice: 21647614
B/A: 04674

Our Matter #: 037619.000003 For Services Through April 30, 2016
Meeting Services

			Hours	Rate/Hr	Amount
04/01/16	Email correspondence from the bookkeeper regarding the wire of draw 6 to Cypress; email to E Wendler of Cypress regarding same	Deborah Russell	0.25	292.50	73.13
04/04/16	Email correspondence with E Phalan of Grantworks regarding the status of a pay request for April; prepare email to the Board transmitting the draft agenda for review	Deborah Russell	0.25	292.50	73.13
04/05/16	Discussions with C Lord regarding meeting matters; prepare the minutes of the Zone	Deborah Russell	0.50	292.50	146.25
04/06/16	Email from E Phalan of Grantworks regarding the pay estimates and change orders for draw no. 6; discussions regarding assembly of the board packets; discussion with C Lord regarding the minutes of the February meeting; email correspondence between the developer and the engineer regarding final acceptance of the construction project; discussion with C Lord regarding same; implement revisions to the agenda; email correspondence from the bookkeeper regarding a deposit from the City of Houston; email correspondence to S David at the City regarding same; prepare the resolution authorizing draw no. 7 on the GLO funds	Deborah Russell	0.75	292.50	219.38
04/07/16	Email from L Burke regarding attendance at the April meeting; prepare email to the Board regarding quorum for the meeting; telephone conference with K Belanger regarding final acceptance of Phase 1 of the Hardy Yards project; prepare email to the City transmitting	Deborah Russell	0.50	292.50	146.25

Bracewell LLP
ATTORNEYS AT LAW

Hardy/Near Northside Redevelopment Authority

May 4, 2016
Invoice: 21647614

			Hours	Rate/Hr	Amount
	the agenda for posting; prepare email to the distribution list transmitting the notice of meeting; email correspondence from R Lybrand regarding draw 7; print documentation for execution at the meeting; discussions regarding preparation of the board packets; email to R De Leon regarding documentation for same; email to S David regarding the draft budget for the meeting				
04/08/16	Review the draft budget for the board; discussion regarding the addition of same to the Board packet	Deborah Russell	0.25	292.50	73.13
04/11/16	Prepare email to the Board regarding quorum for the meeting; email correspondence with R Lybrand regarding execution of documentation for draw 7; travel to and attend the April meeting	Deborah Russell	1.75	292.50	511.88
04/12/16	Telephone conference with R Lybrand of the City regarding follow up from the April meeting; prepare email to R Lybrand transmitting contact information for D Koret; review the statement from TexPool and route for filing; email correspondence with a resident regarding a request for copies of the minutes and Board packet; transmit same	Deborah Russell	0.25	292.50	73.13
04/13/16	Email from E Phalan regarding pay request no. 7; scan same and email as requested; scan the City of Houston Payment Request form and email to R Lybrand	Deborah Russell	0.25	292.50	73.13
04/19/16	Review the TML Summary of Claim Experience Report and route for filing	Deborah Russell	0.25	292.50	73.13
04/26/16	Prepare the minutes of the April Board meeting	Deborah Russell	1.00	292.50	292.50
04/28/16	Email correspondence from L Burke regarding an agenda item for the May meeting	Deborah Russell	0.25	292.50	73.13

Summary of Fees

Bracewell LLP
ATTORNEYS AT LAW

Hardy/Near Northside Redevelopment Authority

May 4, 2016
Invoice: 21647614

	Hours	Rate/Hr	Amount
Deborah Russell	6.25	292.50	1,828.17
Total	6.25	292.50	1,828.17

Total Fees for Professional Services **\$ 1,828.17**

Costs

Reproductions

		Amount
04/08/16	Reproductions EQUITRAC COPIES 3102 pagesBATCH 71HO	465.30
04/12/16	Reproductions EQUITRAC COPIES 845 pagesBATCH 77HO	126.75
	<i>Total: Reproductions</i>	<i>592.05</i>

Fees for Professional Services.....\$ 1,828.17

Costs592.05

Total Current Billing for this Matter **\$ 2,420.22**

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2017 BUDGET PROFILE

Fund Summary
 Fund Name: **Hardy Yards/Near Northside**
 TIRZ: **21**
 Fund Number: **7569/50**

P R O J E C T I V E	Base Year:		2003
	Base Year Taxable Value:	\$	40,313,080
	Projected Taxable Value (TY2016):	\$	92,161,586
	Current Taxable Value (TY2015):	\$	88,616,910
	Acres:		326.1
	Administrator (Contact):		City of Houston
	Contact Number:		(832) 393-0985

N A R R A T I V E	Zone Purpose:
	Tax Increment Reinvestment Zone Number Twenty-One, City of Houston, Texas was created to provide plans and programs needed to reposition a former Union Pacific rail yard site into a mixed-use development consisting of affordable housing and transit oriented mixed-use development through the design and construction of roadways and streets, utility systems, parks, hike and bike trails, mobility improvements, land acquisition and environmental remediation.

P R O J E C T P L A N		Total Plan	Cumulative Expenses (to 6/30/15)	Variance
	Capital Projects:			
Roadway and Sidewalk Improvements	\$	37,692,000	\$ 6,703,368	\$ 30,988,632
Public Utility Improvements		1,929,000	-	1,929,000
Parks, Plazas and Recreational Facilities		1,440,000	-	1,440,000
Land Acquisition		4,820,000	-	4,820,000
		-	-	-
		-	-	-
		-	-	-
		-	-	-
Total Capital Projects	\$	45,881,000	\$ 6,703,368	\$ 39,177,632
Affordable Housing		17,500,000	828,696	16,671,304
School & Education/Cultural Facilities		-	-	-
Financing Costs		1,700,000	-	1,700,000
Zone Creation and Administration		2,200,000	330,703	1,869,297
Total Project Plan	\$	67,281,000	\$ 7,862,767	\$ 59,418,233

D E B T	Additional Financial Data	FY2016 Budget	FY2016 Estimate	FY2017 Budget
	Debt Service			
Principal	\$	-	\$ -	\$ -
Interest	\$	-	\$ -	\$ -
	Balance as of 6/30/15		Projected Balance as of 6/30/16	Projected Balance as of 6/30/17
Year End Outstanding (Principal)				
Bond Debt	\$	-	\$ -	\$ -
Bank Loan	\$	-	\$ -	\$ -
Line of Credit	\$	-	\$ -	\$ -
Developer Agreement	\$	-	\$ -	\$ -
Other	\$	-	\$ -	\$ -

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2017 BUDGET PROFILE

Fund Summary
 Fund Name: Hardy Yards/Near Northside
 TIRZ: 21
 Fund Number: 7569/50

TIRZ Budget Line Items	FY2016 Budget	FY2016 Estimate	FY2017 Budget
RESOURCES			
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Developer Reimbursement	\$ 448,919	\$ -	\$ -
UNRESTRICTED Funds	\$ 385,840	\$ 973,788	\$ 724,668
Beginning Balance	\$ 834,759	\$ 973,788	\$ 724,668
City tax revenue	\$ 300,534	\$ 285,932	\$ 306,914
County tax revenue	\$ -	\$ -	\$ -
ISD tax revenue	\$ -	\$ -	\$ -
ISD tax revenue - Pass Through	\$ -	\$ -	\$ -
Community College tax revenue	\$ -	\$ -	\$ -
Incremental property tax revenue	\$ 300,534	\$ 285,932	\$ 306,914
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Miscellaneous revenue	\$ -	\$ -	\$ -
COH TIRZ interest	\$ 170	\$ 170	\$ 170
Interest Income	\$ 162	\$ 162	\$ 162
Other Interest Income	\$ 332	\$ 332	\$ 332
	\$ -	\$ -	\$ -
Ike Recovery Funds - COH Housing	\$ 7,093,238	\$ 1,378,136	\$ 4,027,518
Grant Proceeds	\$ 7,093,238	\$ 1,378,136	\$ 4,027,518
	\$ -	\$ -	\$ -
Proceeds from Bank Loan	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Contract Revenue Bond Proceeds	\$ -	\$ -	\$ -
TOTAL AVAILABLE RESOURCES	\$ 8,228,863	\$ 2,638,188	\$ 5,059,433

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2017 BUDGET PROFILE

Fund Summary
 Fund Name: Hardy Yards/Near Northside
 TIRZ: 21
 Fund Number: 7569/50

TIRZ Budget Line Items	FY2016 Budget	FY2016 Estimate	FY2017 Budget
EXPENDITURES			
Accounting	\$ 10,000	\$ 8,730	\$ 10,000
Administration Salaries & Benefits	\$ 15,000	\$ 16,560	\$ 15,000
Auditor	\$ 8,000	\$ 6,500	\$ 8,000
Bond Services/Trustee/Financial Advisor	\$ -	\$ -	\$ -
Insurance	\$ 800	\$ 791	\$ 800
Office Administration	\$ 75	\$ -	\$ 75
TIRZ Administration and Overhead	\$ 33,875	\$ 32,581	\$ 33,875
Engineering Consultants	\$ -	\$ -	\$ -
Legal	\$ 25,000	\$ 10,595	\$ 25,000
Construction Audit	\$ -	\$ -	\$ -
Planning Consultants	\$ -	\$ -	\$ -
Program and Project Consultants	\$ 25,000	\$ 10,595	\$ 25,000
Management consulting services	\$ 58,875	\$ 43,176	\$ 58,875
Capital Expenditures (See CIP Schedule)	\$ 382,600	\$ 382,600	\$ -
TIRZ Capital Expenditures	\$ 382,600	\$ 382,600	\$ -
Developer - To Be Determined	\$ 11,986,000	\$ 1,378,136	\$ 4,027,518
Hardy Yards/Cypress Development	\$ -	\$ -	\$ -
Developer / Project Reimbursements	\$ 11,986,000	\$ 1,378,136	\$ 4,027,518
System debt service	\$ -	\$ -	\$ -
TOTAL PROJECT COSTS	\$ 12,427,475	\$ 1,803,912	\$ 4,086,393
Payment/transfer to ISD - educational facilities	\$ -	\$ -	\$ -
Payment/transfer to ISD - educational facilities (Pass Through)	\$ -	\$ -	\$ -
Administration Fees:			
City	\$ 15,027	\$ 14,297	\$ 15,346
County	\$ -	\$ -	\$ -
ISD	\$ -	\$ -	\$ -
HCC	\$ -	\$ -	\$ -
Affordable Housing:			
City	\$ 100,178	\$ 95,311	\$ 102,305
County	\$ -	\$ -	\$ -
ISD to City of Houston	\$ -	\$ -	\$ -
Municipal Services (Payable to COH)	\$ -	\$ -	\$ -
Total Transfers	\$ 115,205	\$ 109,608	\$ 117,651
Total Budget	\$ 12,542,680	\$ 1,913,520	\$ 4,204,044
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Developer Reimbursement	\$ 532,878	\$ -	\$ -
UNRESTRICTED Funds	\$ (4,846,695)	\$ 724,668	\$ 855,389
Ending Fund Balance	\$ (4,313,817)	\$ 724,668	\$ 855,389
Total Budget & Ending Fund Balance	\$ 8,228,863	\$ 2,638,188	\$ 5,059,433

Notes:

Council District	CIP No.	Project	Fiscal Year Planned Appropriations							FY17 - FY21 Total	Cumulative Total (To Date)	
			Through 2015	Projected 2016	2017	2018	2019	2020	2021			
H	T-2101	Pedestrian Pathways/Hike and Bike Trails	\$ 103,634	382,600	-	-	-	-	-	-	-	486,234
Totals			\$ 103,634	\$ 382,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 486,234

* NOTE:

** NOTE:

*** NOTE:

Source of Funds	Fiscal Year Planned Appropriations								Cumulative Total (To Date)
	Through 2015	Projected 2016	2017	2018	2019	2020	2021	FY17 - FY21 Total	
TIRZ Funds	103,634	382,600	-	-	-	-	-	-	486,234
City of Houston	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Project Total	103,634	382,600	-	-	-	-	-	-	486,234

Project:	Pedestrian Pathways/Hike and Bike Trails	City Council District		Key Map:	491	WBS.:	T-2101	
		Location:	H	Geo. Ref.:				
		Served:	H	Neighborhood:	51, 61			
Description:	Pedestrian and Bike Access Trails on Pickney, Gargan and Myrtle between the White Oak Bayou trail system and Main Street.	Operating and Maintenance Costs: (\$ Thousands)						
			2017	2018	2019	2020	2021	Total
Justification:	Increased residential densities along the east and west side of Main Street north of Downtown require better access for pedestrians and bicycles.	Personnel	-	-	-	-	-	\$ -
		Supplies	-	-	-	-	-	\$ -
		Svcs. & Chgs.	-	-	-	-	-	\$ -
		Capital Outlay	-	-	-	-	-	\$ -
		Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		FTEs						

Fiscal Year Planned Expenses

Project Allocation		Projected Expenses thru 6/30/15	2016 Budget	2016 Estimate	2017	2018	2019	2020	2021	FY17 - FY21 Total	Cumulative Total (To Date)
Phase											
1	Planning	-	-	-	-	-	-	-	-	\$ -	\$ -
2	Acquisition	-	-	-	-	-	-	-	-	\$ -	\$ -
3	Design	103,634	-	-	-	-	-	-	-	\$ -	\$ 103,634
4	Construction	-	382,600	382,600	-	-	-	-	-	\$ -	\$ 382,600
5	Equipment	-	-	-	-	-	-	-	-	\$ -	\$ -
6	Close-Out	-	-	-	-	-	-	-	-	\$ -	\$ -
7	Other	-	-	-	-	-	-	-	-	\$ -	\$ -
Other Sub-Total:		-	-	-	-	-	-	-	-	\$ -	\$ -
Total Allocations		\$ 103,634	\$ 382,600	\$ 382,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 486,234
Source of Funds											
TIRZ Funds		103,634	220,289	382,600	-	-	-	-	-	\$ -	\$ 486,234
City of Houston		-	-	-	-	-	-	-	-	\$ -	\$ -
Grant Funds		-	-	-	-	-	-	-	-	\$ -	\$ -
Other		-	-	-	-	-	-	-	-	\$ -	\$ -

TIRZ 21	FY2013 Actual	FY2014 Actual	FY2015 Actual	FY2016 Estimate	FY2017 Budget	FY2018	FY2019
City	\$ 243,941	\$ 264,737	\$ 288,082	\$ 285,932	\$ 306,914	\$ 328,736	\$ 351,431
County	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ISD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ISD - Pass Through	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
INCREMENT REVENUES (1)	\$ 243,941	\$ 264,737	\$ 288,082	\$ 285,932	\$ 306,914	\$ 328,736	\$ 351,431
CITY OF HOUSTON	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GRANT PROCEEDS (5)	\$ -	\$ -	\$ 6,580,346	\$ 1,378,136	\$ 4,027,518	\$ -	\$ -
MISCELLANEOUS REVENUE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
INTEREST INCOME	\$ 1,033	\$ 392	\$ 268	\$ 332	\$ 332	\$ 332	\$ 332
PROCEEDS FROM BANK LOAN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL RESOURCES	\$ 244,974	\$ 265,129	\$ 6,868,696	\$ 1,664,400	\$ 4,334,764	\$ 329,068	\$ 351,763
ISD Education Set-Aside	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ISD Education Set-Aside - Pass Through	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Affordable Housing							
City	\$ 94,871	\$ 112,264	\$ 112,264	\$ 95,311	\$ 102,305	\$ 109,579	\$ 117,144
County	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ISD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative Fees							
City	\$ 7,099	\$ 13,237	\$ 14,404	\$ 14,297	\$ 15,346	\$ 16,437	\$ 17,572
County	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ISD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TRANSFERS	\$ 101,970	\$ 125,501	\$ 126,668	\$ 109,608	\$ 117,651	\$ 126,016	\$ 134,716
Management Consulting Services	\$ 31,740	\$ 69,719	\$ 65,723	\$ 43,176	\$ 58,875	\$ 58,875	\$ 58,875
Loan Debt Service - Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DEBT SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENSES	\$ 31,740	\$ 69,719	\$ 65,723	\$ 43,176	\$ 58,875	\$ 58,875	\$ 58,875
CASH FLOW FROM OPERATIONS	\$ 111,264	\$ 69,909	\$ 6,676,305	\$ 1,511,616	\$ 4,158,238	\$ 144,177	\$ 158,172
BEGINNING FUND BALANCE (7)	\$ 716,044	\$ 818,621	\$ 877,829	\$ 973,788	\$ 724,668	\$ 855,388	\$ 999,565
DEBT ISSUANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUNDS AVAILABLE FOR PROJECTS	\$ 827,308	\$ 888,530	\$ 7,554,134	\$ 2,485,404	\$ 4,882,906	\$ 999,565	\$ 1,157,737

TIRZ 21	FY2013 Actual	FY2014 Actual	FY2015 Actual	FY2016 Estimate	FY2017 Budget	FY2018	FY2019
Projects							
Hardy Yards/Cypress Development	\$ -	\$ -	\$ 6,580,346	\$ 1,378,136	\$ 4,027,518	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DEVELOPER AGREEMENTS	\$ -	\$ -	\$ 6,580,346	\$ 1,378,136	\$ 4,027,518		\$ -
T-2101 Pedestrian Pathways/Hike and Bike Trails	\$ 8,687	\$ 10,701	\$ -	\$ 382,600	\$ -	\$ -	\$ -
CAPITAL PROJECTS	\$ 8,687	\$ 10,701	\$ -	\$ 382,600	\$ -	\$ -	\$ -
TOTAL PROJECTS	\$ 8,687	\$ 10,701	\$ 6,580,346	\$ 1,760,736	\$ 4,027,518	\$ -	\$ -
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RESTRICTED Funds - Development Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted Funds/Net Current Activity	\$ 818,621	\$ 877,829	\$ 973,788	\$ 724,668	\$ 855,388	\$ 999,565	\$ 1,157,737
Ending Fund Balance	\$ 818,621	\$ 877,829	\$ 973,788	\$ 724,668	\$ 855,388	\$ 999,565	\$ 1,157,737

CITY OF HOUSTON

TAX INCREMENT CALCULATION WORKSHEET

5-Year Plan Revenue

Vlookup Column = 30

TIRZ (All City Jurisdictions)

Column	2	3	4	9	14	19	20	30	31	36
Tax Year	Tax Rate (1)	Tax Rate (1)	Tax Rate (1)	Total Base	Total Current Value	Total Current Increment		Current Payment		Average Growth Rate
1996	0.0066500	0.0000000	0.0000000	0	0	0		\$ -		0.00%
1997	0.0066500	0.0000000	0.0000000	0	0	0		\$ -		0.00%
1998	0.0066500	0.0000000	0.0000000	0	0	0		\$ -		0.00%
1999	0.0066500	0.0000000	0.0000000	0	0	0		\$ -		0.00%
2000	0.0065500	0.0000000	0.0000000	0	0	0		\$ -		0.00%
2001	0.0065500	0.0000000	0.0000000	0	0	0		\$ -		0.00%
2002	0.0065500	0.0000000	0.0000000	0	0	0		\$ -		0.00%
2003	0.0065500	0.0000000	0.0000000	0	0	0		\$ -		0.00%
2004	0.0065000	0.0000000	0.0000000	0	0	0		\$ -		0.00%
2005	0.0064750	0.0000000	0.0000000	0	0	0		\$ -		0.00%
2006	0.0064500	0.0000000	0.0000000	0	0	0		\$ -		0.00%
2007	0.0064375	0.0000000	0.0000000	40,313,080	84,721,500	44,408,420		\$ 283,964		0.00%
2008	0.0063875	0.0000000	0.0000000	40,313,080	83,451,086	43,138,006		\$ 274,601		-1.50%
2009	0.0063875	0.0000000	0.0000000	40,313,080	83,098,257	42,785,177		\$ 271,561		-0.42%
2010	0.0063875	0.0000000	0.0000000	40,313,080	79,314,666	39,001,586		\$ 245,942		-4.55%
2011	0.0063875	0.0000000	0.0000000	40,313,080	78,606,556	38,293,476		\$ 240,794		-0.89%
2012	0.0063875	0.0000000	0.0000000	40,313,080	78,701,109	38,388,029		\$ 235,825		0.12%
2013	0.0063875	0.0000000	0.0000000	40,313,080	80,922,039	40,608,959		\$ 255,430		2.82%
2014	0.0063108	0.0000000	0.0000000	40,313,080	85,208,567	44,895,487		\$ 279,002		5.30%
2015	0.0060112	0.0000000	0.0000000	40,313,080	88,616,910	48,303,830		\$ 285,932		4.00%
2016	0.0060112	0.0000000	0.0000000	40,313,080	92,161,586	51,848,506		\$ 306,914		4.00%
2017	0.0060112	0.0000000	0.0000000	40,313,080	95,848,050	55,534,970		\$ 328,736		4.00%
2018	0.0060112	0.0000000	0.0000000	40,313,080	99,681,971	59,368,891		\$ 351,431		4.00%
2019	0.0060112	0.0000000	0.0000000	40,313,080	103,669,250	63,356,170		\$ 375,033		4.00%
2020	0.0060112	0.0000000	0.0000000	40,313,080	107,816,020	67,502,940		\$ 399,580		4.00%
2021	0.0060112	0.0000000	0.0000000	40,313,080	112,128,661	71,815,581		\$ 425,108		4.00%
2022	0.0060112	0.0000000	0.0000000	40,313,080	116,613,808	76,300,728		\$ 451,658		4.00%
2023	0.0060112	0.0000000	0.0000000	40,313,080	121,278,360	80,965,280		\$ 479,269		4.00%
2024	0.0060112	0.0000000	0.0000000	40,313,080	126,129,494	85,816,414		\$ 507,985		4.00%
2025	0.0060112	0.0000000	0.0000000	40,313,080	131,174,674	90,861,594		\$ 537,850		4.00%
2026	0.0060112	0.0000000	0.0000000	40,313,080	136,421,661	96,108,581		\$ 568,909		4.00%
2027	0.0060112	0.0000000	0.0000000	40,313,080	141,878,528	101,565,448		\$ 601,211		4.00%
2028	0.0060112	0.0000000	0.0000000	40,313,080	147,553,669	107,240,589		\$ 634,805		4.00%
2029	0.0060112	0.0000000	0.0000000	40,313,080	153,455,815	113,142,735		\$ 669,742		4.00%
2030	0.0060112	0.0000000	0.0000000	40,313,080	159,594,048	119,280,968		\$ 706,077		4.00%
2031	0.0060112	0.0000000	0.0000000	40,313,080	165,977,810	125,664,730		\$ 743,865		4.00%
2032	0.0060112	0.0000000	0.0000000	40,313,080	172,616,922	132,303,842		\$ 783,165		4.00%
2033	0.0060112	0.0000000	0.0000000	40,313,080	179,521,599	139,208,519		\$ 824,037		4.00%

0.10% \$ 200,000.00 \$ 200.00