

**HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY**

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**JOINT MEETING OF THE BOARDS OF DIRECTORS**

**September 25, 2017**

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**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, September 25, 2017, 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. Audit for fiscal year ending 9-30-17.
3. 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.
4. Improvements to the Hernandez Tunnel:
  - a. Hernandez Tunnel engineer contract;
  - b. Amendment to Interlocal Agreement for Hernandez Tunnel; and
  - c. Mural for Hernandez Tunnel.
5. Attorney's Report, including:
  - a. Amended Investment Policy; and
  - b. Disclosure of Investment Officer.
6. Bookkeeper's Report, including:
  - a. payment of invoices;
  - b. investment report.
7. Capital improvements plan, economic development projects and Zone boundary extensions.
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.



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Clark Stockton Lord  
Attorney for the Authority and the Zone

**MINUTES OF REGULAR MEETING**  
**OF**  
**HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY**

May 31, 2017

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 31st day of May 2017, 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 Director Burke, thus constituting a quorum.

Also present were: Clark Lord and Debbie Russell of Bracewell LLP; Yangling Liu of Bentley, Bratcher & Associates, P.C.; Rebecca Reyna of Greater Northside Management District; Ralph DeLeon of Tifworks; Joel Alba, Sheronda Ladell, Gary Hill and Christopher Andrews of the City of Houston; Clayton Black of Jones & Carter; Jason Consoli of BBVA Compass Bank; Justin Jenkins of McCall Gibson Swedlund Barfoot PLLC.; and Tim Clark, Ed Wendell and Ken Belanger of Cypress Real Estate Advisors and Jeremy Crain.

**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 March 27, 2016. Following discussion, upon a motion made by Director Zamarripa and seconded by Director Cavazos, the Board voted unanimously to approve the minutes of March 27, 2017.

**BUDGET FOR FYE JUNE 30, 2018**

The Board next reviewed the draft budget for the fiscal year ending June 30, 2018. Mr. DeLeon discussed the funds for the trail project. Mr. Lord stated that the Authority does not have an obligation to fund the trail project and stated that it should remain in the budget be described in a general way.

Ms. Ladell next reported on the availability of GLO funds to pay for improvements to the Hernandez Tunnel. She questioned whether the Authority would participate by supervising the

construction and payments to the contractor. After discussion, the Board agreed to participate with the City to utilize the GLO funds to improve the Hernandez Tunnel and to add the GLO funds to the CIP budget.

After further review and discussion, Director Cavazos moved that the Board approve the budget as amended to add the GLO funds, subject to finalizing same. Director Zamarripa seconded the motion and it carried by unanimous vote.

### **REIMBURSEMENT AUDIT**

Mr. Jenkins presented the Agree Upon Procedures Report for the reimbursement to CR V Hardy Yards, L.P. He stated that total amount of reimburseables is \$188,753.25. After discussion, Director Cavazos moved that the Board approve the report and payment to the developer in the amount of \$188,753.25, subject to final review. Director seconded the motion and it carried by unanimous vote.

### **ENGAGE AUDITOR FOR FISCAL YEAR ENDING JUNE 30, 2017**

Mr. Jenkins then presented an engagement letter from McCall Gibson Swedlund Barfoot, PLLC to conduct the Authority's audit for fiscal year ending June 30, 2017, noting a cost range of \$7,000-\$8,000. Following discussion, upon a motion made by Director Zamarripa and seconded by Director Cavazos, the Board voted unanimously to approve the audit engagement letter presented by Mr. Jenkins.

### **COMPLETE COMMUNITIES INITIATIVE**

Mr. Andrews reported on the Complete Communities Program and stated that the near northside is one of the five pilot neighborhoods in the program. He stated that the Complete Communities initiative is developing action plans in the five pilot neighborhoods. They are community-driven plans that identify vision, goals and actions to address community priorities.

### **COMPASS BANK PRESENTATION**

Mr. Consoli stated that BBVA Compass Bank is the fourth largest bank in the City. He also reported that he has worked with other Authorities on public financings and is very familiar with such projects. The Board discussed conducting an analysis of possible financing opportunities. Mr. Consoli stated that he would prepare an overview of same for the Board's review.

### **BOOKKEEPER'S REPORT**

Ms. Liu 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.

Resolution Approving a New Bank Account and Signatories

Ms. Ling informed the Board that the Bank of America had informed the Authority that it would be closing its account. She stated that with the Board's permission, she will be meeting with Mr. Consoli about opening an account with BBVA Compass Bank. The Board authorized the Chair to review the new account information and select the bank that provides the best benefit to the Authority. After discussion, Director Cavazos moved that the Board adopt the Resolution Approving a New Bank Account and Designating Signatories. Director Zamarripa seconded the motion and it passed by unanimous vote.

**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.

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Secretary

**Table of Documents**

Bookkeeper's Report ..... 2



**MINUTES OF REGULAR MEETING**  
**OF**  
**REINVESTMENT ZONE NUMBER TWENTY-ONE, CITY OF HOUSTON**

May 31, 2017

The Board of Directors (the "Board") of Reinvestment Zone Number Twenty-One, City of Houston (the "Zone") convened in regular session, open to the public, at 218 Joyce Street, Houston, Texas, 77009, on the 31st day of May 2017, 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 Director Burke, thus constituting a quorum.

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Secretary

## Table of Documents

Bookkeeper's Report .....	2
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**HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY**

**CITY OF HOUSTON, TEXAS**

**ANNUAL FINANCIAL REPORT**

**JUNE 30, 2017**

DRAFT SUBJECT TO CHANGE



## TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-8
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET	9
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	10
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE	11
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES	12
NOTES TO THE FINANCIAL STATEMENTS	13-22
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-GENERAL FUND	24
SUPPLEMENTARY INFORMATION REQUIRED BY CITY OF HOUSTON	
OPERATING AND CAPITAL EXPENDITURES	26
PROJECT PLAN RECONCILIATION	27
OTHER SUPPLEMENTARY INFORMATION	
BOARD OF DIRECTORS	29



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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities and major fund of Hardy/Near Northside Redevelopment Authority (the "Authority"), a component unit of the City of Houston, Texas, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting policies generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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



Board of Directors  
Hardy/Near Northside Redevelopment Authority

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Authority as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United State of America require that the Management's Discussion and Analysis and the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do 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.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information required by the City of Houston, Texas and other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide any assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McCall Gibson Swedlund Barfoot PLLC  
Certified Public Accountants  
Houston, Texas

September 25, 2017





# **HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **FOR THE YEAR ENDED JUNE 30, 2017**

Management's discussion and analysis of Hardy/Near Northside Redevelopment Authority's (the "Authority") financial performance provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2017. Please read it in conjunction with the Authority's financial statements.

#### **FINANCIAL HIGHLIGHTS**

- The Authority anticipates that tax increment revenues derived from the development and redevelopment of the Authority will be sufficient to cover expenditures associated with certain design, construction and financing of planned infrastructure, and other specific project related costs throughout the duration of the Authority. The City of Houston ("City"), at its sole discretion, may issue bonds, notes or other obligations secured by the tax increment revenues; the proceeds of which could be used to pay for or reimburse developers for project costs. However, the City may elect to pay for project costs directly from tax increment proceeds as they become available without the sale of bonds or notes.
- Tax increment revenues received from the City in June 2017 totaled \$391,693 for the tax year 2017 versus budgeted revenues from tax increments of \$189,263, a budgeted surplus of \$202,430. The Authority did not receive any grant income for year ended June 30, 2017 versus a budgeted amount of \$4,027,518.
- Total management and consulting expenses for the year ended June 30, 2017 were \$45,262, versus budgeted expenses of \$161,250, a budgeted surplus of \$115,988.
- In the Authority's government-wide financial statements, assets exceeded liabilities by \$1,602,852 (net position) at June 30, 2017, compared to \$1,252,907 at June 30, 2016, a \$349,945 increase.

#### **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The basic financial statements include: (1) fund financial statements and government-wide financial statements and (2) notes to the basic financial statements. The fund financial statements and government-wide financial statements combine both: (1) the Statement of Net Position and Governmental Funds Balance Sheet and (2) the Statement of Activities and Governmental Fund Statement of Revenue, Expenditures, and Changes in Fund Balance. This report also includes required and other supplementary information in addition to the basic financial statements.

**HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The Authority's annual report includes two financial statements combining the government-wide financial statements and the fund financial statements. The government-wide portion of these statements provides both long-term and short-term information about the Authority's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of the government-wide statements is the Statement of Net Position. The Statement of Net Position is the Authority-wide statement of its financial position presenting information that includes all of the Authority's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority as a whole is improving or deteriorating. Evaluation of the overall financial health of the Authority would extend to other non-financial factors.

The government-wide portion of Statement of Activities reports how the Authority's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

**FUND FINANCIAL STATEMENTS**

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority has one governmental fund type. The General Fund is the operating fund of the Authority and accounts for all resources of the Authority.

Governmental funds are reported in each of the financial statements. The focus in the fund statements provides a distinctive view of the Authority's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of the Authority and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The adjustments columns, the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

## NOTES TO THE FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

### OTHER INFORMATION

In addition to the financial statements and the accompanying notes, this report also presents certain required supplementary information ("RSI"). A budgetary comparison schedule is included as RSI for the General Fund.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as useful indicator of the Authority's financial position. In the case of the Authority, assets exceeded liabilities by \$1,602,852 as of June 30, 2017.

The following table provides a summary of changes in the Statement of Net Position as of June 30, 2017 and June 30, 2016.

	<u>Summary of Changes in the Statement of Net Position</u>		
	<u>2017</u>	<u>2016</u>	Variance Positive (Negative)
<b>ASSETS</b>			
Cash and Investments	\$ 1,480,728	\$ 1,133,860	\$ 346,868
Grant Receivable	70,408	1,493,081	(1,422,673)
Capital Assets-Development Costs	123,022	123,022	-
<b>TOTAL ASSETS</b>	<b>\$ 1,674,158</b>	<b>\$ 2,749,963</b>	<b>\$ (1,075,805)</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 71,306	\$ 1,497,056	\$ (1,425,750)
<b>TOTAL LIABILITIES</b>	<b>\$ 71,306</b>	<b>\$ 1,497,056</b>	<b>\$ (1,425,750)</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ 123,022	\$ 123,022	\$ -
Unrestricted	1,479,830	1,129,885	349,945
<b>TOTAL NET POSITION</b>	<b>\$ 1,602,852</b>	<b>\$ 1,252,907</b>	<b>\$ 349,945</b>

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The following table provides a summary of the Statement of Activities for the fiscal year ended June 30, 2017, and June 30, 2016:

	<u>Summary of Changes in the Statement of Activities</u>		
	<u>2017</u>	<u>2016</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Tax Increment Revenue	\$ 391,693	\$ 215,053	\$ 176,640
Grant Revenue	-	3,371,544	(3,371,544)
Interest Revenue	3,514	1,388	2,126
<b>Total Revenues</b>	<b>\$ 395,207</b>	<b>\$ 3,587,985</b>	<b>\$ (3,192,778)</b>
<b>Expenses:</b>			
Administrative Consultant	\$ 11,352	\$ 23,785	\$ 12,433
Accounting	13,891	15,635	1,744
Auditing	10,500	10,000	(500)
Conveyance of Assets	-	9,951,890	9,951,890
Legal Consultant	8,367	7,043	(1,324)
Insurance	925	877	(48)
Other Consultant	-	2,869	2,869
Bank Charges	227	135	(92)
<b>Total Expenses</b>	<b>\$ 45,262</b>	<b>\$ 10,012,234</b>	<b>\$ 9,966,972</b>
<b>Change in Net Position</b>	<b>\$ 349,945</b>	<b>\$ (6,424,249)</b>	<b>\$ 6,774,194</b>
<b>Net Position, Beginning of Year</b>	<b>1,252,907</b>	<b>7,677,156</b>	<b>(6,424,249)</b>
<b>Net Position, End of Year</b>	<b>\$ 1,602,852</b>	<b>\$ 1,252,907</b>	<b>\$ 349,945</b>

## **FINANCIAL ANALYSIS OF THE AUTHORITY'S GOVERNMENTAL FUND**

The Authority's only governmental fund is the General Fund. This fund is the operating fund of the Authority and is the source of the day-to-day operations. As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. The General Fund reported an ending fund balance of \$1,479,830. All of the General Fund balance is unassigned.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The Board of the Authority did not amend the budget during the current fiscal year. Actual revenues were \$3,821,906 less than budgeted due to no grant revenue received during the current year. Actual expenditures were \$4,526,106 less than budgeted due to no capital outlay expenditures. A budgetary comparison schedule is included as RSI for the General Fund.

### **CAPITAL ASSETS**

During the fiscal year ending June 30, 2017, the Authority did not incur any development costs.

### **LONG-TERM DEBT ACTIVITY**

As of June 30, 2017, the Authority did not have any long-term debt.

### **CONTACTING THE AUTHORITY'S MANAGEMENT**

This financial report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Hardy/Near Northside Redevelopment Authority, c/o Bracewell LLP 711 Louisiana Street, Suite 2300, Houston, Texas 77002-2770.

**HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUNDS BALANCE SHEET**  
**JUNE 30, 2017**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>ASSETS</b>			
Cash	\$ 823,323	\$ -	\$ 823,323
Investments	657,405	-	657,405
Grant Receivable	70,408		70,408
Capital Assets - Development Costs	-	123,022	123,022
<b>TOTAL ASSETS</b>	<u>\$ 1,551,136</u>	<u>\$ 123,022</u>	<u>\$ 1,674,158</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 71,306	\$ -	\$ 71,306
<b>TOTAL LIABILITIES</b>	<u>\$ 71,306</u>	<u>\$ -</u>	<u>\$ 71,306</u>
<b>FUND BALANCE</b>			
Unassigned	\$ 185,329	\$ (185,329)	\$ -
Assigned for 2018 Budget Deficit	1,294,501	(1,294,501)	-
<b>TOTAL FUND BALANCE</b>	<u>\$ 1,479,830</u>	<u>\$ (1,479,830)</u>	<u>\$ -</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 1,551,136</u>		
<b>NET POSITION</b>			
Net Investment in Capital Assets		\$ 123,022	\$ 123,022
Unrestricted		1,479,830	1,479,830
<b>TOTAL NET POSITION</b>		<u>\$ 1,602,852</u>	<u>\$ 1,602,852</u>

The Accompanying notes to the financial  
Statements are an integral part of this report.

**HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

Total Fund Balance - Governmental Fund \$ 1,479,830

Amounts reported for governmental activities in the Statement of Net Position  
are different because:

Development costs incurred in governmental activities are not a financial  
resource and therefore are not reported as an asset in governmental funds. 123,022

Total Net Position - Governmental Activities \$ 1,602,852

DRAFT SUBJECT TO CHANGE

The Accompanying notes to the financial  
Statements are an integral part of this report.

**HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	General Fund	Adjustments	Statement of Activities
<b>REVENUES</b>			
Tax Increment Revenue	\$ 391,693	\$ -	\$ 391,693
Interest Revenue	3,514	-	3,514
<b>TOTAL REVENUES</b>	<u>\$ 395,207</u>	<u>\$ -</u>	<u>\$ 395,207</u>
<b>EXPENDITURES/EXPENSES:</b>			
Administrative Consultant	\$ 11,352	\$ -	\$ 11,352
Accounting	13,891	-	13,891
Auditing	10,500	-	10,500
Legal Consultant	8,367	-	8,367
Insurance	925	-	925
Bank Charges	227	-	227
<b>TOTAL EXPENDITURES/EXPENSES</b>	<u>\$ 45,262</u>	<u>\$ -</u>	<u>\$ 45,262</u>
<b>NET CHANGE IN FUND BALANCE</b>	\$ 349,945	\$ (349,945)	\$ -
<b>CHANGE IN NET POSITION</b>	-	349,945	349,945
<b>FUND BALANCE/NET POSITION - JULY 1, 2016</b>	<u>1,129,885</u>	<u>123,022</u>	<u>1,252,907</u>
<b>FUND BALANCE/NET POSITION - JUNE 30, 2017</b>	<u>\$ 1,479,830</u>	<u>\$ 123,022</u>	<u>\$ 1,602,852</u>

The Accompanying notes to the financial  
Statements are an integral part of this report.



**HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY  
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE TO THE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017**

Net Change in Fund Balance - Governmental Fund	\$ 349,945
Amounts reported for governmental activities in the Statement of Activities are different because:	
No current year reconciling items	<u>-</u>
Change in Net Position - Governmental Activities	<u>\$ 349,945</u>

DRAFT SUBJECT TO CHANGE

The Accompanying notes to the financial  
Statements are an integral part of this report.

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**HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1. CREATION OF CORPORATION**

The City of Houston, Texas (the "City") authorized the creation of the Hardy/Near Northside Authority (the "Authority") by Ordinance No. 2009-32 on November 10, 2009. The State of Texas Certificate of Incorporation became effective November 20, 2009. The Authority was created and organized as a local government corporation pursuant to provisions of Chapter 311 of the Texas Tax Code. 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 function to promote the common good and general welfare of the Hardy/Near Northside Zone (the Zone), approximately 326.1 acres generally bounded by Quitman Street on the North, U.S. Highway 59 on the East, Interstate 10 on the South, and Interstate Highway 45 on the West. The Zone is described in City of Houston, Texas, Ordinance No 2003-1258. The primary focus of the Zone is to facilitate affordable housing, transit orientated mixed-use development, and the extension and potential grade separation of San Jacinto Street north from Interstate 10 to the southern terminus of Fulton Street. Additional efforts will focus on improvements to public utility systems, parks and the repositioning of distressed infrastructure conditions. The basis for the creation of the Authority in 2009 was to a) facilitate the implementation of the Project Plan and a Reinvestment Zone Financial Plan for the Hardy/Near Northside Zone and the implementation of amendments thereto; b) facilitate the development of a policy for and implementation of the financing and construction of public infrastructure improvements and open space improvements necessary for the development of residential, commercial, public and other land uses in the Hardy/Near Northside Zone; and c) facilitate the development and implementation of a redevelopment policy for the Hardy/Near Northside Zone, including the acquisition of land for redevelopment purposes. The Authority may issue tax-exempt bonds or notes with consent of City Council to fund improvements. The Authority is governed by a Board of Directors consisting initially of four (4) persons who are appointed by the Mayor with the approval of City Council. Additional persons may be added to the Board of the Authority in accordance with the provisions of the Bylaws.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board ("GASB").

The GASB has established the criteria for determining whether or not a given entity is a component unit. The criteria are: (1) is the potential component unit a legally separate entity, (2) does the primary government appoint a voting majority of the potential component unit's board, (3) is the primary government able to impose its will on the potential component unit and (4) is there a financial benefit or burden relationship. The Authority was created as an instrumentality of the City. The Authority does meet the criteria for inclusion as a component unit of the City. Copies of the financial statements for the City may be obtained from the City Secretary's office.

**HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial Statement Presentation

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting.

The GASB Codification sets forth standards for external financial reporting for all state and local government entities, which includes a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net Investment in Capital Assets; Restricted; and Unrestricted. These classifications are defined as follows:

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of “Restricted” or “Net Investment in Capital Assets.”

When both restricted and unrestricted resources are available for use, generally it is the Authority’s policy to use restricted resources first.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Authority as a whole. The Authority’s Statement of Net Position and Statement of Activities are combined with the governmental fund financial statements. The Authority is viewed as a special purpose government and has the option of combining these financial statements.

The Statement of Net Position is reported by adjusting the General Fund to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

**HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Government-Wide Financial Statements (Continued)

The Statement of Activities is reported by adjusting the general fund to report only items related to current year revenues and expenditures. Items such as land and land improvements are charged to cost of sales when sold. Internal activities between governmental funds, if any, are eliminated by adjustment to obtain net total revenue and expense in the government-wide Statement of Activities.

Fund Financial Statements

As discussed above, the Authority's fund financial statements are combined with the government-wide statements. The fund financial statements include a Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance.

Governmental Funds

The Authority has only one major governmental fund type – the General Fund. This fund is the general operating fund of the Authority and accounts for all resources of the Authority.

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both "measurable and available." Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The Authority considers revenues reported in the governmental funds to be available if they are collectable within sixty (60) days after year-end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due.

Cash

The Authority's cash consists of amounts in demand deposits.

Investments

The Authority invests cash not needed for near term operating needs in the Texas Local Government Investment Pool (TexPool).

**HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Budgeting

In compliance with the Tri-Party Agreement (see Note 4), the Authority's board members adopted an unappropriated budget for the General Fund.

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are reported using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with the activities are reported, regardless of the timing of related cash flows. Fund equity is classified as net position.

Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the balance sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources. Fund balances in governmental funds are classified using the following hierarchy:

*Nonspendable* - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The Authority does not have any nonspendable fund balances.

*Restricted* - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally required. The Authority does not have any restricted fund balances.

*Committed* - amounts that can be used only for specific purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the Authority. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The Authority does not have any committed fund balances.

*Assigned* - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Authority has not adopted a formal policy regarding the assignment of fund balances and has assigned \$1,294,501 of its General Fund fund balance to cover a 2018 budgeted shortfall.

**HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Measurement Focus (Continued)

*Unassigned* - all other spendable amounts in the General Fund.

When expenditures are incurred for which restricted, committed, assigned, or unassigned fund balances are available, the Authority considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**NOTE 3. DEPOSITS AND INVESTMENTS**

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Authority's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes.

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the Authority of securities eligible under the laws of Texas to secure the funds of the Authority, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At June 30, 2017, the Authority's Bank of America balance was \$391,693 of which \$250,000 was covered by federal depository insurance and the exceeded balance was covered in accordance with the Authority's Tri-Party Collateral Management Agreement. BBVA Compass Bank balance was \$431,630 of which \$250,000 was covered by federal depository insurance and any exceeded balance was covered by the collateral line of credit provided by BBVA Compass bank.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at June 30, 2017, as listed below:

Total Cash Deposits	<u>\$823,323</u>
---------------------	------------------

**HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 3. DEPOSITS AND INVESTMENTS (Continued)**

Investments

Under Texas statute, 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 investment 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 the 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's adopted investment policy allows it to invest in any of the above listed investments, except items 6 and 14.



**HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 3. DEPOSITS AND INVESTMENTS (Continued)**

Investments (Continued)

The Authority invests in TexPool, an external investment pool that is not SEC-registered. The State Comptroller of Public Accounts of the State of Texas has oversight of the pool. Federated Investors, Inc. manages the daily operations of the pool under a contract with the Comptroller. TexPool meets the criteria established in GASB Statement No. 79 and measures all of its portfolio assets at amortized cost. As a result, the Authority also measures its investments in TexPool at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from TexPool.

As of June 30, 2017, the Authority had the following investments and maturities:

Type	Fair Value	Maturities in Years			
		Less Than 1	1-5	6-10	More Than 10
<u>GENERAL</u>					
<u>FUND -</u>					
TexPool	\$ 657,405	\$ 657,405	\$ -	\$ -	\$ -

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2017, the Authority's investment in TexPool, an external investment pool, was rated AAAM by Standard & Poor's.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority considers the investment in TexPool to have a maturity of less than one year due to the fact the share position can usually be redeemed each day at the discretion of the Authority, unless there has been a significant change in value.

**NOTE 4. TRI-PARTY AGREEMENT**

The City of Houston, Reinvestment Zone Number Twenty-One, and the Authority entered into the Tri-Party Agreement pursuant to City Ordinance No. 2009-1271 effective December 15, 2009. 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 service for the Zone, as requested by the Zone Board, services with respect to the Project Plan and Reinvestment Zone Financing Plan (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, establishing a marketing and public relations program and in planning, design and construction of infrastructure improvements and land acquisition.

**HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 4. TRI-PARTY AGREEMENT (Continued)**

The Tri-Party Agreement also provides for the Authority to issue bonds and notes, enter into obligations with developers or builders, and enter into contracts with consultants and to be repaid from Contract Tax Increments. All bonds must be approved by City Council and the Director of the Finance Department of the City of Houston must approve all development agreements. This Agreement shall end upon termination of the Zone.

Pursuant to the Agreement, the City and the Zone have agreed to pay the Authority not later than the first business day of each July in which a current approved budget is in effect for the Authority, all monies available in the Tax Increment Fund, less (a) a reserve of up to five percent of the monies then available in the Tax Increment Fund for administrative costs of the City, (b) the amount due to the City from the Zone pursuant to the affordable housing agreement, and (c) certain tax increments constituting educational facilities project costs to be paid to the Houston Independent School District. Notwithstanding the above, in the event the Authority's budget is not approved by the thirtieth (30<sup>th</sup>) day before the date of a principal and interest payment on the Authority's bonds or notes, the City shall pay from available funds sufficient monies to the Authority to allow for meeting the Authority's debt service obligations.

**NOTE 5. TAX INCREMENTS**

The City of Houston, Texas has agreed to deposit tax increments into the Tax Increment Fund established by the Zone (See Note 6).

The amount of a Participant's tax increment for a year is the amount of property taxes levied and collected by the Participant for that year on the Captured Appraised Value of real property taxable by the Participant and located in the Zone. The Captured Appraised Value of real property taxable by a Participant for a year is the total appraised value of all real property taxable by the Participant 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 Participant and located in the Zone on January 1 of the year in which the Zone was designated as such under the Tax Increment Financing Act (the "TIF Act"). In the event property is annexed into the Zone by ordinance of the City, the Tax Increment Base for annexed property is the value of all real property taxable by a Participant and located in the annexed area on January 1 of the year of annexation. No Participant is required to deposit tax increments derived from property annexed into the Zone unless the Participant has agreed to do so.

Each Participant is required to collect taxes on property located within the Zone in the same manner as other taxes are collected. The Participant is required to pay into the tax increment fund the collected tax increments by no later than the 90<sup>th</sup> day after the delinquency date for the Participant's property taxes.

**HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 6. CITY OF HOUSTON TAX INCREMENTS**

Pursuant to City Ordinance No. 2009-1271, the City and the Zone have established the Tax Increment Fund, a separate fund in the City Treasury into which tax increments have and will be deposited.

Tax increments of \$391,693 were remitted from the fund to the Authority for tax year 2016. In addition, the City withheld \$211,726 from the tax increment to fund affordable housing and \$31,759 to pay City administrative fees.

**NOTE 7. RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Authority participates in the Texas Municipal League Intergovernmental Risk Pool ("TML") to provide general liability, errors and omission and automobile liability. The Authority, along with other participating entities, contributes annual amounts determined by TML's management. As claims arise they are submitted and paid by TML. During the year ended June 30, 2017, the Authority contributed \$925 to the fund for this insurance coverage. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

**NOTE 8. DEVELOPMENT AGREEMENT**

The Authority has entered into a Development Agreement dated March 4, 2010, and as amended on May 14, 2012, with CR V Hardy Yards, L.P. ("Hardy Yards LP"), the owner of property located within the Hardy/Near Northside Zone. Hardy Yards LP is responsible for the inspection, supervision and management of the construction and installation of the improvements to the Hardy/Near Northside Zone. The improvements are to be made in accordance with the terms of the Development Agreement and amendment thereto and relevant City ordinances or procedures.

The Authority shall reimburse Hardy Yards LP for the amount of actual project costs incurred plus accrued interest. Hardy Yards LP is responsible for determining that project costs are eligible in accordance with terms defined in the Developer Reimbursement Agreement and amendment thereto. The costs to be reimbursed are not to exceed \$33,312,000 as noted in the original agreement. Included in the original reimbursable amount were costs related to the purchase or condemnation of right-of-way for the San Jacinto Street Extension Project in the amount of \$2,700,000. During fiscal year 2012, an ordinance was passed that authorized the appropriation of \$2,033,223 out of the Woodlands Regional Participation Fund to fund these costs.

**NOTE 8. DEVELOPMENT AGREEMENT (Continued)**

The Authority will utilize available tax increments in order to reimburse Hardy Yards LP for the costs incurred until all project costs have been fully reimbursed. Hardy Yards LP has no right to claim any reimbursement other than from available tax increment or bond proceeds. During the fiscal year ended June 30, 2017, Hardy Yards LP did not incur any development cost.

As of June 30, 2017, Hardy Yards LP has incurred \$7,825,483 of development costs on behalf of the Authority. The total is comprised of \$4,835,739 for onsite public improvements and \$2,989,744 for offsite public improvements. Due to the uncertain benefit arising from the increased appraisal value related to these projects, the liability for these development costs has not been recorded in the Statement of Net Position.

**NOTE 9. CAPITAL ASSETS – DEVELOPMENT COSTS**

During the fiscal year ended June 30, 2017, the Authority did not incur any development costs with Central Houston Civic Improvement for planning and design work in connection with a project a hike and bike trail within the Zone. Cumulative costs for this project as of June 30, 2017, totaled \$123,022.

**NOTE 10. GRANT PROGRAMS**

The City of Houston

On December 10, 2014, the Authority executed an agreement with the City of Houston (the "City"). On behalf of the City, the City's Housing & Community Development Department submitted an application for federal assistance to the Texas General Land Office to receive an award of Community Development Block Grant Disaster Recovery Program funding in the amount of \$11,986,000 allocated for the repair, replacement, redesign and/or reconstruction of public infrastructure within the boundaries of the Authority.

Through June 30, 2017, the Authority has recorded a total of \$10,074,912 in engineering and construction costs. The Authority did not receive any grant related to the project in the current year. During fiscal year 2016, the project was complete and assets were conveyed to the City of Houston for maintenance and operation.

**HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY**

**REQUIRED SUPPLEMENTARY INFORMATION**

**JUNE 30, 2017**

DRAFT SUBJECT TO CHANGE



**HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	General Fund		
	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Tax Increment Revenue	\$ 189,263	\$ 391,693	\$ 202,430
Grant Revenue	4,027,518	-	(4,027,518)
Interest Revenue	332	3,514	3,182
<b>TOTAL REVENUES</b>	<b>\$ 4,217,113</b>	<b>\$ 395,207</b>	<b>\$ (3,821,906)</b>
<b>EXPENDITURES</b>			
Maintenance and Operations	\$ 161,250	\$ 45,262	\$ 115,988
Capital Expenditures	382,600	-	382,600
Developer/Project Reimbursements	4,027,518	-	4,027,518
<b>TOTAL EXPENDITURES</b>	<b>\$ 4,571,368</b>	<b>\$ 45,262</b>	<b>\$ 4,526,106</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (354,255)</b>	<b>\$ 349,945</b>	<b>\$ 704,200</b>
<b>FUND BALANCE - JULY 1, 2016</b>	<b>(4,174,788)</b>	<b>1,129,885</b>	<b>5,304,673</b>
<b>FUND BALANCE - JUNE 30, 2017</b>	<b>\$ (4,529,043)</b>	<b>\$ 1,479,830</b>	<b>\$ 6,008,873</b>

See accompanying independent auditor's report.

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**HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY**

**SUPPLEMENTARY INFORMATION**

**REQUIRED BY THE CITY OF HOUSTON**

**JUNE 30, 2017**

DRAFT SUBJECT TO CHANGE



**HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY  
OPERATING AND CAPITAL EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2017**

Category	Vendor	Budget	Actual Expenditures	Variance Positive (Negative)
<b>ADMINISTRATION AND OVERHEAD</b>				
Accounting	Bentley, Bratcher & Associates, P.C.	\$ 10,000	\$ 13,891	\$ (3,891)
Administrative Consultant	Bracewell LLP	25,000	11,352	13,648
Auditor	McCall Gibson Swedlund Barfoot PLLC	10,000	10,500	(500)
Insurance	Texas Municipal League	1,000	925	75
Office Administration	Bank of America	250	227	23
<b>SUBTOTAL</b>		<u>\$ 46,250</u>	<u>\$ 36,895</u>	<u>\$ 9,355</u>
<b>PROGRAM AND PROJECT CONSULTANTS</b>				
Legal Consultant	Bracewell LLP	\$ 25,000	\$ 8,367	\$ 16,633
Other Consultant		90,000	-	90,000
<b>SUBTOTAL</b>		<u>\$ 115,000</u>	<u>\$ 8,367</u>	<u>\$ 106,633</u>
<b>TOTAL MANAGEMENT CONSULTING SERVICES</b>		<u>\$ 161,250</u>	<u>\$ 45,262</u>	<u>\$ 115,988</u>
<b>CAPITAL EXPENDITURES</b>				
Project T-2101: Pedestrian Pathways/Hike and Bike Trails		\$ 382,600	\$ -	\$ 382,600
<b>DEVELOPER/PROJECT REIMBURSEMENTS</b>				
CRV Hardy Yards: Roadway and Sidewalk Improvements		\$4,027,518	\$ -	\$ 4,027,518

See accompanying independent auditor's report.

**HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY  
PROJECT PLAN RECONCILIATION  
FOR THE YEAR ENDED JUNE 30, 2017**

	Project Plan Estimated Amount	Cumulative Expenditures as of the Fiscal Year Ended 2017	Variance Positive (Negative)
<b>ESTIMATED PROJECT COSTS</b>			
Roadway and Sidwalk Improvements	\$ 37,692,000	\$ 10,074,912	\$ 27,617,088
Public Utility Improvements	7,884,000	-	7,884,000
Parks, Plazas and Recreational Facilities	4,328,000	-	4,328,000
Affordable Housing	24,920,874	1,140,515	23,780,359
Financing Costs	1,700,000	-	1,700,000
Zone Creation and Administration	2,200,000	436,309	1,763,691
<b>TOTAL ESTIMATED PROJECT COSTS</b>	<b>\$ 78,724,874</b>	<b>\$ 11,651,736</b>	<b>\$ 67,073,138</b>

See accompanying independent auditor's report.

**HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY**

**OTHER SUPPLEMENTARY INFORMATION**

**JUNE 30, 2017**

DRAFT SUBJECT TO CHANGE



**HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY**  
**BOARD OF DIRECTORS**  
**JUNE 30, 2017**

Authority Mailing Address - HARDY/NEAR NORTHSIDE REDEVELOPMENT  
AUTHORITY  
C/O Bracewell LLP  
711 Louisiana Street, Suite 2300  
Houston, TX 77002-2770

Authority Telephone Number - (713) 223-2300

<b>Board Members</b>	<b>Position</b>
Edward Reyes	Chair/Assistant Secretary
Lloyd Burke	Vice Chair/ Investment Officer
Sylvia Cavazos	Secretary
Richard Cantu	Assistant Secretary
Fernando Zamarripa	Assistant Secretary

See accompanying independent auditor's report.



# Historic Judge Alfred Hernandez Tunnel

- **Visioning Workshop Partners 2015-2016:** GNMD, HAA, COH Housing and Community Development, Judge Hernandez family, Northside stakeholders such as artists, Go Culture and Super Neighborhood.
- **Mural Theme:** Honoring the history of Judge Alfred J. Hernandez and the Northside with symbolic symbols
  - Plumeria flower, Judge's favorite flower, to be incorporated in art work.
- **Artist:** Gelson Danilo Lemus (w3r3on3) is a Guatemalan-born, Northside resident of Houston, Texas.
- **Walls:** Hernandez Tunnel Southern Entrance (East and West Walls on of N. Main - South Bound)
- **Cost:** \$30,000 (\$15,000 per wall)





**HARDY/NEAR NORTHSIDE TIRZ # 21**  
**Balance Sheet**  
**As of September 25, 2017**

	<u>Sept. 25, 17</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
BBVA Compass	823,268.87
Tex Pool AC 7932300001	<u>658,505.58</u>
<b>Total Checking/Savings</b>	<b>1,481,774.45</b>
<b>Other Current Assets</b>	
Accounts Receivable	<u>70,408.12</u>
<b>Total Other Current Assets</b>	<b>70,408.12</b>
<b>Total Current Assets</b>	<b>1,552,182.57</b>
<b>Fixed Assets</b>	
Devel. Cost - Hike and Bike Tr	<u>123,022.07</u>
<b>Total Fixed Assets</b>	<b>123,022.07</b>
<b>TOTAL ASSETS</b>	<b><u><u>1,675,204.64</u></u></b>
 <b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	23,410.06
<b>Other Current Liabilities</b>	
Accounts Payable- CRV HARDY	<u>70,408.12</u>
<b>Total Current Liabilities</b>	<b><u>93,818.18</u></b>
<b>Total Liabilities</b>	<b>93,818.18</b>
<b>Equity</b>	
Fund Balance	1,602,852.03
Net Income	<u>-21,465.57</u>
<b>Total Equity</b>	<b><u>1,581,386.46</u></b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u><u>1,675,204.64</u></u></b>

**HARDY/NEAR NORTHSIDE TIRZ # 21**  
**Profit Loss Budget vs. Actual**  
**July 1, 2017 through September 25, 2017**

	Actual	Budget		
	July 1, 2017 - Sept. 25, 2017	July 1, 2017 - June 30, 2018	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
Grant Income - Construction	0.00	0.00	0.00	0.0%
Interest on TexPool	1,100.52	162.00	938.52	679.33%
Interest on Checking Account	82.96	170.00	-87.04	48.8%
Tax increments	0.00	433,151.00	-433,151.00	0.0%
<b>Total Income</b>	<b>1,183.48</b>	<b>433,483.00</b>	<b>-432,299.52</b>	<b>0.27%</b>
<b>Gross Profit</b>	<b>1,183.48</b>	<b>433,483.00</b>	<b>-432,299.52</b>	<b>0.27%</b>
<b>Expense</b>				
<b>Program and Project Consultants</b>				
General Counsel Representation	9,015.00	25,000.00	-15,985.00	36.06%
Planning Consultants	0.00	45,000.00	-45,000.00	0.0%
<b>Total Program and Project Consultants</b>	<b>9,015.00</b>	<b>70,000.00</b>	<b>-60,985.00</b>	<b>12.88%</b>
<b>TIRZ Administration Overhead</b>				
Accounting Services	6,442.00	10,000.00	-3,558.00	64.42%
Administrative Services	1,055.28	25,000.00	-23,944.72	4.22%
Audit Services	6,000.00	10,000.00	-4,000.00	60.0%
Insurance - Liability	0.00	1,000.00	-1,000.00	0.0%
Office Expense	136.77	250.00	-113.23	54.71%
<b>Total TIRZ Administration Overhead</b>	<b>13,634.05</b>	<b>46,250.00</b>	<b>-32,615.95</b>	<b>29.48%</b>
<b>Total Expense</b>	<b>22,649.05</b>	<b>116,250.00</b>	<b>-93,600.95</b>	<b>19.48%</b>
<b>Net Ordinary Income</b>	<b>-21,465.57</b>	<b>317,233.00</b>	<b>-338,698.57</b>	<b>-6.77%</b>
<b>Net Income</b>	<b>-21,465.57</b>	<b>317,233.00</b>	<b>-338,698.57</b>	<b>-6.77%</b>

**HARDY/NEAR NORTHSIDE TIRZ #21**  
**Profit & Loss Detail**  
**July 1,2017 through September 25, 2017**

Type	Date	Num	Memo	Amount
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
<b>Interest on TexPool</b>				
Deposit	07/31/2017		July Interest	542.30
Deposit	08/01/2017		August Interest	558.22
Total Interest on TexPool				<u>1,100.52</u>
<b>Interest on Checking Account</b>				
Deposit	07/31/2017		July Interest	4.61
Deposit	08/01/2017		August Interest	78.35
Total Interest on Checking Account				<u>82.96</u>
<b>Total Income</b>				<u>1,183.48</u>
<b>Expense</b>				
<b>Program and Project Consultants</b>				
<b>General Counsel Representation</b>				
Bill	07/06/2017	21689331	General Counsel Service Through July 31, 2017	180.00
Bill	09/07/2017	21800068	Capital Improvement Project Counsel Through August 31, 2017	885.00
Bill	09/21/2017	5	Third Amended Project Plan and Reinvestment Zone Financing Plan	7,950.00
Total General Counsel Representation				<u>9,015.00</u>
<b>TIRZ Administration Overhead</b>				
<b>Accounting Services</b>				
Bill	09/18/2017	13030001019	Bookkeeping May 2017 and June 2017. Prepare for and attend May Board Meeting. Draft Audited Financial Statement	6,442.00
Total Accounting Services				<u>6,442.00</u>
<b>Administrative Services</b>				
Bill	07/06/2017	21689334	Meeting Service Through July 31, 2017	979.90
Bill	09/07/2017	21800035	Meeting Services Through August 31, 2017	75.38
Total Administrative Services				<u>1,055.28</u>
<b>Audit Services</b>				
Bill	09/18/2017		Interim Billing Audit of Hardy for the year ended June 30 2017	6,000.00
Total Audit Services				<u>6,000.00</u>
<b>Office Expense</b>				
EFT	07/03/2017		BBVA Bank Fee	0.95
EFT	08/15/2017		BBVA Bank Fee	0.95
EFT	08/15/2017		Check Book	134.87
Total Office Expense				<u>136.77</u>
Total TIRZ Administration Overhead				<u>22,649.05</u>
Total Expense				<u>22,649.05</u>
Net Ordinary Income				<u>-21,465.57</u>
				<u>-21,465.57</u>

**HARDY/NEAR NORTHSIDE TIRZ # 21**  
**Unpaid Bills Detail**  
**July 1, 2017 through September 25, 2017**

	Type	Date	Number	Memo	Open Balance	Page(s)
<b>Bentley, Bratcher &amp; Associates, P.C.</b>						
	Bill	09/18/2017	13030001019	Bookkeeping May 2017 and June 2017. Prepare for and attend May Board Meeting. Draft Audited Financial Statement	6,442.00	5
Total Bentley, Bratcher & Associates, P.C.					<u>6,442.00</u>	
<b>BRACEWELL LLP</b>						
	Bill	07/05/2017	21685892	Meeting Services Through June 30, 2017	603.03	6
	Bill	07/05/2017	21685891	Capital Improvement Projects Counsel Through June 30, 2017	294.75	7
	Bill	07/06/2017	21689334	Meeting Service Through July 31, 2017	979.90	8-9
	Bill	07/06/2017	21689331	General Counsel Service Through July 31, 2017	180.00	10
	Bill	09/07/2017	21800035	Meeting Services Through August 31, 2017	75.38	11
	Bill	09/07/2017	21800068	Capital Improvement Project Counsel Through August 31, 2017	885.00	12
Total BRACEWELL LLP					<u>3,018.06</u>	
<b>MCCALL GIBSON SWENDLUND BARFOOT PLLC</b>						
	Bill	09/18/2017		Interim Billing Audit of Hardy for the year ended June 30 2017	6,000.00	13
Total McCall Gibson Swendlund Barfoot PLLC					<u>6,000.00</u>	
<b>TIFWorks, LLC</b>						
	Bill	09/21/2017		Third Amended Project Plan and Reinvestment Zone Financing Plan	7,950.00	14
Total TIFWorks, LLC					<u>7,950.00</u>	
<b>Total Unpaid Invoices</b>					<u><u>23,410.06</u></u>	



STATE OF TEXAS  
COUNTY OF HARRIS

## **Agreement for Services of Tax Consultant**

THIS AGREEMENT, made and entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2017, by and between

### **HARDY / NEAR NORTHSIDE REDEVELOPMENT AUTHORITY TIRZ #21**

(the Authority) and Equi-Tax Inc. (hereinafter referred to as Consultant) in consideration of the mutual covenants and agreements herein contained the parties hereto agree as follows:

#### **I. TERM OF AGREEMENT**

The Authority hereby employs Equi-Tax Inc. as the Authority's Tax Consultant for the term beginning \_\_\_\_\_ through \_\_\_\_\_, which term may be extended for subsequent one year terms with the consent of the parties hereto, pursuant to terms and conditions hereof, unless this agreement is terminated as hereinafter provided or modified or superseded by written agreement between the parties hereto.

Either party may terminate this agreement hereto, with or without cause, by written notice to the other party, with such termination to be effective as of the end of the month next succeeding the receipt of such notice. Consultant shall be paid in full and reimbursed in full for all fees and expenses incurred on behalf of the Authority through the date of such termination.

#### **II. CONSULTANT SERVICES**

1. Services Related To Review and Correction of Tax Roll
  - A. Review changes to the Authority's base year certified taxable value.
  - B. Coordinate with the Appraisal District on the contractual agreements for rendering / non-protesting property between developers and the Authority.
  - C. Review the preliminary and certified tax rolls for new properties and new development to ensure they are properly coded to the Authority.

2. Staff Support Services
  - A. Work closely with Executive Director and Board of Directors to monitor development within the Authority and coordinate with Harris County Appraisal District.
  - B. Work with Financial Advisor in preparation of tax section of bond documents.
  - C. Be an available resource to the staff for information relative to ad valorem tax procedures.
3. Bond Documents
  - A. Provide list of top ten taxpayers.
  - B. Provide historical data regarding tax rates.
  - C. Provide historical certified taxable value and incremental taxable value.
  - D. Provide a Certificate of Taxable Value as reflected on the certified appraisal rolls of the Appraisal District.
4. Continuing Disclosure Audit
  - A. Provide current tax information.
  - B. Provide information regarding material changes in incremental taxable values.
  - C. Provide list of principal taxpayers by total value and type of property assessed.
5. Strategic Planning
  - A. Monitor City, County, and School District tax data.
  - B. Provide periodic reports of incremental values.
  - C. Monitor changes in base year taxable value.
  - D. Maintain tracking system for contractual agreements with developers.
  - E. Create and maintain a district reference book with historical data and district maps produced by GIS.

6. Recurring Services:

Maintain database including:

- a. Update property owners' names and addresses.
- b. Retain legal description of real property.
- c. Track new or split properties in the boundaries to be added.
- d. Obtain preliminary values of properties for review and correction.
- e. Monitor taxable values as reflected on the appraisal district records.
- f. Serve as liaison between the appraisal district and the Authority.
- g. Manage certified roll to determine assessed value and net taxable value.
- h. Calculate the incremental value for comparison with the City of Houston.
- i. Providing timely reports to the Executive Director or designated representative.
- j. Execute special mailings as may be required from time to time by the Board of Directors at the cost of printing, mailing and handling.

### III. COMPENSATION

1. Monthly Fee

The monthly fee is based upon the number of accounts within the Authority on January first of each year. The current fee is based upon \_\_\_\_\_ items on the tax roll @ \$0.30 per item = \$\_\_\_\_\_ per month, effective with the date of this agreement. This fee includes all computer resources, purchase of data and office supplies, and all out-of-pocket expenses. The fee will be adjusted each year on January first to reflect the number of items on the current year's tax rolls.

2. Services Related to the Sale of Bonds

- A. Bond document tax data: includes estimated taxable value, principal taxpayer analysis, historical tax rates, levy, collection data, comfort letter, and use of the Equi-Tax Inc. name in bond documents.

Cost Per Bond Sale \$2,000.00

- B. Certificate of Taxable Value based upon the tax appraisal records of the Appraisal District.

Cost Per Estimate \$1,000.00

- C. Continuing Disclosure Audit providing updated information regarding tax base, collections, delinquencies and principal taxpayers for publication in disclosure documents.



3. Additional Services

- A. Services other than those specified in this agreement and authorized in advance shall be billed at the rate of \$95.00 per hour including providing expert testimony on behalf of the Authority at special challenge hearings before the Appraisal District Appraisal Review Board.
- B. Attendance at special meetings at the request of the Board of Directors will be charged at the rate of \$100.00 per meeting.

#### IV. AUTHORITY RESPONSIBILITIES

To aid the Consultant in performing the services under this Agreement it will be necessary for the Authority to provide certain information and documents that are in, or will come into, its possession from time to time. The Authority agrees to use its best efforts to provide the Consultant with the following:

- A. Boundary maps of the original area and annexed areas.
- B. Copies of collection reports received from the City of Houston.
- C. Copies of any reports received from HCAD.
- D. Copies of any agreements that affect the collection of ad valorem taxes.

#### V. OWNERSHIP OF RECORDS

All records prepared and maintained by the Consultant in connection with the execution of the duties and services under this Agreement shall be the property of the Authority and shall be surrendered to the Authority's authorized agent upon termination of this Agreement.

#### VI. OTHER EMPLOYMENT

This Agreement shall not prohibit or prevent Consultant or any representative of the Consultant from accepting employment by and performing services for individuals or organizations other than the Authority in whatever capacity, provided, however, that such employment does not interfere with the proper performance of his duties, express and implied, as Consultant.

## VII. EXECUTION

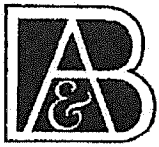
IN TESTIMONY WHEREOF, this Agreement has been executed in multiple originals for and on behalf of the Authority by the Chairman and attested by the Secretary of its Board of Directors and by Consultant as of the day and year above first written.

\_\_\_\_\_  
Chairman  
\_\_\_\_\_  
Redevelopment Authority

ATTEST:

\_\_\_\_\_  
Secretary to the Board of Directors

\_\_\_\_\_  
Kenneth R. Byrd, President  
Equi-Tax Inc.



# BENTLEY, BRATCHER & ASSOCIATES, P.C.

Certified Public Accountants

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

**Invoice Date:** September 20, 2017

**Invoice Number:** 13030-001-019

For professional services rendered through September 16, 2017 in connection with the following:

- ❖ Bookkeeping May and June 2017
- ❖ Prepare for and attend May 31, 2017 Board meeting
- ❖ Coordinate bank signature cards and change of banking arrangements
- ❖ Draft audited financial statements for fiscal year end June 30, 2017
- ❖ Assist auditors with their audit procedures

as well as miscellaneous advice and consultation related thereto

\$ 6,442

***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.***

Page 5

# BRACEWELL

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

July 5, 2017  
 Invoice: 21685892  
 B/A: 04674

Matter #: 037619.000003 For Services Through June 30, 2017  
 Meeting Services

			Hours	Rate/Hr	Amount
06/01/17	Prepare email to S Ladell transmitting a copy of the interlocal agreement for the GLO funds	Deborah Russell	0.25	301.50	75.38
06/19/17	Review correspondence from the City regarding the GLO funding of the Hernandez Tunnel improvements	Deborah Russell	0.25	301.50	75.38
06/20/17	Telephone conference with engineer at Jones and Carter regarding the next meeting date	Deborah Russell	0.25	301.50	75.38
06/21/17	Prepare the certified copy of the resolution authorizing the new account with Compass Bank; scan and email to the bookkeeper	Deborah Russell	0.25	301.50	75.38
06/28/17	Email correspondence with I Lopez of Zayo regarding the cell phone tower request	Deborah Russell	0.25	301.50	75.38
06/29/17	Email correspondence with I Lopez regarding the cell phone tower approval; discussions with C Lord regarding same	Deborah Russell	0.25	301.50	75.38
06/30/17	Begin preparation of a shared cost development agreement as requested by C Lord	Deborah Russell	0.50	301.50	150.75

Summary of Fees

	Hours	Rate/Hr	Amount
Deborah Russell	2.00	301.50	603.03
Total	2.00	301.50	603.03

**Total Fees for Professional Services \$ 603.03**

Fees for Professional Services ..... \$ 603.03

**Total Current Billing for this Matter \$ 603.03**

# BRACEWELL

Page 1

Hardy/Near Northside Redevelopment Authority  
218 Joyce  
Houston, TX 77009

July 5, 2017  
Invoice: 21685891  
B/A: 04674

Matter #: 037619.000002 For Services Through June 30, 2017  
Capital Improvement Projects

			Hours	Rate/Hr	Amount
06/22/17	Review construction audit issues	Clark Stockton Lord	0.50	589.50	294.75
		<b>Hours</b>	<b>0.50</b>	<b>Rate/Hr</b>	<b>Amount</b>
		Clark Stockton Lord	0.50	589.50	294.75
		<b>Total</b>	<b>0.50</b>	<b>589.50</b>	<b>294.75</b>

**Total Fees for Professional Services**

**\$ 294.75**

Fees for Professional Services ..... \$ 294.75

**Total Current Billing for this Matter**

**\$ 294.75**

# BRACEWELL

Page 1

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

August 7, 2017  
Invoice: 21689334  
B/A: 04674

Matter #: 037619.000003 For Services Through July 31, 2017  
Meeting Services

			Hours	Rate/Hr	Amount
07/05/17	Prepare transmittal letter to C Swedlund transmitting the approved engagement letters for the 2017 audit	Deborah Russell	0.25	301.50	75.38
07/06/17	Email correspondence with the bookkeeper regarding the bank account information; continue drafting the reimbursement agreement; discussions with C Lord regarding same; telephone conference with S Ladell of the City regarding the construction management for the Hernandez tunnel; discussions with C Lord regarding same	Deborah Russell	1.00	301.50	301.50
07/07/17	Locate a copy of the interlocal agreement with the City relating to the GLO funds for the Hardy Yards project; email a copy of same to C Lord	Deborah Russell	0.25	301.50	75.38
07/17/17	Review the summary of claim experience received from TML; print same and route for filing	Deborah Russell	0.25	301.50	75.38
07/18/17	Conduct follow up from the Board meeting	Deborah Russell	0.25	301.50	75.38
07/25/17	Telephone conference with K Belanger regarding construction of the rail crossing; email correspondence from the City regarding administration of the GLO funds	Deborah Russell	0.25	301.50	75.38
07/26/17	Email correspondence with the Mobilitie personnel regarding the approval letter needed from the Authority; draft same; discussions with C Lord regarding same	Deborah Russell	0.50	301.50	150.75
07/28/17	Prepare letter to the Zayo group regarding the	Deborah Russell	0.50	301.50	150.75

# BRACEWELL

Hardy/Near Northside Redevelopment Authority

August 7, 2017  
Invoice: 21689334

cell phone towers in the Authority

	Hours	Rate/Hr	Amount
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Summary of Fees

	Hours	Rate/Hr	Amount
Deborah Russell	3.25	301.50	979.90
Total	3.25	301.50	979.90

**Total Fees for Professional Services**

**\$ 979.90**

Fees for Professional Services ..... \$ 979.90

**Total Current Billing for this Matter**

**\$ 979.90**

# BRACEWELL

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

August 7, 2017  
 Invoice: 21689331  
 B/A: 04674

Matter #: 037619.000001 For Services Through July 31, 2017  
 General Counsel

		Hours	Rate/Hr	Amount
07/06/17	Telephone conference with S Ladell regarding Clark Stockton Lord GYO issues	0.50	400.00	200.00
		<b>Hours</b>	<b>Rate/Hr</b>	<b>Amount</b>
	Clark Stockton Lord	0.50	400.00	200.00
	Total	0.50	400.00	200.00
	Less Discount			(20.00)
	<b>Total Fees for Professional Services</b>			<b>\$ 180.00</b>
	Fees for Professional Services .....			\$ 180.00
	<b>Total Current Billing for this Matter</b>			<b>\$ 180.00</b>



# BRACEWELL

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

September 06, 2017  
Invoice Number: 21800035  
BA: 04674 Clark Stockton Lord

Our Matter #: 0037619.000003 For Services Through August 31, 2017  
Meeting Services

<u>Date</u>	<u>Description</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Amount</u>
08/08/17	Email correspondence with K Belanger regarding the status of the quiet zone issue	Deborah Russell	0.25	75.38
<b>Total Fees:</b>				<b>\$ 75.38</b>

## Summary of Fees

<u>Timekeeper</u>	<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Deborah Russell	Paralegal	0.25	301.50	75.38
<b>Total Summary of Fees</b>		<b>0.25</b>		<b>\$ 75.38</b>

Total Fees	\$75.38
Total Expenses	\$0.00
Total Fees, Expenses and Charges	\$75.38
<b>Total Current Billing for this Matter</b>	<b>\$75.38</b>

**PLEASE RETURN THIS REMITTANCE PAGE WITH YOUR PAYMENT**

# BRACEWELL

Hardy/Near Northside Redevelopment Authority  
 218 Joyce  
 Houston, TX 77009

September 07, 2017  
 Invoice Number: 21800068  
 BA: 04674 Clark Stockton Lord

Our Matter #: 0037619.000002 For Services Through August 31, 2017  
 Capital Improvement Projects

<u>Date</u>	<u>Description</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Amount</u>
08/17/17	Teleconferences with Steve Costello regarding Hernandez Tunnel construction.	Clark Stockton Lord	1.50	885.00
<b>Total Fees:</b>				<b>\$ 885.00</b>

## Summary of Fees

<u>Timekeeper</u>	<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Clark Stockton Lord	Partner	1.50	590.00	885.00
<b>Total Summary of Fees</b>		<b>1.50</b>		<b>\$ 885.00</b>

Total Fees	\$885.00
Total Expenses	\$0.00
Total Fees, Expenses and Charges	\$885.00
<b>Total Current Billing for this Matter</b>	<b>\$885.00</b>

**PLEASE RETURN THIS REMITTANCE PAGE WITH YOUR PAYMENT**

**McCALL GIBSON SWEDLUND BARFOOT PLLC**  
*Certified Public Accountants*

13100 Wortham Center Drive  
Suite 235  
Houston, Texas 77065-5610  
(713) 462-0341  
Fax (713) 462-2708  
E-Mail: [mgsb@mgsbpllc.com](mailto:mgsb@mgsbpllc.com)

9600 Great Hills Trail  
Suite 150W  
Austin, Texas 78759  
(512) 610-2209  
[www.mgsbpllc.com](http://www.mgsbpllc.com)

September 18, 2017

Hardy/Near Northside Redevelopment Authority  
c/o Bracewell LLP  
711 Louisiana Street, Suite 2300  
Houston, TX 77002

Client Number: 300-20

Audit of Hardy/Near Northside Redevelopment Authority as of  
and for the year ended June 30, 2017.

Interim Billing

\$ 6,000.00



## **Third Amended Project Plan and Reinvestment Zone Financing Plan**

### **Hardy/Near Northside Zone/TIRZ No. 21**

**Public Hearing Wednesday, DATE HERE**

#### **City Statement**

On August 25, 2017, the Board of Directors of TIRZ No. 21 and the Hardy/Near Northside Redevelopment Authority approved a proposed Third Amended Project Plan and Reinvestment Zone Financing Plan (“Amended Plan”) and forwarded the proposed amendments to the City for consideration. A public hearing on the proposed Amended Plan is required pursuant to Chapter 311 of the Texas Tax Code. Notice of this public hearing was published in the *Houston Chronicle* on DATE HERE. Additionally, the proposed Amended Plan was also forwarded to Harris County for review and comment.

The proposed Amended Plan restates the goals and objectives included in the original plan and subsequent amendments, including the design and construction of public infrastructure improvements, including public streets and roadways, utility systems, parks and related recreational facility improvements, cultural and public facilities improvements, affordable housing.

The Amended Plan also provides for enlargement of the boundaries of the Zone by approximately 395.87 acres, located in Harris County, Texas. The territory proposed to be added into the Zone will allow the Zone to better address issues related to pedestrian, mobility and public safety improvements, recreation, and public infrastructure improvements in an area of the City undergoing urban densification.

In total, project costs will increase in the proposed Amended Plan by \$57 million from the last plan amendment that was approved in 2012 (see Part E, Exhibit 1). Projected tax increment revenues are sufficient to support the projects in the proposed Amended Plan (see Part D, Exhibits 2, 3 and 9a).

In summary, the City has determined the benefits of the proposed Amended Plan and of utilizing tax increment financing as follows:

#### **BENEFITS OF THE AMENDED PLAN**

- The objectives defined in the proposed Amended Plan is to address aging infrastructure in an area of the City experiencing urban densification, through the design and construction of public infrastructure improvements, including public streets and roadways, public utility systems, parks and related recreational facility improvements, cultural and public facilities improvements, flood remediation infrastructure, and affordable housing.

- TIRZ No. 21 will provide the financing and management tools to remedy recent and historic negative trends within the greater Near Northside area, which is currently characterized by deteriorating, defective and unsafe conditions.

### **BENEFITS TO TIRZ NO. 21 AND TO THE CITY**

- The public right-of-way improvement projects defined in the proposed Amended Plan will significantly enhance the value of taxable real property in the Zone through encouragement of sound growth of residential, commercial, and complementary retail development.

### **BENEFITS OF TAX INCREMENT FINANCING**

- The use of tax increment financing to finance the improvements in the proposed Amended Plan allows for a dedicated source of revenue and an efficient means of raising capital to fund the improvements.

Section 311.005 of the Texas Tax Code requires that certain criteria be met for the territory in a reinvestment zone. TIRZ No. 21 meets the following criteria:

- 311.005(1)(B) – The predominance of defective or inadequate sidewalk or street layout;
- 311.005(1)(C) – Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- 311.005(1)(D) – Unsanitary or unsafe conditions;
- 311.005(1)(E) – The deterioration of site or other improvements; and
- 311.005(1)(H) – Conditions that endanger life or property by fire or other cause.
- 311.005(1)(G) – defective or unusual conditions of title.
- 311.005(2) – be predominately open or undeveloped land and, because of obsolete platting, deterioration of structures or site improvements, or other factors substantially impair or arrest the sound growth of the municipality or county.

## Exhibit 1 – Project Cost Schedule

Project Cost Amendments: The following table includes the approved project cost for Parts A, B, C, and the changes made to those budgets through this Part D amendment:

	Part A Estimated Costs	Part B Estimated Costs	Part C Estimated Costs	Part D Estimated Costs	Total Estimated Plan Cost	Cost to Date as of 6/30/2016	Total Remaining Plan Cost
<b>Infrastructure Improvements:</b>							
Public Utilities - Parts A, B & C	\$ 4,553,850	\$ 4,553,850	\$ 15,000,000		\$ 20,000,000	\$ 670,480	\$ 43,437,220
Public Utilities - Part D				\$ 20,000,000			
Public Utilities							
<b>Total Public Utilities - Parts A, B, C and D</b>	<b>\$ 4,553,850</b>	<b>\$ 4,553,850</b>	<b>\$ 15,000,000</b>	<b>\$ 20,000,000</b>	<b>\$ 44,107,700</b>	<b>\$ 670,480</b>	<b>\$ 43,437,220</b>
Roadway and Sidewalk Improvements - Parts A, B & C							
Roadway and Sidewalk Improvements	\$ 9,845,750	\$ 9,845,750	\$ 25,500,000		\$ 35,341,500		
Roadway and Sidewalk Improvements - Part D				\$ 25,000,000			
Roadway and Sidewalk Improvement							
<b>Total Roadway and Sidewalk Improvements - Parts A, B, C and D</b>	<b>\$ 9,845,750</b>	<b>\$ 9,845,750</b>	<b>\$ 25,500,000</b>	<b>\$ 25,000,000</b>	<b>\$ 70,191,500</b>	<b>\$ 5,905,909</b>	<b>\$ 64,285,591</b>
<b>Cultural and Public Facilities Infrastructure Improvements - Parts A, B &amp; C</b>							
Cultural and Public Facilities Infrastructure Improvements	\$ -	\$ 20,000,000	\$ -	\$ -	\$ 20,000,000		
Land Acquisition for Cultural and Public Facilities Improvements	\$ -	\$ -	\$ 16,000,000	\$ -	\$ 16,000,000		
<b>Total Cultural and Public Facilities Infrastructure Improvements - Parts A, B, C and D</b>	<b>\$ -</b>	<b>\$ 20,000,000</b>	<b>\$ 16,000,000</b>	<b>\$ -</b>	<b>\$ 36,000,000</b>	<b>\$ 24,385,017</b>	<b>\$ 11,614,983</b>
<b>Total Infrastructure Improvements - Parts A, B, C and D</b>	<b>\$ 14,399,600</b>	<b>\$ 34,399,600</b>	<b>\$ 56,500,000</b>	<b>\$ 45,000,000</b>	<b>\$ 150,299,200</b>	<b>\$ 30,961,406</b>	<b>\$ 119,337,794</b>
<b>Other Project Costs:</b>							
Parking Facilities - Parts A, B & C	\$ 30,500,000	\$ 30,500,000	\$ (30,500,000)		\$ 30,500,000		
Parking Facilities							
Parking Facilities - Part D				\$ 20,000,000			
Parking Facilities							
<b>Total Parking Facilities - Parts A, B, C &amp; D</b>	<b>\$ 30,500,000</b>	<b>\$ 30,500,000</b>	<b>\$ (30,500,000)</b>	<b>\$ 20,000,000</b>	<b>\$ 20,000,000</b>	<b>\$ -</b>	<b>\$ 20,000,000</b>
<b>Parks and Plazas - Parts A, B &amp; C</b>							
Parks and Recreational Facilities	\$ -	\$ -	\$ 5,000,000		\$ 5,000,000		
Parks and Plazas - Part D							
Parks and Recreational Facilities							
<b>Total Parks and Plazas - Parts A, B, C and D</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,000,000</b>	<b>\$ -</b>	<b>\$ 5,000,000</b>	<b>\$ -</b>	<b>\$ 10,000,000</b>
<b>Environmental Clean-up - Parts A, B &amp; C</b>							
Environmental Clean-up (Mitigation and Remediation)	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ 2,000,000		
<b>Total Environmental Clean-up - Parts A, B, C and D</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,000,000</b>	<b>\$ -</b>	<b>\$ 2,000,000</b>
<b>Affordable Housing - Parts A, B &amp; C</b>							
Affordable Housing - Homeless Initiatives	\$ -	\$ -	\$ 8,000,000	\$ -	\$ 8,000,000		
<b>Total Affordable Housing - Parts A, B, C and D</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,000,000</b>	<b>\$ -</b>	<b>\$ 8,000,000</b>	<b>\$ 520,887</b>	<b>\$ 7,479,113</b>
<b>Project Financing Costs - Parts A, B &amp; C</b>							
Project Financing Costs	\$ 23,822,727	\$ 23,822,727	\$ 7,000,000	\$ -	\$ 34,645,454		
<b>Total Project Financing Costs - Parts A, B, C &amp; D</b>	<b>\$ 23,822,727</b>	<b>\$ 23,822,727</b>	<b>\$ 7,000,000</b>	<b>\$ -</b>	<b>\$ 34,645,454</b>	<b>\$ 1,684,616</b>	<b>\$ 29,138,111</b>
<b>TIRZ Management Parts A, B &amp; C</b>							
TIRZ Creation, Administration and Management	\$ 840,000	\$ 720,000	\$ 2,250,000	\$ -	\$ 3,810,000		
TIRZ Administration and Management - Part D				\$ 2,250,000			
<b>Total TIRZ Management - Parts A, B, C &amp; D</b>	<b>\$ 840,000</b>	<b>\$ 720,000</b>	<b>\$ 2,250,000</b>	<b>\$ 2,250,000</b>	<b>\$ 6,060,000</b>	<b>\$ 2,892,907</b>	<b>\$ 3,167,093</b>
<b>Educational Project Costs - Parts A, B &amp; C</b>							
Design and Construction of Educational Facilities	\$ 13,201,622	\$ -	\$ -	\$ -	\$ 13,201,622		
<b>Total Educational Project Costs - Parts A, B, C &amp; D</b>	<b>\$ 13,201,622</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,201,622</b>	<b>\$ 4,095,310</b>	<b>\$ 9,106,312</b>
<b>PROJECT PLAN TOTAL</b>	<b>\$ 83,763,949</b>	<b>\$ 90,442,327</b>	<b>\$ 48,250,000</b>	<b>\$ 72,250,000</b>	<b>\$ 240,383,549</b>	<b>\$ 40,155,126</b>	<b>\$ 200,228,423</b>

### Exhibit 2 – Part D Plan

**EXHIBIT 2: TIRZ 15 East Downtown Revenue Schedule  
2017 Third Amended Project Plan and Reinvestment Zone Financing Plan (Part D Plan)**

Tax Year (1)	Increment Revenue										Total Increment Revenue Original and Annex Area	Total Increment Revenue Less TxDOT Blocks	Net Revenue (Total Revenue Less Transfers) Original and Annex Areas	Net Revenue (Total Revenue Less Transfers) Less TxDOT Blocks
	City Original and Annexed Areas Less TxDOT Blocks	Houston ISD Original Area	Houston ISD Less TxDOT Blocks	Harris County Land/Infrastructure Original and Annexed Area	Harris County Land/Infrastructure Less TxDOT Blocks	Harris County Homeless Housing Original and Annexed Area	Harris County Homeless Housing Less TxDOT Blocks	Total Increment Revenue Original and Annex Area	Total Increment Revenue Less TxDOT Blocks					
2016	\$ 2,091,931	\$ 1,820,428	\$ 1,820,428	\$ 1,266,447	\$ 1,266,447	\$ 74,497	\$ 1,266,447	\$ 66,655	\$ 5,253,302	\$ 5,245,460	\$ 4,367,902	\$ 4,375,744		
2017	\$ 2,270,624	\$ 1,820,428	\$ 1,820,428	\$ 1,365,903	\$ 1,365,903	\$ 80,347	\$ 1,365,903	\$ 71,890	\$ 5,537,301	\$ 5,528,844	\$ 4,631,267	\$ 4,639,724		
2018	\$ 2,458,252	\$ 1,820,428	\$ 1,820,428	\$ 1,470,332	\$ 1,470,332	\$ 86,490	\$ 1,470,332	\$ 77,386	\$ 5,835,501	\$ 5,826,387	\$ 4,907,799	\$ 4,916,903		
2019	\$ 2,655,261	\$ 1,820,428	\$ 1,820,428	\$ 1,579,982	\$ 1,579,982	\$ 92,940	\$ 1,579,982	\$ 83,157	\$ 6,148,611	\$ 6,138,828	\$ 5,188,158	\$ 5,207,941		
2020	\$ 2,862,120	\$ 1,820,428	\$ 1,820,428	\$ 1,695,115	\$ 1,695,115	\$ 99,713	\$ 1,695,115	\$ 88,478	\$ 6,477,376	\$ 6,467,171	\$ 5,503,035	\$ 4,280,542		
2021	\$ 3,079,323	\$ 1,820,428	\$ 1,820,428	\$ 1,818,005	\$ 1,818,005	\$ 106,824	\$ 1,818,005	\$ 74,841	\$ 6,822,579	\$ 6,812,375	\$ 5,823,156	\$ 4,700,218		
2022	\$ 3,307,386	\$ 1,820,428	\$ 1,820,428	\$ 1,942,939	\$ 1,942,939	\$ 114,281	\$ 1,942,939	\$ 81,522	\$ 7,185,043	\$ 7,174,841	\$ 6,159,283	\$ 5,140,877		
2023	\$ 3,546,852	\$ 1,820,428	\$ 1,820,428	\$ 2,075,220	\$ 2,075,220	\$ 122,131	\$ 2,075,220	\$ 88,537	\$ 7,565,630	\$ 7,555,499	\$ 6,544,723	\$ 5,588,162		
2024	\$ 3,798,291	\$ 1,820,428	\$ 1,820,428	\$ 2,215,164	\$ 2,215,164	\$ 130,363	\$ 2,215,164	\$ 95,902	\$ 7,965,246	\$ 7,955,115	\$ 6,943,472	\$ 5,959,609		
2025	\$ 4,062,302	\$ 1,820,428	\$ 1,820,428	\$ 2,363,107	\$ 2,363,107	\$ 138,095	\$ 2,363,107	\$ 103,636	\$ 8,384,843	\$ 8,374,648	\$ 7,271,908	\$ 6,348,628		
2026	\$ 4,339,514	\$ 1,820,428	\$ 1,820,428	\$ 2,517,399	\$ 2,517,399	\$ 146,082	\$ 2,517,399	\$ 111,756	\$ 8,825,419	\$ 8,815,215	\$ 7,680,470	\$ 6,759,147		
2027	\$ 4,630,586	\$ 1,820,428	\$ 1,820,428	\$ 2,679,399	\$ 2,679,399	\$ 157,612	\$ 2,679,399	\$ 120,283	\$ 9,288,025	\$ 9,277,842	\$ 8,109,463	\$ 7,189,143		
2028	\$ 4,936,212	\$ 1,820,428	\$ 1,820,428	\$ 2,849,503	\$ 2,849,503	\$ 167,618	\$ 2,849,503	\$ 128,236	\$ 9,773,761	\$ 9,763,547	\$ 8,559,905	\$ 7,640,639		
2029	\$ 5,257,119	\$ 1,820,428	\$ 1,820,428	\$ 3,028,112	\$ 3,028,112	\$ 178,124	\$ 3,028,112	\$ 136,636	\$ 10,283,783	\$ 10,273,649	\$ 9,032,870	\$ 8,114,709		
2030	\$ 5,594,072	\$ 1,820,428	\$ 1,820,428	\$ 3,215,652	\$ 3,215,652	\$ 189,156	\$ 3,215,652	\$ 148,507	\$ 10,825,982	\$ 10,815,848	\$ 9,340,864	\$ 7,423,865		
2031	\$ 5,947,872	\$ 1,820,428	\$ 1,820,428	\$ 3,414,027	\$ 3,414,027	\$ 200,739	\$ 3,414,027	\$ 158,871	\$ 11,400,988	\$ 11,390,817	\$ 9,721,567	\$ 7,946,527		
2032	\$ 6,319,363	\$ 1,820,428	\$ 1,820,428	\$ 3,624,879	\$ 3,624,879	\$ 213,144	\$ 3,624,879	\$ 169,753	\$ 12,023,363	\$ 12,013,219	\$ 10,003,384	\$ 8,351,760		
2033	\$ 6,709,427	\$ 1,820,428	\$ 1,820,428	\$ 3,847,879	\$ 3,847,879	\$ 226,428	\$ 3,847,879	\$ 181,118	\$ 12,700,427	\$ 12,690,309	\$ 10,373,956	\$ 8,810,331		
2034	\$ 7,118,995	\$ 1,820,428	\$ 1,820,428	\$ 4,083,708	\$ 4,083,708	\$ 240,612	\$ 4,083,708	\$ 193,118	\$ 13,425,708	\$ 13,415,590	\$ 10,763,046	\$ 9,199,421		
2035	\$ 7,548,042	\$ 1,820,428	\$ 1,820,428	\$ 4,333,107	\$ 4,333,107	\$ 255,903	\$ 4,333,107	\$ 205,713	\$ 14,200,107	\$ 14,190,004	\$ 11,153,752	\$ 9,607,965		
2036	\$ 8,000,590	\$ 1,820,428	\$ 1,820,428	\$ 4,596,752	\$ 4,596,752	\$ 272,428	\$ 4,596,752	\$ 219,428	\$ 15,037,301	\$ 15,027,201	\$ 11,600,561	\$ 10,036,936		
2037	\$ 8,474,717	\$ 1,820,428	\$ 1,820,428	\$ 4,874,717	\$ 4,874,717	\$ 290,428	\$ 4,874,717	\$ 234,428	\$ 15,940,427	\$ 15,930,427	\$ 12,111,580	\$ 10,500,981		
2038	\$ 8,972,548	\$ 1,820,428	\$ 1,820,428	\$ 5,168,260	\$ 5,168,260	\$ 309,428	\$ 5,168,260	\$ 250,428	\$ 16,940,427	\$ 16,930,427	\$ 12,700,922	\$ 11,000,922		
2039	\$ 9,495,273	\$ 1,820,428	\$ 1,820,428	\$ 5,477,879	\$ 5,477,879	\$ 329,428	\$ 5,477,879	\$ 267,428	\$ 17,940,427	\$ 17,930,427	\$ 13,300,922	\$ 11,500,922		
2040	\$ 10,044,133	\$ 1,820,428	\$ 1,820,428	\$ 5,802,879	\$ 5,802,879	\$ 350,428	\$ 5,802,879	\$ 285,428	\$ 18,940,427	\$ 18,930,427	\$ 13,900,922	\$ 12,000,922		
	\$ 133,521,806	\$ 121,062,720	\$ 25,485,987	\$ 33,848,302	\$ 33,848,302	\$ 2,087,932	\$ 33,848,302	\$ 1,789,046	\$ 194,944,027	\$ 181,305,748	\$ 175,246,744	\$ 163,122,631		

Notes:  
 (1) The East Downtown Zone is scheduled to terminate in Tax Year 2040  
 (2) Houston ISD participation terminates at the end of Tax Year 2029  
 (3) Harris County Land/Infrastructure participation is at 70% and County Land/Infrastructure participation terminates a CAP of \$36,600,000 is reached.  
 (4) Harris County Homeless Housing participation is at 5%  
 (5) Property Values based on Harris County Appraisal District Certified Tax Year 2016 Rolls.  
 For Tax Years 2016 to 2040, the property value increases at an annual rate of 5%  
 (6) Collection rate for Tax Year 2016 to Tax Year 2040 estimated at 95%  
 (7) Harris County participation since inception as of Fiscal Year 2016 Audit is \$2,951,698.00.





**Exhibit 4 – Part D Plan**  
**Revenue Schedule: City of Houston Original Area**

**EXHIBIT 4: TIRZ 15 East Downtown Revenue Schedule**  
**City of Houston (Original Area)**  
**2017 Third Amended Project Plan and Reinvestment Zone Financing Plan (Part D Plan)**

Tax Year(1)	Base Value Original Area	Value TaxDOT Blocks	Projected Value Original Area	Captured Appraised Value Original Area	Captured Appraised Value Blocks and Base	Collection Rate (4)	Tax Rate	Increment Revenue Original Area	Increment Revenue Less TaxDOT Blocks and Base Value	City Admin (5%)	Net Revenue Original Area	Net Revenue Less TaxDOT Blocks and Base Value
2016	\$ 32,031,620	\$ -	\$ 213,134,561	\$ 181,102,941	\$ 181,102,941	95.00%	0.56642	\$ 1,008,923	\$ 1,008,923	\$ 50,446	\$ 958,477	\$ 958,477
2017	\$ 32,031,620	\$ -	\$ 223,791,289	\$ 191,759,669	\$ 191,759,669	95.00%	0.56642	\$ 1,068,291	\$ 1,068,291	\$ 53,415	\$ 1,014,877	\$ 1,014,877
2018	\$ 32,031,620	\$ -	\$ 234,980,854	\$ 202,949,234	\$ 202,949,234	95.00%	0.56642	\$ 1,130,628	\$ 1,130,628	\$ 56,531	\$ 1,074,097	\$ 1,074,097
2019	\$ 32,031,620	\$ -	\$ 246,729,896	\$ 214,698,276	\$ 214,698,276	95.00%	0.56642	\$ 1,196,092	\$ 1,196,092	\$ 59,804	\$ 1,136,278	\$ 1,136,278
2020	\$ 32,031,620	\$ 106,496,213	\$ 259,066,391	\$ 227,034,771	\$ 120,538,558	95.00%	0.56642	\$ 1,264,808	\$ 671,519	\$ 63,240	\$ 1,201,568	\$ 608,279
2021	\$ 32,031,620	\$ 106,496,213	\$ 272,019,711	\$ 239,988,091	\$ 133,491,878	95.00%	0.56642	\$ 1,336,971	\$ 743,682	\$ 66,849	\$ 1,270,123	\$ 676,833
2022	\$ 32,031,620	\$ 106,496,213	\$ 285,620,696	\$ 253,699,076	\$ 147,092,863	95.00%	0.56642	\$ 1,412,742	\$ 819,453	\$ 70,637	\$ 1,342,105	\$ 748,816
2023	\$ 32,031,620	\$ 106,496,213	\$ 299,901,731	\$ 267,870,111	\$ 161,373,898	95.00%	0.56642	\$ 1,492,302	\$ 898,012	\$ 74,615	\$ 1,417,687	\$ 824,397
2024	\$ 32,031,620	\$ 106,496,213	\$ 314,896,817	\$ 282,865,197	\$ 176,368,994	95.00%	0.56642	\$ 1,575,839	\$ 982,550	\$ 78,792	\$ 1,497,047	\$ 903,758
2025	\$ 32,031,620	\$ 106,496,213	\$ 330,641,658	\$ 298,610,038	\$ 192,113,825	95.00%	0.56642	\$ 1,663,554	\$ 1,070,284	\$ 83,178	\$ 1,580,376	\$ 987,087
2026	\$ 32,031,620	\$ 106,496,213	\$ 347,173,741	\$ 315,142,121	\$ 208,645,908	95.00%	0.56642	\$ 1,755,654	\$ 1,162,364	\$ 87,763	\$ 1,667,871	\$ 1,074,582
2027	\$ 32,031,620	\$ 106,496,213	\$ 364,532,428	\$ 332,500,808	\$ 226,004,585	95.00%	0.56642	\$ 1,852,359	\$ 1,259,089	\$ 92,618	\$ 1,759,741	\$ 1,166,451
2028	\$ 32,031,620	\$ 106,496,213	\$ 382,759,050	\$ 350,727,430	\$ 244,231,217	95.00%	0.56642	\$ 1,953,869	\$ 1,360,610	\$ 97,665	\$ 1,856,204	\$ 1,262,915
2029	\$ 32,031,620	\$ 106,496,213	\$ 401,897,002	\$ 369,865,382	\$ 263,369,169	95.00%	0.56642	\$ 2,060,516	\$ 1,467,227	\$ 103,026	\$ 1,957,481	\$ 1,364,201
2030	\$ 32,031,620	\$ 106,496,213	\$ 421,991,852	\$ 389,960,232	\$ 283,464,019	95.00%	0.56642	\$ 2,172,465	\$ 1,579,175	\$ 108,623	\$ 2,063,841	\$ 1,470,552
2031	\$ 32,031,620	\$ 106,496,213	\$ 443,091,445	\$ 411,059,625	\$ 304,563,612	95.00%	0.56642	\$ 2,290,010	\$ 1,696,721	\$ 114,501	\$ 2,175,510	\$ 1,582,220
2032	\$ 32,031,620	\$ 106,496,213	\$ 465,246,017	\$ 433,214,937	\$ 326,718,184	95.00%	0.56642	\$ 2,413,433	\$ 1,820,144	\$ 120,672	\$ 2,292,761	\$ 1,699,472
2033	\$ 32,031,620	\$ 106,496,213	\$ 488,508,318	\$ 456,476,698	\$ 349,980,485	95.00%	0.56642	\$ 2,543,027	\$ 1,949,738	\$ 127,151	\$ 2,415,876	\$ 1,822,586
2034	\$ 32,031,620	\$ 106,496,213	\$ 512,933,734	\$ 480,902,114	\$ 374,405,901	95.00%	0.56642	\$ 2,679,101	\$ 2,085,812	\$ 133,955	\$ 2,545,146	\$ 1,951,856
2035	\$ 32,031,620	\$ 106,496,213	\$ 538,580,421	\$ 506,548,801	\$ 400,052,588	95.00%	0.56642	\$ 2,821,978	\$ 2,228,689	\$ 141,039	\$ 2,680,879	\$ 2,087,590
2036	\$ 32,031,620	\$ 106,496,213	\$ 565,509,442	\$ 533,477,822	\$ 426,981,609	95.00%	0.56642	\$ 2,972,000	\$ 2,378,710	\$ 148,600	\$ 2,823,400	\$ 2,230,110
2037	\$ 32,031,620	\$ 106,496,213	\$ 593,784,914	\$ 561,753,294	\$ 455,257,081	95.00%	0.56642	\$ 3,129,522	\$ 2,536,233	\$ 156,476	\$ 2,973,046	\$ 2,379,757
2038	\$ 32,031,620	\$ 106,496,213	\$ 623,474,159	\$ 591,442,539	\$ 484,946,326	95.00%	0.56642	\$ 3,294,920	\$ 2,701,631	\$ 164,746	\$ 3,130,174	\$ 2,526,885
2039	\$ 32,031,620	\$ 106,496,213	\$ 654,647,867	\$ 622,616,247	\$ 516,120,034	95.00%	0.56642	\$ 3,468,569	\$ 2,875,300	\$ 173,429	\$ 3,295,159	\$ 2,701,870
2040	\$ 32,031,620	\$ 106,496,213	\$ 687,380,261	\$ 655,348,641	\$ 548,852,428	95.00%	0.56642	\$ 3,650,941	\$ 3,057,651	\$ 182,547	\$ 3,468,394	\$ 2,875,104
								\$ 52,208,554	\$ 39,749,478	\$ 2,610,428	\$ 49,598,126	\$ 37,139,050

Notes:  
(1) The East Downtown Zone is scheduled to terminate in Tax Year 2040  
(2) Base Year is Tax Year 1999  
(3) Property Values based on Harris County Appraisal District Certified Tax Year 2016 Rolls.  
For Tax Years 2016 to 2040, the property value increases at an annual rate of 5%  
(4) Collection rate for Tax Year 2016 to Tax Year 2040 estimated at 95%  
5.00%

Exhibit 4A – Part D Plan  
Revenue Schedule: City of Houston 2008 Annexed Area

**EXHIBIT 4A: TIRZ 15 East Downtown Revenue Schedule  
City of Houston (2008 Annexed Area)  
2017 Third Amended Project Plan and Reinvestment Zone Financing Plan (Part D Plan)**

Tax Year(1)	Base Value (2)	Projected Value (3)	Captured Appraised Value	Collection Rate (4)	Tax Rate	Increment Revenue
2016	\$ 121,026,714	\$ 324,483,194	\$ 203,456,480	95.00%	0.58642	\$ 1,133,454
2017	\$ 121,026,714	\$ 340,707,354	\$ 219,680,640	95.00%	0.58642	\$ 1,223,839
2018	\$ 121,026,714	\$ 357,742,721	\$ 236,716,007	95.00%	0.58642	\$ 1,318,743
2019	\$ 121,026,714	\$ 375,629,857	\$ 254,603,143	95.00%	0.58642	\$ 1,418,392
2020	\$ 121,026,714	\$ 394,411,350	\$ 273,384,636	95.00%	0.58642	\$ 1,523,023
2021	\$ 121,026,714	\$ 414,131,918	\$ 293,105,204	95.00%	0.58642	\$ 1,632,886
2022	\$ 121,026,714	\$ 434,838,514	\$ 313,811,800	95.00%	0.58642	\$ 1,748,242
2023	\$ 121,026,714	\$ 456,580,439	\$ 335,553,725	95.00%	0.58642	\$ 1,869,366
2024	\$ 121,026,714	\$ 479,409,461	\$ 358,382,747	95.00%	0.58642	\$ 1,996,547
2025	\$ 121,026,714	\$ 503,379,934	\$ 382,353,220	95.00%	0.58642	\$ 2,130,086
2026	\$ 121,026,714	\$ 528,548,931	\$ 407,522,217	95.00%	0.58642	\$ 2,270,302
2027	\$ 121,026,714	\$ 554,976,378	\$ 433,949,664	95.00%	0.58642	\$ 2,417,529
2028	\$ 121,026,714	\$ 582,725,197	\$ 461,698,483	95.00%	0.58642	\$ 2,572,118
2029	\$ 121,026,714	\$ 611,861,456	\$ 490,834,742	95.00%	0.58642	\$ 2,734,435
2030	\$ 121,026,714	\$ 642,454,529	\$ 521,427,815	95.00%	0.58642	\$ 2,904,869
2031	\$ 121,026,714	\$ 674,577,256	\$ 553,550,542	95.00%	0.58642	\$ 3,083,825
2032	\$ 121,026,714	\$ 708,306,119	\$ 587,279,405	95.00%	0.58642	\$ 3,271,728
2033	\$ 121,026,714	\$ 743,721,424	\$ 622,694,710	95.00%	0.58642	\$ 3,469,026
2034	\$ 121,026,714	\$ 780,907,496	\$ 659,880,782	95.00%	0.58642	\$ 3,676,189
2035	\$ 121,026,714	\$ 819,952,870	\$ 698,926,156	95.00%	0.58642	\$ 3,893,711
2036	\$ 121,026,714	\$ 860,950,514	\$ 739,923,800	95.00%	0.58642	\$ 4,122,108
2037	\$ 121,026,714	\$ 903,998,040	\$ 782,971,326	95.00%	0.58642	\$ 4,361,925
2038	\$ 121,026,714	\$ 949,197,942	\$ 828,171,228	95.00%	0.58642	\$ 4,613,734
2039	\$ 121,026,714	\$ 996,657,839	\$ 875,631,125	95.00%	0.58642	\$ 4,878,132
2040	\$ 121,026,714	\$ 1,046,490,731	\$ 925,464,017	95.00%	0.58642	\$ 5,155,751
						\$ 69,419,959

Notes:

- (1) The East Downtown Zone is scheduled to terminate in Tax Year 2040
- (2) Base Year is Tax Year 1999
- (3) Property Values based on Harris County Appraisal District Certified Tax Year 2016 Rolls.  
For Tax Years 2016 to 2040, the property value increases at an annual rate of 5%
- (4) Collection rate for Tax Year 2016 to Tax Year 2040 estimated at 95%

Exhibit 4B – Part D Plan  
Revenue Schedule: City of Houston 2017 Annexed Area

**EXHIBIT 4B: TIRZ 15 East Downtown Revenue Schedule  
City of Houston (2017 Annex Area)  
2017 Third Amended Project Plan and Reinvestment Zone Financing Plan (Part D Plan)**

Tax Year(1)	Base Value (2)	Projected Value (3)	Captured Appraised Value	Collection Rate (4)	Tax Rate	Increment Revenue
2016	\$ 114,552,101	\$ 114,552,101	\$ -	95.00%	0.58642	\$ -
2017	\$ 114,552,101	\$ 120,279,706	\$ 5,727,605	95.00%	0.58642	\$ 31,908
2018	\$ 114,552,101	\$ 126,293,691	\$ 11,741,590	95.00%	0.58642	\$ 65,412
2019	\$ 114,552,101	\$ 132,608,376	\$ 18,056,275	95.00%	0.58642	\$ 100,591
2020	\$ 114,552,101	\$ 139,238,795	\$ 24,686,694	95.00%	0.58642	\$ 137,529
2021	\$ 114,552,101	\$ 146,200,734	\$ 31,648,633	95.00%	0.58642	\$ 176,314
2022	\$ 114,552,101	\$ 153,510,771	\$ 38,958,670	95.00%	0.58642	\$ 217,038
2023	\$ 114,552,101	\$ 161,186,310	\$ 46,634,209	95.00%	0.58642	\$ 259,799
2024	\$ 114,552,101	\$ 169,245,625	\$ 54,693,524	95.00%	0.58642	\$ 304,697
2025	\$ 114,552,101	\$ 177,707,906	\$ 63,155,805	95.00%	0.58642	\$ 351,840
2026	\$ 114,552,101	\$ 186,593,302	\$ 72,041,201	95.00%	0.58642	\$ 401,341
2027	\$ 114,552,101	\$ 195,922,967	\$ 81,370,866	95.00%	0.58642	\$ 453,316
2028	\$ 114,552,101	\$ 205,719,115	\$ 91,167,014	95.00%	0.58642	\$ 507,891
2029	\$ 114,552,101	\$ 216,005,071	\$ 101,452,970	95.00%	0.58642	\$ 565,193
2030	\$ 114,552,101	\$ 226,805,325	\$ 112,253,224	95.00%	0.58642	\$ 625,362
2031	\$ 114,552,101	\$ 238,145,591	\$ 123,593,490	95.00%	0.58642	\$ 688,538
2032	\$ 114,552,101	\$ 250,052,870	\$ 135,500,769	95.00%	0.58642	\$ 754,873
2033	\$ 114,552,101	\$ 262,555,514	\$ 148,003,413	95.00%	0.58642	\$ 824,526
2034	\$ 114,552,101	\$ 275,683,290	\$ 161,131,189	95.00%	0.58642	\$ 897,660
2035	\$ 114,552,101	\$ 289,467,454	\$ 174,915,353	95.00%	0.58642	\$ 974,452
2036	\$ 114,552,101	\$ 303,940,827	\$ 189,388,726	95.00%	0.58642	\$ 1,055,083
2037	\$ 114,552,101	\$ 319,137,868	\$ 204,585,767	95.00%	0.58642	\$ 1,139,745
2038	\$ 114,552,101	\$ 335,094,761	\$ 220,542,660	95.00%	0.58642	\$ 1,228,641
2039	\$ 114,552,101	\$ 351,849,500	\$ 237,297,399	95.00%	0.58642	\$ 1,321,981
2040	\$ 114,552,101	\$ 369,441,974	\$ 254,889,873	95.00%	0.58642	\$ 1,419,989
						\$ 14,503,721

Notes:

- (1) The East Downtown Zone is scheduled to terminate in Tax Year 2040
- (2) Base Year is Tax Year 1999
- (3) Property Values based on Harris County Appraisal District Certified Tax Year 2016 Rolls.  
For Tax Years 2016 to 2040, the property value increases at an annual rate of 5%
- (4) Collection rate for Tax Year 2016 to Tax Year 2040 estimated at 95%

**Exhibit 5 – Part D Plan**  
**Revenue Schedule: Houston Independent School District**

**EXHIBIT 5: TIRZ 15 East Downtown Revenue Schedule**  
**Houston Independent School District (Original Area)**  
**2017 Third Amended Project Plan and Reinvestment Zone Financing Plan (Part D Plan)**

Tax Year(1)	Base Value Original Area	Value TxDOT Blocks	Lesser of:				Collection Rate (4)	Tax Rate	Increment Revenue Original Area	Increment Revenue Less TxDOT Blocks
			Captured Appraised Value		Project Plan Appraised Value					
			Captured Appraised Value Original Area	Captured Appraised Value Less TxDOT Blocks and Base Value						
2016	\$ 32,016,620	\$ -	\$ 212,727,369	\$ 180,710,749	\$ 180,710,749	\$ 158,800,000	95.00%	1.2067	\$ 1,820,428	\$ 1,820,428
2017	\$ 32,016,620	\$ -	\$ 223,363,737	\$ 191,347,117	\$ 191,347,117	\$ 158,800,000	95.00%	1.2067	\$ 1,820,428	\$ 1,820,428
2018	\$ 32,016,620	\$ -	\$ 234,531,924	\$ 202,515,304	\$ 202,515,304	\$ 158,800,000	95.00%	1.2067	\$ 1,820,428	\$ 1,820,428
2019	\$ 32,016,620	\$ -	\$ 246,258,521	\$ 214,241,901	\$ 214,241,901	\$ 158,800,000	95.00%	1.2067	\$ 1,820,428	\$ 1,820,428
2020	\$ 32,016,620	\$ 106,496,213	\$ 258,571,447	\$ 226,554,827	\$ 120,058,614	\$ 158,800,000	95.00%	1.2067	\$ 1,820,428	\$ 1,376,310
2021	\$ 32,016,620	\$ 106,496,213	\$ 271,500,019	\$ 239,483,399	\$ 132,987,186	\$ 158,800,000	95.00%	1.2067	\$ 1,820,428	\$ 1,524,519
2022	\$ 32,016,620	\$ 106,496,213	\$ 285,075,020	\$ 253,058,400	\$ 146,562,187	\$ 158,800,000	95.00%	1.2067	\$ 1,820,428	\$ 1,680,138
2023	\$ 32,016,620	\$ 106,496,213	\$ 299,328,771	\$ 267,312,151	\$ 160,815,938	\$ 158,800,000	95.00%	1.2067	\$ 1,820,428	\$ 1,820,428
2024	\$ 32,016,620	\$ 106,496,213	\$ 314,295,209	\$ 282,278,589	\$ 175,782,376	\$ 158,800,000	95.00%	1.2067	\$ 1,820,428	\$ 1,820,428
2025	\$ 32,016,620	\$ 106,496,213	\$ 330,009,970	\$ 297,993,350	\$ 191,497,137	\$ 158,800,000	95.00%	1.2067	\$ 1,820,428	\$ 1,820,428
2026	\$ 32,016,620	\$ 106,496,213	\$ 346,510,468	\$ 314,493,848	\$ 207,997,635	\$ 158,800,000	95.00%	1.2067	\$ 1,820,428	\$ 1,820,428
2027	\$ 32,016,620	\$ 106,496,213	\$ 363,835,992	\$ 331,819,372	\$ 225,323,159	\$ 158,800,000	95.00%	1.2067	\$ 1,820,428	\$ 1,820,428
2028	\$ 32,016,620	\$ 106,496,213	\$ 382,027,791	\$ 350,011,171	\$ 243,514,958	\$ 158,800,000	95.00%	1.2067	\$ 1,820,428	\$ 1,820,428
2029	\$ 32,016,620	\$ 106,496,213	\$ 401,129,181	\$ 369,112,561	\$ 262,616,348	\$ 158,800,000	95.00%	1.2067	\$ 1,820,428	\$ 1,820,428
									\$ 25,485,987	\$ 24,605,670

**Notes:**

- (1) Houston Independent School District participation in the Reinvestment Zone ends with the collection of the Tax Year 2029 payment
- (2) Base Year is Tax Year 1999
- (3) Property Values based on Harris County Appraisal District Certified Tax Year 2016 Rolls.  
For Tax Years 2016 to 2029, the property value increases at an annual rate of 5%
- (4) Collection rate for Tax Year 2016 to Tax Year 2029 estimated at 95%

# Exhibit 6 – Part D Plan Revenue Schedule: Harris County

5.00%

**EXHIBIT 6: TIRZ 15 East Downtown Revenue Schedule  
Harris County (Original and Annexed Area)  
2017 Third Amended Project Plan and Reinvestment Zone Financing Plan (Part D Plan)**

Tax Year(1)	Base Value Original and Annex Area	Value TaxDOT Blocks	Projected Value	Captured Appraised Value Original and Annex Area	Captured Appraised Value Less TaxDOT Blocks and Base Value	Collection Rate (4)	Tax Rate	Harris County Land/Infrastructure Rate	Harris County Land/Infrastructure Revenue Original and Annex Area	Harris County Land/Infrastructure Revenue w/o TaxDOT Blocks and Base Value	County Admin Rate	County Admin Fees Original and Annex Area	County Admin Fees Less TaxDOT Blocks and Base Value	Harris County Homeless Housing Rate	Harris County Homeless Housing Revenue	Harris County Homeless Housing Increment Revenue Less TaxDOT Blocks and Base Value
2016	\$ 195,324,173	\$ -	\$ 537,617,755	\$ 342,293,582	\$ 342,293,582	95.00%	0.45819	85.00%	\$ 1,266,447	\$ 1,266,447	10.00%	\$ 148,984	\$ 133,310	5.00%	\$ 74,497	\$ 66,655
2017	\$ 195,324,173	\$ -	\$ 564,488,643	\$ 369,174,470	\$ 369,174,470	95.00%	0.45819	85.00%	\$ 1,365,903	\$ 1,365,903	10.00%	\$ 169,684	\$ 143,778	5.00%	\$ 80,347	\$ 71,890
2018	\$ 195,324,173	\$ -	\$ 592,723,575	\$ 397,399,402	\$ 397,399,402	95.00%	0.45819	85.00%	\$ 1,470,332	\$ 1,470,332	10.00%	\$ 172,980	\$ 154,772	5.00%	\$ 86,490	\$ 77,386
2019	\$ 195,324,173	\$ -	\$ 622,359,764	\$ 427,035,581	\$ 427,035,581	95.00%	0.45819	85.00%	\$ 1,578,882	\$ 1,578,882	10.00%	\$ 185,880	\$ 166,314	5.00%	\$ 92,640	\$ 83,157
2020	\$ 195,324,173	\$ 106,496,213	\$ 655,477,741	\$ 458,163,568	\$ 351,657,395	95.00%	0.45819	85.00%	\$ 1,695,115	\$ 1,301,692	10.00%	\$ 199,425	\$ 136,957	5.00%	\$ 98,713	\$ 68,479
2021	\$ 195,324,173	\$ 106,496,213	\$ 686,151,928	\$ 490,827,455	\$ 384,331,242	95.00%	0.45819	85.00%	\$ 1,816,005	\$ 1,421,981	10.00%	\$ 213,848	\$ 149,682	5.00%	\$ 106,824	\$ 74,641
2022	\$ 195,324,173	\$ 106,496,213	\$ 720,459,210	\$ 525,135,037	\$ 418,638,824	95.00%	0.45819	85.00%	\$ 1,942,939	\$ 1,548,915	10.00%	\$ 228,581	\$ 163,044	5.00%	\$ 114,291	\$ 81,522
2023	\$ 195,324,173	\$ 106,496,213	\$ 756,482,170	\$ 561,167,997	\$ 454,661,784	95.00%	0.45819	85.00%	\$ 2,078,220	\$ 1,682,198	10.00%	\$ 244,261	\$ 177,073	5.00%	\$ 122,131	\$ 88,537
2024	\$ 195,324,173	\$ 106,496,213	\$ 794,306,279	\$ 598,952,106	\$ 492,466,893	95.00%	0.45819	85.00%	\$ 2,216,164	\$ 1,822,141	10.00%	\$ 260,725	\$ 191,804	5.00%	\$ 130,383	\$ 95,992
2025	\$ 195,324,173	\$ 106,496,213	\$ 834,021,593	\$ 638,697,420	\$ 532,201,207	95.00%	0.45819	85.00%	\$ 2,363,107	\$ 1,969,083	10.00%	\$ 278,013	\$ 207,272	5.00%	\$ 139,006	\$ 103,636
2026	\$ 195,324,173	\$ 106,496,213	\$ 875,722,672	\$ 680,399,499	\$ 573,902,286	95.00%	0.45819	85.00%	\$ 2,517,396	\$ 2,123,372	10.00%	\$ 296,184	\$ 223,513	5.00%	\$ 148,082	\$ 111,756
2027	\$ 195,324,173	\$ 106,496,213	\$ 919,509,506	\$ 724,184,633	\$ 617,698,420	95.00%	0.45819	85.00%	\$ 2,679,399	\$ 2,285,376	10.00%	\$ 315,223	\$ 240,566	5.00%	\$ 157,612	\$ 120,283
2028	\$ 195,324,173	\$ 106,496,213	\$ 965,484,246	\$ 770,160,075	\$ 663,663,950	95.00%	0.45819	85.00%	\$ 2,849,503	\$ 2,455,379	10.00%	\$ 335,236	\$ 259,472	5.00%	\$ 167,618	\$ 129,236
2029	\$ 195,324,173	\$ 106,496,213	\$ 1,013,758,459	\$ 818,434,286	\$ 711,939,073	95.00%	0.45819	85.00%	\$ 3,028,112	\$ 2,634,088	10.00%	\$ 356,248	\$ 277,272	5.00%	\$ 178,124	\$ 138,636
2030	\$ 195,324,173	\$ 106,496,213	\$ 1,064,446,382	\$ 868,122,209	\$ 762,025,986	95.00%	0.45819	85.00%	\$ 3,215,682	\$ 2,821,658	10.00%	\$ 378,312	\$ 297,013	5.00%	\$ 189,156	\$ 148,507
2031	\$ 195,324,173	\$ 106,496,213	\$ 1,117,668,701	\$ 922,344,529	\$ 815,848,315	95.00%	0.45819	85.00%	\$ 3,414,529	\$ 3,018,504	10.00%	\$ 401,479	\$ 317,742	5.00%	\$ 200,739	\$ 158,871
2032	\$ 195,324,173	\$ 106,496,213	\$ 1,173,552,138	\$ 978,227,963	\$ 871,731,750	95.00%	0.45819	85.00%	\$ 3,619,744	\$ 3,223,720	10.00%	\$ 427,506	\$ 339,506	5.00%	\$ 214,124	\$ 169,763
2033	\$ 195,324,173	\$ 106,496,213	\$ 1,232,226,742	\$ 1,036,905,569	\$ 930,409,356	95.00%	0.45819	85.00%	\$ 3,834,744	\$ 3,438,720	10.00%	\$ 457,506	\$ 369,506	5.00%	\$ 228,124	\$ 180,763
2034	\$ 195,324,173	\$ 106,496,213	\$ 1,293,841,230	\$ 1,098,517,057	\$ 992,020,844	95.00%	0.45819	85.00%	\$ 4,059,744	\$ 3,663,720	10.00%	\$ 491,506	\$ 399,506	5.00%	\$ 242,124	\$ 193,763
2035	\$ 195,324,173	\$ 106,496,213	\$ 1,358,533,291	\$ 1,165,209,118	\$ 1,056,174,905	95.00%	0.45819	85.00%	\$ 4,294,744	\$ 3,898,720	10.00%	\$ 526,506	\$ 424,506	5.00%	\$ 256,124	\$ 207,763
2036	\$ 195,324,173	\$ 106,496,213	\$ 1,428,459,655	\$ 1,231,135,763	\$ 1,124,639,570	95.00%	0.45819	85.00%	\$ 4,539,744	\$ 4,143,720	10.00%	\$ 561,506	\$ 459,506	5.00%	\$ 270,124	\$ 221,763
2037	\$ 195,324,173	\$ 106,496,213	\$ 1,497,762,563	\$ 1,302,458,760	\$ 1,195,892,567	95.00%	0.45819	85.00%	\$ 4,794,744	\$ 4,398,720	10.00%	\$ 596,506	\$ 494,506	5.00%	\$ 284,124	\$ 235,763
2038	\$ 195,324,173	\$ 106,496,213	\$ 1,572,672,101	\$ 1,377,347,628	\$ 1,270,651,715	95.00%	0.45819	85.00%	\$ 5,059,744	\$ 4,663,720	10.00%	\$ 631,506	\$ 529,506	5.00%	\$ 298,124	\$ 249,763
2039	\$ 195,324,173	\$ 106,496,213	\$ 1,651,305,706	\$ 1,455,981,533	\$ 1,349,495,320	95.00%	0.45819	85.00%	\$ 5,334,744	\$ 4,938,720	10.00%	\$ 666,506	\$ 564,506	5.00%	\$ 312,124	\$ 263,763
2040	\$ 195,324,173	\$ 106,496,213	\$ 1,733,870,991	\$ 1,538,546,818	\$ 1,432,050,605	95.00%	0.45819	85.00%	\$ 5,619,744	\$ 5,223,720	10.00%	\$ 701,506	\$ 605,506	5.00%	\$ 326,124	\$ 277,763
									\$ 33,848,302	\$ 33,848,302		\$ 4,175,684	\$ 3,678,091		\$ 2,087,932	\$ 1,789,046

- Notes:
- (1) The East Downtown Zone is scheduled to terminate in Tax Year 2040
  - (2) Base Year is Tax Year 2007
  - (3) Property Values based on Harris County Appraisal District Certified Tax Year 2016 Rolls.  
For Tax Years 2016 to 2040, the property value increases at an annual rate of 5%.
  - (4) Collection rate for Tax Year 2016 to Tax Year 2040 estimated at 95%
  - (5) Harris County Land/Infrastructure participation is at 85%
  - (6) Harris County Land/Infrastructure participation terminates when the CAP is reached, \$39,600,000
  - (7) Harris County Admin fee is at 10%
  - (8) Harris County Homeless Housing participation is at 5%
  - (9) Harris County participation since inception as of Fiscal Year 2016 Audit is \$2,951,698.00.





NOTICE OF PUBLIC HEARING ON THE THIRD AMENDED PROJECT PLAN AND REINVESTMENT  
ZONE FINANCING PLAN FOR REINVESTMENT ZONE NUMBER TWENTY-ONE, CITY OF HOUSTON,  
TEXAS (HARDY/NEAR NORTHSIDE ZONE)  
PURSUANT TO CHAPTER 311, TEXAS TAX CODE

Notice is hereby given that the City Council of the City of Houston, Texas will hold a public hearing on Wednesday, **DATE HERE**, beginning at 9:00 a.m. in the City Council Chambers, Second Floor, City Hall, 901 Bagby, Houston, Texas 77002, on an amendment to the Project Plan and Reinvestment Zone Financing Plan ("Plan") for Reinvestment Zone Number Twenty-One, City of Houston, Texas (Hardy/Near Northside Zone) pursuant to the provisions of Chapter 311 of the Texas Tax Code. On August 25, 2017, the Board of Directors of the Hardy/Near Northside Zone and the Hardy/Near Northside Redevelopment Authority adopted certain changes to the Plan for consideration and approval by City Council.

The proposed Amended Plan restates the goals and objectives included in the original plan and subsequent amendments, including the design and construction of public infrastructure improvements, including public streets and roadways, utility systems, parks and related recreational facility improvements, cultural and public facilities improvements, and affordable housing.

The Amended Plan also provides for enlargement of the boundaries of the Zone by approximately 395.87 acres, located in Harris County, Texas. The territory proposed to be added into the Zone will allow the Zone to better address issues related to mobility and public safety improvements, recreation, and flood remediation infrastructure improvements in an area of the City undergoing urban densification.

The boundaries of the proposed annexation area are as follows:

All persons are invited to attend the hearing and speak for or against the amendment to the Plan, the benefits from the Plan amendment to the City and to the property within the Hardy/Near Northside Zone, and the concept of tax increment financing.

Persons wishing to speak at this public hearing should call the City Secretary of the City of Houston at (832) 393-1100 before 8:30 am on **DATE HERE**.

Anna Russell  
City Secretary  
City of Houston, Texas





**TAX INCREMENT REINVESTMENT ZONE NUMBER TWENTY-ONE  
CITY OF HOUSTON, TEXAS,**

**HARDY NEAR NORTHSIDE ZONE**

Third Amended  
Project Plan and Reinvestment Zone Financing Plan

September 25, 2017

REINVESTMENT ZONE NUMBER TWENTY-ONE, CITY OF HOUSTON, TEXAS  
HARDY/NEAR NORTHSIDE ZONE  
Third Amended Project Plan and Reinvestment Zone Financing Plan

Table of Contents

**Introduction**.....1

**Section One** .....1

**The Part A Plan**.....1

**The Part B Plan**.....1

**The Part C Plan** .....1

**Section Two** .....2

**The Part D Plan**.....2

**Proposed Goals for Improvements in the Zone:** .....2

Goal 1: Pedestrian Safe Environments .....2

Goal 2: Public Greenspace, Parks, Recreational Facilities .....2

Goal 3: Pedestrian-Attractive Retail Developments .....2

Goal 4: Complimenting METRO Transit Initiatives .....3

Goal 5: Cultural and Public Facilities, Affordable Housing .....3

Goal 6: Infrastructure Improvements .....3

**A. PROJECT PLAN** .....3

Existing & Proposed Uses of Land .....3

Proposed Changes of Zoning Ordinances, Municipality Master Plan, Building Codes, and  
Other Municipal Ordinances .....3

Estimated Non-Project Cost Items .....4

Statement of Method of Relocating Persons Displaced as Result of Implementing Plan .....4

**B. FINANCING PLAN**.....4

Estimated Project Costs .....4

Statement Listing Kind, Number, & Location of Proposed Public Works or  
Improvements in Zone .....4

Economic Feasibility .....4

Estimated Amount of Bond Indebtedness; Time When Related Costs or Monetary  
Obligations Incurred .....4

Description of Methods & Sources of Financing Project Costs & Percentage of Increment  
From Taxing Units .....4

Current Total Appraised Value of Taxable Real Property .....5

Estimated Captured Appraised Value of Zone During Each Year of Existence .....5

Zone Duration .....5

**Maps and Exhibits:**

Map 1 – Map of Proposed and Existing Land Uses in Zone

Exhibit 1 Parts A, B, C and D Plan Project Costs

Exhibit 2 Part D Plan Net Revenue Schedule

Exhibit 9 (Amended) Part D Plan Revenue Schedule (Original Area)

Exhibit 3 Part D Plan Revenue Schedule (Annexed Area)

TAX INCREMENT REINVESTMENT ZONE NUMBER TWENTY-ONE  
HARDY/NEAR NORTHSIDE ZONE  
PART D – THIRD AMENDED PROJECT PLAN  
AND REINVESTMENT ZONE FINANCING PLAN

Amended September 25, 2017

Introduction:

Reinvestment Zone Number Twenty-One, City of Houston, Texas, also known as the Hardy/Near Northside Zone (“Zone”) was created by Ordinance No. 2003-1258 on December 17, 2003 for the purposes of development and redevelopment in an area covering approximately 326.1 acres and generally bounded by Quitman Street on the North, U.S. Highway 59 on the East, Interstate 10 on the South, and Interstate Highway 45 on the West. The primary focus of the Zone was to address blighted conditions and provide programs to facilitate the development of affordable housing and mobility improvements.

**Section One:**

The Part A Plan:

A Project Plan and Reinvestment Zone Financing Plan (Part A Plan) was adopted by the City on December 30, 2008 by Ordinance No. 2008-1212. The Part A Plan called for the redevelopment of a former 43-acre Union Pacific rail yard site and the North Main Street area in general. The Part A Plan also included provisions for the development of affordable housing and transit-oriented mixed-use development. In addition, on May 27, 2009, by Ordinance No. 2009-432, the City and the Zone approved an Affordable Housing Agreement which provided that one-third of the City’s tax increment revenue be returned to the City to use for affordable housing.

The Part B Plan:

On November 10, 2009, by Resolution No. 2009-0032, the City approved the creation of the Hardy/Near Northside Redevelopment Authority (“Authority”). The Authority was established to assist the City and the Zone Board of Directors in implementing the Part A Plan. On December 9, 2009, by Ordinance No. 2009-1272, the City adopted the First Amended Project Plan and Reinvestment Zone Financing Plan (Part B Plan). The Part B Plan restated the goals and objectives included in the Part A Plan and added several new project costs, including provisions for upgrades and improvements to public utility systems, public roadways and thoroughfares, transit facilities, trail systems, parks, provisions for public art, lighting, landscaping, environmental remediation and for the design and construction of a potential grade separated extension of San Jacinto Street north to the southern terminus of Fulton Street.

The Part C Plan:

On August 15, 2012, the City, by Ordinance 2012-0710, adopted a second amendment to the Zone Project Plan and Reinvestment Zone Financing Plan (Part C Plan). The Part C Plan restates the goals and objectives of the Part A and Part B Plans and provided for enhancements in the 326.1 acres of the Zone covered by the Part A and Part B Plans. In addition, the Part C Plan included provisions for an extension of the duration of the Zone, to December 31, 2040.

The Zone and the City now desire to further amend the Zone Project Plan and Financing Plan as further described herein (the “Part D Plan”).

## **Section Two:**

### The Part D Plan:

The Zone and the City now desire to further amend the Plans as described herein (“Part D Plan”). The Part D Plan provides for a Zone area expansion and projects for the enhancement of and improvements to the newly annexed 395.87 acres of land. The geographical area covered by the Part D Plan includes the areas covered by the Part A, Part B, Part C Plans. Emphasis will be placed on roadway and street reconstruction projects, parks and related recreational facilities, public and cultural facilities, affordable housing, repair and replacement of drainage systems, and the design and construction of new public utility systems. The Part D Plan, combined collectively with prior Plans, will provide the necessary tools to alleviate blight, deteriorated street and site conditions, and obsolete public services and facilities, conditions that endanger public safety while encouraging sound growth of residential, retail, and commercial development within the Zone.

Together the Part A, Part B, Part C Plans combined with the Part D Plan, provide the tools needed to alleviate blight, deteriorated street and site conditions, obsolete public services and facilities and will encourage the sound growth of residential, retail, and commercial development in the Near Northside area.

### Proposed Goals for the Improvements in the Zone:

Proposed and restated Goals for Improvements included in the Part D Plan relate to the original goals of the TIRZ and are as follows:

Goal 1: *Create pedestrian-friendly, safe environments through the reconstruction of streets and sidewalks, with ample lighting and streetscape amenities.*

Streetscape enhancements are required to create an environment to stimulate investment in retail, residential, and commercial developments. Enhanced streetscape components include sidewalks, lighting, signage, street trees, landscaping, benches, and other pedestrian amenities. The construction of sidewalk systems, including ADA-compliant ramps, will improve pedestrian safety, enhance the visual environment, and provide connectivity both within the community and to adjacent districts.

Goal 2: *Redevelopment and upgrades to public green space, parks, and other appropriate recreational facilities.*

Public infrastructure, regional trail systems and other enhancements to area parks and other public open green space will attract and support redevelopment and improve the quality of life of area neighborhoods and visitors.

Goal 3: *Expand pedestrian-attractive retail developments.*

Providing base-level retail functionality is essential to the continued expansion of residential projects in the area through the implementation of enhanced pedestrian amenities with an emphasis on parking, lighting, street trees, landscaping, wide sidewalks, and public art.

Goal 4: Metropolitan Transit Authority (METRO) Initiatives and complementing the revitalization activities proposed to occur along the METRO North Corridor Alignment.

METRO funding of public transit systems can be complemented by Zone activities including the funding of streetscape upgrades, right-of-way acquisition, and provisions for parking to serve retail needs. The METRO Solutions North Corridor alignment located within the Zone includes a proposed Burnett Plaza Intermodal Terminal. The planned facility would provide for light rail, bus services, car pool, and bicycle and pedestrian modes of transportation. This METRO program, when executed, will significantly impact economic development within the Zone and facilitate the construction of transit-oriented development. A primary goal of the Part C Plan is to maximize the positive economic impacts of the METRO initiatives.

Goal 5: Cultural and Public Facilities; Affordable Housing.

Increasing public and cultural facilities and affordable housing for current residents as well as for the Downtown workforce is an important public policy goal of the Part C Plan. Zone funds will be leveraged with private, public, and non-profit developers to integrate affordable housing into proposed redevelopment projects within the City. These projects, along with improved infrastructure, additional fire, police, library, and public health facilities, and cultural and community centers, will improve security and enhance the quality of life for existing and new residents and businesses in the Zone.

Goal 6: Infrastructure Improvements.

Public streets and public utility systems are needed to create an environment that will stimulate private investment in retail, residential, multi-family, and commercial developments. Construction of key streets and utility systems will enhance the level of service in the area, improve functionality, replace aged facilities, and improve aesthetics. All roadway improvements will be integrated with the street reconstruction programs of the City of Houston, TXDOT, METRO, and others as needed, and where possible will include elements not included by those programs. Attention will be focused on leveraging TIRZ funds through the funding of elements not addressed by the capital improvement programs of sister agencies.

**A. PROJECT PLAN**

Existing Uses of Land (Texas Tax Code §311.011(b)(1)): Map 1 attached hereto depicts the existing land and proposed uses in the Zone. The existing and proposed land uses include multi-family residential, commercial, office, public and institutional, transportation and utility, park and open spaces, and undeveloped land uses.

Proposed Changes of Zoning Ordinances, Master Plan of Municipality, Building Codes, and Other Municipal Ordinances (Texas Tax Code §311.011(b)(2)): All construction will be performed in conformance with the City's existing rules and regulations. There are no proposed changes to any City ordinance, master plan, or building code.

Estimated Non-Project Costs (Texas Tax Code §311.011(b)(3)): The non-project costs reflect, in part, costs of the Greater Near Northside Management District, and the portion of their annual assessment revenues that will be spent within the Zone to fund public safety, cleaning and trash removal, landscape maintenance, pedestrian lighting, streetscape amenities, wayfinding, planning and capital project development, retail and business development programs, and marketing and communications.

Method of Relocating Persons to be Displaced, if any, as a Result of Implementing the Plan (Texas Tax Code §311.011(b)(4)): It is not anticipated that any residents will be displaced by any of the projects to be undertaken in the Zone.

## **B. REINVESTMENT ZONE FINANCING PLAN**

Estimated Project Costs (Texas Tax Code §311.011(c)(1)): Exhibit 1 (attached) details the proposed public improvement and administrative project costs. The dollar amounts are approximate and may be amended from time to time by City Council. The financing costs are a function of project financing needs and will vary with market conditions from the estimates shown on Exhibit 1.

Proposed kind, Number, and Location of all Proposed Public Works or Public Improvements to be Financed in the TIRZ (Texas Tax Code §311.011(c)(2)): These details are described throughout the Plan.

Economic Feasibility Study and Finding of Feasibility (Texas Tax Code §311.011(c)(3)): Economic feasibility studies have been completed that demonstrate the economic potential of the TIRZ including a Survey of Housing Demand conducted by CDS Market Research in 1999, the Northside Village Economic Redevelopment Plan conducted by the City of Houston Planning Department in 2001, and the Planned Development Relative to Total Market Demand Study conducted by CDS Market Research in 2003. Exhibits 2, 3 and 9a, constitute incremental revenue estimates for the Zone. The incremental revenue estimates are projected to be sufficient to cover the costs of the proposed redevelopment and infrastructure improvements in the Zone. The Plan estimates total project costs of \$170,544,874. The TIRZ and the City find and determine that the Part A, Part B, Part C, and Part D Plans are economically feasible.

Estimated Amount of Bond Indebtedness; Estimated Time When Related Costs or Monetary Obligations Incurred; Approval of Issuance by the Authority (Texas Tax Code §311.011(c)(4), §311.011(c)(5)): Issuance of notes and bonds by or on behalf of the Zone will occur as tax increment revenues allow. The amount of such bonds will be determined by the increment available, and shall be in the amount of the Project Costs, plus the costs of issuance. The value and timing of the issuance of notes or bonds will correlate to debt capacity as derived from the attached revenue and project schedules, as well as actual market conditions for the issue and sale of such notes and bonds.

Methods and Sources of Financing Project Costs and Percentage of Increment from Taxing Units Anticipated to Contribute Tax Increment to the Zone (Texas Tax Code §311.011(c)(6)): Methods and sources of financing include the issuance of notes and bonds, as well as collaboration with developers and other entities for grant funding and partnerships. Tax Year 2003 was the base year of the Original area of the Zone, Tax Year 2017 is the base year for the proposed Annexed Area



of the Zone. As outlined in Exhibits 2, 3, and 9a, at least \$54.3 million of increment is estimated to be generated over the remaining life of the Zone, and available for use in funding project costs. This figure is calculated using an estimated collection rate of 95% and a City contribution of \$0.60112/\$100 of assessed valuation.

Current Total Appraised Value of Taxable Real Property (Texas Tax Code §311.011(c)(7)): The current projected appraised value of taxable real property in the Zone, as of September 30, 2016, is \$299,827,572. Base year values are computed with regard to the original Zone, and all annexations, in accordance with Texas Tax Code §311.012.

Zone Duration (Texas Tax Code §311.011(c)(9)): When initially created by City Council on December 17, 1997, the term of the Zone was established at 30 years. Due to the magnitude of development within and adjacent to the Zone, an increased demand continues to be placed on the already-distressed infrastructure then what was originally projected, by ordinance in accordance with Texas Tax Code §311.007(c) the termination date of the Zone was extended to December 31, 2040 as part of the Part C Plan.

## Maps and Exhibits

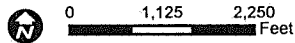


**Legend**

**Land Use**

- Single-Family Residential
- Multi-Family Residential
- Commercial
- Office
- Industrial
- Public & Institutional
- Transportation & Utility
- Park & Open Spaces
- Agriculture Production
- Undeveloped
- Unknown

**City of Houston  
Proposed Hardy/Near Northside  
Landuse**



Source: COHGIS Data  
Date: September 2017  
Reference: PJ19190\_Landuse

This map is made available for reference purposes only and should not be substituted for a survey product. The City of Houston will not accept liability of any kind in conjunction with its use.



**PLANNING &  
DEVELOPMENT  
DEPARTMENT**

Exhibit 1

Project Cost Amendments: The following table includes the approved project cost for the Parts A, B & C Plans and the changes made to those budgets through this Part D Amendment:	Estimated Costs 2008 Plan	Estimated Costs 2009 Plan	Estimated Costs 2012 Plan	Estimated Costs 2017 Plan	Total Costs	Cost Through 06/30/2016	Remaining Costs
<b>Infrastructure Improvements:</b>							
Roadway and Sidewalk Improvements - Parts A, B & C	\$ 16,000,000	\$ 21,692,000	\$ -	\$ -	\$ 37,692,000	\$ 10,074,912	\$ 27,617,088
Roadway, Sidewalk and Landscape Improvements	\$ -	\$ -	\$ -	\$ 40,000,000	\$ 40,000,000	\$ -	\$ 40,000,000
Roadway and Sidewalk - Part D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Roadway, Sidewalk and Bridge Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Roadway, Sidewalks and Bridges - Parts A, B, C &amp; D</b>	<b>\$ 16,000,000</b>	<b>\$ 21,692,000</b>	<b>\$ -</b>	<b>\$ 40,000,000</b>	<b>\$ 77,692,000</b>	<b>\$ 10,074,912</b>	<b>\$ 67,617,088</b>
Public Utility Improvements - Parts A, B & C	\$ -	\$ 1,929,000	\$ 5,955,000	\$ -	\$ 7,884,000	\$ -	\$ 7,884,000
Public Utility Improvements - Part D	\$ -	\$ -	\$ -	\$ 30,000,000	\$ 30,000,000	\$ -	\$ 30,000,000
Public Utility Improvements	\$ -	\$ 1,929,000	\$ 5,955,000	\$ -	\$ 7,884,000	\$ -	\$ 7,884,000
<b>Total Public Utility Improvements - Parts A, B, C &amp; D</b>	<b>\$ -</b>	<b>\$ 1,929,000</b>	<b>\$ 5,955,000</b>	<b>\$ 30,000,000</b>	<b>\$ 37,884,000</b>	<b>\$ -</b>	<b>\$ 37,884,000</b>
<b>Total Infrastructure Improvements - Parts A, B, C &amp; D</b>	<b>\$ 16,000,000</b>	<b>\$ 23,621,000</b>	<b>\$ 5,955,000</b>	<b>\$ 40,000,000</b>	<b>\$ 115,576,000</b>	<b>\$ 10,074,912</b>	<b>\$ 105,501,088</b>
<b>Other Project Costs:</b>							
Parks and Recreational Facilities Improvements - Parts A, B & C	\$ -	\$ 1,440,000	\$ 2,888,000	\$ -	\$ 4,328,000	\$ -	\$ 4,328,000
Parks, Plazas and Public Space Improvements	\$ -	\$ -	\$ -	\$ 10,000,000	\$ 10,000,000	\$ -	\$ 10,000,000
Park and Recreational Facilities Improvements - Part D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Parks, Plazas and Public Space Improvements	\$ -	\$ 1,440,000	\$ 2,888,000	\$ 10,000,000	\$ 14,328,000	\$ -	\$ 14,328,000
<b>Total Parks and Recreational Facilities Improvements - Parts A, B, C &amp; D</b>	<b>\$ -</b>	<b>\$ 1,440,000</b>	<b>\$ 2,888,000</b>	<b>\$ 10,000,000</b>	<b>\$ 14,328,000</b>	<b>\$ -</b>	<b>\$ 14,328,000</b>
Land Acquisition - Parts A, B & C	\$ -	\$ 4,820,000	\$ -	\$ -	\$ 4,820,000	\$ -	\$ 4,820,000
Land Acquisition - Part D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land Assembly, Site Preparation, Environmental Remediation	\$ -	\$ -	\$ -	\$ 5,000,000	\$ 5,000,000	\$ -	\$ 5,000,000
Land Assembly, Site Preparation, Environmental Remediation	\$ -	\$ 4,820,000	\$ -	\$ -	\$ 4,820,000	\$ -	\$ 4,820,000
<b>Total Land Acquisition - Parts A, B &amp; C</b>	<b>\$ -</b>	<b>\$ 4,820,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,820,000</b>	<b>\$ -</b>	<b>\$ 4,820,000</b>
Project Financing Costs - Parts A, B & C	\$ 1,700,000	\$ -	\$ -	\$ -	\$ 1,700,000	\$ -	\$ 1,700,000
Financing Cost	\$ 1,700,000	\$ -	\$ -	\$ -	\$ 1,700,000	\$ -	\$ 1,700,000
<b>Total Project Financing Costs - Parts A, B, C &amp; D</b>	<b>\$ 1,700,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,700,000</b>	<b>\$ -</b>	<b>\$ 1,700,000</b>
Zone Creation and Operations - Parts A, B & C	\$ 2,200,000	\$ -	\$ -	\$ 2,000,000	\$ 4,200,000	\$ 391,047	\$ 3,808,953
Zone Creation and Administration	\$ 2,200,000	\$ -	\$ -	\$ 2,000,000	\$ 4,200,000	\$ 391,047	\$ 3,808,953
<b>Total Creation and Operations Costs - Parts A, B, C &amp; D</b>	<b>\$ 4,400,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,000,000</b>	<b>\$ 4,200,000</b>	<b>\$ 391,047</b>	<b>\$ 3,808,953</b>
Affordable Housing Costs - Parts A, B & C	\$ 5,000,000	\$ 12,500,000	\$ 7,420,874	\$ -	\$ 24,920,874	\$ 928,789	\$ 23,992,085
Affordable Housing	\$ 5,000,000	\$ 12,500,000	\$ 7,420,874	\$ -	\$ 24,920,874	\$ 928,789	\$ 23,992,085
Affordable Housing Costs - Part D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Affordable Housing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Affordable Housing Costs - Parts A, B, C &amp; D</b>	<b>\$ 5,000,000</b>	<b>\$ 12,500,000</b>	<b>\$ 7,420,874</b>	<b>\$ -</b>	<b>\$ 24,920,874</b>	<b>\$ 928,789</b>	<b>\$ 23,992,085</b>
Total Other Project Costs - Parts A, B, C & D	\$ 24,900,000	\$ 42,381,000	\$ 16,263,874	\$ 57,000,000	\$ 170,544,874	\$ 11,394,748	\$ 159,150,126
<b>PROJECT PLAN TOTAL</b>	<b>\$ 46,900,000</b>	<b>\$ 66,302,000</b>	<b>\$ 24,227,874</b>	<b>\$ 97,000,000</b>	<b>\$ 253,141,748</b>	<b>\$ 21,469,660</b>	<b>\$ 231,672,088</b>

Exhibit 2

TY	Increment Revenue	Less Transfers and Affordable Housing	Net Revenue (Less Transfers and Affordable Housing)
2016	\$ 681,317	\$ 261,171	\$ 420,145
2017	\$ 772,287	\$ 296,043	\$ 476,243
2018	\$ 867,805	\$ 332,658	\$ 535,146
2019	\$ 968,098	\$ 371,104	\$ 596,994
2020	\$ 1,073,407	\$ 411,473	\$ 661,934
2021	\$ 1,183,981	\$ 453,859	\$ 730,122
2022	\$ 1,300,084	\$ 498,366	\$ 801,718
2023	\$ 1,421,992	\$ 545,097	\$ 876,895
2024	\$ 1,549,995	\$ 594,165	\$ 955,830
2025	\$ 1,684,399	\$ 645,686	\$ 1,038,712
2026	\$ 1,825,522	\$ 699,784	\$ 1,125,739
2027	\$ 1,973,702	\$ 756,586	\$ 1,217,116
2028	\$ 2,129,291	\$ 816,228	\$ 1,313,063
2029	\$ 2,292,659	\$ 878,853	\$ 1,413,806
2030	\$ 2,464,196	\$ 944,608	\$ 1,519,587
2031	\$ 2,644,309	\$ 1,013,652	\$ 1,630,657
2032	\$ 2,833,429	\$ 1,086,148	\$ 1,747,281
2033	\$ 3,032,004	\$ 1,162,268	\$ 1,869,736
2034	\$ 3,240,508	\$ 1,242,195	\$ 1,998,313
2035	\$ 3,459,437	\$ 1,326,117	\$ 2,133,319
2036	\$ 3,689,312	\$ 1,414,236	\$ 2,275,076
2037	\$ 3,930,682	\$ 1,506,761	\$ 2,423,920
2038	\$ 4,184,119	\$ 1,603,912	\$ 2,580,207
2039	\$ 4,450,229	\$ 1,705,921	\$ 2,744,308
2040	\$ 4,729,644	\$ 1,813,030	\$ 2,916,614
	<b>\$ 57,701,090</b>	<b>\$ 22,118,751</b>	<b>\$ 35,582,339</b>

Exhibit 9a

Tax Year	Base Values	Projected Value	Captured Appraised Value	Collection Rate	Tax Rate	Increment Revenue	Affordable Housing	City Admin (5%)	Net Revenue(Less Transfers and AH)
2016	\$ 40,313,080	\$ 152,591,081	\$ 112,278,001	95.00%	0.63875	\$ 681,317	\$ 227,105.65	\$ 34,066	\$ 420,145
2017	\$ 40,313,080	\$ 160,220,635	\$ 119,907,555	95.00%	0.63875	\$ 727,614	\$ 242,538.01	\$ 36,381	\$ 448,695
2018	\$ 40,313,080	\$ 168,231,667	\$ 127,918,587	95.00%	0.63875	\$ 776,226	\$ 258,741.99	\$ 38,811	\$ 478,673
2019	\$ 40,313,080	\$ 176,643,250	\$ 136,330,170	95.00%	0.63875	\$ 827,269	\$ 275,756.17	\$ 41,363	\$ 510,149
2020	\$ 40,313,080	\$ 185,475,413	\$ 145,162,333	95.00%	0.63875	\$ 880,863	\$ 293,621.06	\$ 44,043	\$ 543,199
2021	\$ 40,313,080	\$ 194,749,183	\$ 154,436,103	95.00%	0.63875	\$ 937,138	\$ 312,379.19	\$ 46,857	\$ 577,902
2022	\$ 40,313,080	\$ 204,486,642	\$ 164,173,562	95.00%	0.63875	\$ 996,226	\$ 332,075.23	\$ 49,811	\$ 614,339
2023	\$ 40,313,080	\$ 214,710,975	\$ 174,397,895	95.00%	0.63875	\$ 1,058,268	\$ 352,756.07	\$ 52,913	\$ 652,599
2024	\$ 40,313,080	\$ 225,446,523	\$ 185,133,443	95.00%	0.63875	\$ 1,123,413	\$ 374,470.96	\$ 56,171	\$ 692,771
2025	\$ 40,313,080	\$ 236,718,849	\$ 196,405,769	95.00%	0.63875	\$ 1,191,815	\$ 397,271.59	\$ 59,591	\$ 734,952
2026	\$ 40,313,080	\$ 248,554,792	\$ 208,241,712	95.00%	0.63875	\$ 1,263,637	\$ 421,212.25	\$ 63,182	\$ 779,243
2027	\$ 40,313,080	\$ 260,982,532	\$ 220,669,452	95.00%	0.63875	\$ 1,339,050	\$ 446,349.94	\$ 66,952	\$ 825,747
2028	\$ 40,313,080	\$ 274,031,658	\$ 233,718,578	95.00%	0.63875	\$ 1,418,234	\$ 472,744.52	\$ 70,912	\$ 874,577
2029	\$ 40,313,080	\$ 287,733,241	\$ 247,420,161	95.00%	0.63875	\$ 1,501,376	\$ 500,458.82	\$ 75,069	\$ 925,849
2030	\$ 40,313,080	\$ 302,119,903	\$ 261,806,823	95.00%	0.63875	\$ 1,588,677	\$ 529,558.84	\$ 79,434	\$ 979,684
2031	\$ 40,313,080	\$ 317,225,898	\$ 276,912,818	95.00%	0.63875	\$ 1,680,342	\$ 560,113.87	\$ 84,017	\$ 1,036,211
2032	\$ 40,313,080	\$ 333,087,193	\$ 292,774,113	95.00%	0.63875	\$ 1,776,590	\$ 592,196.64	\$ 88,829	\$ 1,095,564
2033	\$ 40,313,080	\$ 349,741,553	\$ 309,428,473	95.00%	0.63875	\$ 1,877,651	\$ 625,883.55	\$ 93,883	\$ 1,157,885
2034	\$ 40,313,080	\$ 367,228,630	\$ 326,915,550	95.00%	0.63875	\$ 1,983,764	\$ 661,254.81	\$ 99,188	\$ 1,223,321
2035	\$ 40,313,080	\$ 385,590,062	\$ 345,276,982	95.00%	0.63875	\$ 2,095,184	\$ 698,394.63	\$ 104,759	\$ 1,292,030
2036	\$ 40,313,080	\$ 404,869,565	\$ 364,556,485	95.00%	0.63875	\$ 2,212,174	\$ 737,391.44	\$ 110,609	\$ 1,364,174
2037	\$ 40,313,080	\$ 425,113,043	\$ 384,799,963	95.00%	0.63875	\$ 2,335,014	\$ 778,338.09	\$ 116,751	\$ 1,439,925
2038	\$ 40,313,080	\$ 446,368,695	\$ 406,055,615	95.00%	0.63875	\$ 2,463,996	\$ 821,332.08	\$ 123,200	\$ 1,519,464
2039	\$ 40,313,080	\$ 468,687,130	\$ 428,374,050	95.00%	0.63875	\$ 2,599,427	\$ 866,475.76	\$ 129,971	\$ 1,602,980
2040	\$ 40,313,080	\$ 492,121,487	\$ 451,808,407	95.00%	0.63875	\$ 2,741,630	\$ 913,876.63	\$ 137,081	\$ 1,690,672
<b>Total</b>						<b>\$ 38,076,893</b>	<b>\$ 12,692,298</b>	<b>\$ 1,903,845</b>	<b>\$ 23,480,751</b>

Notes:

- (1) Base Year is Tax Year 2003
- (2) Collection Rate for TY16 to TY40 is 95%
- (3) The annual affordable housing set-aside will be the greater of one-third of the actual revenues or the amount reflected in Exhibit 9 of the Part C Plan.

### Exhibit 3

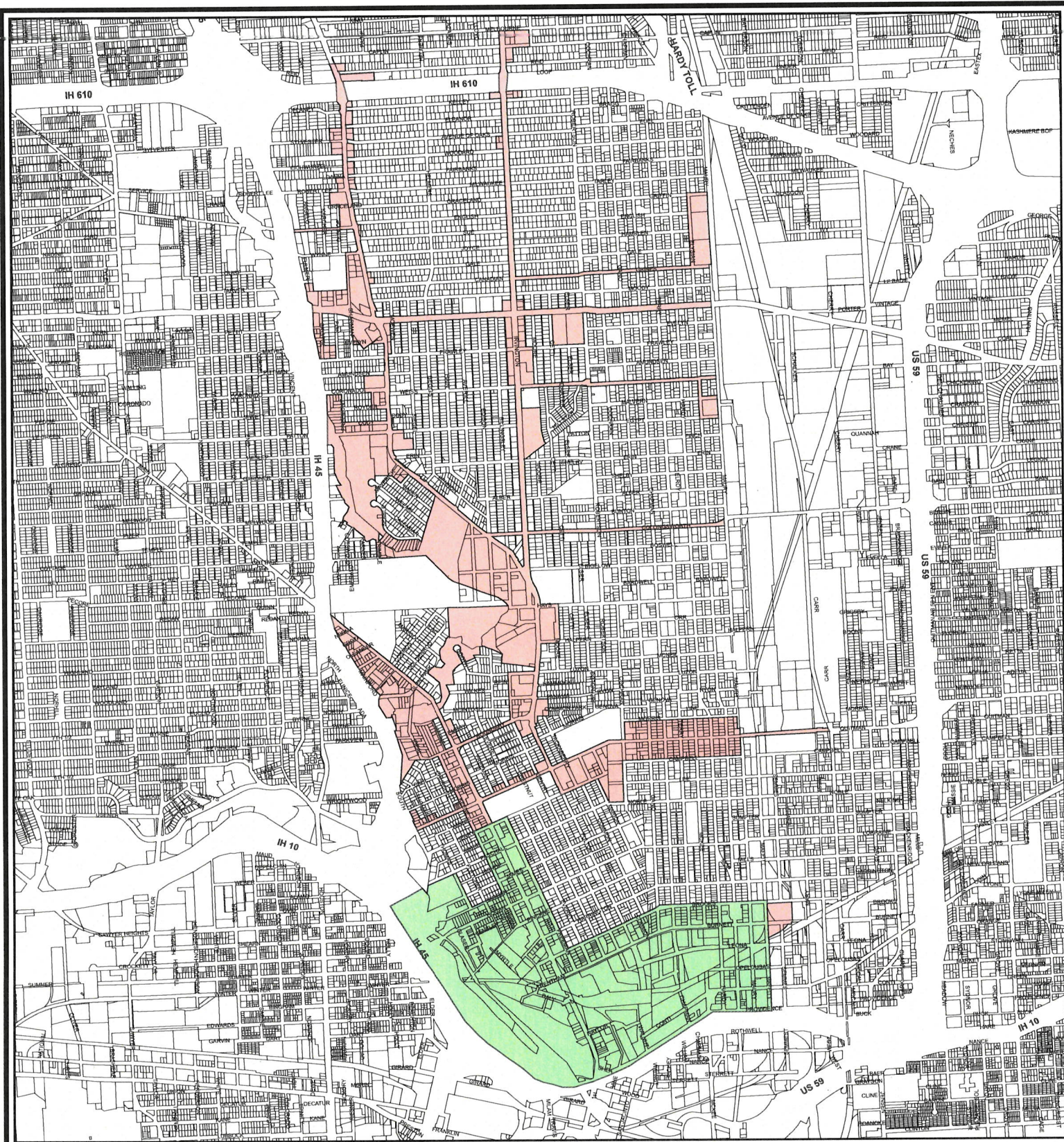
Tax Year	Base Values	Projected Value	Captured Appraised Value	Collection Rate	Tax Rate	Increment Revenue	Affordable Housing	City Admin (5%)	Net Revenue(Less Transfers and AH)
2016	\$ 147,236,491	\$ 147,236,491	\$ -	95.00%	0.63875	\$ -	\$ -	\$ -	\$ -
2017	\$ 147,236,491	\$ 154,598,316	\$ 7,361,825	95.00%	0.63875	\$ 44,672	\$ 14,890.82	\$ 2,234	\$ -
2018	\$ 147,236,491	\$ 162,328,231	\$ 15,091,740	95.00%	0.63875	\$ 91,579	\$ 30,526.19	\$ 4,579	\$ 56,473
2019	\$ 147,236,491	\$ 170,444,643	\$ 23,208,152	95.00%	0.63875	\$ 140,830	\$ 46,943.32	\$ 7,041	\$ 86,845
2020	\$ 147,236,491	\$ 178,966,875	\$ 31,730,384	95.00%	0.63875	\$ 192,544	\$ 64,181.31	\$ 9,627	\$ 118,735
2021	\$ 147,236,491	\$ 187,915,219	\$ 40,678,728	95.00%	0.63875	\$ 246,844	\$ 82,281.20	\$ 12,342	\$ 152,220
2022	\$ 147,236,491	\$ 197,310,980	\$ 50,074,489	95.00%	0.63875	\$ 303,858	\$ 101,286.09	\$ 15,193	\$ 187,379
2023	\$ 147,236,491	\$ 207,176,529	\$ 59,940,038	95.00%	0.63875	\$ 363,724	\$ 121,241.21	\$ 18,186	\$ 224,296
2024	\$ 147,236,491	\$ 217,535,355	\$ 70,298,864	95.00%	0.63875	\$ 426,582	\$ 142,194.10	\$ 21,329	\$ 263,059
2025	\$ 147,236,491	\$ 228,412,123	\$ 81,175,632	95.00%	0.63875	\$ 492,584	\$ 164,194.63	\$ 24,629	\$ 303,760
2026	\$ 147,236,491	\$ 239,832,729	\$ 92,596,238	95.00%	0.63875	\$ 561,886	\$ 187,295.18	\$ 28,094	\$ 346,496
2027	\$ 147,236,491	\$ 251,824,366	\$ 104,587,875	95.00%	0.63875	\$ 634,652	\$ 211,550.77	\$ 31,733	\$ 391,369
2028	\$ 147,236,491	\$ 264,415,584	\$ 117,179,093	95.00%	0.63875	\$ 711,057	\$ 237,019.13	\$ 35,553	\$ 438,485
2029	\$ 147,236,491	\$ 277,636,363	\$ 130,399,872	95.00%	0.63875	\$ 791,283	\$ 263,760.91	\$ 39,564	\$ 487,958
2030	\$ 147,236,491	\$ 291,518,181	\$ 144,281,690	95.00%	0.63875	\$ 875,519	\$ 291,839.78	\$ 43,776	\$ 539,904
2031	\$ 147,236,491	\$ 306,094,090	\$ 158,857,599	95.00%	0.63875	\$ 963,968	\$ 321,322.59	\$ 48,198	\$ 594,447
2032	\$ 147,236,491	\$ 321,398,795	\$ 174,162,304	95.00%	0.63875	\$ 1,056,839	\$ 352,279.54	\$ 52,842	\$ 651,717
2033	\$ 147,236,491	\$ 337,468,734	\$ 190,232,243	95.00%	0.63875	\$ 1,154,353	\$ 384,784.34	\$ 57,718	\$ 711,851
2034	\$ 147,236,491	\$ 354,342,171	\$ 207,105,680	95.00%	0.63875	\$ 1,256,743	\$ 418,914.39	\$ 62,837	\$ 774,992
2035	\$ 147,236,491	\$ 372,059,280	\$ 224,822,789	95.00%	0.63875	\$ 1,364,253	\$ 454,750.93	\$ 68,213	\$ 841,289
2036	\$ 147,236,491	\$ 390,662,244	\$ 243,425,753	95.00%	0.63875	\$ 1,477,138	\$ 492,379.30	\$ 73,857	\$ 910,902
2037	\$ 147,236,491	\$ 410,195,356	\$ 262,958,865	95.00%	0.63875	\$ 1,595,667	\$ 531,889.09	\$ 79,783	\$ 983,995
2038	\$ 147,236,491	\$ 430,705,124	\$ 283,468,633	95.00%	0.63875	\$ 1,720,123	\$ 573,374.37	\$ 86,006	\$ 1,060,743
2039	\$ 147,236,491	\$ 452,240,380	\$ 305,003,889	95.00%	0.63875	\$ 1,850,802	\$ 616,933.91	\$ 92,540	\$ 1,141,328
2040	\$ 147,236,491	\$ 474,852,399	\$ 327,615,908	95.00%	0.63875	\$ 1,988,014	\$ 662,671.43	\$ 99,401	\$ 1,225,942
<b>Total</b>						<b>\$ 20,305,514</b>	<b>\$ 6,768,505</b>	<b>\$ 1,015,276</b>	<b>\$ 12,494,185</b>

**Notes:**

- (1) Base Year is Tax Year 2016
- (2) Collection Rate for TY16 to TY40 uses 95%
- (3) The annual affordable housing set-aside will be the greater of one-third of the actual revenues or the amount reflected in Exhibit 9 of the Part C Plan.







## City of Houston

### Proposed Hardy/Near Northside

### Proposed Annexation

#### Legend

- Proposed Annexation
- Hardy Near Northside
- Parcels



0 1,125 2,250 Feet

Source: COHGIS Data  
 Date: September 2017  
 Reference: P119190\_Proposed\_Annexation

This map is made available for reference purposes only and should not be substituted for a survey product. The City of Houston will not accept liability of any kind in conjunction with its use.

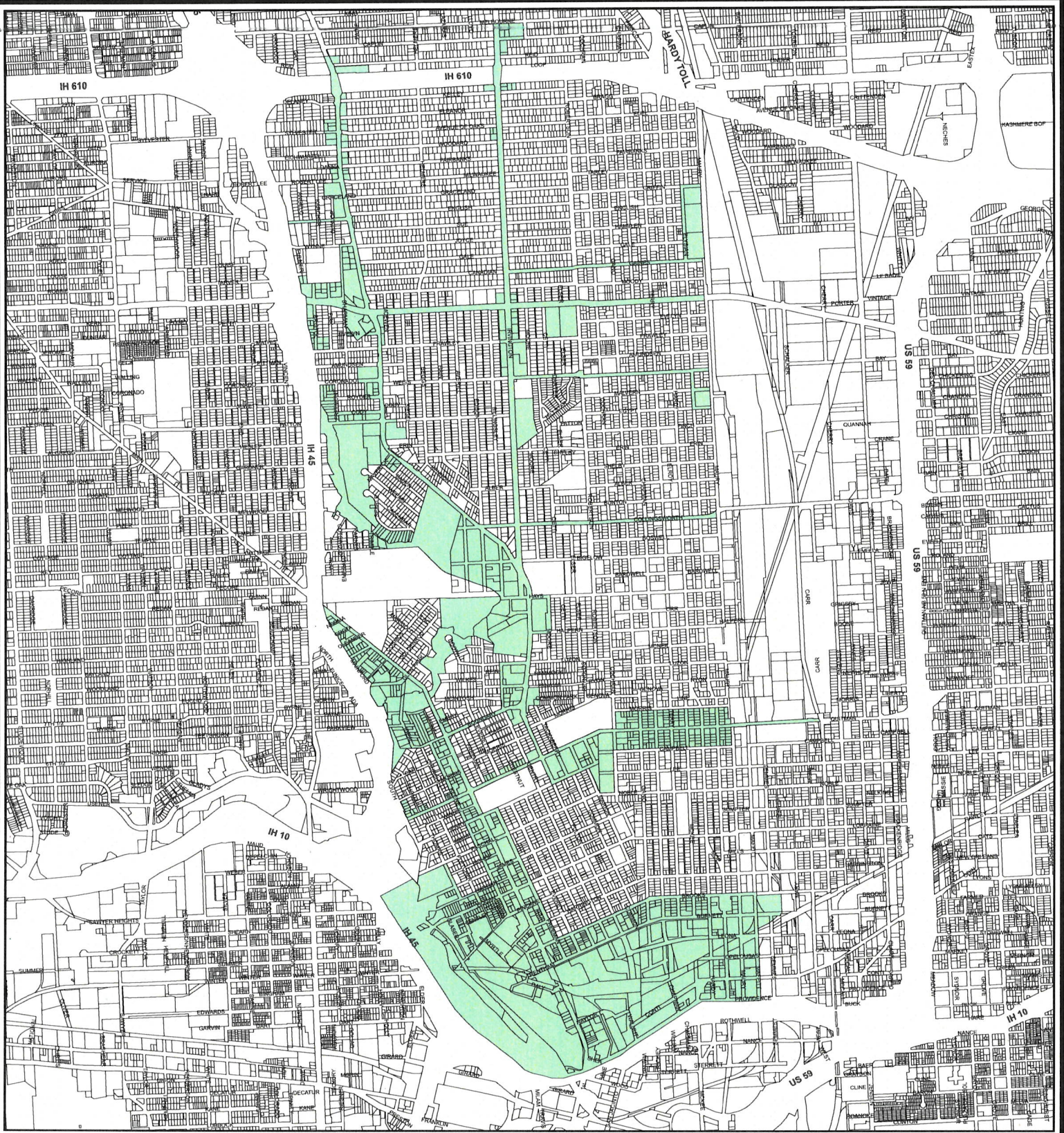


**PLANNING &  
 DEVELOPMENT  
 DEPARTMENT**





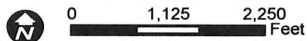




**Legend**

- Hardy Near Northside
- Parcels

**City of Houston**  
**Proposed Hardy/Near Northside**  
**As Enlarged**



Source: COGIS Data  
 Date: September 2017  
 Reference: PJ19190\_As\_Enlarged

This map is made available for reference purposes only and should not be substituted for a survey product. The City of Houston will not accept liability of any kind in conjunction with its use.



**PLANNING &  
 DEVELOPMENT  
 DEPARTMENT**



Controller's Office

To the Honorable Mayor and City Council of the City of Houston:

I hereby certify, with respect to the money required for the contract, agreement, obligation, or expenditure contemplated by the ordinance set out below that:

- ( ) Funds have been encumbered out of funds previously appropriated for such purpose.
- ( ) Funds have been certified and designated to be appropriated by separate ordinance to be approved prior to the approval of the ordinance set out below.
- ( ) Funds will be available out of current or general revenue prior to the maturity of any such obligation.
- ( ) No pecuniary obligation is to be incurred as a result of approving the ordinance set out below.
- ( ) The money required for the expenditure or expenditures specified below is in the treasury, in the fund or funds specified below, and is not appropriated for any other purposes.
- ( ) A certificate with respect to the money required for the expenditure or expenditures specified below is attached hereto and incorporated herein by this reference.
- (  ) Other – Contingent upon receipt of tax increment.

Date: May 21, 2009. *Matthew P. Appel*  
City Controller of the City of Houston

FUND REF: N/A AMOUNT: 0 ENCUMB. NO.: RF64011-09

City of Houston, Texas, Ordinance No. 2009- 432

AN ORDINANCE APPROVING AND AUTHORIZING AN AGREEMENT BETWEEN THE CITY OF HOUSTON, TEXAS AND REINVESTMENT ZONE NUMBER TWENTY-ONE, CITY OF HOUSTON, TEXAS (HARDY/NEAR NORTHSIDE ZONE) RELATING TO THE PROVISION OF AFFORDABLE HOUSING FROM TAX

**INCREMENT REVENUES OF THE ZONE; CONTAINING OTHER PROVISIONS  
RELATING TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.**

\* \* \* \* \*

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON:**

**Section 1.** The City Council hereby approves and authorizes the contract, agreement, or other undertaking described in the title of this Ordinance, in substantially the form as shown in the document which is attached hereto and incorporated herein by this reference. The Mayor is hereby authorized to execute such document and all related documents on behalf of the City of Houston. The City Secretary is hereby authorized to attest to all such signatures and to affix the seal of the City to all such documents.

**Section 2.** The Mayor is hereby authorized to take all actions necessary to effectuate the City's intent and objectives in approving such contract, agreement, or other undertaking described in the title of this Ordinance, in the event of changed circumstances.

**Section 3.** The City Attorney is hereby authorized to take all action necessary to enforce all legal obligations under such contract, agreement, or other undertaking described in the title of this Ordinance without further authorization from Council.

**Section 4.** There exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED this 27<sup>th</sup> day of May, 2009.

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_  
Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is JUN 02 2009.

  
\_\_\_\_\_  
City Secretary

CAPTION PUBLISHED IN DAILY COURT  
REVIEW  
DATE: JUN 02 2009

(Prepared by Legal Department  
 (DRC:drc May 6, 2009)  
 (Requested by Michelle Mitchell, Director, Finance Department)  
 (L.D. File No. 0619200177010)

Donna Capps  
 Assistant City Attorney

DEA

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AYE	NO	
✓		MAYOR WHITE
••••	••••	COUNCIL MEMBERS
✓		LAWRENCE
✓		JOHNSON
	ABSENT	CLUTTERBUCK
✓		ADAMS
✓		SULLIVAN
✓		KHAN
✓		HOLM
✓		RODRIGUEZ
	ABSENT	BROWN
✓		LOVELL
✓		NORIEGA
✓		GREEN
✓		JONES
CAPTION	ADOPTED	

**AFFORDABLE HOUSING AGREEMENT**

**between**

**THE CITY OF HOUSTON, TEXAS,**

**and**

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

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## CONTENTS

I.	RECITALS .....	1
II.	OBLIGATIONS OF THE PARTIES .....	2
III.	NOTICES .....	3
IV.	GENERAL PROVISIONS .....	3

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**AFFORDABLE HOUSING AGREEMENT  
BETWEEN THE CITY OF HOUSTON AND  
REINVESTMENT ZONE NUMBER TWENTY-ONE, CITY OF HOUSTON, TEXAS  
(HARDY/NEAR NORTHSIDE ZONE)**

STATE OF TEXAS                   §  
  §       **KNOW ALL MEN BY THESE PRESENTS**  
COUNTY OF HARRIS           §

This agreement for the provision of affordable housing (the "Agreement") is made between the City of Houston, Texas ("the City"), a municipal corporation and home-rule city of the State of Texas, located in Harris County, Texas, acting by and through its governing body, the City Council, and Reinvestment Zone Number Twenty-One, City of Houston, Texas, a tax increment reinvestment zone acting by and through its Board of Directors (the "Zone" or "Hardy/Near Northside Zone"). For the purposes of this Agreement, the City and the Zone are referred to singularly as "Party" and collectively as "the Parties." It is the intention of the Parties to this Agreement to set forth, in writing, the terms and conditions of their understanding and agreement regarding the payment of costs of providing affordable housing in or out of the Zone.

**I. RECITALS**

**WHEREAS**, pursuant to Chapter 311 of the Texas Tax Code, as amended, the City created the Zone, approved by Ordinance No. 2003-1258 on December 17, 2003; and

**WHEREAS**, on December 18, 2008, the Board of Directors for the Zone adopted a Project Plan and Reinvestment Zone Financing Plan providing for affordable housing both inside and outside the Zone's boundaries. The City approved the Project Plan and Reinvestment Zone Financing Plan by Ordinance No. 2008-1212 on December 30, 2008 (the "Plans").

**WHEREAS**, Section 311.010(b) of the Texas Tax Code, as amended, allows a municipality to enter into an agreement to dedicate revenue from the tax increment fund to pay the costs of providing affordable housing in or out of the Zone; and

**WHEREAS**, the City, the Zone and the Authority desire to enter into this Agreement to dedicate revenues from the Zone for the provision of affordable housing by the City pursuant to its affordable housing programs; **NOW, THEREFORE**, in consideration of the mutual promises, covenants, obligations, and benefits of this Agreement, the Parties contract and agree as follows:

## **II. OBLIGATIONS OF THE PARTIES**

### **(1) Obligations of the Zone**

Beginning with the Fiscal Year 2009, the Parties agree that the estimated annual amounts shown on Exhibit 9 of the Plans will be designated for affordable housing. For Fiscal Year 2009 and each subsequent Fiscal Year until the termination of the Zone, the City shall appropriate to Fund 2409 (or successor fund into which TIRZ affordable housing revenues are deposited) the amount shown for affordable housing costs in the City Council approved Operating Budget for the Zone for the Fiscal Year. Any amounts designated under this Agreement that are not appropriated in the Fiscal Year when due shall accrue to the subsequent Fiscal Year(s) until paid.

### **(2) Obligations of the City**

The City shall dedicate all revenues received from the Zone to the provision of affordable housing pursuant to the Plans and Ordinance No. 1999-0488, adopted on May 19, 1999, which approved the designation of funds in Fund 2409 to be used by the Housing & Community Development Department for the Affordable Housing Program.

### III. NOTICES

All notices and communications required or permitted by this Agreement shall be in writing and mailed by Certified Mail, Return Receipt Requested, to:

The City: Director, Finance Department  
City of Houston  
P. O. Box 1562  
Houston, TX 77251

The Zone: Administrator  
Reinvestment Zone Number Twenty-One, City of Houston,  
Texas (Hardy/Near Northside Zone)  
P. O. Box 1562  
Houston, TX 77251

### IV. GENERAL PROVISIONS

#### (1) Entire Agreement

This Agreement comprises the entire agreement between the Parties relating to funding affordable housing costs. Accordingly, this Agreement merges all prior negotiations and understandings of the Parties hereto and supersedes and nullifies all prior agreements, negotiations, assurances, conditions, covenants (expressed or implied), or other understandings of the Parties, whether written, verbal, antecedent, or contemporaneous with the execution of this Agreement.

#### (2) Effective Date

This Agreement becomes effective when all parts are signed by the last Party whose signature renders the Agreement fully executed.

#### (3) Term of Agreement

This Agreement shall terminate on December 31, 2033, provided, however, that the right of the City to appropriate tax increment revenues under this Agreement that

have not been appropriated by December 31, 2016 shall survive the termination of this Agreement.

**(4) Severability**

If one or more of the provisions of this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provisions, and the Agreement shall be construed as if such invalidity, illegality, or unenforceable provision had never been included, provided that such invalidity, illegality, or unenforceability does not materially prejudice the City or the Zone in their respective rights and obligations contained in the Agreement.

**(5) Headings**

The headings throughout this Agreement are merely guides and shall not be interpreted to construe or restrict any part of this Agreement.

**(6) Interpretation**

Each Party to this Agreement acknowledges that such Party has reviewed this Agreement and participated in its drafting and agrees that no provision of this Agreement shall be construed against or interpreted to the disadvantage of a Party by reason of such Party having or being deemed to have drafted, structured, or dictated such provision(s).

**(7) Assignment**

This Agreement may not be assigned by either Party without the prior written consent of the other Party. Consent shall be given by the Zone acting through its Board of Directors or governing body. Consent shall be given by the City by the Director of Housing and Community Development.

**(8) Counterparts**

This Agreement may be executed in counterparts, in a single original, or in duplicate originals. As applicable, each counterpart or duplicate shall be deemed an original copy of this Agreement signed by each Party, for all purposes.

**IN WITNESS HEREOF**, the City and the Zone have made and executed this Agreement.

**CITY OF HOUSTON:**

\_\_\_\_\_ Date: \_\_\_\_\_, 2009  
Mayor

**ATTEST/SEAL:**

\_\_\_\_\_ Date: \_\_\_\_\_, 2009  
City Secretary

**COUNTERSIGNED:**

\_\_\_\_\_ Date: \_\_\_\_\_, 2009  
City Controller

**APPROVED:**

\_\_\_\_\_ Date: \_\_\_\_\_, 2009  
Director, Finance Department

**APPROVED AS TO FORM:**

\_\_\_\_\_ Date: \_\_\_\_\_, 2009  
Assistant City Attorney  
L.D. File No. 0610200177010

**REINVESTMENT ZONE TWENTY-ONE  
(HARDY/NEAR NORTHSIDE ZONE):**

By: \_\_\_\_\_ Date: \_\_\_\_\_, 2009

Printed Name: \_\_\_\_\_

Printed Title: \_\_\_\_\_

**ATTEST/SEAL:**

By: \_\_\_\_\_ Date: \_\_\_\_\_, 2009

Printed Name: \_\_\_\_\_

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Exhibit 9: Estimated Revenues Hardy Yard Zone Tax Years 2004 to 2033

Tax Year (1)	Fiscal Year	Base Value	Projected Value (2)	Captured Appraised Value	Collection Rate	Tax Rate	Incremental Revenue	City Admin (5%)	Zone Administration	Affordable Housing	Balance
2004	2005	\$ 40,313,080	\$ 43,481,080	\$ 3,168,000	99.01%	0.65000	\$ 20,388	\$ 1,019	\$ -	\$ 6,796	\$ 13,592
2005	2006	\$ 40,313,080	\$ 47,401,073	\$ 7,087,993	95.77%	0.64750	\$ 43,953	\$ 2,198	\$ -	\$ 14,651	\$ 29,302
2006	2007	\$ 40,313,080	\$ 65,138,505	\$ 24,825,425	95.73%	0.64500	\$ 153,287	\$ 7,664	\$ -	\$ 51,096	\$ 102,191
2007	2008	\$ 40,313,080	\$ 82,885,722	\$ 42,572,642	85.47%	0.64375	\$ 234,240	\$ 11,712	\$ -	\$ 78,080	\$ 156,160
2008	2009	\$ 40,313,080	\$ 66,190,810	\$ 45,877,730	95.00%	0.63875	\$ 278,392	\$ 13,920	\$ 25,000	\$ 79,824	\$ 159,648
2009	2010	\$ 40,313,080	\$ 90,059,396	\$ 49,756,316	95.00%	0.63875	\$ 301,928	\$ 15,096	\$ 50,000	\$ 78,944	\$ 157,887
2010	2011	\$ 40,313,080	\$ 94,122,519	\$ 53,009,439	95.00%	0.63875	\$ 326,522	\$ 16,326	\$ 50,000	\$ 86,732	\$ 173,464
2011	2012	\$ 40,313,080	\$ 98,356,033	\$ 58,044,953	95.00%	0.63875	\$ 352,224	\$ 17,611	\$ 50,000	\$ 103,376	\$ 206,752
2012	2013	\$ 40,313,080	\$ 102,784,144	\$ 62,471,064	95.00%	0.63875	\$ 379,082	\$ 18,954	\$ 50,000	\$ 112,264	\$ 224,528
2013	2014	\$ 40,313,080	\$ 107,409,431	\$ 67,096,351	95.00%	0.63875	\$ 407,149	\$ 20,357	\$ 50,000	\$ 121,552	\$ 243,103
2014	2015	\$ 40,313,080	\$ 112,242,855	\$ 71,929,775	95.00%	0.63875	\$ 436,479	\$ 21,824	\$ 50,000	\$ 131,257	\$ 262,515
2015	2016	\$ 40,313,080	\$ 117,293,763	\$ 76,980,703	95.00%	0.63875	\$ 467,129	\$ 23,356	\$ 50,000	\$ 141,400	\$ 282,800
2016	2017	\$ 40,313,080	\$ 122,572,004	\$ 82,258,924	95.00%	0.63875	\$ 499,157	\$ 24,958	\$ 50,000	\$ 151,999	\$ 303,988
2017	2018	\$ 40,313,080	\$ 128,087,744	\$ 87,774,664	95.00%	0.63875	\$ 532,628	\$ 26,631	\$ 50,000	\$ 163,075	\$ 326,149
2018	2019	\$ 40,313,080	\$ 133,851,692	\$ 93,538,612	95.00%	0.63875	\$ 567,604	\$ 28,380	\$ 50,000	\$ 174,649	\$ 349,298
2019	2020	\$ 40,313,080	\$ 139,875,019	\$ 99,561,939	95.00%	0.63875	\$ 604,154	\$ 30,208	\$ 50,000	\$ 186,744	\$ 373,488
2020	2021	\$ 40,313,080	\$ 146,169,394	\$ 105,856,314	95.00%	0.63875	\$ 642,349	\$ 32,117	\$ 50,000	\$ 199,383	\$ 398,767
2021	2022	\$ 40,313,080	\$ 152,747,017	\$ 112,433,937	95.00%	0.63875	\$ 682,263	\$ 34,113	\$ 50,000	\$ 212,591	\$ 425,788
2022	2023	\$ 40,313,080	\$ 159,620,633	\$ 119,307,553	95.00%	0.63875	\$ 723,973	\$ 36,199	\$ 50,000	\$ 226,394	\$ 452,788
2023	2024	\$ 40,313,080	\$ 166,803,561	\$ 126,490,481	95.00%	0.63875	\$ 767,560	\$ 38,378	\$ 50,000	\$ 240,818	\$ 481,635
2024	2025	\$ 40,313,080	\$ 174,309,722	\$ 133,996,642	95.00%	0.63875	\$ 813,108	\$ 40,655	\$ 50,000	\$ 255,890	\$ 511,781
2025	2026	\$ 40,313,080	\$ 182,153,659	\$ 141,840,579	95.00%	0.63875	\$ 860,706	\$ 43,035	\$ 50,000	\$ 271,641	\$ 543,283
2026	2027	\$ 40,313,080	\$ 190,350,574	\$ 150,037,494	95.00%	0.63875	\$ 910,446	\$ 45,522	\$ 50,000	\$ 288,101	\$ 576,202
2027	2028	\$ 40,313,080	\$ 198,916,350	\$ 158,603,270	95.00%	0.63875	\$ 962,424	\$ 48,121	\$ 50,000	\$ 305,302	\$ 610,603
2028	2029	\$ 40,313,080	\$ 207,857,585	\$ 167,564,505	95.00%	0.63875	\$ 1,016,742	\$ 50,837	\$ 50,000	\$ 323,276	\$ 646,652
2029	2030	\$ 40,313,080	\$ 217,221,627	\$ 176,908,547	95.00%	0.63875	\$ 1,073,503	\$ 53,675	\$ 50,000	\$ 342,059	\$ 684,119
2030	2031	\$ 40,313,080	\$ 226,996,600	\$ 186,683,520	95.00%	0.63875	\$ 1,132,819	\$ 56,641	\$ 50,000	\$ 361,688	\$ 723,376
2031	2032	\$ 40,313,080	\$ 237,211,447	\$ 196,898,367	95.00%	0.63875	\$ 1,194,804	\$ 59,740	\$ 50,000	\$ 382,200	\$ 764,400
2032	2033	\$ 40,313,080	\$ 247,885,962	\$ 207,572,882	95.00%	0.63875	\$ 1,259,578	\$ 62,979	\$ 50,000	\$ -	\$ -
2033	2034	\$ 40,313,080	\$ 258,916,350	\$ 218,759,300	95.00%	0.63875	\$ 1,328,119	\$ 66,819	\$ 50,000	\$ -	\$ -

Notes:  
 (1) Where applicable, values for the column headings are actual for Tax Years 2004 to 2008.  
 (2) For Tax Years 2009 to 2033 an annual rate of growth of 4.5% is assumed.