



**MIDTOWN REDEVELOPMENT AUTHORITY
and**

**REINVESTMENT ZONE NUMBER TWO, CITY OF HOUSTON, TEXAS
(ALSO KNOWN AS THE MIDTOWN REINVESTMENT ZONE)**

TO: THE BOARD OF DIRECTORS OF THE MIDTOWN REDEVELOPMENT AUTHORITY AND THE MIDTOWN REINVESTMENT ZONE AND TO ALL OTHER INTERESTED PERSONS:

Notice is hereby given that the Board of Directors of the Midtown Redevelopment Authority (the "Authority") will hold a **joint special meeting**, open to the public, with the Board of Directors of the Midtown Reinvestment Zone to be held on **Thursday, October 31, 2019 at 12:30 P.M. on the 3rd Floor of the Houston Exponential Center, 410 Pierce Street, Suite 355, Houston, Texas 77002.** The Board of Directors of each of the Authority and the Midtown Reinvestment Zone will (i) consider, present and discuss orders, resolutions or motions; (ii) adopt, approve and ratify such orders, resolutions or motions; and (iii) take other actions as may be necessary, convenient or desirable, with respect to the following matters:

AGENDA

1. Call to Order and Introduction of Guests.
2. Public Comment.
3. Consent Agenda for the Midtown Reinvestment Zone:
 - a. Minutes for September 30, 2019.
4. Consent Agenda for the Authority:
 - a. Minutes for September 30, 2019;
 - b. Monthly financial reports for September 2019;
 - c. Invoices from Trustee and Operating Accounts for October 2019.
 - d. Ratify Fiscal Year 2019 Financial Audit.
 - e. Annual renewal of Professional Services Agreement with IDS Engineering Group
5. Harris County Interlocal Agreement
6. Midtown Affordable Housing Program:
 - a. Affordable Housing Operations Center
 - i. Construction Change Orders

- b. Agreement with A.O. Phillips & Associates
- c. Request to modify the definition of "Moderate Income Family"
- d. Affordable Housing Development Update.

7. Midtown Capital Improvements Program:

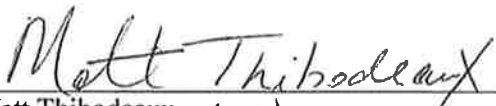
- a. Parks and Greenspace - Walter P Moore / Design Workshop
 - i. Midtown Park
 - 1. Change Orders – Millis
 - 2. Restaurant Update
 - ii. Bagby Park – Storage and Renovations
 - 1. Change Orders
 - 2. Kiosk Update
- b. Caroline Street Reconstruction – ESPA Corp/KCI
 - i. Change Orders
- c. FTA Grant Program - The Goodman Corporation.

8. With respect to the foregoing agenda items, the Authority may conduct an executive session with regard to the following, as appropriate and necessary:

- a. Consultation with attorney (Section 551.071, Texas Government Code);
- b. The purchase, exchange, lease or value of real property (Section 551.072, Texas Government Code);
- c. Personnel matters (Section 551.074, Texas Government Code);
- d. Security personnel or devices (Section 551.076, Texas Government Code);
and
- e. Economic development negotiations (Sections 551.087, Texas Government Code).

Upon entering into the executive session, the presiding officer shall announce which agenda items will be discussed.

9. Adjourn.



Matt Thibodeaux (st)
Executive Director

**MINUTES OF THE BOARD OF DIRECTORS OF
REINVESTMENT ZONE NUMBER TWO, CITY OF HOUSTON, TEXAS**

September 30, 2019

A special meeting of the Board of Directors (the "Board") of Reinvestment Zone Number Two, City of Houston, Texas (the "Zone") was held at the Authority's offices in the Third Floor Conference Room of the Houston Exponential Building, 410 Pierce, Houston, Texas 77002, on Monday, September 30, 2019 at 2:00 p.m. The meeting was open to the public. The roll of the duly appointed members of the Board was called, to-wit:

<u>Pos. #</u>	<u>Name</u>	<u>Pos. #</u>	<u>Name</u>
1	Camille Foster	6	Abe Goren
2	Vacant	7	Caton M. Fenz
3	Gayle Fortson	8	John Thomas
4	Pamela Ngo Castleman	9	Brandon Dudley
5	Al Odom		

and all of the above were present except Directors Fortson, Goren and Dudley.

Also in attendance were Vernon Williams, Kandi Schramm, Todd Edwards, Cynthia Alvarado, Sally Adame, Theresa Gilmore, Marlon Marshall, David Thomas, Jalisa Hurst, Mechelle Phillips, Madeline Pena, and Amaris Salinas of Midtown; Barron F. Wallace of Bracewell LLP; Peggy Foreman of Burney & Foreman; Alyssa Hill of Carr, Riggs & Ingram, CPA; Algenita Davis of CCPPI; Roberta Burroughs of Roberta Burroughs & Associates; Zack Martin of MCMD; Bryan Lozaro, Joseph Boley and Rachel Ray of Walter P. Moore; Jeri Brooks of One World Strategy Group; Theodore Andrews of TIRZ#25; Carol Harrison of IDS; Henrietta Bodner of Super Neighborhood #62; Maria Montes of the City of Houston; and Alex Ramirez of Design Workshop.

Chairman Odom called the meeting to order and welcomed the guests.

CONSENT AGENDA

MINUTES FOR JULY 25, 2019.

Kandi Schramm, Administrative Manager, presented the consent agenda to the Board.

Director Castleman made a motion to approve the consent agenda. The motion was seconded by Director Foster and carried by unanimous vote.

ADJOURNMENT

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

Pam Castleman, Secretary

Date

DRAFT

DRAFT

**MINUTES OF THE BOARD OF DIRECTORS OF
THE MIDTOWN REDEVELOPMENT AUTHORITY**

SEPTEMBER 30, 2019

A special meeting of the Board of Directors (the “Board”) of the Midtown Redevelopment Authority (the “Authority”) was held at the Authority’s offices in Third Floor Conference Room of the Houston Exponential Building, 410 Pierce, Houston, Texas 77002, on Monday, September 30, 2019 at 2:00 p.m. The meeting was open to the public. The roll of the duly appointed members of the Board was called, to-wit:

<u>Pos. #</u>	<u>Name</u>	<u>Pos. #</u>	<u>Name</u>
1	Camille Foster	6	Abe Goren
2	Vacant	7	Caton M. Fenz
3	Gayle Fortson	8	John Thomas
4	Pamela Ngo Castleman	9	Brandon Dudley
5	Al Odom		

and all of the above were present except Directors Fortson, Goren and Dudley.

Also in attendance were Vernon Williams, Kandi Schramm, Todd Edwards, Cynthia Alvarado, Sally Adame, Theresa Gilmore, Marlon Marshall, David Thomas, Jalisa Hurst, Mechelle Phillips, Madeline Pena, and Amaris Salinas of Midtown; Barron F. Wallace of Bracewell LLP; Peggy Foreman of Burney & Foreman; Alyssa Hill of Carr, Riggs & Ingram, CPA; Algenita Davis of CCPPI; Roberta Burroughs of Roberta Burroughs & Associates; Zack Martin of MCMD; Bryan Lozaro, Joseph Boley and Rachel Ray of Walter P. Moore; Jeri Brooks of One World Strategy Group; Theodore Andrews of TIRZ#25; Carol Harrison of IDS; Henrietta Bodner of Super Neighborhood #62; Maria Montes of the City of Houston; and Alex Ramirez of Design Workshop.

Chairman Odom called the meeting to order and welcomed the guests.

PUBLIC COMMENT.

Maria Montes, Director of the City of Houston Office of Boards and Commissions, introduced herself.

CONSENT AGENDA FOR THE AUTHORITY:

- a. **MINUTES FOR JULY 25, 2019;**
- b. **MONTHLY FINANCIAL REPORTS FOR JULY 2019;**
- c. **INVOICES FROM TRUSTEE AND OPERATING ACCOUNTS FOR AUGUST & SEPTEMBER 2019.**
- d. **ONE WORLD STRATEGY GROUP GOVERNMENT RELATIONS SERVICES AGREEMENT.**

Administrative Manager, Kandi Schramm presented the Consent Agenda. Director Castleman made a motion to approve the Consent Agenda items a-d as presented. The motion was seconded by Director Fenz and carried by unanimous vote.

Fiscal Year 2019 Financial Audit.

Alyssa Hill of Carr, Riggs & Ingram, presented the Fiscal Year 2019 Financial Audit and Required Communications Letter. Ms. Hill stated that her firm was issuing a clean, unmodified opinion and that the Authority's basic financial statements present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Authority, as of June 30, 2018 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States. She advised the Board that the Authority did not expend \$750,000 or more in federal funds therefore there was no need to conduct a single audit this year. Ms. Hill stated that the new Closing Checklist worked well for Fiscal Year 2019, but the Midtown staff wants to make a couple of adjustments to the Closing Checklist to allow for an even smoother closing for Fiscal Year 2020. Director Castleman made a motion to approve the Fiscal Year 2019 Financial Audit as presented. The motion was seconded by Director Thomas. Following all discussion, the motion carried by unanimous vote.

Fiscal Year 2020 Midtown Redevelopment Authority/TIRZ #2 Budget.

Kandi Schramm presented the Fiscal Year 2020 Budget for the Authority/TIRZ#2. Ms. Schramm advised the Board that the budget is presented with very conservative revenue projections and without the Harris County increment for tax year 2019, since the Interlocal Agreement with Harris County had not been extended at this time. Marlon Marshall reported that the proposed capital improvement projects for Fiscal Year 2020 were reduced in scope for Fiscal Year 2020 or proposed for future fiscal years. Director Fenz made a motion to approve the Fiscal Year 2020 Budget as presented. The motion was seconded by Director Thomas. Following all discussion, the motion carried by unanimous vote.

MIDTOWN BUILDING REQUEST FOR INFORMATION TO DEVELOPERS.

Barron F. Wallace reported that the Request for Information to Developers was expected to be sent in October, 2019 and due back for review in January 2020.

MIDTOWN AFFORDABLE HOUSING PROGRAM:

a. AFFORDABLE HOUSING OPERATIONS CENTER;

Marlon Marshall reported that the contractor mobilized on the project site on September 26, 2019 and that the project is proceeding as expected.

i. WORK ORDER FOR CONSTRUCTION INSPECTION SERVICES - TLC ENGINEERING, INC.

Mr. Marshall presented the support services work order for Construction Inspection Services for the Operations Center. He stated that the construction inspection services would be provided by TLC Engineering, Inc. for an amount not to exceed \$198,288.00. Director Fenz made the motion to approve the Construction Inspection Services work order with TLC Engineering, Inc. in the amount of \$198,288.00. The motion was seconded by Director Thomas and carried by unanimous vote.

ii. **PROPOSAL FOR CONSTRUCTION MATERIALS TESTING SERVICES – ALL-TERRA ENGINEERING, INC.**

Mr. Marshall presented All-Terra Engineering, Inc.'s proposal for Construction Materials Testing Services in the amount of \$159,509.00. Director Fenz made a motion to approve engaging All-Terra Engineering, Inc. to provide Construction Materials Testing Services for the amount of \$159,509. The motion was seconded by Director Thomas and carried by unanimous vote.

b. **AFFORDABLE HOUSING DEVELOPMENT UPDATE.**

Todd Edwards reported that The Montrose Center held a groundbreaking ceremony on August 6, 2019 for the Law Harrington Senior Housing Center being construction on the property located at 2222 Cleburne Street. He reminded the Board that the Authority granted the land to 2222 Cleburne LP (The Montrose Center) for the construction of 112 units of affordable housing for seniors. Mr. Edwards also reported that an announcement ceremony was held on August 15, 2019 for Palmetto Place, which is Phase I of the 100 Homes Initiative. He stated that Houston Business Development Inc. will construct 43 single family homes in the Griggs Road/Palm Center area, which is reported to be the first subdivision in this area in the last 50 years. He stated that he is hopeful this project will serve as a catalyst for additional infrastructure improvements and development in this section of Houston. Mr. Edwards further reported that Developers, Epic Homes, LLC, Mayberry Homes, Inc. & Cole/Klein Builders, LLC are moving forward with plans to construct additional single family affordable homes.

MIDTOWN CAPITAL IMPROVEMENTS PROGRAM:

a. **PARKS AND GREENSPACE - WALTER P MOORE/DESIGN WORKSHOP**

i. **MIDTOWN PARK**

Marlon Marshall reported that construction of the Front 90 Plaza is substantially complete; he anticipates final completion by September 13th. He stated that the staff is currently working on design concepts for a food hall on the Plaza. Mr. Marshall reported that the mosaic art piece for the fountain in the Front 90 Plaza area has shipped and is expected to be installed in November 2019.

1. **APPROVE PARK CHANGE ORDERS – MILLIS**

Mr. Marshall presented Change Order #39 for relocating an existing pedestrian pole; remove restaurant electrical service from scope, landscape and bollard revisions for a credit in the amount of \$12,223.67. Director Castleman made a motion to approve Change Order #39 for a credit in the amount of \$12,223.67. The motion was seconded by Director Thomas and carried by unanimous vote.

ii. **BAGBY PARK – STORAGE AND RENOVATIONS.**

Mr. Marshall reported that the contractor has encountered weather issues but is moving along at a reasonable pace. The contractor has completed the site utility work and has poured the stage foundation. He also reported that the Staff has received and is evaluating design plans for modifications to the Kiosk area from the new tenant which

include adding a second level deck to allow for more seating and to facilitate the sale of alcohol. No decisions have been made regarding the proposed modifications.

1. CHANGE ORDERS

There were no change orders presented at this meeting for Bagby Park.

b. CAROLINE STREET RECONSTRUCTION – ESPA CORP/KCI

Mr. Marshall reported that the contractor has completed waterline laterals installation at Tuam and Anita Streets and storm sewer installation on Hadley Street between Caroline and Austin Streets. Construction continues on storm inlets at Rosalie Street and installation of sanitary sewer between Dennis and McGowen Streets. Mr. Marshall reported that Staff met with the City of Houston to discuss funding options for City requested upgrades to the water/sanitary/storm utilities and traffic signals. Staff reported to the City that the current funding model is not sustainable now that the City has ordered that the Authority pay for costly traffic signal upgrades on Caroline Street. The City will consider the matter and schedule follow-up meetings to discuss the Caroline Street Traffic signal work which is being added to the project cost.

i. Change Orders

Mr. Marshall presented Change Order #14 for replacing existing clay storm sewer pipe during storm sewer installation at Austin and Rosalie Streets in the amount of \$41,593.76. Director Castleman made a motion to approve Change Order #14 as presented in the amount of \$41,593.76. The motion was seconded by Director Thomas and carried by unanimous vote.

Mr. Marshall presented Change Order #15 for replacement of sanitary manhole and to reroute an 8” waterline during storm sewer installation at Austin and Rosalie Streets in the amount of \$24,800.92. Director Castleman made a motion to approve Change Order #15 as presented in the amount of \$24,800.92. The motion was seconded by Director Thomas and carried by unanimous vote.

c. FTA GRANT PROGRAM - THE GOODMAN CORPORATION.

No report was given at this meeting.

WITH RESPECT TO THE FOREGOING AGENDA ITEMS, THE AUTHORITY MAY CONDUCT AN EXECUTIVE SESSION WITH REGARD TO THE FOLLOWING, AS APPROPRIATE AND NECESSARY:

- a. **CONSULTATION WITH ATTORNEY (SECTION 551.071, TEXAS GOVERNMENT CODE);**
- b. **THE PURCHASE, EXCHANGE, LEASE OR VALUE OF REAL PROPERTY (SECTION 551.072, TEXAS GOVERNMENT CODE);**
- c. **PERSONNEL MATTERS (SECTION 551.074, TEXAS GOVERNMENT CODE);**
- d. **SECURITY PERSONNEL OR DEVICES (SECTION 551.076, TEXAS GOVERNMENT CODE); AND**
- e. **ECONOMIC DEVELOPMENT NEGOTIATIONS (SECTIONS 551.087, TEXAS GOVERNMENT CODE).**

The Authority did not conduct an Executive Session at this meeting.

ADJOURN.

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

DRAFT

Pam Castleman, Secretary

Date

DRAFT

Midtown Redevelopment Authority

Profit & Loss

July through September 2019

Jul - Sep 19

Ordinary Income/Expense

Income

400000 · Revenue & Support	
400020 · Reimb Off Exp & Staff	1,071.25
400025 · Interest-Debt Service & Reserve	44,344.96
400026 · Interest-Other Bond Funds	41,466.89
400029 · Interest - Affordable Housing	44,927.86
400030 · Interest-Operating Funds	15,436.85
400032 · Other Revenue	37,729.17
Total 400000 · Revenue & Support	<u>184,976.98</u>

Total Income

184,976.98

Gross Profit

184,976.98

Expense

510000 · INCREMENT PROJECTS/EXPENSE	
510002 · T-0214 Caroline St near HCCS	42,349.65
510008 · T-0220 Afford Housing Land Bnk	
510014 · T-0220 MRA AFF HOUS THIRD GIS	14,903.75
510017 · T-0220 Drainage Fees	1,263.59
510018 · Fines	54.58
512001 · T-0220 Aff Hous Expense	762,802.61
510008 · T-0220 Afford Housing Land Bnk - Other	300.00
Total 510008 · T-0220 Afford Housing Land Bnk	<u>779,324.53</u>

510019 · T-0214 Caroline St 24,636.64

510024 · T-0204 Infrastruc/Street Lights 376.19

510041 · CIP Program Expenses 50,701.06

510043 · T-0234 Parks & Open Space & Mob 312,594.99

510044 · T-0236 Bagby Park 238,144.49

510045 · T-0224 HTC I - Bldg Maintenance 17,202.58

510046 · T-0221 Midtown Pk 309,194.79

510050 · T-0210 Main Street Enhancements 47,241.08

510102 · HMAAC Interest Expense 12,835.59

510400 · KIOS at Bagby Park 6,800.00

510534 · T-0225 Mobility & Pedest Imprv 249,211.75

510700 · Municipal Services Costs 350.00

511001 · T-0232 Public & Cultural Fac 100,000.00

Total 510000 · INCREMENT PROJECTS/EXPENSE 2,190,963.34

550000 · General & Admin. Expense

 550002 · Contract Labor 10,662.20

 550003 · Rent Expense (Additional office space) 23,785.00

 550004 · Salaries

 550014 · Health Insurance 27,108.66

 550015 · AFLAC -200.46

 550018 · Life Insurance 73.02

 550004 · Salaries - Other 393,885.03

Total 550004 · Salaries 420,866.25

Midtown Redevelopment Authority

Profit & Loss

July through September 2019

	<u>Jul - Sep 19</u>
5500047 · Overtime	666.32
550007 · Courier Service	1,057.27
550008 · Office Supply & Expense	4,444.69
550010 · Telephone & Utilities	
550110 · Cellular Service	436.25
550113 · Drainage fee	920.55
550010 · Telephone & Utilities - Other	4,768.17
Total 550010 · Telephone & Utilities	<u>6,124.97</u>
550012 · Postage	404.59
550022 · Bank Charges & Fees	2,658.74
550025 · Professional Services	37,061.92
550026 · Accounting Consultants	7,312.50
550027 · Financial Audit (Audit Services)	37,700.00
550028 · Legal Consultants	14,932.44
550031 · HTC Bldg Maintenance	206.00
550032 · Engineering Consultants	1,936.00
550034 · Equip Rent & Lease Expense	2,331.24
550036 · Licenses & Fees	125.00
550037 · Workman's Comp Insurance	1,053.48
550039 · Computers & Repairs & Maint	9,090.72
550040 · Repair & Maintenance	2,070.51
550044 · Payroll Expense & PR Tax Exp	33.00
550045 · Payroll Fees	5,755.34
550046 · Reimb. Employee Office Exp.	84.21
550047 · Soc Sec - Medicare	28,869.91
550050 · Depreciation Expense	72,876.52
550052 · Depre Expense-Midtown Park	106,080.86
550053 · Deprec Expense-Works of Art	4,838.52
550061 · Public Relations	30,000.00
Total 550000 · General & Admin. Expense	<u>833,028.20</u>
550051 · Dep Exp - Midtown Park/Garage	77,016.32
600000 · Bond Related Expenses	
550055 · Amort Bond Prem	-71,174.62
560038 · 11 Bond Series Interest Expense	134,197.92
560039 · 2013 Bond Series Int Expense	196,103.12
560040 · 2015 Bond Int Expense	74,756.26
560041 · 2017 Bond Int Expense	303,270.84
Total 600000 · Bond Related Expenses	<u>637,153.52</u>
Total Expense	<u>3,738,161.38</u>
Net Ordinary Income	<u>-3,553,184.40</u>
Net Income	<u><u>-3,553,184.40</u></u>

Midtown Redevelopment Authority
Balance Sheet
As of September 30, 2019

Sep 30, 19

ASSETS

Current Assets

Checking/Savings

101001 · Wells Fargo Ope Acctg 64040	1,326,786.49
101002 · Infrastructure Projects 1731	950.72
101010 · WF Surplus Acct 63943	1,057.28
101020 · WF FTA Enhanced Path 63919	59.97
102200 · Logic Operating Account (Investment Account)	5,038,155.72
103200 · TexStar Operating Acct 1111	6,788.14
103600 · Wells Fargo Oper Inves 63901	729.52
103700 · WF Operating Saving 3215777180	45,312.69
104000 · Affordable Housing Accounts	
104021 · WF Afford Hous 3927	1,245,217.00
104022 · WF Pilot Program 3935	343.59
104116 · TexStar Aff. Hsng MM 1800	1,996.16
104200 · Logic Affordable Housing (Investment Account)	2,710,315.49
1043000 · BBVA USA	1,002,734.71
Total 104000 · Affordable Housing Accounts	4,960,606.95
105000 · Trustee Investments	
105001 · Pledge Revenue Fund 422885	
105100 · Pledge Revenue Fund -422885	15,799.69
Total 105001 · Pledge Revenue Fund 422885	15,799.69
105002 · Debt Service Fund	
105200 · BNY-Debt Service Fund 422896	7,616,977.89
Total 105002 · Debt Service Fund	7,616,977.89
105003 · Reserve Fund 422897	
105302 · Reserve Fund Money Mkt 422897	44.94
105324 · TexStar Debt Res Fnd MM 1023 (Debt Reserve Fund)	7,998,087.75
Total 105003 · Reserve Fund 422897	7,998,132.69
105009 · Austin Park Maint. Fund 422919	
105901 · Austin Park Money Market Acct.	3,559.64
Total 105009 · Austin Park Maint. Fund 422919	3,559.64
107000 · BOND FUNDS	
107012 · BNY 443264 2011 Escrow	9.99
107017 · 937933 8400 2017 ESCROW	1,222,757.24
107018 · LOGIC 2017 PROJECT FUND (Trust Account 7487592004)	7,041,957.44
107019 · LOGIC 2017 AFFORDABLE HOUSING (Trust Account 7487592005)	4,615,835.43
Total 107000 · BOND FUNDS	12,880,560.10
Total 105000 · Trustee Investments	28,515,030.01
Total Checking/Savings	39,895,477.49
Accounts Receivable	
170000 · Accounts Receivable	
170008 · KIOS	-6,400.00
170011 · Midtown Parks Conservancy	158,413.35
170021 · HTC BUILTOUT	20.00

Midtown Redevelopment Authority

Balance Sheet

As of September 30, 2019

	Sep 30, 19
170060 · Fourth Ward Redevelopment Autho (Expense Reimbursement)	-8,796.11
Total 170000 · Accounts Receivable	<u>143,237.24</u>
Total Accounts Receivable	<u>143,237.24</u>
Total Current Assets	40,038,714.73
Fixed Assets	
150000 · Fixed Assets	
150010 · Office Furniture & Equipment	26,321.36
150011 · Accumulated Depreciation-Furn.	-26,321.36
150020 · Computer Equipment	32,057.11
150021 · Accumulated Depreciation-Comp.	-32,057.11
150040 · Land - JPI Park	736,911.00
150045 · Walgreens/Lui Park Land	141,000.00
150062 · Land - Houston Tech.Center I	798,053.89
150063 · Houston Tech Center I	2,676,862.62
150064 · Accm Deprec-Houston Tech Cntr I	-2,178,718.31
150065 · Land - HTC Phase II	697,219.00
150066 · Houston Tech Center II	2,816,117.96
150067 · Accum.Deprec. HTC Phase I	-1,842,210.60
150069 · Land - Bagby Park	1,318,870.15
150070 · BagbyPark	2,453,218.83
150071 · Accum.Deprec. BagbyPark	-1,203,872.43
150075 · Midtown Park 2905 Travis St	3,506,306.26
150078 · Midtown Park Land-Tracts I & II	4,416,883.45
1500783 · Accum Deprec-Works of Art	-33,869.66
150078A · Midtown (Superblock) Garage	94,235.20
150078B · Midtown (Superblockj) Park	5,630,364.40
150078C · Midtown Garage - Depreciable As	
1500781 · Acc Depre - Midtown Garage	-770,163.24
150078C · Midtown Garage - Depreciable As - Other	<u>23,104,895.00</u>
Total 150078C · Midtown Garage - Depreciable As	22,334,731.76
150078D · Midtown Park - Depreciable Asse	
1500782 · Acc Depre Midtown Park	-1,166,889.02
150078D · Midtown Park - Depreciable Asse - Other	<u>19,094,553.00</u>
Total 150078D · Midtown Park - Depreciable Asse	17,927,663.98
150079B · Works of Art - Donated	725,778.00
150080 · Land (Resale) (Land purchase for resale)	
150081 · Earnest Money	36,686.18
150082 · Option Fees	11,200.00
150803 · Affordable Housing Legal	109,050.45
150804 · Affordable Housing Misc	752,799.46
150805 · AFFORD HOUS GRANTS	126,750.28
150080 · Land (Resale) (Land purchase for resale) - Other	<u>50,941,384.15</u>
Total 150080 · Land (Resale) (Land purchase for resale)	51,977,870.52
150089 · Land HMAAC (Land)	1,206,150.00
150090 · HMAAC Property	918,850.00

Midtown Redevelopment Authority
Balance Sheet
As of September 30, 2019

	Sep 30, 19
150091 · Accum Depr HMAAC	-405,824.94
150100 · 2800 MAIN	317,069.93
Total 150000 · Fixed Assets	115,029,661.01
Total Fixed Assets	115,029,661.01
TOTAL ASSETS	155,068,375.74
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
200000 · Accounts Payable	
202001 · Retainage Payable	2,911,411.71
200000 · Accounts Payable - Other	324,986.20
Total 200000 · Accounts Payable	3,236,397.91
Total Accounts Payable	3,236,397.91
Other Current Liabilities	
200001 · Current Liabilities	
200005 · Accrued Expenses	118,257.61
201000 · Operating Account Liabilities	-2,530.25
201001 · MIDCORP Kios	24,454.84
202000 · Project Fund Liabilities	18,578.35
2021061 · Due from FWRA for AFLAC	-774.24
2021062 · Due MMD	-4,069.52
204000 · HMAAC NOTE - CURRENT	102,902.00
2103008 · CRI Current Camden	1,586,239.92
200001 · Current Liabilities - Other	13,800.00
Total 200001 · Current Liabilities	1,856,858.71
2103007 · Developer Advances Midtown Park	7,729,466.00
25000 · Retainage Payable (Retainage)	7,129.27
Total Other Current Liabilities	9,593,453.98
Total Current Liabilities	12,829,851.89
Long Term Liabilities	
210000 · Long Term Liabilities	
210044 · Bonds Payable Series 2011	14,935,000.00
210047 · Bonds Payable Series '13	21,990,000.00
210048 · Current Portion Bonds Payable	5,873,000.00
210049 · Bond Payable Series '15	9,845,000.00
210050 · Bond Payable Series 2017	35,797,000.00
210053 · Accrued Bond Int 2015 series	74,756.26
210055 · Accrued Bond Interest 13 Series	196,103.12
210056 · Accrued Bond Interest Series 11	134,197.92
210058 · Series 2013 BOND PREMIUM	1,059,054.97
210059 · Series 2015 Bond Prem	721,707.70
210061 · Series 2017 Bond Premium	3,785,052.65
210062 · Accrued Bond Interest Series 17	303,270.84
2103000 · LOANS	

Midtown Redevelopment Authority

Balance Sheet

As of September 30, 2019

	<u>Sep 30, 19</u>
2103003 · HMAAC LOAN REFINANCED	1,132,370.72
2103004 · MRA AFF HOU LOAN	<u>-291,200.00</u>
Total 2103000 · LOANS	<u>841,170.72</u>
Total 210000 · Long Term Liabilities	<u>95,555,314.18</u>
Total Long Term Liabilities	<u>95,555,314.18</u>
Total Liabilities	108,385,166.07
Equity	
1110 · Retained Earnings (Retained Earnings)	50,236,394.07
Net Income	<u>-3,553,184.40</u>
Total Equity	<u>46,683,209.67</u>
TOTAL LIABILITIES & EQUITY	<u><u>155,068,375.74</u></u>

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Midtown Redevelopment Authority

Trial Balance

As of September 30, 2019

Sep 30, 19

	Debit	Credit
101001 · Wells Fargo Ope Acctg 64040	1,326,786.49	
101002 · Infrastructure Projects 1731	950.72	
101010 · WF Surplus Acct 63943	1,057.28	
101020 · WF FTA Enhanced Path 63919	59.97	
102200 · Logic Operating Account	5,038,155.72	
103200 · TexStar Operating Acct 1111	6,788.14	
103600 · Wells Fargo Oper Inves 63901	729.52	
103700 · WF Operating Saving 3215777180	45,312.69	
104021 · WF Afford Hous 3927	1,245,217.00	
104022 · WF Pilot Program 3935	343.59	
104116 · TexStar Aff. Hsng MM 1800	1,996.16	
104200 · Logic Affordable Housing	2,710,315.49	
1043000 · BBVA USA	1,002,734.71	
105100 · Pledge Revenue Fund -422885	15,799.69	
105200 · BNY-Debt Service Fund 422896	7,616,977.89	
105302 · Reserve Fund Money Mkt 422897	44.94	
105324 · TexStar Debt Res Fnd MM 1023	7,998,087.75	
105901 · Austin Park Money Market Acct.	3,559.64	
107012 · BNY 443264 2011 Escrow	9.99	
107017 · 937933 8400 2017 ESCROW	1,222,757.24	
107018 · LOGIC 2017 PROJECT FUND	7,041,957.44	
107019 · LOGIC 2017 AFFORDABLE HOUSING	4,615,835.43	
170008 · KIOS		6,400.00
170011 · Midtown Parks Conservancy	158,413.35	
170021 · HTC BUILTOUT	20.00	
170060 · Fourth Ward Redevelopment Autho		8,796.11
150010 · Office Furniture & Equipment	26,321.36	
150011 · Accumluated Depreciation-Furn.		26,321.36
150020 · Computer Equipment	32,057.11	
150021 · Accumulated Depreciation-Comp.		32,057.11
150040 · Land - JPI Park	736,911.00	
150045 · Walgreens/Lui Park Land	141,000.00	
150062 · Land - Houston Tech.Center I	798,053.89	
150063 · Houston Tech Center I	2,676,862.62	
150064 · Accm Deprec-Houston Tech Cntr I		2,178,718.31
150065 · Land - HTC Phase II	697,219.00	
150066 · Houston Tech Center II	2,816,117.96	
150067 · Accum.Deprec. HTC Phase I		1,842,210.60
150069 · Land - Bagby Park	1,318,870.15	
150070 · BagbyPark	2,453,218.83	
150071 · Accum.Deprec. BagbyPark		1,203,872.43
150075 · Midtown Park 2905 Travis St	3,506,306.26	
150078 · Midtown Park Land-Tracts I & II	4,416,883.45	
1500783 · Accum Deprec-Works of Art		33,869.66

Midtown Redevelopment Authority

Trial Balance

As of September 30, 2019

	Sep 30, 19	
	Debit	Credit
150078A · Midtown (Superblock) Garage	94,235.20	
150078B · Midtown (Superblockj) Park	5,630,364.40	
150078C · Midtown Garage - Depreciable As	23,104,895.00	
1500781 · Acc Depre - Midtown Garage		770,163.24
150078D · Midtown Park - Depreciable Asse	19,094,553.00	
1500782 · Acc Depre Midtown Park		1,166,889.02
150079B · Works of Art - Donated	725,778.00	
150080 · Land (Resale)	50,941,384.15	
150081 · Earnest Money	36,686.18	
150082 · Option Fees	11,200.00	
150803 · Affordable Housing Legal	109,050.45	
150804 · Affordable Housing Misc	752,799.46	
150805 · AFFORD HOUS GRANTS	126,750.28	
150089 · Land HMAAC (Land)	1,206,150.00	
150090 · HMAAC Property	918,850.00	
150091 · Accum Depr HMAAC		405,824.94
150100 · 2800 MAIN	317,069.93	
200000 · Accounts Payable		324,986.20
202001 · Retainage Payable		2,911,411.71
200001 · Current Liabilities		13,800.00
200005 · Accrued Expenses		118,257.61
201000 · Operating Account Liabilities	2,530.25	
201001 · MIDCORP Kios		24,454.84
202000 · Project Fund Liabilities		18,578.35
2021061 · Due from FWRA for AFLAC	774.24	
2021062 · Due MMD	4,069.52	
204000 · HMAAC NOTE - CURRENT		102,902.00
2103008 · CRI Current Camden		1,586,239.92
2103007 · Developer Advances Midtown Park		7,729,466.00
25000 · Retainage Payable		7,129.27
210044 · Bonds Payable Series 2011		14,935,000.00
210047 · Bonds Payabe Series '13		21,990,000.00
210048 · Current Portion Bonds Payable		5,873,000.00
210049 · Bond Payable Series '15		9,845,000.00
210050 · Bond Payable Series 2017		35,797,000.00
210053 · Accrued Bond Int 2015 series		74,756.26
210055 · Accrued Bond Interest 13 Series		196,103.12
210056 · Accrued Bond Interest Series 11		134,197.92
210058 · Series 2013 BOND PREMIUM		1,059,054.97
210059 · Series 2015 Bond Prem		721,707.70
210061 · Series 2017 Bond Premium		3,785,052.65
210062 · Accrued Bond Interest Series 17		303,270.84
2103003 · HMAAC LOAN REFINANCED		1,132,370.72
2103004 · MRA AFF HOU LOAN	291,200.00	

Midtown Redevelopment Authority

Trial Balance

As of September 30, 2019

Sep 30, 19

	Debit	Credit
1110 · Retained Earnings		50,236,394.07
400020 · Reimb Off Exp & Staff		1,071.25
400025 · Interest-Debt Service & Reserve		44,344.96
400026 · Interest-Other Bond Funds		41,466.89
400029 · Interest - Affordable Housing		44,927.86
400030 · Interest-Operating Funds		15,436.85
400032 · Other Revenue		37,729.17
510002 · T-0214 Caroline St near HCCS	42,349.65	
510008 · T-0220 Afford Housing Land Bnk	300.00	
510014 · T-0220 MRA AFF HOUS THIRD GIS	14,903.75	
510017 · T-0220 Drainage Fees	1,263.59	
510018 · Fines	54.58	
512001 · T-0220 Aff Hous Expense	762,802.61	
510019 · T-0214 Caroline St	24,636.64	
510024 · T-0204 Infrastruc/Street Lights	376.19	
510041 · CIP Program Expenses	50,701.06	
510043 · T-0234 Parks & Open Space & Mob	312,594.99	
510044 · T-0236 Bagby Park	238,144.49	
510045 · T-0224 HTC I - Bldg Maintenance	17,202.58	
510046 · T-0221 Midtown Pk	309,194.79	
510050 · T-0210 Main Street Enhancements	47,241.08	
510102 · HMAAC Interest Expense	12,835.59	
510400 · KIOS at Bagby Park	6,800.00	
510534 · T-0225 Mobility & Pedest Imprv	249,211.75	
510700 · Municipal Services Costs	350.00	
511001 · T-0232 Public & Cultural Fac	100,000.00	
550002 · Contract Labor	10,662.20	
550003 · Rent Expense	23,785.00	
550004 · Salaries	393,885.03	
550014 · Health Insurance	27,108.66	
550015 · AFLAC		200.46
550018 · Life Insurance	73.02	
5500047 · Overtime	666.32	
550007 · Courier Service	1,057.27	
550008 · Office Supply & Expense	4,444.69	
550010 · Telephone & Utilities	4,768.17	
550110 · Cellular Service	436.25	
550113 · Drainage fee	920.55	
550012 · Postage	404.59	
550022 · Bank Charges & Fees	2,658.74	
550025 · Professional Services	37,061.92	
550026 · Accounting Consultants	7,312.50	
550027 · Financial Audit	37,700.00	
550028 · Legal Consultants	14,932.44	

Midtown Redevelopment Authority

Trial Balance

As of September 30, 2019

Sep 30, 19

	<u>Debit</u>	<u>Credit</u>
550031 · HTC Bldg Maintenance	206.00	
550032 · Engineering Consultants	1,936.00	
550034 · Equip Rent & Lease Expense	2,331.24	
550036 · Licenses & Fees	125.00	
550037 · Workman's Comp Insurance	1,053.48	
550039 · Computers & Repairs & Maint	9,090.72	
550040 · Repair & Maintenance	2,070.51	
550044 · Payroll Expense & PR Tax Exp	33.00	
550045 · Payroll Fees	5,755.34	
550046 · Reimb. Employee Office Exp.	84.21	
550047 · Soc Sec - Medicare	28,869.91	
550050 · Depreciation Expense	72,876.52	
550052 · Depre Expense-Midtown Park	106,080.86	
550053 · Deprec Expense-Works of Art	4,838.52	
550061 · Public Relations	30,000.00	
550051 · Dep Exp - Midtown Park/Garage	77,016.32	
550055 · Amort Bond Prem		71,174.62
560038 · 11 Bond Series Interest Expense	134,197.92	
560039 · 2013 Bond Series Int Expense	196,103.12	
560040 · 2015 Bond Int Expense	74,756.26	
560041 · 2017 Bond Int Expense	303,270.84	
TOTAL	<u><u>166,851,608.99</u></u>	<u><u>166,851,608.99</u></u>

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Midtown Redevelopment Authority
Transactions by Account

Thursday, October 31, 2019

Type	Date	Num	Name	Memo	Credit
101001 - Wells Fargo Ope Acctg 64040					
Bill Pmt -Check	10/01/2019	9301	HX Houston Exponential	OCTOBER 2019 Rent	7,645.00
Bill Pmt -Check	10/01/2019	9302	One World Strategy Group, LLC	OW STRATEGIST SEPTEMBER 2019 GOVERNMENT AFFAIR	7,500.00
Bill Pmt -Check	10/01/2019	9303	One World Strategy Group, LLC	OW STRATEGIST SEPTEMBER 2019 PUBLIC AFFAIRS	5,000.00
Bill Pmt -Check	10/01/2019	9304	Millis Development & Construction, Inc.	MRA MIDTOWN PARK AUGUST 2019	210,592.59
Bill Pmt -Check	10/02/2019	9305	PHONOSCOPE SERVICES, INC.	OCTOBER 2019	144.75
Bill Pmt -Check	10/16/2019	9306	Pitney Bowes Global Financial Services LL	LATE FEE	32.00
Bill Pmt -Check	10/31/2019	9307	A. O. Phillips & Associates	CONSULTING SERICES OCTOBER 21 2019	6,555.00
Bill Pmt -Check	10/31/2019	9308	Bee-Line Delivery Service	Courier Services	425.18
Bill Pmt -Check	10/31/2019	9309	Bracewell LLP	0051910.000003 SEPT 2019 CIP	1,406.25
Bill Pmt -Check	10/31/2019	9310	Carr Riggs & Ingram, LLC	Final billing for the FY June 30 2019	9,700.00
Bill Pmt -Check	10/31/2019	9311	Hawes Hill & Associates	Professional Consulting fee Annual report for Harris County	10,277.00
Bill Pmt -Check	10/31/2019	9312	HR&A Advisors	Professional Consulting	8,000.00
Bill Pmt -Check	10/31/2019	9313	HX Houston Exponential	February 28 2019 - August 15 2019 Reimb Expenses Midtown	5,366.53
Bill Pmt -Check	10/31/2019	9314	IDS Engineering Group	Professional Consulting	17,280.42
Bill Pmt -Check	10/31/2019	9315	Jerdon Enterprises, L.P.	Bagby Park Storage Building and Renovations	21,017.55
Bill Pmt -Check	10/31/2019	9316	marimon	Contract bas cost & copies	467.47
Bill Pmt -Check	10/31/2019	9317	Maya Itutu Ford-Belgrave D/B/A Ford Momen	COMMS PLNNG SEPTEMBER 1- 15 2019	2,250.00
Bill Pmt -Check	10/31/2019	9318	MBM Financial Corporation	CANON/IRAC5250	244.65
Bill Pmt -Check	10/31/2019	9319	McConnell & Jones, LLP	SEPTEMBER 2019	1,562.50
Bill Pmt -Check	10/31/2019	9320	NEVA Corporation	Preventative Maintenance Inspection for Month of September 201	1,206.00
Bill Pmt -Check	10/31/2019	9321	SER Construction Partners, Ltd.	Main Street Enhancements Project No. 1174-005-08	12,323.50
Bill Pmt -Check	10/31/2019	9322	Staples Advantage	office supplles	1,742.28
Bill Pmt -Check	10/31/2019	9323	The Goodman Corporation	Professional Consulting	11,743.00
Bill Pmt -Check	10/31/2019	9324	ThyssenKrupp Elevator	Elevator Service	556.60
Bill Pmt -Check	10/31/2019	9325	TLC Engineering, Inc.	Caroline Street September 2019	12,862.50
Bill Pmt -Check	10/31/2019	9326	Walter P. Moore	Professional Consulting	11,568.50
Bill Pmt -Check	10/31/2019	9327	Wulfe & Co.	Consulting for Bagby Park and Midown Park	3,400.00
Bill Pmt -Check	10/31/2019	9328	Bracewell LLP	Legal Consultation	23,249.00
Bill Pmt -Check	10/31/2019	9329	AFLAC	OCTOBER 2019	2,631.28
Bill Pmt -Check	10/31/2019	9330	All Covered	IT Services	414.96
Bill Pmt -Check	10/31/2019	9331	PHONOSCOPE SERVICES, INC.	NOVEMBER 2019	144.75
Bill Pmt -Check	10/31/2019	9332	VOID		
101001 - Wells Fargo Ope Acctg 64040					66,570.59

Midtown Redevelopment Authority

Type	Date	Num	Name	Memo	Amnt
10/31/2019					
104000 - Affordable Housing Accounts					
104021 - WF Afford Hous 3927					
Bill Pmt -Check	10/31/2019	3434	Bracewell LLP	Legal Services	1,443.75
Bill Pmt -Check	10/31/2019	3436	TransTeQ	OCTOBER 2019 LAWN AND LANDSCAPING SERVI	31,061.54
Bill Pmt -Check	10/31/2019	3437	CORTEZ LANDSCAPING, LLC	Landscape October 2019	102,477.07
Bill Pmt -Check	10/31/2019	3438	POWER, LLC	Demolition 2 homes & waste removal	30,000.00
Bill Pmt -Check	10/31/2019	3439	POWER, LLC	Cutting and removal of 30 trees	14,500.00
Bill Pmt -Check	10/31/2019	3440	KCK Demolition and Landscaping	Illegal Dumping and car removal from several properti	25,000.00
Bill Pmt -Check	10/31/2019	3441	KCK Demolition and Landscaping	Demolition 3322 Drew St Houston, Tx 77004	15,000.00
Bill Pmt -Check	10/31/2019	3442	Roberta F. Burroughs & Associates	Aug 27 - Sept 26 2019 Implementation Services	6,000.00
Total 104021 - WF Afford Hous 3927					225,482.36

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**Midtown Redevelopment Authority
Bond & Project Fund Expenses & Balances
Thursday, October 31, 2019**

Trustee Investments (Bond Funds)	Beginning Balance	Chase	BKNY MELLON	WELLS FARGO	TexSTAR/LOGIC	Ending Balance
422885 Pledge Reserve Funds 422896	15,799.69					15,799.69
422896 Debt Service US Treasury Money Market Funds	7,616,977.89					7,616,977.89
422897 Reserve Fund US Treasury Money Market Funds	44.96					44.96
105324 · TexStar Debt Res Fnd MM 1023 (Debt Rese	7,998,087.75					7,998,087.75
422919 Austin Park Maint.(2001 Series) US Treasury	3,559.64					3,559.64
LOGIC 2017 AFFORDABLE HOUSING (Trust Acc	4,615,835.43		4,416.75			4,611,418.68
BNY-TICR AFF HSG 693802						
REQ 150 ALL-TERRA ENGINEERING, INC			4,092.00			
REQ 149 Precision Surveyors			324.75			
			4,416.75			-
LOGIC 2017 Project Funds	5,015,018.30					5,015,018.30
443264 2011 Escrow 1998 2001	9.99					9.99
9379338400 2017 ESCROW	1,222,757.24					1,222,757.24
						TOTALS
						26,483,674.14

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Midtown Redevelopment Authority

**FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION**

June 30, 2019

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CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRIcpa.com



Midtown Redevelopment Authority
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June 30, 2019

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Midtown Redevelopment Authority
Houston, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Midtown Redevelopment Authority (the Authority), a component unit of the City of Houston, Texas, as of and for the year ended June 30, 2019, 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 principles 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.

Auditors' 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 of 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 auditors' 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 entity'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.

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 each major fund of Midtown Redevelopment Authority, as of June 30, 2019, 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 States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 11 and 35 through 36 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 schedule of operating expenses and capital expenditures for the year ended June 30, 2019, the schedule of estimated project costs to actual expenditures for the period from December 29, 1995 (date of inception) through June 30, 2019, the schedule of properties held – land held for resale, and the schedule of capital assets, on pages 37 through 53, are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

September 30, 2019
Houston, Texas

Midtown Redevelopment Authority Management's Discussion and Analysis

This discussion and analysis of Midtown Redevelopment Authority's (the Authority) financial statements provides an overview of the Authority's financial performance during the years ended June 30, 2019 and 2018. This discussion and analysis includes comparative data for the year ended June 30, 2019 with the year ended June 30, 2018 and a brief explanation for significant changes between fiscal years. Since the Management's Discussion and Analysis is designed to focus on current activities, resulting changes and current known facts, please read in conjunction with the Authority's basic financial statements and the notes to the financial statements.

FINANCIAL HIGHLIGHTS

- At the creation of the Tax Increment Reinvestment Zone Number Two (Midtown TIRZ or Zone) in 1995, the appraised base year value for real property located within the Zone was \$157,081,540. With the addition of four annexations of land in each of 1997, 1999, 2009 and 2015, the appraised base year value for real property located within the Zone has increased to \$286,543,928. The certified value for tax year 2019 (collectible Fiscal Year 2020) of real property located within the Zone is approximately \$2,477,641,135 with a certified taxable value of approximately \$2,313,267,000 (net of exemptions).
- Section 42.25116(b)(3) of the Texas Education Code provides for the Texas Education Agency to pay additional funds to school districts participating in tax increment reinvestment zones in an amount equal to the difference between (1) the tax levies collected on the district's maintenance and operations tax rate for 2006 and each year thereafter and (2) the levies that would have been collected at the district's 2005 maintenance and operations rate for each subsequent year (Pass-Through Funds). In fiscal year 2019, the City of Houston (the City) received the tax year 2017 Pass-Through Funds for the Houston Independent School District, in an amount totaling \$3,759,967. Of the total amount, \$2,506,645 was dedicated to the educational set-aside component and the balance of the funds in the total amount of \$1,253,322 was placed in the Authority's Affordable Housing Increment Account, with 19% of that amount dedicated to funding affordable housing specifically in Harris County.
- Since 2015, the Authority has engaged Midtown Improvement and Development Corporation (MIDCorp) d/b/a Midtown Parks Conservancy to operate, manage, maintain and preserve certain park facilities, including Bagby Park, Midtown Park and the parking facilities constructed beneath Midtown Park. In consideration for those services, the Authority paid an "Annual Management Fee" of \$250,000 per year in each of the first two years, then in each year thereafter, has agreed to pay an amount not to exceed \$500,000 based on MIDCorp's annual operating budget. If in any fiscal year MIDCorp collects revenues in excess of the amount required for operations, as further described in the Operating Agreement, and less the Annual Management Fee, such excess amounts will be credited towards the Annual Management Fee for the following fiscal year. Additionally, the Authority has agreed to pay to MIDCorp an amount equal to \$50,000 to be applied to a Renewal and Replacement Fund for infrastructure capital maintenance.
- In January 2017, the Authority approved an Amended 2017 Municipal Service Cost Agreement with the City and remitted \$781,263 to the City in June 2019 for the purposes of reimbursing the City for increased public safety services within the Zone. This agreement is anticipated to automatically renew annually at amounts to be determined pursuant to the adopted budget. In addition to the amount of the Municipal Service Costs line item shown in the Fiscal Year 2019 budget, the Zone and the Authority may pay all or a portion for certain supplemental services within the boundaries of the Zone, such as homeless initiatives, private security services, clean-up and trash/debris removal, and public safety education and coordination services. The Authority spent \$60,236 in fiscal year 2019 on these supplemental services.

Midtown Redevelopment Authority Management's Discussion and Analysis

- Pursuant to its Interlocal Agreement with Houston Community College System, the Authority began construction on its Caroline Street Project in late August 2018. The Caroline Street Project is projected to cost approximately \$18 million. As of June 30, 2019, the Caroline Street Project has incurred costs of approximately \$12.5 million. Of which, \$4 million will be funded by a Texas Department of Transportation grant. The Caroline Street construction is expected to be completed in August 2020.
- Bagby Park is undergoing a renovation at an estimated cost of \$970,000. The renovation contract, approved in April 2019, consists of lawn regrading and the installation of park lighting, an onsite storage facility, a new stage and a canopy. Additionally, Wulfe & Co. and Authority staff interviewed the top 8 of 172 qualifying applicants to lease the restaurant kiosk in Bagby Park. In April 2019, the Board approved a lease with La Calle, an authentic Mexican food restaurant. It is anticipated that La Calle will perform some renovations on the kiosk prior to opening for business in late fall of 2019.
- As part of the City's Art Initiative Grant Program, the Authority entered into an agreement with the Houston Arts Alliance and was awarded a grant in the amount of \$140,000 to support cultural arts and encourage cultural tourism in Midtown. Thereafter, the Authority's Board approved an Interlocal Agreement with the District to authorize the District to administer and manage the Art Initiative Grant.
- In June 2019, the Authority's Board granted certain vacant land from its affordable housing land inventory to 2222 CLEBURNE LP, (an affiliate of The Montrose Center). The property, located at 2222 Cleburne Street, consists of approximately 2.9 acres of land that will be used for the construction of a 112-unit senior housing facility. Additionally, as part of its Affordable Housing Pilot Program, the Authority has made land available from its affordable housing land inventory to non-profit organizations and for-profit developers for the construction of affordable single-family homes and townhomes which have subsequently been sold to qualified homebuyers whose household income does not exceed 110% of median income for the area as determined by the Department of Housing and Urban Development.
- Since 2016, the Board of the Authority has engaged The Center for Civic and Public Policy Improvement (CCPPI) to create and implement a comprehensive plan for affordable housing in areas where Midtown owns property. Initially, CCPPI performed significant research relating to community stabilization, utilizing significant community input and coordinating with affordable housing professionals to develop strategies to direct the development of the Authority's properties. This effort resulted in the Midtown Affordable Housing Plan (Plan), which was approved by the Authority with authorization for CCPPI to implement certain recommendations in the Plan. CCPPI continues to work on implementation of the Plan, recently announcing a 100-Homes Initiative. In July 2019, the Authority granted property for Phase I of this 100-Homes Initiative to Houston Business Development, Inc. (HBDI), a Texas non-profit corporation. It is anticipated that HBDI will begin construction of 43 homes in fiscal year 2020. Authority staff continues to engage with other non-profit and for-profit developers in connection with its Affordable Housing efforts.
- Authority's Affordable Housing Plan anticipates the development, in cooperation with CCPPI and the other entities that will aid in the implementation of affordable housing, of a mixed use campus consisting of (i) a 5-story building containing approximately 64,500 square feet to house office, supportive services (commercial and not for profit), community and public entities (the Operations Center); (ii) an approximately 17,050 square foot, 20-unit multi-family affordable housing development; and (iii) an approximately 83,000 square foot public parking garage containing approximately 224 parking spaces to be constructed on those certain tracts of land owned by Midtown located at the intersection of Emancipation Avenue and Elgin Street. The Authority advertised for construction bids in late 2018 and in January 2019, approved a construction contract with Arch-Con Corporation in the amount of



Midtown Redevelopment Authority Management's Discussion and Analysis

\$25,104,315. Thereafter, the Boards of the Authority and the OST/Alameda Corridors Redevelopment Authority approved an Interlocal Agreement relating to the construction of a parking garage that will be available for public use. Pursuant to this Interlocal Agreement, the OST/Alameda Authority will pre-lease a designated number of parking spaces and pay the cost of certain public infrastructure improvements in an amount not to exceed \$6 million. The Authority, in coordination with Masterson Advisors, LLC and other consultants, reviewed financing proposals from 4 financial institutions to finance a portion of the construction costs for the Operations Center. In April 2019, the Authority's Board approved a \$14 million loan with BBVA, USA to be used to pay a portion of the cost of construction of the Operations Center. The balance of the construction costs will be paid from tax increment on a pay-as-you-go basis.

- The Authority has entered into 4 developer reimbursement agreements with developers for Midtown projects which are located inside the boundaries of the Authority – two by The Morgan Group, one by Caydon Property Group and one by Central Bank – each of which is a multistory, mixed use facility. As of June 30, 2019, the Authority has not reimbursed any funds to the developers for these projects.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. According to the definition in the Governmental Accounting Standards Board (GASB), the Authority qualifies as a special purpose government with one program - redevelopment of Midtown.

Government-wide statements report information about the Authority as a whole using accounting methods similar to those used in private-sector companies. The Statement of Net Position includes all of the Authority's assets and liabilities, with the difference between assets and liabilities presented as net position. Over time, increases or decreases in the Authority's net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid. The fund financial statements report information about the Authority on the modified accrual basis, which only accounts for revenues that are measurable and available within the current period or soon enough thereafter to pay liabilities of the current period. Adjustments are provided to reconcile the government-wide statements to the fund statements. Explanations for the reconciling items are provided as part of the financial statements.

Midtown Redevelopment Authority
Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Statement of Net Position

The Statement of Net Position includes all assets and liabilities using the accrual basis of accounting. The following table reflects condensed information (rounded to the nearest thousand) on the Authority's net position at June 30:

	2019	2018
Assets		
Cash, cash equivalents and investments	\$ 35,992,000	\$ 55,246,000
Tax increment receivables	11,001,000	5,868,000
Other receivables	902,000	635,000
Property held for development	1,999,000	-
Property held for resale	47,060,000	51,858,000
Capital assets, net	62,201,000	61,443,000
Total assets	\$ 159,155,000	\$ 175,050,000
Liabilities		
Accounts, interest and retainage payable	\$ 6,142,000	\$ 8,483,000
Loans and bonds payable – current	4,958,000	12,084,000
Loans and bonds payable – long-term	98,498,000	107,700,000
Total liabilities	109,598,000	128,267,000
Net position		
Net investment in capital assets	46,193,000	32,287,000
Restricted	80,314,000	98,063,000
Unrestricted (deficit)	(76,950,000)	(83,567,000)
Total net position	\$ 49,557,000	\$ 46,783,000

Trust and operating cash accounts are invested in money market funds and local government investment pools (TexSTAR and LOGIC). All investments are stated at market value or amortized cost and are allowable under the Authority's investment policy and the Public Funds Investment Act.

Tax increments are based on calendar year taxes which are then received the next fiscal year. Tax increments or receivables at June 30 were due to the Authority from the following:

	2019	2018
Houston Community College System (HCCS)	\$ 1,358,000	\$ 1,348,000
Houston Independent School District (HISD)	9,643,000	-
Harris County, Texas (the County)	-	4,520,000
Total tax increment receivables	\$ 11,001,000	\$ 5,868,000



Midtown Redevelopment Authority Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The Authority received tax increments outstanding at June 30, 2018 in August 2018. The Authority received HISD tax increments outstanding at June 30, 2019 in July 2019. The increment due from Houston Community College System (HCCS) is expected to be collected in fall 2019.

Other receivables include amounts due from other entities under memos of understanding for reimbursement of shared services, and the Houston Technology Center. The increase from 2018 of approximately \$268,000 is mainly related to amounts due at June 30, 2019 from reimbursement of shared services corresponding to the last two quarters of the year compared to one quarter in 2018.

Property held for resale relates to the Authority's affordable housing land assemblage program. During fiscal year 2019, the Authority purchased approximately \$153,000 in land which is restricted for affordable housing and sold/granted several properties with a cost of approximately \$2.9 million and reclassified several properties with a cost of approximately \$1.9 million to properties held for development. The net impact of these transactions was a decrease to land held for resale of approximately \$4.65 million.

The increase in capital assets net, relates to the Authority's continued construction on Midtown Park which had additions of approximately \$2.3 million in fiscal year 2019. The Authority's total long-term debt had a net decrease in fiscal year 2019 of approximately \$15.9 million as a result of repayments of loans and bonds. See Capital Assets and Debt Administration for more information related to the Authority's capital asset and long-term debt activities.

Unrestricted net position represents that which can be used to finance day-to-day operations without the constraints established by debt covenants, enabling legislation, or other legal requirements. At June 30, 2019 and 2018, the Authority has an unrestricted deficit of \$76.9 million and \$83.5 million, respectively. The deficit occurs by the Authority using bond funds and loans to pay for eligible project plan costs in current years in anticipation of receiving tax increments in future years. The Authority had net position restricted for debt service in the amount of \$15.5 million and \$18.6 million at June 30, 2019 and 2018, respectively; net position restricted for affordable housing in the amount of \$57.8 million and \$62.7 million at June 30, 2019 and 2018, respectively; and net position restricted for capital projects in the amount of \$7 million and \$16.7 million at June 30, 2019 and 2018, respectively. The majority of the Authority's net position restricted for affordable housing is invested in land held for resale and development totaling \$49 million and \$51.9 million at June 30, 2019 and 2018, respectively.

Midtown Redevelopment Authority
Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Statement of Activities

The Statement of Activities presents the operating results of the Authority. The following table reflects condensed information (rounded to the nearest thousand) on the Authority's operations for the years ended June 30:

	2019	2018
Revenues		
Tax increments	\$ 21,992,000	\$ 25,986,000
Investment and other (expense) income	(1,647,000)	2,755,000
Total revenues	20,345,000	28,741,000
Expenses		
Current	3,929,000	3,302,000
Debt service	4,989,000	5,116,000
Capital outlay	8,653,000	13,839,000
Total expenses	17,571,000	22,257,000
Change in net position	2,774,000	6,484,000
Net position - beginning of year	46,783,000	40,299,000
Net position - end of year	\$ 49,557,000	\$ 46,783,000

The City, Harris County and Harris County Flood Control District (collectively the County) and HISD have agreed, subject to certain limitations, to deposit to the Tax Increment Fund established for the Authority, a certain percentage of tax collections arising from their respective taxation of the increase, if any, in the appraised value of real property located in the Zone since a designated base year. The base year for the original Zone is 1995, and the base year for the annexed area is 1999. HCCS began contributing to the Tax Increment Fund in 2009 (tax year 2008) upon execution of the Interlocal Agreement between the Authority, the Zone, HCCS and the City. The City remits tax increments collected by the City, County, HISD and HCCS on an annual basis. Tax increments continue to increase each year as the overall appraised value of properties within the Zone increase; however, the Authority's tax increment decreased in total from the prior year as the Interlocal Agreement with the County expired and a new agreement is still under discussion. No tax increment was received from the County during 2019.

Fiscal year 2019 other revenue primarily includes amounts received from other entities as reimbursement under management agreements and interlocal agreements offset by losses recorded on affordable housing properties granted to third parties during the year. In 2018, other revenue included reimbursements under management agreements, Federal grants awarded, and donated capital assets offset by losses recorded on affordable housing properties granted to third parties during the year. The amounts will fluctuate annually based on agreements entered into by the Authority.



Midtown Redevelopment Authority Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Capital projects funded from bond proceeds and tax increments totaled 35% and 55% of total expenses in fiscal year 2019 and 2018, respectively. More detailed information about the Authority's capital projects is presented in the other information – Schedule of Operating Expenses and Capital Expenditures.

GOVERNMENTAL FUNDS

At the end of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of approximately \$92.1 million, which is approximately \$17.9 million less than the prior fiscal year. Approximately 53% of the fund balance, or \$49 million, is invested in property held and developed by the Authority or which is being held for resale and is considered non-spendable. Approximately 7% of the fund balances, or \$6.8 million, is committed or restricted by bonds to various capital projects and development agreements entered into by the Authority. Approximately 9% of the fund balances, or \$7.9 million is assigned or available for spending at the government's discretion provided expenditures are allowable by the Authority's project plan and other legal authorities. The remainder of the fund balance is restricted to indicate that it is committed to pay debt service (approximately \$15.6 million), and to affordable housing (approximately \$8.7 million).

CAPITAL ASSETS

As of June 30, 2019, the Authority had approximately \$62.2 million, net of accumulated depreciation, invested in a broad range of capital assets including land, land improvements, buildings and furniture, equipment and donated works of art.

During 2019, the Authority continued the construction of Phase II and Phase III of Midtown Park. More detailed information about the Authority's capital assets is presented in the notes to the basic financial statements.

DEBT ADMINISTRATION

In January 2017, the Authority issued Tax Increment Contract Revenue Refunding Bonds, Series 2017 (Series 2017) in the aggregate principal amount of \$39,310,000. Proceeds from the Series 2017 Bonds were used for the purposes of partially defeasing and refunding Series 2011 bonds in order to restructure and align debt service; funding the reserve requirement of debt service reserve fund; paying costs of issuance; financing certain project costs; and funding affordable housing.

As of June 30, 2019 and 2018, the Authority has four series of Tax Increment Contract Revenue Bonds totaling \$87,240,000 and \$93,555,000, respectively. A debt service reserve fund in the amount of \$7,999,109 has been established based on an amount equivalent to the estimated annual debt service with the inclusion of Series 2011, 2013, 2015 and 2017 bonds.

Total loans outstanding at June 30, 2019 were \$10,579,212.

Midtown Redevelopment Authority Management's Discussion and Analysis

DEBT ADMINISTRATION (Continued)

The City limits the amount of debt that the Authority may incur. The current debt limitation that the City has approved for the Authority is \$98 million for the issuance of bonds and \$6 million for the issuance of notes, which are secured by tax increments paid by the City to the Authority pursuant to the Tri-Party Agreement.

Additional information on the Authority's long term debt can be found in the notes to the basic financial statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The fiscal year 2019 budget was approved by the City for the Authority. The Authority's annual budget was not amended during the year. Actual tax increments recorded by the Authority will be less than budgeted revenues each year because the Authority's adopted budget is based on gross tax increments to be remitted to the Zone. Included in the approved fiscal year 2019 budget was approximately \$5.5 million of tax increments for educational facilities, \$1 million for affordable housing transfer to the County and \$916,000 for administrative fees which are budgeted as other interfund transfers. These funds are withheld by the City and paid directly to the City or paid back to HISD and to the County.

FUTURE PROJECTS

The Authority invests in planning and implementing capital improvement projects throughout the Zone on an ongoing basis, including street reconstruction and overlay projects, public right of way improvements, parkland acquisitions, and utility upgrades. The Authority's Board has active design contracts with Walter P. Moore, Design Workshop and IDS Engineering for parks and open spaces, mobility and pedestrian improvements and the reconstruction of Brazos Street. With respect to currently active and ongoing projects, it is expected that the mosaic tile art installation for the fountain in the Front 90 of Midtown Park will be completed in late October 2019, and the staff is working with Wulfe & Co. to design a food hall to be constructed in the Front 90 of Midtown Park.

The Authority is continuing its efforts to solicit grants from the Federal Transit Administration, The Texas Commission on the Arts, the City of Houston's Art Initiative Program, Houston Galveston Area Council and Texas Department of Transportation to facilitate the implementation of the capital improvements for large scale public right of way infrastructure, green space improvements, transit oriented development and works of art. The Goodman Corporation assists the Authority with its Houston Intercity Bus Site Selection project by establishing site needs, site selection analysis, economic development benefits and implementation strategy.

At the May 2017 Board of Directors meeting, a Grant Agreement with the Museum of Fine Arts, Houston was approved to fund an interactive fountain and reflecting pool, along with related waterline improvements, for a total amount not to exceed \$1,600,000. It is expected that this Grant will be budgeted in the amounts of \$750,000 and \$850,000 in fiscal years 2020 and 2021, respectively.

The Authority, with assistance from CCPPI, continues to advance programs and plans to stimulate and preserve the development of affordable housing in the southeast area of the City. The Authority will continue to execute its affordable housing strategy to stabilize the historic urban neighborhood.



Midtown Redevelopment Authority Management's Discussion and Analysis

FUTURE PROJECTS (Continued)

As of the date hereof, the Authority's fiscal year 2020 budget has not been approved by the City Council of the City; therefore, the Authority will continue to operate under its approved budget for fiscal year 2019 pursuant to Section VI of the Tri-Party Agreement between the City, the Authority and the Zone, which states "In the event that the Zone Board or the City Council fails or refuses to approve the proposed Budget of the Authority for the ensuing year by July 1 of that year, the Authority may continue to operate on the Budget for the previous fiscal year for a period not to exceed twelve (12) months." When approved, the fiscal year 2020 budget will include the design and implementation of capital improvement projects, affordable housing projects and land banking, administration costs and the Municipal Service Fee. For fiscal year 2020 the City has requested, and the Authority has budgeted for, a Municipal Service Fee for incremental service to the City of Houston in the amount of \$781,263 with an additional \$492,737 of supplemental funds that will be used at the Authority's recommendation for quality of life, homelessness and safety issues within the Zone.

* * * * *

This financial report is designed to provide a general overview of the Midtown Redevelopment Authority's finances for all those with an interest in the government's finances and to show the Authority's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Mathias Thibodeaux, Executive Director, 410 Pierce Street, Suite 355, Houston, Texas 77002.

Midtown Redevelopment Authority Governmental Funds Balance Sheet and Statement of Net Position

June 30, 2019

	General Fund	Infrastructure and Project Fund	Capital Projects Fund	Affordable Housing Fund	Debt Service Fund	Total	Adjustments	Statement of Net Position
Assets								
Cash and cash equivalents	\$ 4,787,472	\$ 950	\$ -	\$ 19,266	\$ 7,518,105	\$ 12,325,793	\$ -	\$ 12,325,793
Investments	1,032,387	-	7,000,491	7,634,664	7,999,109	23,666,651	-	23,666,651
Tax increment receivables	11,000,801	-	-	-	-	11,000,801	-	11,000,801
Other receivables	902,157	-	-	-	-	902,157	-	902,157
Due to/from other funds	(11,040,229)	9,769,096	-	1,253,322	17,811	-	-	-
Property held for development	-	-	-	1,999,033	-	1,999,033	-	1,999,033
Property held for resale	-	-	-	47,060,424	-	47,060,424	-	47,060,424
Capital assets, net	-	-	-	-	-	-	62,200,682	62,200,682
Total assets	\$ 6,682,588	\$ 9,770,046	\$ 7,000,491	\$ 57,966,709	\$ 15,535,025	\$ 96,954,859	\$ 62,200,682	\$ 159,155,541
Liabilities								
Accounts payable	\$ 1,322,847	\$ 1,565,908	\$ -	\$ 188,667	\$ -	\$ 3,077,422	\$ -	\$ 3,077,422
Interest payable	-	-	-	-	-	-	2,124,985	2,124,985
Retainage payable	-	-	-	-	-	-	940,797	940,797
Unearned revenue	338,286	-	-	-	-	338,286	(338,286)	-
Loans payable	-	-	-	-	-	-	-	-
Due within one year	-	-	-	-	-	-	1,548,306	1,548,306
Due after one year	-	-	-	-	-	-	9,030,906	9,030,906
Bonds payable	-	-	-	-	-	-	-	-
Due within one year	-	-	-	-	-	-	3,410,000	3,410,000
Due after one year	-	-	-	-	-	-	89,466,990	89,466,990
Total liabilities	1,661,133	1,565,908	-	188,667	-	3,415,708	106,183,698	109,599,406
Deferred inflows of resources	1,357,990	-	-	-	-	1,357,990	(1,357,990)	-
Deferred tax increment revenue	-	-	-	-	-	-	-	-

The accompanying notes are an integral part of these basic financial statements.

**Midtown Redevelopment Authority
Governmental Funds Balance Sheet and
Statement of Net Position (Continued)**

June 30, 2019

	General Fund	Infrastructure and Project Fund	Capital Projects Fund	Affordable Housing Fund	Debt Service Fund	Total	Adjustments	Statement of Net Position
Fund balances								
Nonspendable	\$ -	\$ -	\$ -	\$ 49,059,457	\$ -	\$ 49,059,457	\$ (49,059,457)	
Restricted	-	-	6,829,909	8,718,585	15,535,025	31,083,519	(31,083,519)	
Committed	162,000	3,796,414	170,582	-	-	4,128,996	(4,128,996)	
Assigned	3,501,465	4,407,724	-	-	-	7,909,189	(7,909,189)	
Total fund balances	3,663,465	8,204,138	7,000,491	57,778,042	15,535,025	92,181,161	(92,181,161)	
Total liabilities, deferred inflows of resources and fund balances	\$ 6,682,588	\$ 9,770,046	\$ 7,000,491	\$ 57,966,709	\$ 15,535,025	\$ 96,954,859	\$ -	
Net position								
Net investment in capital assets							\$ 46,192,717	\$ 46,192,717
Restricted								
Debt service							15,535,025	15,535,025
Affordable housing							57,778,042	57,778,042
Capital expenditures							7,000,491	7,000,491
Unrestricted (accumulated deficit)							(76,950,140)	(76,950,140)
Total net position							\$ 49,556,135	\$ 49,556,135

The accompanying notes are an integral part of these basic financial statements.

**Midtown Redevelopment Authority
Governmental Funds Balance Sheet and
Statement of Net Position (Continued)**

June 30, 2019

Total fund balance of governmental funds	\$ 92,181,161
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	62,200,682
Other revenues are not available for current period expenditures therefore are deferred in the funds	1,696,276
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds	(940,797)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	(10,579,212)
Tax increment revenue bonds and related interest are not due and payable in the current period and therefore are not reported in the funds	(95,001,975)
Net position of governmental activities	\$ 49,556,135

The accompanying notes are an integral part of these basic financial statements.

Midtown Redevelopment Authority Governmental Funds Revenues, Expenditures and Changes in Fund Balances and Statement of Activities

For the year ended June 30, 2019

	General Fund	Infrastructure and Project Fund	Capital Projects Fund	Affordable Housing Fund	Debt Service Fund	Total	Adjustments	Statement of Activities
Revenues								
Tax increments	\$ 12,007,690	\$ -	\$ -	\$ 1,253,322	\$ 7,372,878	\$ 20,633,890	\$ 1,357,990	\$ 21,991,880
Investment income	101,946	-	201,788	217,261	178,789	699,784	-	699,784
Other revenue	571,450	-	-	-	-	571,450	(2,918,412)	(2,346,962)
Total revenues	12,681,086	-	201,788	1,470,583	7,551,667	21,905,124	(1,560,422)	20,344,702
Expenditures/expenses								
Current								
Administration and support	1,772,912	-	-	177,259	-	1,950,171	-	1,950,171
Municipal service costs agreement	841,499	-	-	-	-	841,499	-	841,499
Depreciation	-	-	-	-	-	-	1,564,873	1,564,873
Amortization of bond premium	-	-	-	-	-	-	(427,048)	(427,048)
Capital outlay	-	8,287,608	-	7,608,077	-	15,895,685	(7,242,772)	8,652,913
Debt service	-	-	-	-	-	-	-	-
Principal payments	109,122	-	9,476,500	-	6,315,000	15,900,622	(15,900,622)	-
Interest charges	97,681	-	523,500	-	4,485,869	5,107,050	(117,949)	4,989,101
Total expenditures/expenses	2,821,214	8,287,608	10,000,000	7,785,336	10,800,869	39,695,027	(22,123,518)	17,571,509
Excess (deficiency) of revenues over expenditures	9,859,872	(8,287,608)	(9,798,212)	(6,314,753)	(3,249,202)	(17,789,903)	17,789,903	
Other financing sources (uses)								
Internal transfers	(9,303,826)	7,691,133	52,304	1,365,637	194,752	-	-	-
Total other financing sources (uses)	(9,303,826)	7,691,133	52,304	1,365,637	194,752	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures	556,046	(596,475)	(9,745,908)	(4,949,116)	(3,054,450)	(17,789,903)	17,789,903	
Change in net position							2,773,193	2,773,193
Fund balances/net position								
Beginning of year	3,107,419	8,800,613	16,746,399	62,727,158	18,589,475	109,971,064	(63,188,122)	46,782,942
End of year	\$ 3,663,465	\$ 8,204,138	\$ 7,000,491	\$ 57,778,042	\$ 15,535,025	\$ 92,181,161	\$ (42,625,026)	\$ 49,556,135

The accompanying notes are an integral part of these basic financial statements.

**Midtown Redevelopment Authority
Governmental Funds Revenues, Expenditures and
Changes in Fund Balances and Statement of Activities
(Continued)**

For the year ended June 30, 2019

Change in total fund balance of governmental funds	\$ (17,789,903)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital additions	2,322,245
Depreciation expense	(1,564,873)
The issuance of long-term debt provides current financial resources in the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.	
Repayment of bond and loan principal	15,900,622
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities	
	427,048
Other revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	
	1,357,990
Some expenditures reported in the governmental funds are not reported as expenses in the Statement of Activities as they were reported when the liability was incurred, regardless of the timing of the related cash flow	
	2,120,064
Change in net position of governmental activities	\$ 2,773,193

The accompanying notes are an integral part of these basic financial statements.



Midtown Redevelopment Authority Notes to Financial Statements

NOTE 1: DESCRIPTION OF ORGANIZATION

Midtown Redevelopment Authority (the Authority) is a public not-for-profit local government corporation, incorporated July 11, 1995 under the laws of the State of Texas, and operating under Chapter 431, Texas Transportation Code. The Authority was authorized by the City of Houston (the City) on June 28, 1995 to aid, assist and act on the behalf of the City in the performance of the City's obligations with respect to Reinvestment Zone Number Two, City of Houston, Texas (Midtown TIRZ or Zone).

City of Houston Reinvestment Zone Number Two

Midtown TIRZ was created on December 14, 1994, under Chapter 311, Texas Tax Code (TIF Act), by the City, as a tax incremental reinvestment zone (TIRZ). The Midtown TIRZ originally consisted of 356 acres of the area known as Midtown. Of this total, 203 acres were designated for redevelopment during the life of the Midtown TIRZ (original area/Part A). In 1997, the City approved the addition of approximately 108 acres of land contiguous to the original zone (expanded area/Part B). In 1999, the City approved an additional six parcels of land, totaling approximately 153 acres that are contiguous to the original zone (expanded area/Part C) and in 2009, the City approved the enlargement of the Midtown TIRZ to include additional tracts of land immediately adjacent to the existing Zone which designated the Cultural District and the related facilities (expanded area/Part D). Part D consists of publicly owned land and is not presently taxed. Midtown TIRZ is authorized to provide new capital for public works and public improvements in Midtown. Midtown TIRZ provides a source of funding through the tax increments generated by redevelopment of the Midtown area. The area known as Midtown is generally located between the central business district of the City and the Texas Medical Center.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

As required by accounting principles generally accepted in the United States of America, these basic financial statements represent all the funds of the Midtown Redevelopment Authority. The Authority is a component unit of the City of Houston, Texas. Component units are legally separate entities for which the primary government is financially accountable. The City appoints voting Board Members and approves the Authority's budget. There are no separate legal entities that are a part of the Authority's reporting entity.

Measurement Focus and Basis of Accounting

Government-Wide Financial Statement

The statement of net position and the statement of activities display information about the reporting government as a whole. These statements are prepared on the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flow. Annual assessments are recognized as revenues in the year for which they are levied. Expenses are recorded when liabilities are incurred.

Midtown Redevelopment Authority Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide statements distinguish between governmental-type and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues, and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds. The Authority does not have any business-type activities.

Under the government-wide financial statements, net position is classified into three components 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 outstanding balances of any bonds, notes or other borrowings.

Restricted - This component of net position consists of that on which constraints have been placed through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through contractual provisions or enabling legislation.

Unrestricted - This component of net position consists of that which does not meet the definition of "Restricted" or "Invested in Capital Assets, Net of Related Debt".

Fund Financial Statements

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus and have been prepared using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction that can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Authority considers all revenue available if it is collected within 60 days after the year-end. Expenditures are recorded when the related fund liability is incurred as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due.

Fund Accounting

The Authority uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The funds the Authority uses are described below:

General Fund - The general fund is the general operating fund of the Authority. It accounts for all activities except those accounted for in other funds.

Infrastructure and Project Fund - The infrastructure and project fund accounts for the construction of Authority capital projects from tax increments.

Capital Projects Fund - The capital projects fund accounts for the construction of Authority projects funded with bond proceeds.

Midtown Redevelopment Authority Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Affordable Housing Fund - The affordable housing fund accounts for the accumulation of financial resources for the payment of affordable housing projects.

Debt Service Fund - The debt service fund accounts for the accumulation of financial resources for the payment of principal and interest on bonds issued by the Authority. Tax increments are used for the payment of principal and interest.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Authority is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

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 has classified properties held for resale or development as being nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

Restricted – amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the tax increment contract revenue bonds and are restricted through debt covenants. Capital Projects resources are also restricted through debt covenants and affordable housing resources are restricted both through debt covenants and enabling legislation.

Committed – amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Authority's Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – This classification includes amounts that are constrained by the Authority's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Directors or through the Board of Directors delegating this responsibility to the Authority's Executive Director or through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

Unassigned – This classification includes the residual fund balance for the General Fund.

The Authority would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Midtown Redevelopment Authority Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tax Increments and Participation Agreements

The City, Houston Independent School District (HISD) and Houston Community College System (HCCS) (each a Participant) has agreed to deposit to the Tax Increment Fund established for the Midtown TIRZ (the Tax Increment Fund) a certain percentage of tax collections arising from their taxation of the increase, if any, in the appraised value of real property located in the Midtown TIRZ since January 1, 1995 for the original area and January 1, 1999 for the annexed area (the Tax Increments).

Each Participant is required to collect taxes on real property located within the Midtown TIRZ in the same manner as other taxes are collected by the Participant. The Participant is then required to pay into the Tax Increment Fund the Tax Increments, as agreed upon in accordance with such Participant's agreement with the City and the Midtown TIRZ (collectively, the Participation Agreements) by no later than the 90th day after the delinquency date for the Participant's property taxes. Thus, Tax Increments are due to be deposited in the Tax Increment Fund on May 1. The City has agreed to pay 100% of their Tax Increments to the Increment Fund. The City retains an administrative fee from the tax increments deposited in the Tax Increment Fund.

HISD has agreed to pay collected Tax Increment arising from the Original Zone based on its then current tax rate and from the annexed areas based on a tax rate of \$0.96 per \$100 of value. The First Amendment of the interlocal agreement between the City, HISD and the Midtown TIRZ amends HISD participation and provides for provision of tax increment funds for the payment of education facilities project costs due to the annexation of additional area approved by the City of Houston Ordinance No. 1999-849 (annexed area). For the original area the HISD tax increment participation is the amount of taxes collected by HISD each year by levying a tax on property in the original area at the then current tax rate per \$100 valuation of the Captured Appraised Value. One third of the Tax Increment is attributable to affordable housing. Of the remaining two-thirds of the tax increment participation attributable to the original area: (a) beginning in the tax year commencing January 1, 2000, up to \$1,200,000 of taxes collected by HISD by levying a tax at a tax rate of \$0.64 per \$100 valuation on the Captured Appraised Value shall be for the payment of educational facilities project costs, (b) the amount of taxes collected by HISD by levying a tax at a tax rate of \$0.64 per \$100 valuation on the Captured Appraised Value in excess of \$1,200,000 shall be applied to the payment of non-educational facilities project costs, including administrative costs, and school support expenses, and (c) the remaining portion of the HISD tax increment participation attributable to the original area shall be for the payment of educational facilities project costs. HISD tax increment participation in the annexed area is the amount of taxes collected by HISD each year by levying at a tax rate of \$0.96 cents per \$100 of valuation on the Captured Appraised Value. One third of the Tax Increment is attributable for affordable housing, one-third for educational facilities project and one-third for non-educational facilities projects costs, including administrative costs and school support expenses. Under the provisions of the HISD interlocal agreement, taxes collected by HISD in any year on actual Captured Appraised Value that exceeds the estimate of Captured Appraised Value for that year shown in the Project Plan approved before September 1, 1999, shall be retained by HISD.

Midtown Redevelopment Authority Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Beginning with tax year 2008, HCCS began to contribute 100% of the Tax Increments attributable to HCCS into the Tax Increment Fund. HCCS is not obligated to pay Tax Increments from any other source other than taxes collected on the Captured Appraised Value from the portion of taxes levied by HCCS for maintenance and operations. Initially, two-thirds of the HCCS Tax Increment, up to \$5,000,000, will be applied to project costs associated with streetscape improvements to the block faces that are contiguous to HCCS central campus. Thereafter, one-third of the HCCS Tax Increments will be applied to project costs in the general vicinity of HCCS central campus, one-third to any other eligible project costs, and the remaining one-third to affordable housing.

The Authority is dependent upon the Tax Increments. Default by any of the governmental entities involved in the Zone would impact the Authority's ability to repay its outstanding bonds, note and other obligations.

Affordable Housing

The TIF Act under which the Midtown TIRZ presently operates requires that one-third of the Tax Increments be dedicated to providing affordable housing during the term of the Midtown TIRZ. The Authority agreed to this covenant in the Bond Resolution and Tri-Party Agreement and the Authority will continually comply with the requirements in the TIF Act, if any, relating to the provision of affordable housing during the term of the Midtown TIRZ.

The Tri-Party Agreement requires that any portion of the affordable housing component of Tax Increment, including interest, or bond proceeds derived from such increments, paid to the Authority that remains unexpended or uncommitted at the end of twelve months after being received by the Authority will, upon request, be paid to the City for their affordable housing program.

Cash, Cash Equivalents and Investments

Cash and cash equivalents and investments consist of demand and time deposits, money market investments in U.S. Government Securities, and funds maintained in public funds investment pools.

Investments of the Authority consist of Texas Short Term Asset Reserve Program (TexSTAR) and Local Government Investment Cooperative (LOGIC), both local government investment pools created under the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. TexSTAR and LOGIC are administered by First Southwest Asset Management, Inc. and JPMorgan Chase Asset Management, Inc. TexSTAR and LOGIC use amortized cost to value portfolio assets and follow the criteria for GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, for use of amortized cost and do not place any limitations or restrictions such as notice periods or maximum transaction amounts on withdrawals.

Receivables

Receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities and major funds include tax increment receivables and expense reimbursements under executed agreements. The Authority estimates and records an allowance for doubtful accounts based on prior experience. As of June 30, 2019, the Authority believes all receivables are fully collectible and accordingly no allowance has been recorded.



Midtown Redevelopment Authority Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Due to and Due from Other Funds

Interfund receivable and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. These receivables and payables are eliminated in the Statement of Net Position.

Property Held for Resale and Property Held for Development

Property held for resale consists of properties that the Authority has acquired for affordable housing and other properties held for future mixed-use development and are not used in the Authority's operations. The Authority intends to sell, lease or otherwise convey the properties to third parties for future development. Any properties sold, leased or otherwise conveyed by the Authority, related to affordable housing, will have a deed restriction to ensure the properties will be used only for affordable housing. Property held for development consists of properties to be used for the Affordable Housing Operations Campus (See Note 13).

Capital Assets

In the government-wide financial statements, capital assets are valued at cost, except for donated assets that are recorded at their acquisition value at the date of donation in accordance with GASB 72, *Fair Value Measurement and Application*.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: building and improvements, 20 to 39 years; equipment, 3 to 5 years and works of art, 25 years.

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the appropriate governmental fund upon acquisition.

Debt and Related Premiums, Discounts, and Issuance Costs

Debt consists of tax increment contract revenue bonds, loan with a financial institution, and loan with a developer.

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In governmental fund financial statements, bond premiums, discounts and issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt issuance expenditures.



Midtown Redevelopment Authority Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Inflows of Resources

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has only one type of item, which arises only under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, deferred tax increment revenue is only reported in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

Internal Transfers

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to move unrestricted revenue collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and actions of the Board of Directors.

Federal Income Tax

The Authority is exempt from Federal income taxes under section 501(a) as an organization described in Section 501(c) 3 of the Internal Revenue Code. Furthermore, the Internal Revenue Service has ruled that the Authority is a publicly-supported organization and is not a private foundation. Under the provisions of Internal Revenue Procedure 95-48, the Authority is not required to file public information returns on Form 990.

Use of Estimates

The preparation of the Authority's financial statements in conformity with accounting principles generally accepted in the United States of America requires the Authority's management to make estimates and assumptions that affect the amounts 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: AUTHORIZED INVESTMENTS

The Board of Directors has adopted and continues to amend and/or ratify annually a written investment policy regarding the investments of its funds as defined in the Public Funds Investment Act of 1997 (Chapter 2256, Texas Government Code). Such investments include (1) obligations of the United States or its agencies; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of the State of Texas or the United States or their respective agencies; (4) certificates of deposit; (5) local government investment pools; and (6) various other items that comply with the Public Funds Investment Act.

Midtown Redevelopment Authority Notes to Financial Statements

NOTE 4: DEPOSITS AND INVESTMENTS

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. At June 30, 2019, the carrying amount of the Authority's deposits was \$12,325,793 and the bank balances totaled \$12,892,401. The Authority's deposits in excess of FDIC insurance totaling \$5,107,731 were adequately collateralized. Cash deposits totaling \$7,534,670, which approximate fair value, represent money market investments in U.S. Government Securities. In addition, the Authority held \$23,666,651 in investment pools at June 30, 2019, which mature in less than one year and are recorded at amortized cost.

Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. In accordance with the Authority's Investment Policy, the Authority limits its exposure to interest rate risk by structuring its portfolio to provide safety and liquidity of funds while maximizing yields for operating funds not immediately needed. The investment policy limits the maximum maturity of any investment to three (3) years.

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The Authority's investment policy does not limit the amount of funds that may be invested in any authorized investment.

Investments that are obligations of or guaranteed by the U.S. Government do not require disclosure of credit quality. The Authority's investment in the TexSTAR and LOGIC fund is rated AAAM by Standard and Poor's and maintains a weighted average maturity of 60 days or less, with a maximum weighted average maturity of 13 months for any individual security. The Authority considers the investments in TexSTAR and LOGIC to have maturities of less than one year due 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 5: RESTRICTED ASSETS

Certain amounts of cash, cash equivalents and investments are restricted by revenue bond ordinances or enabling legislation. A summary of these restricted assets at June 30, 2019 are as follows:

	Cash and Cash Equivalents	Investments	Total
Trustee funds			
Debt service	\$ 7,518,105	\$ -	\$ 7,518,105
Debt service reserve fund	-	7,999,109	7,999,109
Project fund	-	7,000,491	7,000,491
Affordable housing	-	4,588,655	4,588,655
Total trustee funds	7,518,105	19,588,255	27,106,360
Enabling legislation			
Affordable housing	19,266	3,046,009	3,065,275
Total restricted assets	\$ 7,537,371	\$ 22,634,264	\$ 30,171,635

Midtown Redevelopment Authority
Notes to Financial Statements

NOTE 6: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance at July 1, 2018	Additions	Disposals	Balance at June 30, 2019
Non-depreciable assets				
Land and improvements	\$ 12,945,898	\$ -	\$ -	\$ 12,945,898
Construction in process	2,492,673	2,312,576	-	4,805,249
Depreciable assets				
Works of art	725,778	-	-	725,778
Buildings and improvements	51,054,826	9,669	-	51,064,495
Equipment	58,378	-	-	58,378
Total capital assets	67,277,553	2,322,245	-	69,599,798
Less: accumulated depreciation	(5,834,243)	(1,564,873)	-	(7,399,116)
Government activities - capital assets, net	\$ 61,443,310	\$ 757,372	\$ -	\$ 62,200,682

All property and equipment purchased by or donated to the Authority shall be the property of the Authority until the Zone is terminated. If the infrastructure is integrated in and used as a part of the City's infrastructure, it may be conveyed to the City.

NOTE 7: LOANS PAYABLE

A summary of changes in the Authority's loans payable follows:

Balance at July 1, 2018	\$ 20,164,834
Additions	-
Retirements	(9,585,622)
Balance at June 30, 2019	\$ 10,579,212
Current portion, long-term debt	\$ 1,548,306

Midtown Redevelopment Authority
Notes to Financial Statements

NOTE 7: LOANS PAYABLE (Continued)

In November 2013, and amended in March 2017, the Authority entered into a Development Agreement with 2800 Main, L.L.C. (the Developer) for reimbursement of up to \$19 million of eligible project costs related to the Garage Structure for Midtown Park. Commencement of construction began in April 2015 and completion of the project was December 2017. During the period from the commencement of construction through completion, interest on each developer advance accrued at an interest rate of 4% per annum from the date of the advance and was payable on January 1 and July 1 in accordance with the terms of the agreement. Upon completion of the Garage Structure (December 2017), reimbursement to the Developer began on October 1 of the year following completion and is payable over a period of 13 years. However, as a significant principal payment of approximately \$9.4 million was made during fiscal year 2019, the loan is expected to be paid off in 7 years. The interest rate increased to 7% per annum after the date of completion until full repayment is made on the advance. As of June 30, 2019, the outstanding balance totaled \$9,315,706 and have been included as a loan payable in the Statement of Net Assets.

In September 2013, the Authority refinanced a \$1,843,593 loan with a bank which was originally used to purchase the Houston Museum of African American Culture land and building. The refinanced loan bears interest at 4.0%, requires monthly principal and interest payments totaling \$13,690 and matures September 30, 2020. A balloon payment of \$1,127,681 is payable at maturity. The loan is secured by 4807 Caroline Street property. At June 30, 2019, the outstanding balance on the loan totaled \$1,263,506.

Future minimum payments as of June 30 are as follows:

Fiscal Year Ending	
2020	\$ 1,548,306
2021	2,606,008
2022	1,445,404
2023	1,445,404
2024	1,445,404
2025-2026	2,088,686
Total	\$ 10,579,212

Midtown Redevelopment Authority
Notes to Financial Statements

NOTE 8: TAX INCREMENT CONTRACT REVENUE BONDS

A summary of changes in tax increment contract revenue bonds follows:

Balance at July 1, 2018	\$ 93,555,000
Additions	-
Retirements	(6,315,000)
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Balance at June 30, 2019	\$ 87,240,000
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Current portion, long-term debt	\$ 3,410,000
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Tax Increment Revenue Bonds at June 30, 2019 consist of the following:

Date Series Issued	Outstanding Balance
2011	\$ 15,575,000
2013	23,325,000
2015	11,280,000
2017	37,060,000
<hr/>	
Total principal payable	87,240,000
Unamortized premium and discount, net	5,636,990
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Total bonds payable	\$ 92,876,990
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In August, 2011, the Authority issued Tax Increment Contract Revenue and Refunding Bonds Series 2011 (the 2011 Bonds) in the aggregate principal amount of \$33,130,000. The refunding was undertaken to reduce total debt service payments over the next 10 years by \$1,329,304 and resulted in an economic gain of \$1,046,155. The 2011 Bonds mature serially January 1, in each year 2012 through 2033. The 2011 Bonds are callable in whole or in part any date beginning January 1, 2021 at par.

Midtown Redevelopment Authority Notes to Financial Statements

NOTE 8: TAX INCREMENT CONTRACT REVENUE BONDS (Continued)

The 2011 Bonds bear interest between 2.0% and 5.375% annually and have semi-annual interest payments due on January 1 and July 1 as follows:

Fiscal Year	Principal	Interest	Total
2020	\$ 640,000	\$ 742,188	\$ 1,382,188
2021	1,940,000	708,588	2,648,588
2022	2,010,000	630,988	2,640,988
2023	785,000	545,563	1,330,563
2024	820,000	511,219	1,331,219
2025-2029	4,695,000	1,945,719	6,640,719
2030-2033	4,685,000	635,206	5,320,206
Total	\$ 15,575,000	\$ 5,719,471	\$ 21,294,471

In November 2013, the Authority issued Tax Increment Contract Revenue and Refunding Bonds Series 2013 (the 2013 Bonds) in the aggregate principal amount of \$32,280,000. The 2013 Bonds mature serially January 1, in each year 2015 through 2033. The 2013 Bonds are callable in whole or in part any date beginning January 1, 2032 at par. The 2013 Bonds bear interest between 2.0% and 5.0% annually and have semi-annual interest payments due on January 1 and July 1 as follows:

Fiscal Year	Principal	Interest	Total
2020	\$ 1,335,000	\$ 1,176,619	\$ 2,511,619
2021	15,000	1,109,869	1,124,869
2022	50,000	1,109,419	1,159,419
2023	50,000	1,107,794	1,157,794
2024	25,000	1,106,044	1,131,044
2025-2029	9,855,000	4,854,150	14,709,150
2030-2033	11,995,000	1,712,288	13,707,288
Total	\$ 23,325,000	\$ 12,176,183	\$ 35,501,183

In January 2015, the Authority issued Tax Increment Contract Revenue Refunding Bonds Series 2015 (the 2015 Bonds) in the aggregate principal amount of \$13,705,000. The refunding was undertaken to refund the Tax Increment Contract Revenue Bonds Series 2005 (Series 2005) that was partially refunded with Series 2013 bonds as of June 30, 2014. Debt service on the refunded bonds of Series 2005 was paid in full on January 2, 2015. The Authority achieved a cash flow savings and an economic gain of \$1,332,618 as a result of the refunding.

The 2015 Bonds mature serially January 1, in each year 2016 through 2025. The 2015 Bonds are callable in whole or in part any date beginning January 1, 2025 at par.

Midtown Redevelopment Authority Notes to Financial Statements

NOTE 8: TAX INCREMENT CONTRACT REVENUE BONDS (Continued)

The 2015 Bonds bear interest between 2.0% and 5.0% annually and have semi-annual interest payments due on January 1 and July 1 as follows:

Fiscal Year	Principal	Interest	Total
2020	\$ 1,435,000	\$ 448,538	\$ 1,883,538
2021	1,090,000	391,138	1,481,138
2022	1,120,000	336,638	1,456,638
2023	2,455,000	314,238	2,769,238
2024	2,535,000	259,000	2,794,000
2025	2,645,000	132,250	2,777,250
Total	\$ 11,280,000	\$ 1,881,802	\$ 13,161,802

In January 2017, the Authority issued Tax Increment Contract Revenue Refunding Bonds Series 2017 (the 2017 Bonds) in the aggregate principal amount of \$39,310,000. The refunding was undertaken to obtain new money and partially refund the Tax Increment Contract Revenue Bonds Series 2011 (Series 2011). The Authority achieved a cash flow savings and an economic gain of \$42,201 as a result of the refunding.

The 2017 Bonds mature serially January 1, in each year 2018 through 2038. The 2017 Bonds are callable in whole or in part any date beginning January 1, 2034 at par. The 2017 Bonds bear interest between 3.0% and 5.0% annually and have semi-annual interest payments due on January 1 and July 1 as follows:

Fiscal Year	Principal	Interest	Total
2020	\$ -	\$ 1,819,625	\$ 1,819,625
2021	575,000	1,819,625	2,394,625
2022	600,000	1,790,875	2,390,875
2023	630,000	1,760,875	2,390,875
2024	665,000	1,729,375	2,394,375
2025-2029	3,805,000	8,085,625	11,890,625
2030-2034	1,585,000	7,487,250	9,072,250
2035-2038	29,200,000	4,174,000	33,374,000
Total	\$ 37,060,000	\$ 28,667,250	\$ 65,727,250

Defeased Debt

Certain outstanding revenue and refunding bonds of the Authority have been defeased by placing the proceeds of refunding bonds in irrevocable escrow accounts held and managed by bank trustees, and invested in U.S. Treasury obligations, the principal and interest on which would provide amounts sufficient to pay the principal and interest on the defeased bonds in accordance with the schedule of remaining payments due. Accordingly, the escrow account and the defeased bonds are not included in the Authority's government-wide financial statements. The defeased bonds outstanding at June 30, 2019 considered extinguished related to the Series 2011 bonds and totaled \$1,200,000.

Midtown Redevelopment Authority
Notes to Financial Statements

NOTE 9: FUND BALANCES – GOVERNMENTAL FUNDS

As of June 30, 2019, fund balances of the governmental funds are classified as follows:

	General Fund	Infrastructure and Project Fund	Capital Projects Fund	Affordable Housing Fund	Debt Service Fund	Total
Nonspendable						
Property held for resale or development	\$ -	\$ -	\$ -	\$ 49,059,457	\$ -	\$ 49,059,457
Restricted for						
Capital projects	-	-	6,829,909	-	-	6,829,909
Affordable housing	-	-	-	8,718,585	-	8,718,585
Debt service	-	-	-	-	15,535,025	15,535,025
Committed to						
Loan payments	162,000	-	-	-	-	162,000
Streetscapes and gateways	-	1,928,011	42,598	-	-	1,970,609
Parks	-	1,868,403	127,984	-	-	1,996,387
Assigned to						
FY2020 CIP plan and budget	3,501,465	4,407,724	-	-	-	7,909,189
Total fund balances	\$ 3,663,465	\$ 8,204,138	\$ 7,000,491	\$ 57,778,042	\$ 15,535,025	\$ 92,181,161

NOTE 10: TAX INCREMENT SUMMARY

The Authority's tax increment revenue, as reflected in the Statement of Activities was received from the following Participants:

	Gross Increment	Transfers	Net Increment
City of Houston	\$ 10,250,271	\$ (512,514)	\$ 9,737,757
Houston Independent School District (Tax Year 2018 Set Aside)	3,759,967	(2,506,645)	1,253,322
Houston Independent School District	12,894,094	(3,251,283)	9,642,811
Houston Community College System	1,382,990	(25,000)	1,357,990
Total tax increments	\$ 28,287,322	\$ (6,295,442)	\$ 21,991,880

Midtown Redevelopment Authority
Notes to Financial Statements

NOTE 10: TAX INCREMENT SUMMARY (Continued)

The Authority's tax increment revenue, as reflected in the governmental funds, was received from the following Participants:

	Gross Increment	Transfers	Net Increment
City of Houston	\$ 10,250,271	\$ (512,514)	\$ 9,737,757
Houston Independent School District (Tax Year 2018 Set Aside)	3,759,967	(2,506,645)	1,253,322
Houston Independent School District	12,894,094	(3,251,283)	9,642,811
Total tax increments	\$ 26,904,332	\$ (6,270,442)	\$ 20,633,890

NOTE 11: 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; personal injuries; and natural disasters. The risk of loss is covered by commercial insurance. There have been no significant reductions in insurance coverage and no settlements.

NOTE 12: RELATED PARTIES

The Authority has an administrative contract with the District whereby the Authority, provides administrative and management services to the District (see Note 13). The District and the Authority share the same Executive Director. The Authority provided services to the District amounting to approximately \$436,000 for the year ended June 30, 2019. At June 30, 2019, approximately \$230,000 was due to the Authority under this contract and is included in other receivables in the accompanying basic financial statements.

The Authority's Executive Director and Board Chairman are also members of the Midtown Improvement and Development Corporation ("MIDCorp") Board of Directors. The Authority provides administrative and management services to MIDCorp under an administrative contract similar to that of the District.

The Authority provided services to MIDCorp amounting to approximately \$621,000 for the year ended June 30, 2019. At June 30, 2019, approximately \$326,000 was due to the Authority under this contract and is included in other receivables in the accompanying basic financial statements. In addition, the Authority provides funding to MIDCorp annually based on executed operating agreements. (See Note 13).

**Midtown Redevelopment Authority
Notes to Financial Statements**

NOTE 13: COMMITMENTS AND CONTINGENCIES

Houston Technology Center Lease Agreement

The Authority and Technology & Entrepreneurship Center of Houston, Inc., a Texas non-profit corporation, d/b/a Houston Technology Center (HTC) entered into a lease agreement in June 2006 related to the 402 and 410 Pierce Street Buildings. The lease agreement was an extension and entire restatement of the original lease agreement entered into in July 2001 between these same parties. The lease commencement date for the 410 Pierce Street building was June 1, 2002 and the lease commencement date for the 402 Pierce Street building was August 16, 2006. The lease agreement expires in August 2026.

Under the lease agreement, HTC will pay a base rent of \$1 per year to the Authority. In addition, HTC is required to pay annual performance rent, subject to certain limitations and considerations as defined in the lease agreement. If HTC does not have sufficient positive cash flow for the completed lease year, then the performance rent due will be accrued. Performance rent that accrues will not bear interest. The following maximum performance rent is payable under the lease agreement.

Lease Year	Maximum Annual Performance Rent
1	\$74,250
2 – 10	\$ 100,000 / year
11 – 20	\$ 150,000 / year

When the lease expires or if HTC ceases to operate as the “Houston Technology Center”, any accrued, but unpaid, performance rent due to the Authority shall be forgiven. Due to these stipulations, no performance rent has been accrued as of June 30, 2019. HTC remitted \$0 in performance rent to the Authority during fiscal year 2019.

The Authority and HTC entered into an agreement in June 2006 for the lease of the 402 Pierce Street building (lease agreement). The lease agreement provides for HTC to reimburse the Authority \$592,000 for a portion of the build out costs incurred by the Authority on behalf of HTC. HTC will reimburse the Authority in 14 equal annual installments of \$42,285 beginning in 2012. The amount due from HTC has been recorded in the accompanying basic financial statements.

During fiscal year 2018, the Authority renewed the sub-lease agreement with HTC to lease additional office space under an operating lease arrangement which expires on April 2020. For the fiscal year ended June 30, 2019, rent expense for the office totaled \$72,790.

Municipal Service Costs Agreement

The Authority, the Zone, and the City entered into an agreement whereby the Authority will pay to the City incremental costs of providing increased municipal services incurred as a result of the creation of the Zone or the development or redevelopment of the land in the Zone. Payment of the incremental service costs is from the City’s Tax Increment and is limited to the available Tax Increment received by the Authority as defined in the agreement and the amount included in the Authority’s annual approved budget. If the City’s available Tax Increment is not sufficient in any year to pay the amount included in the approved budget, the amount due will accrue without interest. The agreement renews annually each June 30.



Midtown Redevelopment Authority Notes to Financial Statements

NOTE 13: COMMITMENTS AND CONTINGENCIES (Continued)

Houston Museum of African American Culture

During fiscal year 2011, the Authority entered into an agreement with HMAAC (or the Museum) to purchase the land and building of the Museum and then lease back the property for an original term of three years. The agreement was amended in October 2012 and again in September 2013. The lease term has been extended through November 2020 and, beginning July 1, 2014, HMAAC is required to make monthly rent payments of \$13,700. Under the terms of the agreement, HMAAC has the option to purchase the property during the lease term at the amount equal to the outstanding principal and any accrued but unpaid interest on the Authority's loan for the property. HMAAC continues to occupy the property pursuant to the terms of the amended agreement; however no rental payments have been received by the Authority.

Central Bank Plaza Development Agreement

In October 2013, the Authority entered into a Development Agreement with Midtown Central Square, L.L.C. (the Developer) for reimbursement of up to \$1.8 million of eligible project costs related to the Central Bank Plaza. Reimbursement to the Developer will occur over 10 years from available tax increments, as defined in the agreement. Reimbursement commences after completion of the project by the Developer.

Construction Contracts and Consultant Agreements

Engineering and construction contracts relating to construction-in-progress and other capital projects aggregated approximately \$3.9 million. These contracts will be paid in future period as work is performed. Payment will be made with proceeds from past bond issues, operating reserves, and Federal grants to be received. In addition, the Authority enters into agreements with various consultants to provide professional services each year.

Administrative Agreement

The Authority has a memorandum of understanding with Fourth Ward Redevelopment Authority (Fourth Ward), Midtown Management District (the District), and Midtown Improvement and Development Corporation (MIDCorp) whereby the Authority provides office space, certain equipment and certain staff services to Fourth Ward, MIDCorp and the District. The Authority invoices these entities on a quarterly basis for reimbursement of costs incurred under the agreements. The District and the Authority share the same executive director.

Midtown Improvement and Development Corporation

The Authority and MIDCorp entered into an operating agreement effective July 1, 2015. Under this agreement, MIDCorp will operate, manage, maintain and preserve the Park Facilities pursuant to the terms of the agreement. The Park Facilities include Bagby Park, Midtown Park and the parking facility under Midtown Park. The term of the agreement is 40 years with automatic renewal and extension for two consecutive 20 year periods. Under the agreement, the Authority will pay an annual maintenance fee of \$250,000 per year for the first two years, then in each year thereafter, an amount not to exceed \$500,000 based on MIDCorp's annual operating budget. In addition, the Authority will pay \$50,000 per year for 10 years to be applied to the Renewal and Replacement Fund.

Midtown Redevelopment Authority Notes to Financial Statements

NOTE 13: COMMITMENTS AND CONTINGENCIES (Continued)

The Museum of Fine Arts Grant Agreement

In May 2017, the Authority entered into a Grant Agreement with The Museum of Fine Arts (the Grantee) for reimbursement of up to \$1.6 million of eligible project costs for improvements to this cultural facility. Reimbursement shall be payable in installments of \$850,000 and \$750,000 at the completion of the project which is expected to be in fiscal year 2020 and 2021, respectively.

The Center for Civic and Public Policy Improvement Agreements

In April 2016, the Authority entered into a Grant Agreement with The Center for Civic and Public Policy Improvement (CCPPI or the Grantee) for reimbursement of up to \$500,000 for eligible project costs related to the development (Phase I) and implementation (Phase II) of a comprehensive plan to address the development of affordable housing in the target area, as defined in the Agreement (Affordable Housing Plan). In November 2017, the Authority entered into another grant agreement with CCPPI for reimbursement of additional \$500,000 for eligible costs related to the design, engineering and pre-construction work relating to the operations hub (Phase III), as defined in the agreement. In April 2018, the Board approved to increase the grant proceeds for Phase III to \$1,000,000. Reimbursement shall be requested by grantee and the Authority shall submit payment by the 30th of the month in which the reimbursement was requested. As of June 30, 2019, the Authority has paid in full grant proceeds for Phase I, II and III.

In August 2018, the Authority entered into a Construction and Operations Agreement with CCPPI whereas the Authority is responsible for the planning, engineering, development, construction and commissioning of the Affordable Housing Operations Campus (Campus) which consists of a 5-story building (Operations Campus), a 20-unit multi-family affordable housing development (Housing Development) and a parking garage to be located in certain tracts of land owned by the Authority (reported as property held for development in the accompanying basic financial statements). CCIPP shall coordinate, implement and administer the Affordable Housing Plan, as defined in the Initiative Services Agreement. The term of this agreement shall commence in August 2018 and terminate after completion of construction of the Campus which is anticipated to occur in January 2020. The estimated costs of this project is \$28,500,000 and the Authority's commitment is 80% of the estimated project costs, or \$22,700,000. In May 2019, the Authority entered into an interlocal agreement with Old Spanish Trail/Alameda Corridors Redevelopment Authority (OSTAC) to obtain funding for the remaining 20% of the estimated project costs. Subsequent to year-end, in July 2019, the Authority entered into a \$14 million tax-exempt and taxable loan agreement with a financial institution to partially fund the Authority's commitment for the construction of the Campus. Any remaining balance will be paid from future tax increments. Upon completion of the project, it is anticipated that the Authority will enter into a lease agreement with CCPPI for the Operations Campus, will convey the Housing Development to CCPPI and will convey the parking garage to OSTAC.

In July 2018, the Authority also entered into an Initiative Services Agreement with CCPPI for the coordination, implementation and administration of the Affordable Housing Plan. In consideration of the services to be performed by CCPPI, the Authority shall pay \$1,100,000 per year in equal monthly installments based on a mutually agreed upon annual budget reflecting the services to be rendered.



**Required Supplementary Information
and
Other Information**

DRAFT

Midtown Redevelopment Authority
Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget to Actual – All Funds

For the year ended June 30, 2019

	Original and Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance With Final Budget
Budgetary fund balance - beginning of year	\$ 40,836,681	\$ 109,971,064	\$ 69,134,383
Resources			
Incremental property tax revenue	34,859,472	27,169,525	(7,689,947)
Grant proceeds	1,500,000	-	(1,500,000)
Miscellaneous revenue	515,285	571,450	56,165
Other interest income	173,000	699,784	526,784
Total available resources	77,884,438	138,411,823	60,527,385
Expenses			
Maintenance and operations	1,565,725	1,655,562	(89,837)
Project costs and capital expenditures	36,028,619	13,157,223	22,871,396
Special projects as determined by the COH	-	267,350	(267,350)
Debt service	11,024,270	21,007,672	(9,983,402)
Other interfund transfers:			
Affordable housing	1,122,746	-	1,122,746
HISD educational facilities	5,541,746	5,732,927	(191,181)
Municipal services - public safety	781,263	781,263	-
Municipal services - quality of life	492,737	60,236	432,501
Administrative fees	916,474	802,708	113,766
Total expenses	57,473,580	43,464,941	14,008,639
Budgetary fund balance - end of year	\$ 20,410,858	\$ 94,946,882	\$ 74,536,024

See independent auditors' report

Midtown Redevelopment Authority
Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget to Actual – All Funds (Continued)

For the year ended June 30, 2019

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 138,411,823
differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(109,971,064)
Budgeted revenues include HISD educational facilities transfers and city administrative charges, while the Authority's funds report revenues net of these transfers	(6,535,635)
<hr/>	
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - total governmental funds	<u>\$ 21,905,124</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 43,464,941
differences - budget to GAAP:	
Purchases of land held for sale are capitalized in the governmental funds balance sheet but are included as capital expenditures for budgetary purposes	(152,691)
Land held for sale granted is included as capital outlay expenditures in the funds but are included as capital expenditures for budgetary purposes when acquired	2,918,412
Budgeted expenditures include HISD educational facilities transfers and city administrative charges, while the authority's funds report revenues net of these transfers	(6,535,635)
<hr/>	
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - total governmental funds	<u>\$ 39,695,027</u>

See independent auditors' report

Midtown Redevelopment Authority Schedule Operating Expenses and Capital Expenditures

For the year ended June 30, 2019

Management Consulting Services	Vendor	Budget	Actual Expenditures	Variance
Administration and Overhead:				
Administration (Salaries, Benefits and Taxes)		\$ 457,650	\$ 339,381	\$ 118,269
Office Expenses (2)	n/a	203,500	192,219	11,281
Midtown Management District	n/a	425,000	435,769	(10,769)
Fourth Ward Redevelopment Authority	n/a	48,000	39,583	8,417
Insurance	Anco-Wessendorff	150,000	155,053	(5,053)
Accounting	Bookkeepers	70,000	60,845	9,155
Accounting (2)	McConnell & Jones LLP	-	16,206	(16,206)
Auditor - Financial	Carr, Riggs & Ingram, LLC	31,875	31,875	-
Bond Services/Trustee	First Southwest	35,000	10,745	24,255
Total Administration and Overhead		1,421,025	1,281,676	139,349
Program and Project Consultants:				
Legal - General Matters	Bracewell LLP, Burney & Foreman	75,000	193,587	(118,587)
Engineering consultants	IDS/Walter P. Moore	60,000	288,149	(228,149)
Construction Audits	Carr, Riggs & Ingram, LLC	9,700	9,500	200
Total Program and Project Consultants		144,700	491,236	(346,536)
Total Management Consulting Services		\$ 1,565,725	\$ 1,772,912	\$(207,187)
Capital Expenditures				
T-0207 Operating of Zone and Project Facilities				
Construction/maintenance	MIDCorp	\$ 1,017,819	\$ 1,017,819	\$ -
Total Operating of Zone and Project Facilities		1,017,819	1,017,819	-
T-0210 Main Street Enhancements (FTA):				
Design	Design Workshop	600,000	2,050	597,950
Construction and management	SER/IDS/WPM	3,500,000	1,467,598	2,032,402
Other	COH/Reliant	35,900	15,239	20,661
Total Main Street Enhancements		4,135,900	1,484,887	2,651,013
T-0211 HCC Academic Walk Holman (FTA):				
Construction and management	SER	500,000	124,044	375,956
Other	IDS/TLC	10,100	25,942	(15,842)
Total HCC Academic Walk Holman (FTA)		510,100	149,986	360,114

See independent auditors' report

Midtown Redevelopment Authority Schedule of Operating Expenses and Capital Expenditures (Continued)

For the year ended June 30, 2019

Capital Expenditures - Continued	Vendor	Budget	Actual Expenditures	Variance
T-0204 Enhanced Street Lights		\$ 155,300	\$ -	\$ 155,300
T-0206 South East Neighborhood Street Reconstruction		505,300	-	505,300
T-0214 Caroline Streets @ HCCS (Elgin to Holman)				
Construction		3,200,000	-	3,200,000
Design		250,000	-	250,000
Other	TLC/KCI/COH	160,100	456,300	(296,200)
Total Caroline Streets @ HCCS		3,610,100	456,300	3,153,800
T-0225 Mobility and Pedestrian Improvements				
Planning		30,000	-	30,000
Construction		1,750,000	-	1,750,000
Design	Design Workshop	300,000	155,966	144,034
Other	TGC/WPM/Bracewell	5,300	397,882	(392,582)
Total Mobility and Pedestrian Improvements		2,085,300	553,848	1,531,452
T-0220 Affordable Housing:				
Acquisition		2,000,000	152,691	1,847,309
Planning	CCPI/R. Burroughs/WPM	1,250,000	1,691,291	(441,291)
Design		500,000	-	500,000
Construction		3,000,000	-	3,000,000
Other professionals	Landscape	780,000	3,175,633	(2,395,633)
Total Affordable Housing (1)		7,530,000	5,019,615	2,510,385
T-0221 Midtown Park:				
Construction and management	IDS/Millis/TLC/WPM	6,000,000	3,404,764	2,595,236
Other	COH/McDonald Wessendorf	40,900	132,603	(91,703)
Total Midtown Park		6,040,900	3,537,367	2,503,533
T-0222 Street Overlay Program		550,000	-	550,000
T-0223 Safe Sidewalk Program		260,100	-	260,100
T-0224 HTC Building Maintenance	Various	250,300	35,177	215,123
T-0230 Wheeler SL Pedestrian Enhancements		525,600	-	525,600
T-0235 Public Art		255,300	-	255,300

See independent auditors' report

Midtown Redevelopment Authority Schedule of Operating Expenses and Capital Expenditures (Continued)

For the year ended June 30, 2019

Capital Expenditures - Continued	Vendor	Budget	Actual Expenditures	Variance
T-0232 Public and Cultural Facilities	MATCH	\$ 1,050,000	\$ 200,000	\$ 850,000
T-0233 Parking Garage - Midtown Park (Super Block)				
Construction and management		1,000,000	-	1,000,000
Design		200,000	-	200,000
Other	COH/Champion Energy/Firetron	270,100	27,886	242,214
Total Parking Garage - Midtown Park (Super Block)		1,470,100	27,886	1,442,214
T-0234 Parks and Open Spaces				
Planning	Design Workshop/TLC/WPM	100,000	20,933	79,067
Construction	B&D Contractors, Inc.	950,000	139,963	810,037
Other		5,300	-	5,300
Total Parks and Open Spaces		1,055,300	160,896	894,404
T-0236 Bagby Park:	Various	760,500	115,529	644,971
T-0239 Brazos Street Reconstruction				
Construction and management		1,010,000	-	1,010,000
Other		20,100	-	20,100
Total Brazos Street Reconstruction		1,030,100	-	1,030,100
T-0240 Real Estate Development		50,000	-	50,000
T-0241 Alameda/Crawford		1,040,100	-	1,040,100
T-0243 Central Bank Plaza		100,000	-	100,000
T-0244 Museum District - Main Street Enhancements		100,000	-	100,000
T-0245 Museum District - Pedestrian Enhancement		100,000	-	100,000
T-0247 I59/69 CAP Park		1,020,500	-	1,020,500
T-0248 Tuam Street		785,000	-	785,000
T-0299 Concrete Panel Replacement Program		35,000	-	35,000
General CIP:				
Design Services	Walter P. Moore	-	85,833	(85,833)
Design Services	IDS Engineering Group	-	148,166	(148,166)
Other Consultants	One World Strategy Group, LLC	-	141,180	(141,180)
Other Consultants	Design Workshop	-	4,087	(4,087)
Other Consultants	Ford Momentum	-	40,350	(40,350)
Other Consultants	A.O. Phillis & Associates	-	126,833	(126,833)
Total General CIP		-	546,449	(546,449)
Total Capital Expenditures		\$ 36,028,619	\$ 13,305,759	\$ 22,722,860

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Midtown Redevelopment Authority
Schedule of Estimated Project Costs to Actual Costs
For the Period December 29, 1995 (Date of Inception) through June 30, 2019

Budget Line Item	Budgeted Expenditures (a)	Actual Expenditures From Inception (December 29, 1995) Through June 30, 2018	Actual Expenditures for the Year Ended June 30, 2019 (c)	Actual Expenditures From Inception (December 29, 1995) Through June 30, 2019	Variance to Budget
Non-Educational Project Costs					
Infrastructure improvements:					
Roadway and utility system improvements:					
Streets and utilities	\$ 84,063,856	\$ 33,898,072	\$ 1,856,803	\$ 35,754,875	\$ 48,308,981
Streetscape and gateways	40,773,654	40,300,244	310,882	40,611,126	162,528
Public infrastructure	42,000,000	33,815,796	6,067,959	39,883,755	2,116,245
Total infrastructure improvements	166,837,510	108,014,112	8,235,644	116,249,756	50,587,754
Other project costs:					
Real property assembly	25,533,106	13,228,900	603,155	13,832,055	11,701,051
Professional services	6,966,225	6,823,698	181,530	7,005,228	(39,003)
Historic preservation	139,992	139,992	-	139,992	-
Parks and recreational facilities	28,908,004	28,378,194	115,528	28,493,722	409,282
Safety and security infrastructure	1,576,262	-	-	-	1,576,262
Remediation	4,393,956	-	-	-	4,393,956
Cultural and public facilities	11,633,276	3,942,454	253,204	4,195,658	7,437,618
Total other project costs	79,145,821	52,513,238	1,153,417	53,666,655	25,479,166
Affordable housing	164,840,659	93,573,943	5,019,615	98,593,558	66,247,101
Financing costs (b)	69,507,011	56,628,127	4,367,919	60,996,046	8,510,965
Zone administration	20,286,136	15,099,322	815,824	15,915,146	4,370,990
Educational Project Costs					
Education project costs	83,770,000	54,743,623	5,732,928	60,476,551	23,293,449
Total project plan	\$ 584,387,137	\$ 380,572,365	\$ 25,325,347	\$ 405,897,712	\$ 178,489,425

(a) Expenditures for the life of the Zone as provided in the Project and Financing Plan. This includes expenditures for both original and annexed areas in the Zone. Line item amounts may be adjusted with approval of the City and the Zone Board of Directors as long as the total costs do not exceed \$584,387,137. The Budgeted Expenditures are reported based on the Authority's 6th Amendment to the Project and Financing Plan that was approved by City Council in October 2015.

(b) Amount expended for the year ended June 30, 2019, does not include the repayment of bond and note principal payments in the amount of \$6,315,000.

(c) Expenditures are reported on the accrual basis.

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Midtown Redevelopment Authority
Schedule of Properties Held – Land Held for Resale

June 30, 2019

Total Value

Purchased properties - affordable housing:

MRA 001	\$ 109,855
MRA 002	500,569
MRA 003	587,183
MRA 004	52,051
MRA 005	-
MRA 006	30,750
MRA 007	34,161
MRA 008	36,702
MRA 009	40,483
MRA 010	92,021
MRA 011	-
MRA 012	-
MRA 013	39,880
MRA 014	51,445
MRA 015	22,845
MRA 016	73,528
MRA 017	49,169
MRA 018	79,183
MRA 019	552,914
MRA 020	40,955
MRA 021	175,742
MRA 022	46,974
MRA 023	22,421
MRA 024	38,492
MRA 025	59,313
MRA 026	49,826
MRA 027	55,871
MRA 028	50,289
MRA 029	50,239
MRA 030	82,780
MRA 031	64,756
MRA 032	49,792
MRA 033	-
MRA 034	-
MRA 035	54,351
MRA 036	61,128
MRA 037	69,942
MRA 038	28,402
MRA 039	149,920
MRA 040	59,338
MRA 041	51,960

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Midtown Redevelopment Authority
Schedule of Properties Held – Land Held for Resale
(Continued)

<i>June 30, 2019</i>	Total Value
Purchased Properties - Affordable Housing (Continued):	
MRA 043	\$ 97,118
MRA 044	143,750
MRA 045	76,627
MRA 046	66,995
MRA 047	47,201
MRA 048	39,205
MRA 049	44,898
MRA 050	-
MRA 051	25,944
MRA 052	49,606
MRA 053	46,881
MRA 054	45,794
MRA 055	43,748
MRA 056	-
MRA 057	51,615
MRA 058	-
MRA 059	60,907
MRA 060	52,078
MRA 061	75,904
MRA 062	59,985
MRA 063	-
MRA 064	42,454
MRA 065	131,406
MRA 066	56,788
MRA 068	-
MRA 069	120,466
MRA 071	46,664
MRA 072	49,840
MRA 073	539,513
MRA 075	123,670
MRA 076	82,100
MRA 077	274,309
MRA 078	46,584
MRA 079	58,276
MRA 081	51,573
MRA 082	63,895
MRA 086	135,064
MRA 087	41,963
MRA 088	75,056
MRA 089	-
MRA 090	73,286
MRA 091	57,086

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**Midtown Redevelopment Authority
Schedule of Properties Held – Land Held for Resale
(Continued)**

<i>June 30, 2019</i>	Total Value
Purchased Properties - Affordable Housing (Continued):	
MRA 092	\$ 47,006
MRA 093	58,694
MRA 094	54,141
MRA 095	169,777
MRA 096	112,485
MRA 097	-
MRA 098	-
MRA 099	59,613
MRA 100	54,628
MRA 101	63,538
MRA 102	51,881
MRA 103	49,211
MRA 104	68,243
MRA 105	-
MRA 106	-
MRA 107	124,476
MRA 108	99,863
MRA 109	33,432
MRA 110	109,552
MRA 111	79,296
MRA 112	57,181
MRA 113	63,951
MRA 114	77,641
MRA 115	57,012
MRA 116	56,824
MRA 117	-
MRA 118	-
MRA 119	43,900
MRA 120	466,009
MRA 121	93,114
MRA 122	67,347
MRA 123	52,019
MRA 124	45,015
MRA 125	46,632
MRA 126	46,937
MRA 127	52,803
MRA 128	52,147
MRA 129	52,745
MRA 130	52,560
MRA 131	53,970
MRA 132	55,800
MRA 133	55,800
MRA 134	55,705

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Midtown Redevelopment Authority
Schedule of Properties Held – Land Held for Resale
(Continued)

<i>June 30, 2019</i>	Total Value
Purchased Properties - Affordable Housing (Continued):	
MRA 135	\$ 55,705
MRA 136	-
MRA 137	-
MRA 138	109,315
MRA 139	50,731
MRA 140	54,715
MRA 141	61,890
MRA 142	41,441
MRA 143	45,890
MRA 144	-
MRA 145	83,741
MRA 146	84,466
MRA 148	45,923
MRA 149	69,704
MRA 150	260,465
MRA 151	319,465
MRA 152	531,508
MRA 153	-
MRA 154	49,645
MRA 155	50,140
MRA 156	55,890
MRA 157	44,965
MRA 158	38,905
MRA 159	45,674
MRA 160	31,213
MRA 161	-
MRA 162	314,592
MRA 163	47,430
MRA 164	49,580
MRA 165	42,545
MRA 166	53,570
MRA 167	58,518
MRA 168	128,835
MRA 169	214,131
MRA 170	104,375
MRA 171	62,375
MRA 172	111,029
MRA 173	75,435
MRA 174	388,751
MRA 175	72,853
MRA 176	140,837

See independent auditors' report

Midtown Redevelopment Authority
Schedule of Properties Held – Land Held for Resale
(Continued)

<i>June 30, 2019</i>	Total Value
Purchased Properties - Affordable Housing (Continued):	
MRA 177	\$ 57,032
MRA 178	53,003
MRA 179	63,258
MRA 180	98,491
MRA 181	36,610
MRA182	61,375
MRA 183	77,763
MRA 184	48,407
MRA 185	37,907
MRA 186	103,657
MRA 187	43,125
MRA 188	61,635
MRA 189	66,772
MRA 190	42,203
MRA 191	52,203
MRA 192	43,203
MRA 193	53,203
MRA 194	890,682
MRA 195	142,927
MRA 196	-
MRA 197	40,882
MRA 198	52,832
MRA 199	61,481
MRA 200	71,680
MRA 211	58,150
MRA 212	43,105
MRA 213	53,137
MRA 214	91,453
MRA 215	431,972
MRA 216	48,322
MRA 217	237,163
MRA 218	49,322
MRA 219	52,312
MRA 220	48,322
MRA 221	48,297
MRA 222	110,019
MRA 223	35,988
MRA 224	41,072
MRA 225	51,721
MRA 226	61,725
MRA 227	58,150
MRA 228	-

See independent auditors' report

Midtown Redevelopment Authority
Schedule of Properties Held – Land Held for Resale
(Continued)

<i>June 30, 2019</i>	Total Value
Purchased Properties - Affordable Housing (Continued):	
MRA 229	\$ 114,072
MRA 230	34,177
MRA 231	48,553
MRA 232	58,532
MRA 233	179,307
MRA 234	48,532
MRA 235	55,807
MRA 236	156,107
MRA 237	113,557
MRA 238	57,450
MRA 239	58,150
MRA 240	-
MRA 241	-
MRA 242	53,567
MRA 243	43,251
MRA 244	53,572
MRA 245	58,028
MRA 246	102,856
MRA 247	47,030
MRA 248	53,572
MRA 249	58,572
MRA 250	51,072
MRA 251	409,461
MRA 252	51,072
MRA 253	61,887
MRA 254	58,572
MRA 255	100,282
MRA 256	47,045
MRA 257	44,602
MRA 258	-
MRA 259	64,572
MRA 260	35,072
MRA 261	53,572
MRA 262	164,771
MRA 263	298,007
MRA 264	53,572
MRA 265	53,572
MRA 266	38,447
MRA 267	48,142
MRA 268	56,052
MRA 269	63,897

See independent auditors' report

Midtown Redevelopment Authority
Schedule of Properties Held – Land Held for Resale
(Continued)

<i>June 30, 2019</i>	Total Value
Purchased Properties - Affordable Housing (Continued):	
MRA 270	\$ 50,472
MRA 271	311,464
MRA 272	59,022
MRA 273	231,350
MRA 274	52,146
MRA 275	41,572
MRA 276	105,072
MRA 277	-
MRA 278	55,922
MRA 279	141,072
MRA 280	82,298
MRA 281	-
MRA 282	19,572
MRA 283	88,722
MRA 284	88,722
MRA 285	58,547
MRA 286	50,622
MRA 287	63,854
MRA 288	59,035
MRA 289	36,902
MRA 290	56,938
MRA 291	92,664
MRA 292	112,688
MRA 293	-
MRA 294	-
MRA 295	55,625
MRA 296	63,424
MRA 297	56,872
MRA 298	27,547
MRA 299	-
MRA 300	42,940
MRA 301	40,863
MRA 302	53,125
MRA 303	49,247
MRA 304	-
MRA 305	-
MRA 306	90,922
MRA 307	75,643
MRA 308	129,598
MRA 309	63,668
MRA 310	139,793

See independent auditors' report

**Midtown Redevelopment Authority
Schedule of Properties Held – Land Held for Resale
(Continued)**

<i>June 30, 2019</i>	Total Value
Purchased Properties - Affordable Housing (Continued):	
MRA 311	\$ 59,018
MRA 312	72,868
MRA 313	44,418
MRA 314	60,918
MRA 315	58,142
MRA 316	55,116
MRA 317	59,518
MRA 318	58,918
MRA 319	69,414
MRA 320	57,010
MRA 321	45,810
MRA 322	58,338
MRA 323	115,618
MRA 324	58,211
MRA 325	81,038
MRA 326	58,868
MRA 327	87,418
MRA 328	153,862
MRA 329	34,343
MRA 330	61,418
MRA 331	57,382
MRA 332	47,618
MRA 333	182,963
MRA 334	48,038
MRA 335	56,959
MRA336	275,762
MRA 337	-
MRA 338	56,518
MRA 339	53,334
MRA 340	50,713
MRA 341	57,563
MRA 342	58,213
MRA 343	58,163
MRA 344	57,543
MRA 345	53,118
MRA 346	41,764
MRA 347	41,253
MRA 348	41,253
MRA 349	508,500
MRA 350	57,444
MRA 351	63,043

See independent auditors' report

Midtown Redevelopment Authority
Schedule of Properties Held – Land Held for Resale
(Continued)

<i>June 30, 2019</i>	Total Value
Purchased Properties - Affordable Housing (Continued):	
MRA 352	\$ 63,168
MRA 353	63,113
MRA 354	45,738
MRA 355	51,163
MRA 356	67,363
MRA 366	51,113
MRA 367	142,138
MRA 368	65,314
MRA 369	65,172
MRA 370	-
MRA 371	268,053
MRA 372	69,681
MRA 373	59,426
MRA 374	59,426
MRA 375	50,452
MRA 376	59,963
MRA 377	-
MRA 378	69,418
MRA 379	-
MRA 380	287,349
MRA 381	283,031
MRA 382	-
MRA 383	59,010
MRA 384	94,038
MRA 385	55,662
MRA 386	48,537
MRA 387	69,651
MRA 388	65,663
MRA 389	222,174
MRA 390	42,913
MRA 391	67,838
MRA 392	64,663
MRA 393	65,963
MRA 394	70,001
MRA 395	66,926
MRA 396	65,938
MRA 397	22,901
MRA 398	671,700
MRA 399	74,538
MRA 400	74,713
MRA 401	228,478

See independent auditors' report

Midtown Redevelopment Authority
Schedule of Properties Held – Land Held for Resale
(Continued)

<i>June 30, 2019</i>	Total Value
Purchased Properties - Affordable Housing (Continued):	
MRA 402	\$ 260,253
MRA 403	1,122,556
MRA 404	113,257
MRA 405	102,038
MRA 406	52,351
MRA 407	32,091
MRA 408	75,463
MRA 409	91,888
MRA 410	186,257
MRA 411	-
MRA 412	66,963
MRA 413	-
MRA 414	823,813
MRA 415	139,578
MRA 416	325,728
MRA 417	77,068
MRA 418	89,071
MRA 419	79,393
MRA 420	156,838
MRA 421	78,679
MRA 422	-
MRA 423	68,219
MRA 424	1,004,453
MRA 425	91,801
MRA 426	78,476
MRA 427	78,476
MRA 428	78,476
MRA 429	78,476
MRA 430	62,613
MRA 431	24,993
MRA 432	698,733
MRA 433	1,084,214
MRA 434	67,401
MRA 435	98,463
MRA 436	76,789
MRA 437	473,819
MRA 438	1,807,152

See independent auditors' report

Midtown Redevelopment Authority
Schedule of Properties Held – Land Held for Resale
(Continued)

<i>June 30, 2019</i>	Total Value
Purchased Properties - Affordable Housing (Continued):	
MRA 439	\$ 2,035,977
MRA 440	76,163
MRA 441	154,038
MRA 442	77,725
MRA 443	92,013
MRA 444	77,726
MRA 445	99,354
MRA 446	47,500
MRA 447	-
MRA 448	62,700
MRA 449	105,000
MRA 450	60,000
MRA 451	67,710
MRA 452	75,000
MRA 453	32,055
MRA 454	105,000
MRA 455	105,000
MRA 456	297,399
MRA 457	390,048
MRA 458	344,324
MRA 459	69,679
MRA 460	54,407
MRA 461	54,907
MRA 462	106,157
MRA 463	54,403
MRA 464	105,653
MRA 465	260,417
MRA 466	213,157
MRA 467	79,782
MRA 468	54,157
MRA 469	79,677
MRA 470	54,157
MRA 471	100,077
MRA 472	54,407
MRA 473	54,407
MRA 474	64,657
MRA 475	74,289

See independent auditors' report

Midtown Redevelopment Authority
Schedule of Properties Held – Land Held for Resale
(Continued)

<i>June 30, 2019</i>	Total Value
Purchased Properties - Affordable Housing (Continued):	
MRA 476	\$ 541,257
MRA 477	57,461
MRA 478	57,356
MRA 479	55,336
MRA 480	152,691
<hr/>	
Total Purchased Properties - Affordable Housing	46,846,377
Costs associated with pending properties and other general costs not allocated to specific properties	214,047
<hr/>	
Total land held for resale - affordable housing	\$ 47,060,424
<hr/>	

See independent auditors' report

**Midtown Redevelopment Authority
Schedule of Capital Assets**

June 30, 2019

Property	Net Book Value
Houston Technology Center	\$ 3,013,016
JPI Park Land	736,911
Bagby Park	2,591,578
Walgreens/Lui Park Land	141,000
Houston Muesum of African American Culture	1,726,830
Midtown Park Land and Improvements	53,991,347
Total capital assets	\$ 62,200,682

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ATTACHMENT B

Form of Work Order

WORK ORDER NO. 001 Ext 08

This Work Order No. 001 Ext 08 (this "Work Order") is issued subject to and is governed by that certain professional services agreement between Midtown and Consultant dated as of November 16, 2010 (the "PSA").

Work Order Date: October 22, 2019

Consultant: IDS Engineering Group

Type of Compensation: Cost Plus, Time & Materials, Firm Fixed Price, Lump Sum (Circle and set forth price if Firm Fixed Price or Lump Sum)

Compensation: \$75,000

Location of Services: Midtown District

Description of Services: Scope of Services as described in Article 1 of the PSA dated November 16, 2010.

Schedule Requirements: Commencement of Services: 10-31-2019
Completion of Services: 10-31-2020 (estimated)

Midtown:

MIDTOWN REDEVELOPMENT
AUTHORITY

By: _____

Mathias T. Thibodeaux
Executive Director
Printed Name and Title

Date

Consultant:

IDS ENGINEERING GROUP

By: Timothy E. Buscha

Timothy E. Buscha, P.E.
President
Printed Name and Title

October 22, 2019
Date

Scope of Services – Midtown Redevelopment Authority PSA Work Order Extension:

IDS will perform professional engineering and surveying services and/or retain specialty subconsultant services to provide hourly general consultation services for civil engineering tasks for technical reviews, planning, data gathering, coordination with other consultants, studying of development opportunities to support present and future plans adopted by the Midtown TIRZ, development of Graphic Information System (GIS) deliverables, field surveys or boundary determinations, and attendance of meetings as requested by Midtown staff. This level of funding is based upon anticipated needs of the TIRZ during the upcoming 12-month period. Engineering services currently identified include support for the improvements/development of areas within the Front 90 at Midtown Park and supervision/coordination on any remedial work efforts at Midtown Park and the Garage.

Invoicing for these services will be consistent with our past standard practice of hourly charges for the general consultation services listed above. From time to time under the PSA Work Orders we are requested to perform specific engineering or survey assignments, for such assignments a separate scope is typically prepared and the fee is based upon an agreed to lump sum amount under this work order or as assigned a new work order. Our current hourly rate table is attached.

The estimated breakdown of fee allocation for Work Order #1, Ext 008 is as follows:

\$66,000 Engineering/ General Services
(Hourly or Lump Sum per Task)

\$ 4,000 GIS Support Services

\$ 4,000 Survey Services

\$ 1,000 Reimbursable Expenses

\$75,000 Total

DRAFT

RESTATED AND REVISED INTERLOCAL AGREEMENT

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

I.

PARTIES

A. Address

THIS RESTATED AND REVISED INTERLOCAL AGREEMENT (“Agreement”) is made and entered into by and among the **CITY OF HOUSTON, TEXAS** (“City”), a municipal corporation and home-rule city of the State of Texas principally situated in Harris County, acting by and through its governing body, the City Council; **HARRIS COUNTY** (“Harris County” or the “County”), body corporate and politic under the laws of the State of Texas, acting by and through their governing body, the Harris County Commissioners Court; **REINVESTMENT ZONE NUMBER TWO, CITY OF HOUSTON, TEXAS** (“Midtown Zone”), a reinvestment zone created by the City of Houston pursuant to chapter 311 of the Texas Tax Code, acting by and through its Board of Directors; and the **MIDTOWN REDEVELOPMENT AUTHORITY** (“Redevelopment Authority”), a local government corporation created by the City of Houston pursuant to chapter 431 of the Texas Transportation Code, acting by and through its board of directors. This Agreement is made pursuant to chapter 791 of the Texas Government Code and chapter 311 of the Texas Tax Code.

The addresses of the parties, which any party may change by giving written notice of its changed address to the other parties, are as follows:

City

Office of the Mayor
 City of Houston
 P.O. Box 1562
 Houston, TX 77251
 Attention: Chief Development Officer

Redevelopment Authority

Midtown Redevelopment Authority
 410 Pierce Street, Suite 355
 Houston, Texas 77002
 Attention: Matt Thibodeaux

Midtown Zone

Reinvestment Zone No. Two,
 City of Houston, TX
 410 Pierce Street, Suite 355
 Houston, Texas 77002
 Attention: Matt Thibodeaux

Harris County

Harris County
 Harris County Administration Building
 1001 Preston Street, Ninth Floor
 Houston, Texas 77002
 Attention: Budget Manager

B. Index

The City, Harris County, the Midtown Zone and the Redevelopment Authority hereby agree to the terms and conditions of this Agreement. This Agreement consists of the following sections:

<u>I. Parties</u>	1
<u>II. Definitions</u>	5
<u>III. Background</u>	6
<u>IV. Obligations of Harris County</u>	8
<u>V. Obligations of City, Midtown Zone and Redevelopment Authority</u>	13
<u>VI. Term and Termination</u>	16
<u>VII. Miscellaneous</u>	18

C. Parts Incorporated

All of the above described sections and documents are hereby incorporated into this Agreement by this reference for all purposes.

IN WITNESS HEREOF, the City, Harris County, the Midtown Zone and the
Redevelopment Authority have made and executed this Agreement in multiple copies, each of
which is an original.

CITY OF HOUSTON

ATTEST/SEAL:

By: _____
Mayor
Date: _____

By: _____
City Secretary
Date: _____

COUNTERSIGNED:

APPROVED AS TO FORM:

By: _____
City Controller
Date: _____

By: _____
Senior Assistant City Attorney
L.D. File No. 0421300012009

APPROVED

By: _____
Chief Development Officer
Date: _____

APPROVED AS TO FORM:

HARRIS COUNTY

VINCE RYAN
County Attorney

By: _____
DOUGLAS P. RAY
Special Assistant Harris County Attorney

By: _____
LINA HIDALGO
County Judge

Date Signed: _____

REINVESTMENT ZONE NUMBER TWO, CITY OF HOUSTON, TEXAS

ATTEST/SEAL:

By: _____
Name: Al Odom
Title: Chairman, Board of Directors

By: _____
Name: Pamela Ngo Castleman
Title: Secretary, Board of Directors

Date Signed: _____

Date Signed: _____

MIDTOWN REDEVELOPMENT AUTHORITY

ATTEST/SEAL:

By: _____
Name: Al Odom
Title: Chairman, Board of Directors

By: _____
Name: Pamela Ngo Castleman
Title: Secretary, Board of Directors

Date Signed: _____

Date Signed: _____

II.

DEFINITIONS

As used in this Agreement, the following terms shall have the meanings as set out below:

“Agreement” means this agreement by and among the City, Harris County, the Midtown Zone and the Redevelopment Authority.

“Available County Increment” is defined in Section IV of this Agreement.

“Captured Appraised Value” means the captured appraised value of the Midtown Zone, as defined by Chapter 311, Texas Tax Code.

“City” is defined in Section I of this Agreement and includes its successors and assigns.

“Countersignature Date” means that date shown as the date that this Agreement is countersigned by the City Controller on page 3 of this Agreement.

“Harris County” is defined in Section I of this Agreement and includes Harris County and its successors and assigns.

“Harris County Tax Increment Participation” means the amount of the Harris County contribution to the Midtown Zone pursuant to Section IV of this Agreement.

“Midtown Zone” means Reinvestment Zone Number Two, City of Houston, created by the City on December 14, 1994 by Ordinance No. 94-1345, and as enlarged by Ordinance No. 95-1322 on December 13, 1995, Ordinance No. 1999-849 on August 11, 1999, Ordinance No. 2009-1396 on December 29, 2009, and Ordinance No. 2015-1000 on October 14, 2015, and includes its successors and assigns.

“Project Plan” means the project plan and reinvestment zone financing plan for the Midtown Zone adopted by the board of directors of the Midtown Zone and approved by the City

Council of the City on May 28, 1997 by City of Houston Ordinance No. 97-600, and as amended by City of Houston Ordinance No. 1997-1338 adopted on October 22, 1997, Ordinance No. 1999-850 adopted on August 11, 1999, Ordinance No. 2009-1395 adopted on December 29, 2009, Ordinance No. 2011-534 adopted on June 22, 2011, Ordinance No. 2013-638 adopted on July 10, 2013 and Ordinance No. 2015-1001 adopted on October 14, 2015.

“Redevelopment Authority” means the Midtown Redevelopment Authority, a not-for-profit local government corporation acting on behalf of the City.

“Tax Increment Fund” means the tax increment fund created by the City in the City Treasury for the Midtown Zone.

Otherwise, the terms used herein have the meanings ascribed to them in Chapter 311, Texas Tax Code.

III.

BACKGROUND

On December 14, 1994, the City created the Midtown Zone, by adoption of City of Houston Ordinance No. 94-1345, for the purposes of development and redevelopment in the Midtown Area. The Midtown Zone was enlarged on December 13, 1995 by Ordinance No. 95-1322, on August 11, 1999 by Ordinance No. 1999-849, on December 29, 2009 by Ordinance No. 2009-1396 and on October 14, 2015 by Ordinance No. 2015-1000. The Board of Directors of the Midtown Zone initially adopted a project plan and reinvestment zone financing plan, which was approved by the City on May 28, 1997 by City of Houston Ordinance No. 97-600, and amended by City of Houston Ordinance No. 1997-1338 adopted on October 22, 1997, Ordinance No. 1999-850 adopted on August 11, 1999, Ordinance No. 2009-1395 adopted on December 29, 2009, Ordinance No. 2011-534 adopted on June 22, 2011, Ordinance No. 2013-

638 adopted on July 10, 2013 and Ordinance No. 2015-1001 adopted on October 14, 2015. The City has agreed to participate in the Midtown Zone by contributing tax increments produced in the Midtown Zone to the Increment Fund. On June 6, 1995, the Commissioners Court of Harris County acting on behalf of Harris County and the Harris County Flood Control District approved an order (the "Order") to participate in the original boundaries of the Midtown Zone to the extent of fifty percent (50%) of its tax increment in the Midtown Zone. On November 14, 1995, the Commissioners Court of Harris County acting on behalf of Harris County and the Harris County Flood Control District approved an order to correct the prior order to increase its participation in the original boundaries of the Midtown Zone as described in City of Houston Ordinance No. 94-1345, to one hundred percent (100%), effective January 1, 1996, through and including the tax year 2025. In 2001, the parties entered into an interlocal agreement (the "Prior Agreement") pursuant to Section 311.013(f) of the Texas Tax Code. The Prior Agreement memorialized the parties' agreement that Harris County and the Harris County Flood Control District's participation would be limited to the area shown in City of Houston Ordinance Nos. 94-1345 and 95-1322, commence with the tax year beginning January 1, 1996 and remain effective until the earlier of December 31, 2025 or the date on which the total tax increment contributions of Harris County and the Harris County Flood Control District reached \$58,896,340. The total tax increment contributions of Harris County and the Harris County Flood Control District reached the contribution threshold in Fiscal Year 2018.

Pursuant to Ordinance No. 96-389, as amended by Ordinance Nos. 98-301 and 2000-494, the City and the Midtown Zone entered into an agreement with the Redevelopment Authority (the "Tri-Party Agreement") pursuant to which the City and the Midtown Zone have agreed to pay certain of the tax increments of the Midtown Zone to the Redevelopment Authority,

including tax increments of the City and Harris County and Harris County Flood Control District. Pursuant to the Tri-Party Agreement, the City authorized the Redevelopment Authority to issue its bonds, notes or other obligations secured by such payments. As of the date hereof, the Redevelopment Authority has \$87,240,000 in Tax Increment Contract Revenue Bonds (inclusive of refunding bonds) outstanding, which bonds are secured with the contract revenues the Redevelopment Authority receives from the City, and up to \$14,000,000 in Tax Increment Contract Revenue Notes secured by a portion of the contract revenues of the Redevelopment Authority dedicated to affordable housing.

The parties acknowledge that by virtue of the total tax increment contributions under the Prior Agreement, the Prior Agreement terminated by its own terms; however, notwithstanding the foregoing, Harris County, the City, the Midtown Zone and the Redevelopment Authority desire that Harris County's participation in the Zone include the tax years beginning and ending during the period from January 1, 2019 through December 31, 2040 and to define the use of the funds thereof by means of this Agreement.

IV.

OBLIGATIONS OF HARRIS COUNTY

A. Tax Increment Participation by Harris County

For and in consideration of the agreements of the parties set forth herein, and subject to the remaining subsections of this section, the parties agree that the participation of the County in the Midtown Zone is a contribution, to the extent authorized by law, to the Tax Increment Fund during the term of this Agreement in the following amounts and subject to the restrictions of this Agreement: In the first year of ~~the~~this Agreement (i.e. tax year ending December 31, 2019), Harris County shall contribute to the Midtown Zone ten percent (10%) of the tax increment

attributed to the Captured Appraised Value in the Midtown Zone as described in City Ordinance Nos. 94-1345 and 95-1322 (“Midtown Boundaries”), attributable solely to Harris County, computed using a base year of 1996. Thereafter, the Harris County Tax Increment Participation shall increase by 10% in each year until it attains 100% or until such time as the Midtown Zone annexes certain property constituting the Riverside Hospital, at which time the Harris County Tax Increment Participation shall increase to 100%, from the year of such annexation and continue through December 31, 2040 (the “Annexation”). Notwithstanding anything herein to the contrary, including the term of ~~the~~this Agreement, the total contribution of Harris County shall not exceed \$60 million in the aggregate during the term of this Agreement, unless otherwise agreed to in writing by ~~Harris County~~the parties in accordance with this Agreement. In each year beginning with the tax year ending December 31, 2019 until such time as the Annexation is completed or at such time as the Harris County Tax Increment Participation reaches 100%, the affordable housing component of the Harris County Tax Increment Participation, as further described in Section IV.B. below, shall be ~~returned~~remitted to Harris County to be used ~~for~~to provide affordable housing ~~purposes~~. ~~At such point~~consistent with the Chapter 311 of the Texas Tax Code. From the year in which the Annexation is completed or at such time as the Harris County Tax Increment Participation attains 100%, and for each year of participation thereafter, and except as provided in Section IV. B. (4), 50% of the Harris County Tax Increment Participation for that year (the “Available County Increment”), which shall consist of the affordable housing component as further described in Section IV.B. below and other tax increment until the amount returned to Harris County equals 50% of the Harris County Tax Increment Contribution in such year, shall be returned to Harris County to be used in a manner consistent with the Midtown Zone’s Project Plan. For avoidance of doubt, the

contributions of the Harris County Flood Control District, the Port of Houston Authority of Harris County, Texas, the Harris County Hospital District, the Harris County Department of Education, and any other taxing entity for whom Harris County imposes taxes, either now or in the future in the Midtown Zone, to the extent authorized by law, to the Tax Increment Fund during the term of this Agreement is zero percent (0%) of the tax increment attributed to the Captured Appraised Value in the Midtown Zone attributable to the Harris County Flood Control District, the Port of Houston Authority of Harris County, Texas, the Harris County Hospital District, the Harris County Department of Education, and any other taxing entity for whom Harris County imposes taxes, either now or in the future. It is further agreed that should for any reason the City or the Midtown Zone receive funds due to a tax increment attributable to any of the entities named in this paragraph in excess of the contribution as agreed herein, the City, the Midtown Zone or the Redevelopment Authority shall return, within thirty (30) days of notification by Harris County, such excess amount to such entities; and such funds will be deemed not to have been deposited in the Tax Increment Fund. It is further agreed that the Harris County Flood Control District, Harris County Hospital District, the Port of Houston Authority of Harris County, Texas and the Harris County Department of Education, and all other taxing entities for whom Harris County imposes taxes, either now or in the future, are third party beneficiaries of this Agreement and shall be able to enforce its terms.

In the event that the City, the Midtown Zone or the Redevelopment Authority fails to remit to Harris County the affordable housing tax increment provided in Section IV of this Agreement or the Available County Increment, or expends funds inconsistent with the Project Plan or this Agreement, then Harris County shall notify the City, the Midtown Zone or the Redevelopment Authority of the breach, and the defaulting party shall have sixty (60) days to

cure the breach. In the event the breach is not cured within the sixty (60)-day period, Harris County shall suspend all tax increment payments until the breach is cured.

B. Affordable Housing: Tax Increment Limitation

(1) In accordance with TEX. TAX CODE ANN. § 311.011(f) (Vernon Supp. 2000), in a zone designated under § 311.005(a)(5), the project plan must provide that at least one-third of the tax increment of the zone be used to provide affordable housing during the term of the zone. It is the intent of the parties that beginning with the tax year ending December 31, 2019 until such time as the Annexation is completed or at such time as the Harris County Tax Increment Participation attains 100%, (a) the pro rata share of the Harris County Tax Increment Participation attributable to affordable housing shall be 19% of the total monies which the Redevelopment Authority has available for affordable housing and (b) Harris County's pro rata share of the Redevelopment Authority operating expenses attributable to affordable housing shall be 19% of 33-1/3% or .063. ~~At such point~~ From the year in which the Annexation is completed or ~~at such time as~~ the year in which the Harris County Tax Increment Participation attains 100%, and for each year of participation thereafter, (a) the pro rata share of the Harris County Tax Increment Participation attributable to affordable housing shall be 19% of the total monies which the Redevelopment Authority has available for affordable housing and (b) Harris County's pro rata share of the Redevelopment Authority operating expenses attributable to affordable housing shall be 19% of 33-1/3% or .063, to be taken exclusively from the Available County Increment, as described in Section IV.A. above. As such, the Midtown Zone shall be under no obligation to apply any of its portion of the Harris County Tax Increment Participation to affordable housing. The application of such portion of the Harris County Tax Increment Participation to affordable housing shall be evidenced by the County (i) each time the Redevelopment Authority issues

bonds, at the time the bonds are delivered to the purchaser, and (ii) within thirty (30) days after a principal or interest payment date on the Redevelopment Authority's bonds, when affordable housing moneys are withdrawn from the trust estate for the Redevelopment Authority during the previous six (6) months. Any funds remaining after application to affordable housing must be used by the County in a manner consistent with the Midtown Zone's Project Plan. All such monies paid to Harris County for affordable housing purposes shall be invested only within the city limits of the City.

(2) The affordable housing payments to be paid to Harris County shall be paid in the following manner:

(a) Each time the Redevelopment Authority issues bonds, 19% of the proceeds of the bonds issued to provide affordable housing (after funding the bond reserve fund, paying escrowed interest and paying the costs of issuance of the bonds) shall be paid to Harris County at the time the bonds are delivered to the purchaser.

(b) Within thirty (30) days after a principal or interest payment date on any of the Redevelopment Authority's bonds, the Redevelopment Authority will pay to Harris County 19% of any affordable housing moneys withdrawn from the trust estate for the Redevelopment Authority's bonds during the previous six (6) months.

(3) As a condition to the receipt of the payment of affordable housing bond proceeds, Harris County agrees to execute appropriate certificates to the effect that the affordable housing payment will be used in accordance with state law and that Harris County will abide by the arbitrage and other tax covenants of the Redevelopment Authority relating to the bonds of the Redevelopment Authority.

(4) For purposes of this Agreement, 19% of all monies which the City, the Midtown Zone or the Redevelopment Authority previously spent or committed to spend under a valid and unexpired commitment as of the date this Agreement is approved by the Commissioners Court of Harris County, shall be deemed to have been paid to Harris County. The Midtown Zone and the Redevelopment Authority shall give an accounting to Harris County of the affordable housing tax increments that have been spent or committed as of the date this Agreement is approved by the Commissioners Court of Harris County. The accounting shall be provided within thirty (30) days from the date this Agreement is effective. Within seven (7) days after the accounting, 19% of the unspent or uncommitted affordable housing tax increments or bond proceeds issued to provide affordable housing shall be paid to Harris County.

(5) If another political subdivision (other than Harris County or one of its related entities) elects to participate in the Midtown Zone or elects to increase or decrease its participation in the Midtown Zone, the percentage of affordable housing tax increments to be paid to Harris County shall thereafter be reduced or increased in accordance with the following formula:

$$\begin{array}{l} \text{New \% of affordable} \\ \text{Housing tax Increments paid} \\ \text{to Harris County} \end{array} = 19\% \times \frac{\text{Total Tax Rate of all entities} \\ \text{participating in the original area of} \\ \text{the Midtown Zone prior to the} \\ \text{agreement to participate or} \\ \text{increase the level of participation}}{\text{Total Tax Rate of all entities} \\ \text{participating in the original area of} \\ \text{the Midtown Zone after the} \\ \text{agreement to participate or} \\ \text{increase the level of participation}}$$

Harris County's pro rata share of the Redevelopment Authority's operating expenses shall be reduced or increased in the same manner.

(6) Harris County is not obligated to pay its Tax Increment Participation from any source other than taxes collected on the Captured Appraised Value. Furthermore, Harris County has no duty or obligation to pay the Harris County Tax Increment Participation from any other Harris County taxes or revenues, or until the Harris County Tax Increment Participation in the Midtown Zone are actually collected. Any portion of the taxes representing the Harris County Tax Increment Participation that are paid to Harris County and subsequently refunded pursuant to the provisions of the Texas Tax Code shall be offset against future payments to the Tax Increment Fund. The obligation to pay the Harris County Tax Increment Participation accrues as taxes representing their respective Tax Increment Participation are collected by Harris County, and payment shall be due as provided in Section 311.013(c) of the Texas Tax Code. No interest or penalty will be charged to Harris County for any late payment received from Harris County; provided, however, that penalty and interest received by Harris County on any delinquent taxes from their respective Tax Increment Participations shall be paid to the Tax Increment Fund in the amounts required by Section 311.013(c) of the Texas Tax Code.

C. Expansion of Midtown Zone

The obligation of Harris County to participate in the Midtown Zone is limited to the areas shown in City of Houston Ordinance Nos. 94-1345 and 95-1322. Harris County's participation does not extend to the tax increment on any additional area added to the Midtown Zone by the City or any amendment to the Project Plan by the Midtown Zone and the City that would increase the total amount of project costs unless Harris County specifically agrees to participate in the additional area or amendment to the Project Plan. In addition, Harris County's participation does not extend to any dedication of revenue from the Tax Increment Fund by the Midtown Zone for projects (other than affordable housing projects) outside the Midtown Zone as

shown in City of Houston Ordinance Nos. 94-1345 and 95-1322, unless Harris County agrees to participate in the dedication.

D. Board of Directors

Pursuant to the provisions of Section 311.009(b) of the Texas Tax Code, the Harris County Commissioners Court shall have the unequivocal right to appoint and thereafter at all times maintain one (1) member on the Board of Directors of the Midtown Zone. Harris County may also appoint and maintain as many non-voting ex officio members on the Board of Directors of the Midtown Zone as Harris County may desire.

E. Reconciliation of Accounts

Harris County, the City, the Midtown Zone and the Redevelopment Authority will reconcile the amount of tax increments attributable to Harris County Tax Increment Participation for the Midtown Zone within thirty (30) days after this Agreement becomes effective. Within thirty (30) days of the reconciliation, Harris County will remit to the City its tax increment participation determined to be due and owing for the Midtown Zone. Thereafter, Harris County, the City, the Midtown Zone and the Redevelopment Authority shall annually reconcile Harris County's participation at October 1 of each year. In addition, the Redevelopment Authority shall remit to Harris County the affordable housing payments required to be made pursuant to this Agreement within thirty (30) days after each principal or interest payment on the Redevelopment Authority's bonds.

V.

OBLIGATIONS OF CITY, MIDTOWN ZONE AND REDEVELOPMENT AUTHORITY

A. Project Plan

Any member of the Harris County Commissioners Court may review and comment upon any amendment to the Project Plan before any amendments thereto are submitted to the City Council for City approval. The City agrees to provide Harris County with a copy of any proposed amendments at least fourteen (14) days prior to their submission to the City Council for approval. Harris County's participation in the Midtown Zone does not extend to any amendment to the Project Plan subsequent to the date of the order of the Commissioners Court authorizing approval of this Agreement unless Harris County agrees to further participate and the Commissioners Court amends its order accordingly.

B. Project Plan Implementation: Additional Requirements

(1) Midtown Contractor Policy: In respect to certain matters pertaining to the implementation of the Project Plan and payment of project costs thereunder, the Midtown Zone and Redevelopment Authority hereby covenant to ~~collaborate with the Harris County Commissioner representing the area in which the majority of the Midtown Zone lies (the "Commissioner") to~~ adopt a policy (the "Policy") that, to the fullest extent allowed by Texas law, requires all contractors engaged by the Redevelopment Authority and any subcontractors engaged by such contractors (together, the "Midtown Contractors") to have in place or take steps to implement certain standards relating to fair wages, local hiring and second chance opportunities, ~~which such~~. The Policy shall ~~take into consideration~~ include the standards described in Appendix A hereto. The Redevelopment Authority ~~expects to will~~ retain a consultant to actively engage with each Midtown Contractor to achieve and maintain compliance

with the Policy. Further, the Midtown Zone and Redevelopment Authority ~~shall collaborate with the Commissioner to annually produce and/or update Policy~~covenants to adopt guidelines, ~~for Midtown Contractors, including instructions for maintaining~~ relating to maintenance of data records (e.g. pay rates and zip codes) and ~~reporting such data to the Midtown Zone. The Commissioner shall have the option to review and approve, in any manner mutually acceptable to the Midtown Zone, the Redevelopment Authority and the Commissioner, the Policy and any amendments, procedures or changes related thereto, prior to its implementation~~other metrics relating to the Policy. The Redevelopment Authority shall provide the Harris County Commissioner ~~with the Policy and any amendments, procedures or changes related thereto at least fourteen (14) days prior to the Midtown Zone's and the Redevelopment Authority's~~ representing the area in which the majority of the Zone lies (hereinafter, "Commissioner"), with the form of the Policy for review prior to its adoption ~~thereof.~~ The Commissioner shall use reasonable efforts to review and ~~approve or~~ provide any comments to the Policy within ~~seven~~fourteen (714) days of submission. ~~Should~~The Policy shall be deemed approved by the Commissioner should no comments be received from the Commissioner within ~~seventy~~thirty (730) days, from the date the Policy ~~shall be deemed approved~~was submitted to the Commissioner.

(2) Capital Improvement Plan Review: In an effort to achieve alignment of the Midtown Zone with Harris County's comprehensive design for streets, pedestrian accessibility, bike trails and related amenities, the Redevelopment Authority hereby covenants to annually provide a copy of its Capital Improvement Plan to the Commissioner for review, comment and approval at least fourteen (14) days prior to the Midtown Zone's and the Redevelopment Authority's adoption thereof. The Commissioner shall use reasonable efforts to review and

approve or provide any comments to the Capital Improvement Plan within seven (7) days of submission. The Commissioner shall also have the option to review, provide comment to and approve any Development Agreements to be entered into by the Midtown Zone and the Redevelopment Authority in excess of \$1,000,000 (one million dollars) considered in relation to the Capital Improvement Plan. Such approval to the Capital Improvement Plan and any Development Agreement shall be limited to projects in which all or a portion of the Tax Increment Funds to be expended for such projects are attributable to the Harris County Tax Increment Participation, and may be provided in any manner mutually acceptable to the Midtown Zone, the Redevelopment Authority and the Commissioner. The Redevelopment Authority shall provide the Commissioner with any proposed Development Agreement at least fourteen (14) days prior to the Midtown Zone's and the Redevelopment Authority's approval thereof. The Commissioner shall use reasonable efforts to review and approve or provide any comments to a Development Agreement within seven (7) days of submission. Should no comments be received from the Commissioner within seven (7) days, the Policy shall be deemed approved.

C. Disposition of Tax Increments

Upon termination of Harris County's obligation to participate in the Midtown Zone, and after all bonded indebtedness of that portion of the Midtown Zone for which Harris County is obligated to participate has been paid, the City and the Midtown Zone shall pay to Harris County, within sixty (60) days of said termination, all monies remaining in the Tax Increment Fund that are attributable to the Harris County Tax Increment Participation paid by Harris County into the Tax Increment Fund.

D. Audits

The City shall provide to Harris County a copy of the audits required by the Tri-Party Agreement, within thirty (30) days of receipt of each audit. In addition, the City or the Redevelopment Authority shall provide to Harris County a copy of all reports, studies and analyses prepared by the City, the Redevelopment Authority or others on their behalf that concern the expenditure of Tax Increment Funds of the Midtown Zone.

Harris County shall have the right to audit the City's Tax Increment Fund, the books and records of the Redevelopment Authority and the Midtown Zone upon thirty (30) days' written notice to the City, the Redevelopment Authority or the Midtown Zone. Any such audit shall be at Harris County's expense.

VI.

TERM AND TERMINATION

A. Agreement Term

This Agreement becomes effective as of the date of the final signature hereto. The term of this Agreement shall commence with the tax year beginning on January 1, 2019 and shall terminate on December 31, 2040. Notwithstanding, Harris County shall have the limited right to an option to terminate this Agreement on every fifth (5th) anniversary of the term of this Agreement (each, a "Termination Option"), each effective on full payment of the Harris County Tax Increment Participation for the tax years ending December 31, 2023, December 31, 2028 and December 31, 2033 (each, a "Termination Year"). In order for the Termination Option to be effective, Harris County agrees to give the City, the Redevelopment Authority and Midtown Zone written notice of its election to exercise a Termination Option no later than sixty (60) days prior to the end of the respective Termination Year (the "Required Notice Date") and the Harris

County Commissioners Court must take official action on behalf of Harris County to terminate Harris participation in the Midtown Zone, if not previously taken, between the Required Notice Date and the end of the Termination Year (December 31). If Harris County fails to properly give notice of exercise of a Termination Option on or prior to the Required Notice Date and take official action to terminate its participation in the Midtown Zone as set forth above, such Termination Option shall be deemed waived and of no further force and effect. Full payment of the Harris County Tax Increment Participation for the tax year constituting the Termination Year shall be made by Harris County to the Midtown Zone prior to the end of the succeeding tax year, as is customary. In the event Harris County exercises a Termination Option, this Agreement shall be effectively terminated as of the date of full payment of the Harris County Tax Increment Participation for the tax year constituting the Termination Year. Upon termination of this Agreement, the obligation of Harris County to contribute to the Tax Increment Fund for the Midtown Zone shall end. However, any refund obligations of the City and the Midtown Zone shall survive such termination.

B. Early Termination

The Midtown Zone may terminate pursuant to the provisions of Section 311.017 of the Texas Tax Code.

VII.

MISCELLANEOUS

A. Severability

In the event any term, covenant or condition herein contained is held to be invalid by any court of competent jurisdiction, such invalidity shall not affect any other term, covenant or condition herein contained, except as stated in the next paragraph.

In the event any term, covenant or condition shall be held invalid and affects in any manner the limitations on any party's contributions or participation, then neither Harris County nor any other party, shall have any liability for any incremental or other payments as may otherwise be provided for in this Agreement.

B. Entire Agreement

This Agreement merges the prior negotiations and undertakings of the parties hereto and embodies the entire agreement of the parties, and there are no other agreements, assurances, conditions, covenants (express or implied) or other terms with respect to the covenants, whether written or verbal, antecedent or contemporaneous, with the execution hereof.

C. Written Amendment

Unless otherwise provided herein, this Agreement may be amended only by written instrument duly approved and executed on behalf of each party.

D. Notices

All notices required or permitted hereunder shall be in writing and shall be deemed delivered when actually received or, if earlier, on the third (3rd) day following deposit in a United States Postal Service post office or receptacle with proper postage affixed (certified mail, return receipt requested) addressed to the respective other party at the address prescribed in Section I of this Agreement or at such other address as the receiving party may have theretofore prescribed by notice to the sending party.

E. Non-Waiver

Failure of any party hereto to insist on the strict performance of any of the agreements herein or to exercise any rights or remedies accruing hereunder upon default or failure of performance shall not be considered a waiver of the right to insist on, and to enforce by any

appropriate remedy, strict compliance with any other obligation hereunder or to exercise any other right or remedy occurring as a result of any future default or failure of performance.

F. Assignment

No party shall assign this Agreement at law or otherwise without the prior written consent of the other parties. No party shall delegate any portion of its performance under this Agreement without the written consent of the other parties.

G. Successors

This Agreement shall bind and benefit the parties and their legal successors. This Agreement does not create any personal liability on the part of any officer, agent or employee of the City, Harris County, the Midtown Zone or the Redevelopment Authority.

H. No Waiver of Immunity

No party hereto waives or relinquishes any immunity or defense on behalf of itself or its officers, employees, and agents as a result of its execution of this Agreement and performance of the covenants contained herein.

Appendix A

Midtown Contractor Standards

The following standards shall be ~~considered when developing~~ incorporated into the Policy under the Agreement.

- I. All Midtown Contractors shall provide a list of all anticipated subcontractors, equipment suppliers, and vendors. Upon award of any subcontract to a subcontractor, the Midtown Contractor shall provide a copy of said subcontract incorporating the requirements of the Agreement.
- II. Worker Protection Certification
 - a. Projects shall be certified in accordance with the Better Builder® certification process for construction.
 - b. Better Builder® certification must be outlined, signed, and approved in a separate agreement by all applicable parties.
- III. Wages
 - a. Midtown Contractors shall ensure all workers receive the higher of either a prevailing wage, as defined by the Davis Bacon Act, or the living wage of \$15.00 per hour.
 - b. Midtown Contractors shall maintain weekly payroll reports and basic records relating thereto for the duration of the project for all laborers and mechanics working at the site of the project. Such records shall include the name, address, a unique identification number (other than social security numbers) for each such worker, his or her labor classification, hourly rate of wages paid, number of hours worked, deductions made, and actual wages paid.
 - c. With each monthly pay application, the Midtown Contractor shall submit a copy of all weekly payroll reports including the employee's name, a unique identification number for each such worker on each project, zip code of the employee's home address and other information required by the below sections. Each payroll report shall be accompanied by a signed "Statement of Compliance" certifying:
 1. That such information is correct and complete;
 2. That each worker has been paid the full weekly wages earned;

3. That each worker has not been paid less than the applicable wage rate.
- d. The Redevelopment Authority will provide required blank payroll reports and certifications to be submitted with each pay estimate.
- e. The Redevelopment Authority, Harris County, or their respective appointees may conduct on-site interviews with employees to confirm their zip code, wage paid, and benefits received.
- f. If it is determined that a Midtown Contractor has not complied with the requirements of this section, the Redevelopment Authority shall withhold a total of \$60.00 per working day per employee not compensated from the Midtown Contractor's monthly pay estimate as a penalty for non-compliance. The Midtown Contractor shall thereafter provide documentation showing that any employee not compensated at the minimum hourly rate has received retroactive restitution between the hourly wage paid and the minimum hourly wage. The penalty shall continue until such restitution has been paid.

IV. Local Hire

The Redevelopment Authority shall prioritize local hiring of people living in Harris County within zip codes that are identified as having a population with poverty or unemployment rates higher than the Harris County average. Applicable zip codes include zip codes within the boundaries of the Redevelopment Authority plus other zip codes to be further provided in the Policy.

The Redevelopment Authority shall make a good faith effort to ensure that a minimum of twenty-five percent (25%) of the total hours worked on site by the Midtown Contractor are by employees meeting this requirement.

V. Second Chances

- a. The Redevelopment Authority shall make a good faith effort in hiring of employees for projects hired on or after the date of the Agreement to opening opportunities for employment and job training for individuals with barriers to employment, such as individuals with criminal records and low educational attainment. Such good faith efforts may include, but shall not be limited to:
 - (i) not including questions on job applications relative to criminal records;
 - (ii) not including criminal background checks as part of initial applicant screening or interviews or prior to making a conditional offer of employment (although background checks may be performed prior to making a final offer of employment);
 - (iii) not requiring applicants to provide information regarding the existence of arrests or criminal accusations that did not lead to conviction; and /
 - or (iv) not considering criminal convictions of job applicants that are more than

seven (7) years prior to the date the application is submitted.

- b. In monthly certifications submitted with pay estimates the Midtown Contractor shall confirm that they have complied with all four (4) of the good faith efforts enumerated above (or similar measures) to open opportunities for employment and job training for individuals with barriers to employment. Contractor shall provide the Redevelopment Authority, Harris County, or their respective appointees reasonable access to the site for purposes of interviewing the Midtown Contractor's employees to verify compliance.

VI. Labor and Workforce Safety

- a. The Midtown Contractor shall require and provide OSHA-10 training for all employees working on the project site.
- b. The Midtown Contractor shall require and provide OSHA-30 for all site safety supervisors.
- c. The Midtown Contractor shall indicate the completion date of the OSHA-10 or OSHA-30 certificate for each employee on the weekly payroll reports (when applicable), maintain a copy of all certificates in their offices, and shall provide them to Harris County, or their respective appointees within two (2) working days of the Midtown Contractor's receipt of a written request for copies of same.
- d. If the Midtown Contractor should fail to provide an OSHA certificate for any employee employed on the project site, the Midtown Contractor shall have \$60.00 per employee without a certificate per working day deducted from their monthly pay estimate as a penalty for non-compliance and will be required to provide the certificate for showing completion of training for that employee(s) within two (2) weeks of the violation.

VII. Health Care

- a. The Midtown Contractor shall offer health care benefits that meet all applicable state and federal requirements at a level which meet or exceed the requirements of the Patient Protection and Affordable Care Act.
- b. The Midtown Contractor shall send a certificate with each pay estimate certifying that each employee has been offered the opportunity to receive health care benefits meeting the applicable requirements. The Midtown Contractor shall maintain records of employees that declined to participate in company-offered healthcare programs and provide such records to the Midtown Zone, Harris County, or their respective appointees who may request such documentation. The

Midtown Zone, Harris County, or their respective appointees may also conduct field interviews with the Midtown Contractor's employees to confirm this information.

VIII. Equal Opportunity

All employees on jobs sites must be covered by an equal employment opportunity policy.

IX. Economically Disadvantage Hiring and Training

Projects have a goal that a minimum of ten percent (10%) of the total hours spent on the project be provided by Economically Disadvantaged individuals residing in Harris County. To qualify as an Economically Disadvantaged Harris County resident the individual must have met one (1) of the following requirements.

- A recipient of a needs-based scholarship within the last four years; or
- Completed a workforce training program approved by the Gulf Coast Workforce Board within the last four (4) years.

This requirement will be verified at substantial completion, but prior to any reduction in retainage. The Midtown Contractor shall provide documentation demonstrating that an employee working on site qualifies as Economically Disadvantaged. If the total hours worked based by all economically disadvantaged individuals included on the weekly payroll reports provided by the Midtown Contractor is a minimum of ten percent (10%), then this requirement is met and no further action is required.

If the total hours worked by Economically Disadvantaged individuals is less than ten percent (10%), then the Midtown Contractor shall provide scholarships to make up the difference, in a manner and amount to be determined in the Policy.

X. Tax Abatements

In the event Harris County proposes a tax abatement for the Redevelopment Authority's approval, in making its determination, the Redevelopment Authority shall consider whether the entity for which Harris County is proposing abatement has met all of the aforementioned requirements for its project, and shall also consider the following additional minimum requirements:

- New Job Creation - whether the project will provide additional full-time, non-seasonal jobs for at least 100 employees within the time period or periods set forth in the agreement.
- Job Transfer – whether the project will not solely or primarily have the effect of transferring employment from one part of Harris County to another;

- Cash-Positive Evaluation – whether the project has been evaluated using an economic development software program webLOCI, which calculates the benefits and costs to Harris County from incentive deals, including the payments and the cost of County services, with such evaluation having a cash-positive result.
- Clawback provision – whether the contract for the project provides for a clawback provision in the event the entity fails to substantially comply.

DRAFT

Summary report:
Litera® Change-Pro for Word 10.7.0.7 Document comparison done on
10/24/2019 3:40:34 PM

Style name: Bracewell Style	
Intelligent Table Comparison: Active	
Original DMS: dm://DM/5784252/18	
Modified DMS: dm://DM/5784252/19	
Changes:	
Add	34
Delete	28
Move From	0
Move To	0
Table Insert	0
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	62

DRAFT



CenterPoint Energy
3000 Harrisburg Blvd.
Houston, TX 77003

August 7, 2019

RE: Terms and Conditions Package (T&C)
Midtown Redevelopment Authority
Emancipation Ave. and Elgin St. Houston, TX
Job 91019438

Please find the attached T&C package associated with your request for the relocation of Centerpoint Energy's (CNP's) overhead facilities to underground.

The requested underground construction to be performed by CNP involves the installation of underground conductors, equipment, and related ancillary materials necessary for their function. The responsibility to produce sealed Plan and Profile drawings and acquire all associated permits necessary for your construction of the concrete encased duct line, according to the attached T&C package, is that of Midtown Redevelopment Authority.

We are agreeable to this work based on you contributing the estimated cost of the requested service, which is \$109,916.00 in conjunction with the execution of the attached Facilities Extension Agreement (FEA) and T&C package. This estimated cost is developed by using CNP standard installation equipment and labor rates. This estimate includes no costs associated with the relocation or removal of any overhead facilities, or communication conductors. CNP Service consultant Joseph Page (713-945-4268) will provide the estimate(s) associated with the overhead portion of this project.

The T&C package is effective for 365 days from August 8, 2019 provided the field conditions existing as of the date and location of the facilities on the sketches within the T&C package remain the same. After that time, the T&C package must be reviewed by Major Underground Engineering before a final commitment is made to the Customer.

If the T&C package and FEA are in accordance with your understanding; we would appreciate that you indicate acceptance by signing the cover sheet of the T&C package, the FEA and returning the original executed documents, along with remittance in the above amount. Receipt of these items will be our authorization to proceed with this project.

Sincerely,

Charles L. Kahane
Staff Engineering Specialist
Major Underground Engineering

Attachment(s)



October 17, 2019

Mr. Marlon Marshall
Midtown Redevelopment Authority
410 Pierce St., Suite 355
Houston, TX 77002
Subject: **Prime Change Proposal – 1905004**

Mr. Marshall,

Arch-Con Construction is pleased to present this proposal for the Centerpoint Underground Duct Bank Installation Along Emancipation Ave., and Elgin St., Houston, TX 77004. The Scope of Work was developed from the Major Underground Engineering drawings (8 sheets) prepared by Kimley Horn and issued by Kirksey Architecture on 09/05/19.

The proposal is submitted on a total lump sum basis to include all material, labor, insurance, supervision, project management and fee for a total sum of:

ONE MILLION EIGHT HUNDRED THIRTY FOUR THOUSAND SEVEN HUNDRED FIFTY EIGHT DOLLARS (\$1,834,758).

Qualifications: This proposal contemplates open cut trenches and street patch as per email dated 10/03/19 from Charles Kahenek with Centerpoint (in lieu of Auger/Bore and Jack method described on General Notes sheet). Proposal includes hydro exploration, street cut and traffic control permits (based on minimum traffic control requirements. No COH traffic control plan was provided). Includes off duty police officer for intersection crossings. See attached Piper-Houston quote for additional details

This tax exempt proposal is based Davis Bacon Wages with work being performed during normal working hours. Should the work be required to be performed after hours, ADD \$75,000.

We appreciate the opportunity to present this proposal and hope that you find it satisfactory. Price is valid for 30 days.

Please contact me directly should you have any questions, comments and/or concerns.

Sincerely,

A handwritten signature in blue ink, appearing to read 'William Nelson', is written over the typed name and title.

William Nelson
Senior Project Manager

CC: 1905004 File
Chris Heath – Arch-Con Corporation

For Accounting Use Only
SCO _____
Mat _____
BS _____
Total _____



**ARCH-CON
CONSTRUCTION**

PRIME CHANGE PROPOSAL FORM (FOR NEW CONSTRUCTION PROJECTS)

Date	10/17/19
Project	Fall Creek MOB
Job Number	1905004
Accounting Phase	1-26-0000-00
Project Manager	William Nelson/Corey Englade
Project Coordinator	Sandra Sanchez

Change Proposal #	1	Offsite Electrical Duct Bank
Description:	Major Underground Engineering Underground Duct Bank Installation Along Emancipation Ave. and Elgin St.	

Breakdown		Cost
1	Pieper Houston Electric Quote	\$1,687,712
2		
3		
4	General Liability and Safety (1.15%)	\$19,409
5	Builder's Risk	\$4,951
6	Bond	\$18,833

Schedule Impact
 Y _____
 N X _____
 TBD _____

Calendar Days: _____
 Revised Substantial
 Completion Date: TBD _____

Subtotal	\$	1,730,904
OH&P	\$	103,854
Total	\$	1,834,758

Approved
 Rejected

Owner's Representative _____ Date _____
William Nelson 10/17/19
 Arch-Con Corporation Date



PRICE QUOTATION SHEET

DATE: 10/2/2019

PROJECT NAME: **Affordable Housing - Centerpoint Ductbank**

DIVISION 26 ELECTRICAL PER PLANS AND SPECIFICATIONS:

TAX: () INCLUDED ON MATERIALS (X) NOT INCLUDED

ADDENDUMS ACKNOWLEDGED: (5)

GENERAL QUALIFICATIONS:

1. No disposal of hazardous material found on site. No work in or around hazardous material. Owner shall certify project is free of hazardous substances prior to start of work.
2. Pieper Houston Electric will perform work in compliance with Table 1 of the OSHA Crystalline Silica Standard for construction as stated in the PHE written exposure control plan. PHE will not be subject to or responsible for added protection for its employees from crystalline exposures created by other contractors.
3. Pieper Houston Electric is in full compliance with NFPA70E. No work shall be done on energized equipment unless a risk of loss of life is affected by the shutdown.
4. The price is based on drawings and specifications dated 7/27/18.
5. All work to be performed during normal business hours which are 7:00AM-3:30PM Monday-Friday unless otherwise noted below.
6. Quotation is subject to a mutually acceptable subcontract agreement and release of lien documents.
7. Subcontractor shall have no liability for defective plans and specifications or any errors or omissions in any design documents furnished by contractor or project owner.
8. Due to the volatility of the copper commodity markets, pricing is Valid for 30 days from the date to this quotation. Copper pricing is based on the LME spot price as of the date of the quotation. Commitments received after the expiration of 30 days shall be revised up or down based on the LME Spot price.

EXCLUSIONS:

1. Charges or fees associated with obtaining AutoCAD files and reproduction cost for construction documents.
2. Control lines required for underground layout. Control lines shall be provided for every 25,000 square feet of building pad as required for underground lay-out.
3. HVAC/plumbing, fire alarm controls and or energy management systems wiring or equipment not specifically shown on the electrical drawings.
4. Trash removal from site and any specialty dumpsters.
5. Utility Co. charges, fees, permits, or assessments.
6. Bond fees.
7. Fire alarm, security, data/comm, A/V, sound systems, cabling and conduit. (includes back boxes and conduit stubs only where shown on drawings)
8. Allowances stated in bid documents.
9. 60" radius 90 degree bends if required. The factory makes up to 48" standard and the 60" radius would be considered a custom item.
10. Any scope of work for the housing complex.
11. All work shown on drawing E0.01.
12. Any revisions per Addendum 2 of drawings 1-E2-40-01, 1-E2-40-03, 1-E2-40-05, 1-E4-01. These sheets were not provided in Addendum 2 documents.
13. Relocation of existing street lights on Dowling St., to be by other.
14. Parking fees.
15. Any infrastructure or work associated with ERRS system, no information provided.
16. Temporary power.
17. Any additional work that is not outlined in the inclusions.
18. Any additional scope for telecom. No COH approved telecom plan and profile were provided.
19. Any additional saw cutting not shown. No COH approved street cut drawings were provided.
20. Any special traffic control requirements. No COH approved traffic control plan was provided.
21. Rock cutting, painting, patching, caulking, water or fire proofing of any kind.

22. Removal, handling or replacement of historical materials, monuments or artifacts.
23. Removal of trees, fencing or any other obstruction.
24. Removal of any existing utilities or boxes in the pathway.
25. Any shutdown or tie into existing duct banks.
26. Tree protection or SWPPP.
27. Premium time.
28. Select fill, stabilized sand, or granular backfill of any nature unless listed below.
29. Surveys, layout, and engineering.
30. Bonding or allowances.
31. Repair of this scope of work if damaged by others.

INCLUSIONS:

1. All work performed during the day.
2. Davis Bacon wage rates.
3. Installation of CNP duct bank to depth on plan and profile drawing.
4. Installation of data duct bank to 5' max coverage depth.
5. Excavate, backfill, and compact trenches.
6. Backfill with 1.5 sac stabilized sand to sub grade.
7. Provide and install shoring for duct banks and manholes per depths on plan and profile.
8. Provide equipment necessary to excavate and back fill.
9. Provide and pour concrete for CNP and data duct bank per CNP standards.
10. Provide and install 1 CNP small 2 way manhole per drawings.
11. Brick up CNP manholes with red fire bricks per CNP Standards.
12. Sawcut road to 10' wide by 9" thick concrete. Both duct banks must fit in the 10' wide window.
13. Pour back 9" thick concrete paving for roadway.
14. All road work done at night, (5) 10 hour days per week.
15. Plate roadway during the daytime.
16. Offsite removal of spoils.
17. Bracing of poles during pedestal construction.
18. Provide minimum traffic control. No COH approved traffic control plan provided.
19. Provide off duty police officer for intersections crossings.
20. Street cut and traffic control permits.
21. Hydro exploration at located utility crossings.
22. Scope based on one mobilization.
23. Install jet line in all conduits and tape off for future use by others.

Base Bid:

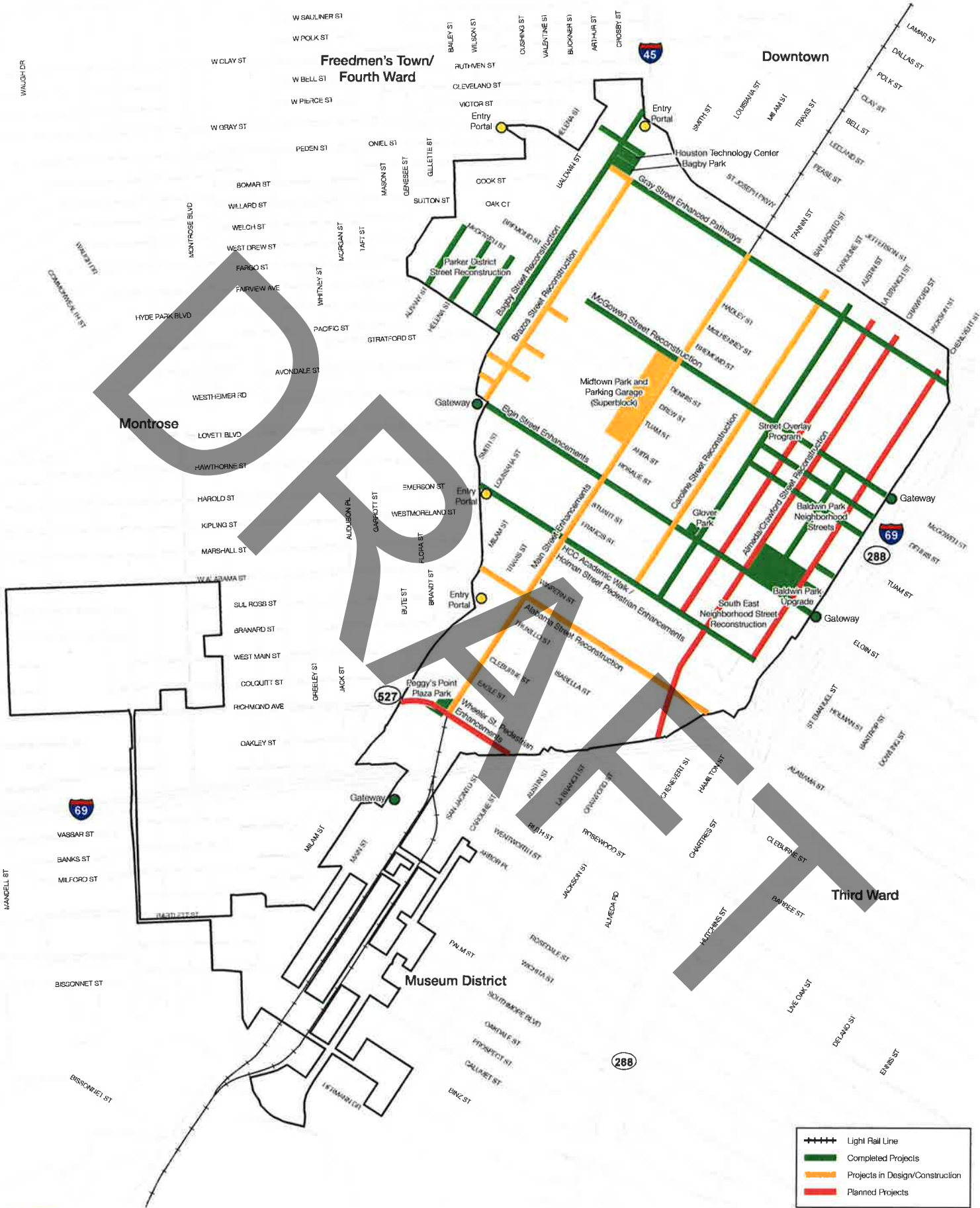
\$ 1,687,712.00

If you have any questions concerning this quotation please do not hesitate to call our office.
Respectfully Submitted,

Justin Hand
Project Manager

1708 OAK TREE
HOUSTON, TEXAS 77080
P 713.984.9342
F 713.984.1412
TMEL #3738/TECL#17343

DRAFT



**Freedmen's Town/
Fourth Ward**

Downtown

Montrose

Museum District

Third Ward

Capital Improvement Projects
Midtown Redevelopment Authority (TIRZ #2)



Capital Improvements Program

Parks and Greenspace

Midtown Park (SuperBlock)

Park Construction

Staff and design team met with front 90 restaurant broker to discuss design of food hall. Preliminary food hall design layout has been provided to the design team for review to address site civil and landscape requirements.

Staff is currently working with art consultant to finalize preparations for front 90 fountain art installation. Art is currently scheduled to begin installation next month.

Pay Applications from Millis

Pay Application	Amount	Date
45	\$210,592.59	August 2019
TOTAL TO DATE	\$17,609,283.46	

Change Orders

Change Order #	Amount	Days	Purpose	Notes	Action
1	(3,589.54)	0	Value Engineering to park design including buildings, water features, landscaping, lighting, and site materials to meet approved construction budget	Approved by MRA Board	
2	\$45,978.20	0	Owner request to add design alternates not included in initial construction contract (includes playground equipment and gate type change)	Approved by MRA Board	
3	\$46,657.50	4	Shifting of scope from garage contract to park contract (anchor bolts, backfill, manhole); Reduction in number of drilled piers	Approved by MRA Board	
4	179,099.36	0	Replacement of lighting fixtures previously removed during value engineering	Approved by MRA Board	
5	\$60,980.08	3	Garage lid waterproofing subcontractor change;	Approved by MRA Board	

			Architect requested modifications to sub foundation for berm walls and spread footings to elevate curbs		
6	\$14,879.19	0	Addition of manhole to replace inactive manhole shown in plans; removal of short segment of garage lid to install utilities	Approved by MRA Board	
7	\$49,377.00	1	Installation of garage lid waterproofing curb detail and ADA ramp shifted from garage contract to park contract; required detailing for VE modifications to sidewalks and site amenities	Approved by MRA Board	
8	(\$44,987.11)	0	VE modifications to restroom roof and deletion of planters	Approved by MRA Board	
9	\$62,668.54	8	Structural piers modification at Travis; addition of trench drain; job built culvert in bayou; additional foundation beams	Approved by MRA Board	
10	\$6,640.04	2	Granite curb and paving modifications; bollard revisions; tent anchors	Approved by MRA Board	
11	\$9,749.27	6	Landscape modifications, kiosks power and data, dog park curb modification	Approved by MRA Board	
12	\$13,592.09	3	Site drainage modifications, relocate electrical box, light fixture change and removal, pavilion millwork deletion, fence revisions	Approved by MRA Board	
13	\$110,084.45	2	Utility changes and waterproofing near berm wall, light fixture replacements, restroom wall modifications, electrical conduit adjustments, overtime allowance	Approved by MRA Board	

14	\$106,452.93	11	Rain fountain size modification; Travis Street temporary service driveway; Limestone block changed to granite; Electrical modifications for bird control system; Travis Street storm sewer unforeseen conditions; Front 90 pier drilling debris; Drainage modification at CIP wall 1 and west outcrop wall; Additional steel at pavilion roof	Approved by MRA Board	
15	\$129,243.70	0	Design modifications to landscaping, rain fountain layout, fountain link seals, McGowen St. utilities, dog park, and pavilion electrical plans	Approved by MRA Board	
16	\$111,456.51	9	Design modifications to pavilion, stair/elevator enclosure, and drainage; A/V allowance; additional work for garage TCO and artwork	Approved by MRA Board	
17	\$121,177.35	12	Work items and activities related to Super Bowl opening (construction impact, maintenance, permits, and overtime work)	Approved by MRA Board	
18	\$58,189.66	12	Design modifications to bayou to relocate overflow drain inlet from irrigation vault	Approved by MRA Board	
19	\$79,698.23	5	Design modifications to bayou piers; additional backfill over garage lid; berm guardrail post modification; guard rail extension at elevator; calm pool reinforcement; bus stop modification	Approved by MRA Board	
20	\$53,377.82	10	Storm drainage modifications and concrete foundation	Approved by MRA Board	

			installations for playground sculpture art work		
21	\$50,517.27	3	Additional bike racks; revised bollards at front 90; front 90 fountain delay; relocate fan at elevator lobby; paver protection during pavilion replacement; electrical for BCycle station; Bayou drainage modifications; delete wall cap at restroom; Camden pavilion sign	Approved by MRA Board	
22	\$0.00	0	Divide the overall project into 3 phases to better manage contractual mechanisms (substantial completion, warranties, maintenance periods, final completion and retainage)	Approved by MRA Board	
23	\$12,093.85	0	Signage revisions; playground structures modifications; landscape additions adjacent to restroom; Front 90 utilities modifications; temporary fencing in garage	Approved by MRA Board	
24	\$27,163.18	0	Front 90 fountain modifications for future artwork	Approved by MRA Board	
25	\$120,341.16	0	J-trim and wall prep for mosaic art installation; lighting, stone veneer, and signage added to mosaic art	Approved by MRA Board	
26	\$10,601.20	0	Catenary lighting and pole modifications as required for artwork at Front 90 fountain	Approved by MRA Board	
27	\$14,009.85	0	Expansion joint design modification; irrigation backflow cage; add toggle light switches in fountain rooms; PVC	Approved by MRA Board	

			plugs for future restaurant building; Kiosk foundation rebar; Credit for steel edge waterproofing; Pavilion east stair temporary modification		
28	(\$44,958.14)	0	B-Cycle concrete pad; Landscape modifications at dog run; Replacement of food truck electrical outlet receptacles; Art wall lighting cables; Dog run fence modifications	Approved by MRA Board	
29*	(\$10,800.00)	0	Substantial completion agreement for South Park; Project time extension due to front 90 issues;	Approved by MRA Board	
30	\$40,855.42	0	Modification to northeast corner of pavilion for drainage; tent anchor replacement; light shield installation; Travis Street sidewalk and curb demolition and curb replacement	Approved by MRA Board	
31*	\$0.00	0	Contract amendment for partial retainage release upon completion of South Park	Approved by MRA Board	
32	\$89,113.96	0	Temporary installation and removal of rain fountain granite pavers on pedestals during Super Bowl event; remove and replace Camden driveway curbs on Travis Street; Modification of art wall plaque; Main Street driveway, sidewalk, and curb demolition and curb replacement; credit for electrical enclosure panels at pavilion and drilled piers at front 90; demolition and replacement of Travis Street driveways	Approved by MRA Board	

33	\$6,853.64	0	Additional COH permitting costs for south park area; Installation of bollards at dumpster pad; replacement of Camden driveway curbs on Travis Street	Approved by MRA Board	
34	\$53,588.18	0	Design modifications to Front 90 to accommodate fountain location change; X-Ray for cores drilled a tunnel at Front 90; Remove existing bus stop and replace paving.	Approved by MRA Board	
35	\$38,800.95	0	Irrigation design modifications; Paving design modifications at McGowen; Relocation of existing traffic signal at Travis/McGowen METRO bus stop	Approved by MRA Board	
36	\$47,161.12	0	Grading and fill dirt for elevation changes for Main Street streetscape; Sandblasting of letters at CIP art wall; Hydro excavation to locate existing AT&T fiber optic cable along Main Street	Approved by MRA Board	
37	\$102,292.41	0	Front 90 sanitary sewer revision for connection to Main Street; relocation of vent pipe in service drive	Approved by MRA Board	
38	\$67,112.26	0	Landscape revisions along Main Street; Additional drainage inlets in service drive; bollard installations in service drive	Approved by MRA Board	
39	(\$12,223.67)	0	Relocate existing pedestrian pole; remove restaurant electrical service from scope; landscape and bollard revisions	Approved by MRA Board	
40	\$10,065.48	0	Grade existing soil and remove excess		*Board Approval Required

			dirt from front 90 restaurant site. Installation of temporary irrigation and Bermuda hydromulch		
TOTAL	\$1,847,265.55	93			

Budget

Original Contract Amount	Net Change Orders	Contract Sum to Date	Total Earned to Date	Retainage
\$16,491,724.35	\$1,847,265.55	\$18,338,989.90	\$18,248,381.64	\$639,098.19

Schedule

Original Contract Duration (substantial completion)	Days Added by Change Orders / Weather Days	Contract Total Days	Days Used	Days Remaining
365 days	93 / 58	514	526	-12

Bagby Park – Storage and Renovations

The Bagby Park – Storage and Renovations Project generally includes construction of a storage unit, stage renovations, re-grading the lawn, and installation of additional lighting.

Construction

Contractor has completed concrete pours for stage deck, storage foundation slab, and perimeter light foundations. Construction continues on site storm drainage and excavation of lawn area. Upcoming work includes completion of storm sewer and lawn grading and turf installation.

Discussions continue with kiosk tenant regarding proposed addition to current kiosk structure. Staff and design team have provided feedback on preliminary drawings. Tenant will make revisions and resubmit for review prior to submitting to City for permitting.

Pay Applications from Jerdon

Pay Application	Amount	Date
4	\$21,017.55	September 2019
TOTAL TO DATE	\$262,984.34	

Change Orders

Change Order #	Amount	Days	Purpose	Notes	Action
1	\$3,352.51	25	Coordination, management, and site preparation for canopy installation		*Board Approval Required

TOTAL	\$13,352.51	25			
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Budget

Original Contract Amount	Net Change Orders	Contract Sum to Date	Total Earned to Date	Retainage
\$480,480.00	\$3,352.51	\$483,833.31	\$294,595.44	\$31,611.10

Schedule

Original Contract Duration (substantial completion)	Days Added by Change Orders	Contract Total Days	Days Used	Days Remaining
210 days	25	235	112	123

Main Street Enhancements

The Main Street Enhancements Project will include capital improvements in the public right-of-way along Main Street from Pierce to Wheeler. Improvements to the rail transit corridor will include landscaping, street furniture, and other pedestrian-related infrastructure to encourage redevelopment and support existing developments along Main Street. The Main Street project will provide an enhanced rail transit corridor to increase comfort and safety in pedestrian environment and offer unique identity branding through Midtown.

Construction

Project currently in one-year maintenance period effective January 9, 2019. Remaining pedestrian crossing markers have been installed adjacent to Camden project.

Pay Applications from SER

Pay Application	Amount	Date
35	\$12,323.50	September 2019
TOTAL TO DATE	\$9,410,832.46	

Change Orders

Change Order #	Amount	Days	Purpose	Notes	Action
1	(\$796,356.90)	0	Revised lighting types and quantities; Additional striping per METRO; Wayfinding signage	Approved by MRA Board	
2	(\$2,687.00)	0	Removal and replacement of concrete entryway; Removal of benches with replacement with seat blocks; Removal and relocation of	Approved by MRA Board	

			existing fence in ROW; Additional wayfinding signage not included in bid form		
3	\$119,899.18	12	Irrigation sleeve locates for median irrigation design; DMX controller, receivers/transmitters for iconic lights, DMX data conduit, and AC cabinet for DMX controller;	Approved by MRA Board	
4	(\$138,527.45)	0	Work associated with the DMX Controller that was completed by Millis within the Midtown Park Project; Installation of a concrete retaining wall adjacent to the B-Cycle Station at Main Street and Holman Street; Metal grates and frames; Seat blocks with lights; Iconic light modifications	Approved by MRA Board	
5	\$344,663.39	87	Proposed irrigation work in the median and additional irrigation work in the ROW to serve the median irrigation;	Approved by MRA Board	
6	\$252,815.49	3	Median railing; Mounting brackets for light modifications; Median work performed at night per METRO direction	Approved by MRA Board	
7	(\$5,884.22)	113	Deletion of paving and curb ramps, relocation of trash cans and lighting, adjustments to sidewalk width, and changes in planting quantities; Additional days due to METRO delay and weather	Approved by MRA Board	
8	\$696,586.94	85	Addition of improvements included in Alternate 1 of original bid (Truxillo to Wheeler)	Approved by MRA Board	

9	\$213,133.10	35	Improvements at Mid-Main per Developer Agreement	Approved by MRA Board	
10	\$173,000.00	0	Additional 14 lights on new poles and additional electrical meter & service including assembly in Alternate 1; (items were included in the construction plan but left off of bid form)	Approved by MRA Board	
11	\$21,516.12	12	Installation of six additional trash receptacles; ADA revisions and installation of handrail at Main and Rosalie intersection; buried concrete slab removal	Approved by MRA Board	
12	\$338,328.52	41	Pull Box Relocation at McGowen; Additional Concrete at various locations; Remobilization costs due to METRO shutdowns; One-year landscape maintenance	Approved by MRA Board	
TOTAL	\$1,216,466.68	395			

Budget

Original Contract Amount	Net Change Orders	Contract Sum to Date	Total Earned to Date	Retainage
\$8,459,353.00	\$1,216,466.68	\$9,675,819.68	\$9,602,890.27	\$192,057.81

Schedule

Original Contract Duration (substantial completion)	Days Added by Change Orders	Contract Total Days	Days Used	Days Remaining
355 days	395	750	628	74

Caroline Street Reconstruction

The Caroline Street Reconstruction Project is the reconstruction of Caroline Street from Pierce to Elgin. The project will include concrete pavement, public utility upgrades (water, storm, sanitary), enhanced intersections, wider sidewalks, landscaping, street furniture, brick pavers, accessibility ramps, and other pedestrian-related infrastructure. The Caroline Street project will provide an enhanced pedestrian environment and an improved vehicular connection for southbound traffic through Midtown. The project has been awarded a \$4M TxDOT Grant.

Construction

Contractor has completed storm inlets installations at Rosalie and currently working on storm inlets on Tuam and Anita. Construction continues on waterline lateral and fire hydrant installations.

Follow up meeting with COH was held to discuss funding options for City requested upgrades to the water/sanitary/storm utilities and traffic signals. City has agreed to add Caroline Street traffic signal work to COH work order jobs. Further discussions will be held to review funding options for water/sanitary/storm utilities.

Change Orders

Change Order #	Contractor Amount	TxDOT fee (4.95%)	Total Amount	Days	Purpose	Notes	Action
1	\$159,844.45	\$7,912.30	\$167,756.75	0	Delay start compensation from 9/11/17-1/31/18 due to time suspension to resolve TCP and utility pole conflicts	Approved by MRA Board	
2	\$14,118.80	\$698.88	\$14,817.68	0	Temporary traffic signals as required by revised TCP	Approved by MRA Board	
3	\$79,656.64	\$3,943.00	\$83,599.64	0	Waterline revisions due to utility pole conflicts	Approved by MRA Board	
4	\$4,634.40	\$229.40	\$4,863.80	0	Manhole modifications due to waterline revisions	Approved by MRA Board	
5	\$89,582.88	\$4,434.35	\$94,017.23	0	Delay start compensation from 2/1/18-7/8/18 due to time suspension to resolve TCP and utility pole conflicts	Approved by MRA Board	
6	\$224,319.17	\$11,103.80	\$235,422.97	0	Waterline revisions related to alignment and grade adjustments to match dimensions in field		*Board Approval Required
7	\$42,792.95	\$2,118.25	\$44,911.20	0	Additional signage and equipment required by	Approved by MRA Board	

					COH requested TCP revisions		
8	\$41,591.52	\$2,058.78	\$43,650.30	0	Additional lateral connections to existing storm sewer on Austin Street	Approved by MRA Board	
9	\$40,868.40	\$2,022.99	\$42,891.39	0	Additional concrete barriers required by TCP revisions	Approved by MRA Board	
10	(pending)						
11	(pending)						
12	(pending)						
13	(pending)						
14	\$41,593.76	\$2,058.89	\$43,652.65	0	Replace existing clay storm sewer pipe during storm sewer installation at Austin/Rosalie	Approved by MRA Board	
15	\$24,800.92	\$1,227.65	\$26,028.57	0	Replace sanitary manhole and reroute 8" waterline during storm sewer installation at Austin/ Rosalie	Approved by MRA Board	
16	\$56,631.32	\$2,803.25	\$59,434.57	0	Temporary work pavement markings required Traffic Control Plan (TCP) revisions		*Board Approval Required
17	\$2,776.25	\$137.42	\$2,913.67	0	Installation only of pedestrian lighting fixtures	Approved by MRA Board	
18	\$107,250.99	\$5,308.92	\$112,559.91	0	Per COH request, use of fast track pavement at intersections to reduce traffic impact		*Board Approval Required
TOTAL	\$930,462.45	\$46,057.88	\$976,520.33	0			

DRAFT



CONTRACT CHANGE ORDER

Project: Midtown Park

Date: 9/4/2019
 Change Order No.: 40
 Job No.: 1174-005-07
 Contract No.: 1

Owner: Midtown Redevelopment Authority
 Contractor: Millis Development and Construction, Inc.

		REVISED CONTRACT TIME		REVISED CONTRACT AMOUNT	
South Park	Notice to Proceed	3/23/2016	Original Contract Amount	\$16,491,724.35	
	Contract Duration	365	Total Change Order Amount Through CO 39	\$1,837,200.07	
	Substantial Completion Date	3/23/2017	Amount of Change Order No. 40	\$10,065.48	
	Previously Approved Extension of Time	197	Total Change Orders to Date	\$1,847,265.55	
	Total Time added by this Change Order	0	Revised Contract Amount:	\$18,338,989.90	
	Revised Substantial Completion Date	10/6/2017			
Front 90	Substantial Completion Date (see C.O. 22)	2/24/2018		see above	
	Previously Approved Extension of Time	253			
	Total Time added by this Change Order	0			
	Revised Substantial Completion Date	11/4/2018			
Camden Delay	Substantial Completion Date (see C.O. 22)	6/3/2018		see above	
	Previously Approved Extension of Time	0			
	Total Time added by this Change Order	0			
	Revised Substantial Completion Date	6/3/2018			

1. GENERAL STATEMENT OF CHANGE:

This change order covers the contract modification as follows as well as the official incorporation of revised documents issued to Contractor for construction purposes.

2. TIME:

Zero (0) additional days were requested to complete the South Park work.

Zero (0) South Park Weather Days since Change Order 39

Zero (0) additional days were requested to complete the Front 90 work.

Zero (0) Front 90 Weather Days since Change Order 39

Zero (0) additional days were requested to complete the Camden Delay work.

Zero (0) Camden Delay Weather Days since Change Order 39

The work covered by this change order shall be performed under the same terms and conditions as included in the original construction contract.

Changes Approved:

Changes Recommended:

Midtown Redevelopment Authority
 Owner
 By: _____
 (Date)

IDS Engineering Group
 Construction Manager
 By: Carol D. Harrison 9/18/2019
 (Date)

Millis Development and Construction, Inc.
 Contractor
 By: _____
 (Date)

Walter P. Moore
 Engineer
 By: _____
 (Date)

CONTRACT CHANGE ORDER

Project: Midtown Park

Date: 9/4/2019
 Change Order No.: 40
 Job No.: 1174-005-07
 Contract No.: 1

Owner: Midtown Redevelopment Authority
 Contractor: Millis Development and Construction, Inc.

3. CONTRACT DOCUMENT MODIFICATIONS:
 NONE

4. CONTRACT PRICE / TIME REVISIONS:
 NONE

Add the following items:

<u>SOV No.</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Description</u>	<u>Cost</u>
Bulletin No. 33 Changes - Grading existing soil and remove excess dirt from site - COP-00244-04					
Scope: Grade existing soil and remove excess dirt from site. Temporary irrigation & Bermuda Hydromulch.					
Justification: Changes per Bulletin No. 33					
Time: Zero (0) days added to the contract					
588	1	LS	\$10,065.48	Bulletin No. 33 Changes - Grading existing soil and remove excess dirt from site - COP-00244-04	\$10,065.48

Over/Under Unused Pay Items

<u>SOV No.</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Description</u>	<u>Cost</u>
Phase I - South Park					
3a	1	LS	\$ 2,500.00	Street Cut Permit Allowance	\$2,500.00
4	1	LS	\$ 500.00	TPDES Allowance	\$500.00
Phase II - Front 90					
3b	1	LS	\$ 2,500.00	Street Cut Permit Allowance	\$2,500.00
5a	1	LS	\$ 25,000.00	Unforeseen Allowance	\$25,000.00
Phase III - Camden Delay					
5b	1	LS	\$ 25,000.00	Unforeseen Allowance	\$25,000.00
Total					\$55,500.00
Over/Under Unused Pay items Credit					(\$55,500.00)

TOTAL AMOUNT OF CHANGE ORDER NO. 40 \$10,065.48

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CONTRACT CHANGE ORDER

Project: Bagby Park Storage Building and Renovations

Date: 9/24/2019
 Change Order No.: 1
 Job No.: 1174-005-12
 Contract No.: 1

Owner: Midtown Redevelopment Authority

Contractor: Jerdon Enterprises, LP

		REVISED CONTRACT AMOUNT	
Notice to Proceed	6/10/2019	Original Contract Amount:	\$480,480.80
Duration	210	Total Change Order Amount Through CO 1	\$0.00
Substantial Completion Date	1/6/2020	Amount of Change Order No. 1	\$3,352.51
Previously Approved Extension of Time	0	Total Change Orders to Date	\$3,352.51
Time added by this Change Order	25	Revised Contract Amount	\$483,833.31
Revised Completion Date	1/31/2020		

1. GENERAL STATEMENT OF CHANGE:

This order covers the contract modification as follows:
 The addition of the stage shade structure by USA Shade to Jerdon Enterprises, LP project scope.
 This included structure, lighting and new electrical.

2. TIME: None

The work covered by this change order shall be performed under the same terms and conditions as included in the original construction contract.

Changes Approved:

Changes Recommended:

Midtown Redevelopment Authority

IDS Engineering Group

Owner

Engineer

By: _____
 (Date)

By: Carol D. Harrison 10/3/2019
 (Date)

Jerdon Enterprises, LP

Walter P. Moore

Contractor

Engineer

By: _____
 (Date)

By: _____
 (Date)

CONTRACT CHANGE ORDER

Project: Bagby Park Storage Building and Renovations

Date: 9/24/2019
 Change Order No.: 1
 Job No.: 1174-005-12
 Contract No.: 1

Owner: Midtown Redevelopment Authority

Contractor: Jerdon Enterprises, LP

ADDITIONAL ITEMS

3. CONTRACT DRAWING REVISIONS:

None

4. CONTRACT DOCUMENTS REVISIONS:

None

5. CONTRACT PRICE REVISIONS:

Add the following items:

<u>Item No.</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Description</u>	<u>Add Cost</u>
CO1A	1	Lump Sum	\$ -	Furnish and Install Shade Structure by USA Shade	\$0.00
CO1B	1	Lump Sum	\$ 832.99	Remove and reinstall two (2) fence panels behind stage	\$832.99
CO1C	1	Lump Sum	\$ 482.56	Remove and dispose of four (4) Oleander Bushes, including stumps	\$482.56
CO1D	1	Lump Sum	\$ 2,036.96	Traffic control installation and removal, two (2) setups	\$2,036.96

TOTAL AMOUNT OF CHANGE ORDER NO. 1

\$3,352.51

DRAFT



CHANGE ORDER NBR. 6

REPORT DATE: 10/21/2019 8:32:22AM

CONTRACT ID: 091271003
 PROJECT: C 912-71-3
 CONTRACT: 04173038
 AWARD AMOUNT: \$12,380,276.54
 PROJECTED AMOUNT: \$12,438,632.54
 ADJ PROJECTED AMT: \$12,911,722.58
 PEND ADJ PROJ AMT: \$12,911,722.58
 CONTRACTOR: J.D. ABRAMS, L.P.
 CO AMOUNT: \$224,319.17
 CO TYPE: NON-PARTICIPATING
 3RD PARTY AMOUNT: \$224,319.17
 APPRV LEVEL: OVERRIDE

HIGHWAY: CS
 DISTRICT: 12
 COUNTY: HARRIS
 AREA ENGINEER: John Elam, P.E.
 AREA NUMBER: 056

DESCRIPTION: Bid Item Price Adjustments
 REASON: 1E-DES ERROR DELAY, REWORK, INEFF-CONSULT
 SECONDARY REASON(S):

Functions:

<input checked="" type="checkbox"/> Extra Work	<input type="checkbox"/> Force Account
<input type="checkbox"/> Zero Dollar	<input type="checkbox"/> Final Quantity
<input checked="" type="checkbox"/> Overrun/Underrun	<input type="checkbox"/> Change Project Limits
<input type="checkbox"/> Time Adjustment	<input type="checkbox"/> Delete/Add CSJ
<input type="checkbox"/> Stock Account	

DRAFT

DESCRIBE THE REASON FOR THE CHANGE ORDER AND WHAT IS BEING CHANGED. WHEN NECESSARY, INCLUDE EXCEPTIONS TO THIS AGREEMENT:

The project plans call for the reconstruction of a concrete roadway consisting of a 2-lane roadway with curb and gutter, curb side parking lanes, storm sewer, water lines, sanitary sewer lines, bike lanes, landscape and street lighting improvements. The limits are from Elgin Street to Pierce Street in Harris County, Texas, a total of 0.689 miles.

The subject change order will adjust the price of twenty-five (25) existing items, underrun twenty-six (26) existing items and overrun one (1) existing item to the contract.

Change Order No. 6 will be in conjunction to Change Order No. 3 to compensate the contractor for contract items that have been adjusted as part of revised plan sheets in order to install the waterline. The original plan design was incorrect based on the grade, plan and profile in the field. The revised plan sheets adjusted the grade, plan and profile to match the correct dimensions in the field. The revised plan sheets will add the following items to the contract as pricing has increased/decreased due to changes in the plan sheets 20, 21 and 261-268 This change order will not add plan sheets as they were added as part of change order 3. This change order will compensate the contractor for items that have been adjusted in pricing due to material prices increasing while plan revisions were made.

The Plans, Specifications and Estimate (PS&E) were prepared by a third party consultant hired by Midtown Management and are responsible for 100% of the design at no cost to TXDOT.

The price of following existing items will be adjusted to the contract due to revised plan sheets. The price adjustments were determined fair and reasonable by the area office based upon the contractor's backup price support and breakdown documentation.

LINE 0926 5969-2002 WTR MN PVC 6i LF \$78.84 20.000 \$1,576.80
 (Original bid Price: \$82.00)
 (Original Bid QTY: 108.00 LF)

LINE 0931 5969-2003 WTR MN PVC 16i LF \$515.54 65.000 \$33,510.10
 (Original bid Price: \$505.00)
 (Original Bid QTY: 64.00 LF)

LINE 0936 5969-2005 WTR MN PVC 8i LF \$177.68 279.000 \$49,572.72
 (Original bid Price: \$175.00)
 (Original Bid QTY: 317.00 LF)

LINE 0941 5969-2006 WTR MN PVC 12i LF \$389.10 24.000 \$9,338.40
 (Original bid Price: \$325.00)
 (Original Bid QTY: 20.00 LF)

LINE 0946 5969-2015 WTR MN DI 20i LF \$723.73 35.000 \$25,330.55
 (Original bid Price: \$715.00)
 (Original Bid QTY: 14.00 LF)

LINE 0951 5969-2020 WTR MN STL 2i LF \$196.67 80.000 \$15,733.60
 (Original bid Price: \$195.00)
 (Original Bid QTY: 11.00 LF)

LINE 0956 5969-2025 WTR MN DI 24i LF \$340.03 3,407.000 \$1,158,482.21
 (Original bid Price: \$320.00)
 (Original Bid QTY: 3,437.00 LF)

LINE 0961 5969-2039 CUT/PLUG WTR MN 2i EA \$525.12 3.000 \$1,575.36

(Original bid Price: \$1,380.00)
(Original Bid QTY: 44.00 EA)

LINE 1041 5969-2124 SERV LINE LONG 5/8-1.0i EA \$1,514.30 49.000 \$74,200.70
(Original bid Price: \$1,250.00)
(Original Bid QTY: 49.00 EA)

LINE 1046 5969-2134 WET CONNECTION (8IN) EA \$934.47 6.000 \$5,606.82
(Original bid Price: \$870.00)
(Original Bid QTY: 6.00 EA)

LINE 1056 5969-2158 TAP SLV/VALV 30x24 W/BOX EA \$37,619.11 1.000 \$37,619.11
(Original bid Price: \$35,000.00)
(Original Bid QTY: 1.00 EA)

Line 1061 5969-2169 BUTTERFLY VALVE (24") replaced W/GATE VALVE (24") EA \$22,055.25 3.000 \$66,166.75
(Original bid Price: \$16,000.00)
(Original Bid QTY: 5.00 EA) - QTY in the plans = 8, but only 5 in the Bid QTY
5 are already paid @ original price of \$16,000.00/EA
3 will be paid @ increased price of \$22,055.25/EA on this CO#6

LINE 1066 5969-2177 AIR RELEASE VALVE (3IN) EA \$36,522.94 8.000 \$292,183.52
(Original bid Price: \$33,000.00)
(Original Bid QTY: 8.00 EA)

The following bid items will be underrun as the new adjusted price items were added in place of the original contract bid items.

5969-2001 WTR MN PVC 4i -9.00 LF
5969-2002 WTR MN PVC 6i -108 LF
5969-2003 WTR MN PVC 16i -64.00 LF
5969-2005 WTR MN PVC 8i -317.00 LF
5969-2006 WTR MN PVC 12i -20.00 LF
5969-2015 WTR MN DI 20i -14.00 LF
5969-2020 WTR MN STL 2i -11.00 LF
5969-2025 WTR MN DI 24i -3,437.00 LF
5969-2039 CUT/PLUG WTR MN 2i -2.00 EA
5969-2040 CUT/PLUG WTR MN 6i -2.00 EA
5969-2041 CUT/PLUG WTR MN 8i -7.00 EA
5969-2045 CUT/PLUG WTR MN 16i -3.00 EA
5969-2059 JCK TUN BORE OR AUG CSG (STL)(30IN) -125.00 LF
5969-2072 WET CONNECT 2i -3.00 EA
5969-2074 WET CONNECT 6i -2.00 EA
5969-2075 WET CONNECT 12i -1.00 EA
5969-2077 WET CONNECT 16i -1.00 EA
5969-2085 FIRE HYDRANT -11.00 EA
5969-2086 FIRE HYDR LEAD 6i PVC -66.00 LF
5969-2115 TAP SLV/VALV 20x20 -2.00 EA
5969-2121 SERV LINE SHORT 1.5-2.0i -44.00 EA

5969-2124	SERV LINE LONG 5/8-1.0I	-49.00 EA
5969-2134	WET CONNECTION (8IN)	-6.00 EA
5969-2155	CUT/PLUG WTR MN 0.75I	-3.00 EA
5969-2158	TAP SLV/VALV 30x24 W/BOX	-1.00 EA
5969-2177	AIR RELEASE VALVE (3IN)	-8.00 EA

The following bid item will be overrun as a result of the revised plan sheets adjusting the waterline quantities.

LINE 0230	0402-2001	TRENCH EXCAVATION PROTECTION	LF	\$4.00	467.000	\$1,868.00
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The revisions covered by this change order are estimated to result in an overrun of \$224,319.17. This change order is associated with a third party amount as per the advanced funding agreement. Midtown Management District will be covering 100% of the total change order. The Engineering and Contingencies on this project is 4.95%; therefore, the total the third party cost is \$235,422.97.

DRAFT

ADDITIONAL TIME NOT NEEDED

"By signing this change order, the contractor agrees to waive any and all claims for additional compensation due to any and all other expenses; additional changes for time, overhead and profit; or loss of compensation as a result of this change and that this agreement is made in accordance Item 4 and the Contract. Exceptions should be noted in explanation above."

THE CONTRACTOR

BY: _____

DATE

TYPED/PRINTED NAME: _____

DATE

TYPED/PRINTED TITLE: _____

DATE

AREA ENGINEER: _____

DATE

AREA ENGINEER'S SEAL: _____

DISTRICT ENGINEER: _____

DATE

DIRECTOR, CONSTRUCTION DIVISION: _____

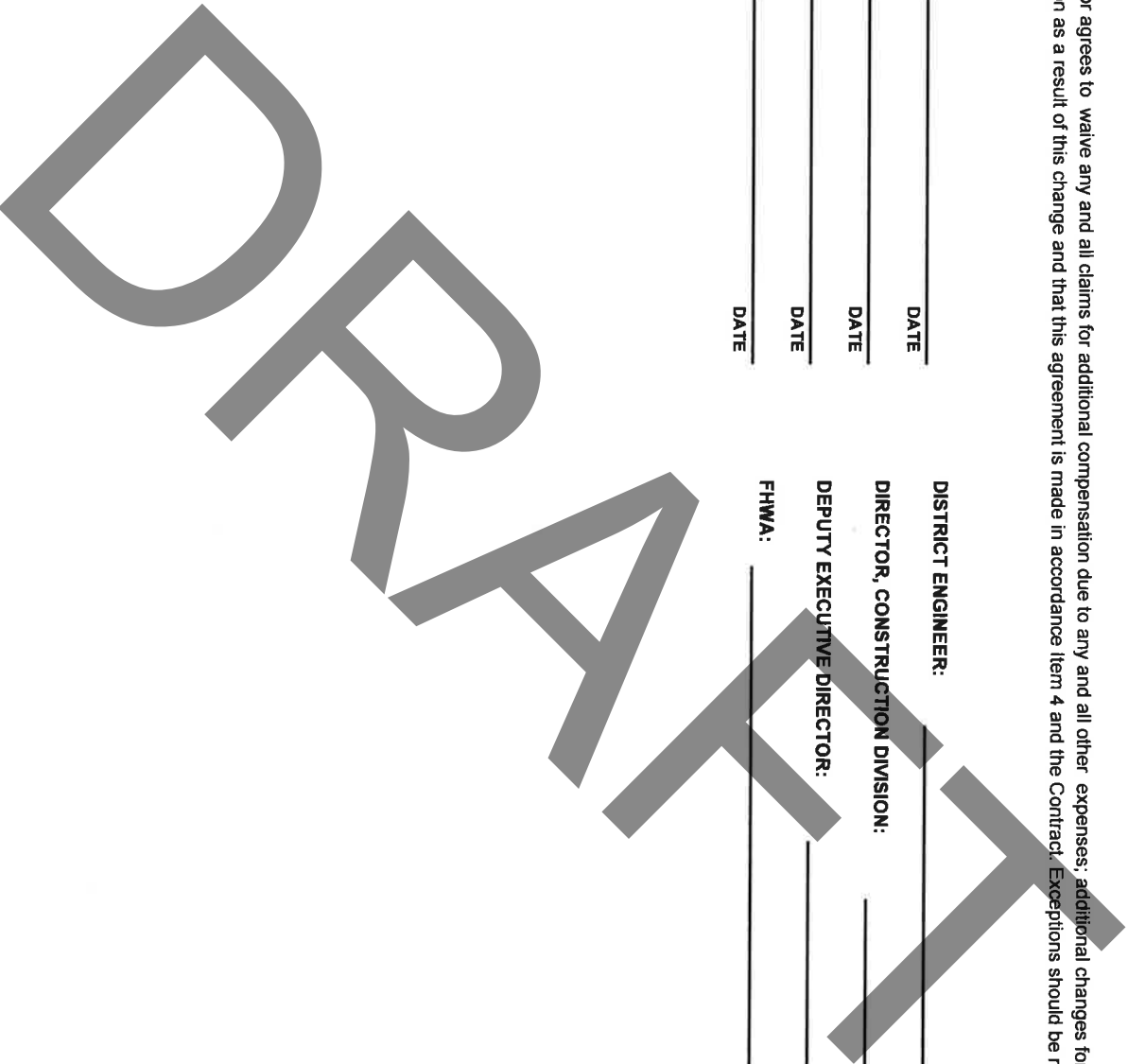
DATE

DEPUTY EXECUTIVE DIRECTOR: _____

DATE

FHWA: _____

DATE



CONTRACT ITEMS

PROJECT NBR 091271003 (C 912-71-3 NOT ELIGIBLE FOR FEDERAL PARTICIPATION)

CATG NBR	LINE ITEM	ITEM CODE	SP NBR	DESCRIPTION	UNIT	UNIT PRICE	ORIG + PREV REV QTY	QTY THIS CO	NEW QTY	AMOUNT THIS CO
001	0230	04022001 CO DESCR	000	TRENCH EXCAVATION PROTECTION CO#6	LF	4.00000	11,299.000	467.000	11,766.000	\$1,868.00
001	0920	59692001	000	WATER MAIN PIPE (PVC)(4IN)	LF	265.00000	9.000	-9.000	0.000	-\$2,385.00
001	0925	59692002	000	WATER MAIN PIPE (PVC)(6IN)	LF	82.00000	108.000	-108.000	0.000	-\$6,856.00
001	0926	59692002 ADDTL CO DESCR 1 ADDTL CO DESCR 2	000	WATER MAIN PIPE (PVC)(6IN) CO#6 Bid Item Price Adjustment	LF	78.84000	0.000	20.000	20.000	\$1,576.80
001	0930	59692003	000	WATER MAIN PIPE (PVC)(16N)	LF	505.00000	64.000	-64.000	0.000	-\$32,320.00
001	0931	59692003 ADDTL CO DESCR 1 ADDTL CO DESCR 2	000	WATER MAIN PIPE (PVC)(16N) CO#6 Bid Item Price Adjustment	LF	515.54000	0.000	65.000	65.000	\$33,510.10
001	0935	59692005	000	WATER MAIN PIPE (PVC)(8IN)	LF	175.00000	317.000	-317.000	0.000	-\$55,475.00
001	0936	59692005 ADDTL CO DESCR 1 ADDTL CO DESCR 2	000	WATER MAIN PIPE (PVC)(8IN) CO#6 Bid Item Price Adjustment	LF	177.68000	0.000	279.000	279.000	\$49,572.72
001	0940	59692006	000	WATER MAIN PIPE (PVC)(12IN)	LF	325.00000	20.000	-20.000	0.000	-\$6,500.00
001	0941	59692006 ADDTL CO DESCR 1 ADDTL CO DESCR 2	000	WATER MAIN PIPE (PVC)(12IN) CO#6 Bid Item Price Adjustment	LF	389.10000	0.000	24.000	24.000	\$9,338.40
001	0945	59692015	000	WATER MAIN PIPE (DI)(20IN)	LF	715.00000	14.000	-14.000	0.000	-\$10,010.00
001	0946	59692015 ADDTL CO DESCR 1 ADDTL CO DESCR 2	000	WATER MAIN PIPE (DI)(20IN) CO#6 Bid Item Price Adjustment	LF	723.73000	0.000	35.000	35.000	\$25,330.55
001	0950	59692020	000	WATER MAIN PIPE (STL)(2IN)	LF	195.00000	11.000	-11.000	0.000	-\$2,145.00
001	0951	59692020 ADDTL CO DESCR 1 ADDTL CO DESCR 2	000	WATER MAIN PIPE (STL)(2IN) CO#6 Bid Item Price Adjustment	LF	196.67000	0.000	80.000	80.000	\$15,733.60
001	0955	59692025	000	WATER MAIN PIPE (DI)(24IN)	LF	320.00000	3,437.000	-3,437.000	0.000	-\$1,099,940.00
001	0956	59692025 ADDTL CO DESCR 1 ADDTL CO DESCR 2	000	WATER MAIN PIPE (DI)(24IN) CO#6 Bid Item Price Adjustment	LF	340.03000	0.000	3,407.000	3,407.000	\$1,156,482.21
001	0960	59692039	000	CUT AND PLUG WATER MAIN (2IN)	EA	525.00000	2.000	-2.000	0.000	-\$1,050.00
001	0961	59692039 ADDTL CO DESCR 1	000	CUT AND PLUG WATER MAIN (2IN) CO #6	EA	525.12000	0.000	3.000	3.000	\$1,575.36

ADDTL CO DESCR 2	Bid Item Price Adjustment								
001 0965 59692040 000	CUT AND PLUG WATER MAIN (6IN)	EA	845.00000	2.000	-2.000	0.000			-\$1,690.00
001 0966 59692040	CUT AND PLUG WATER MAIN (6IN)	EA	853.84000	0.000	2.000	2.000			\$1,707.68
	ADDTL CO DESCR 1								
	ADDTL CO DESCR 2								
001 0970 59692041 000	CUT AND PLUG WATER MAIN (6IN)	EA	930.00000	7.000	-7.000	0.000			-\$6,510.00
001 0971 59692041	CUT AND PLUG WATER MAIN (6IN)	EA	942.68000	0.000	6.000	6.000			\$5,656.08
	ADDTL CO DESCR 1								
	ADDTL CO DESCR 2								
001 0975 59692045 000	CUT AND PLUG WATER MAIN (16IN)	EA	2,700.00000	3.000	-3.000	0.000			-\$8,100.00
001 0976 59692045	CUT AND PLUG WATER MAIN (16IN)	EA	2,756.38000	0.000	3.000	3.000			\$8,269.14
	ADDTL CO DESCR 1								
	ADDTL CO DESCR 2								
001 0980 59692059 000	JCK TUN BOR OR AUG CSG(STL)(30IN)	LF	430.00000	125.000	-125.000	0.000			-\$53,750.00
001 0981 59692059	JCK TUN BOR OR AUG CSG(STL)(30IN)	LF	532.96000	0.000	125.000	125.000			\$66,620.00
	ADDTL CO DESCR 1								
	ADDTL CO DESCR 2								
001 0985 59692072 000	WET CONNECTION (2IN)	EA	740.00000	3.000	-3.000	0.000			-\$2,130.00
001 0986 59692072	WET CONNECTION (2IN)	EA	719.10000	0.000	2.000	2.000			\$1,438.20
	ADDTL CO DESCR 1								
	ADDTL CO DESCR 2								
001 0990 59692074 000	WET CONNECTION (6IN)	EA	980.00000	2.000	-2.000	0.000			-\$1,960.00
001 0991 59692074	WET CONNECTION (6IN)	EA	1,028.16000	0.000	2.000	2.000			\$2,056.32
	ADDTL CO DESCR 1								
	ADDTL CO DESCR 2								
001 0995 59692075 000	WET CONNECTION (12IN)	EA	1,700.00000	1.000	-1.000	0.000			-\$1,700.00
001 0996 59692075	WET CONNECTION (12IN)	EA	1,820.48000	0.000	1.000	1.000			\$1,820.48
	ADDTL CO DESCR 1								
	ADDTL CO DESCR 2								
001 1000 59692077 000	WET CONNECTION (16IN)	EA	2,100.00000	1.000	-1.000	0.000			-\$2,100.00
001 1001 59692077	WET CONNECTION (16IN)	EA	2,273.93000	0.000	1.000	1.000			\$2,273.93
	ADDTL CO DESCR 1								
	ADDTL CO DESCR 2								
001 1010 59692085 000	FIRE HYDRANT	EA	4,000.00000	11.000	-11.000	0.000			-\$44,000.00
001 1011 59692085	FIRE HYDRANT	EA	4,313.58000	0.000	11.000	11.000			\$47,449.38
	ADDTL CO DESCR 1								
	ADDTL CO DESCR 2								
001 1015 59692086 000	FIRE HYDRANT LEAD (6IN)(PVC)	LF	38.00000	66.000	-66.000	0.000			-\$2,508.00
001 1016 59692086	FIRE HYDRANT LEAD (6IN)(PVC)	LF	36.50000	0.000	74.000	74.000			\$2,849.00

DRAFT

TEXAS DEPARTMENT OF TRANSPORTATION

CONSTRUCTION CONTRACT CHANGE ORDER NUMBER: #16 _____

Third Party Funding Notification Sheet

This form is used when the subject change order involves funding by a source other than TxDOT/U.S. DOT, and involves third parties who are providing funding under an Advance Funding Agreement or Donation Agreement.

1. Outside funding provided by:

Midtown Management District

(Outside Entity's Legal Name)

CCSJ:	0912-71-003
Project:	C 912-71-3
Highway:	CS Caroline Street
County:	Harris
District:	Houston
Contract Number:	04173038

2. Type of outside funding agreement for this change:

Existing Amended New
[Check one]

3. Indicate the type and amount of funding:

Fixed Price (Lump Sum) (Estimated Amount _____)
 Actual Cost

(a) Contract Items (Bid Items): \$56,631.32

(b) E&C*: (a) x $\frac{.0495}{\text{enter \%}}$ = \$2,803.25

TOTAL \$59,434.57

Use as needed:

I hereby acknowledge notification of the modifications covered by this Change Order.

Date _____
By _____
Typed/Printed Name _____
Typed/Printed Title _____

* The percentage (%) for E&C (Engineering and Contingencies) charges varies from project to project depending on the contract amount of the project. Projects with a higher contract amount will have a lower rate of E&C charge. For a specific project, E&C rate (%) can be derived from the cost of "Engineering and Contingencies" in the "Estimated Cost" of the project.

Funding for this Change Order has been arranged:	
TxDOT Representative _____	Date _____
Typed/Printed Name: Quincy D. Allen, P.E.	



CONTRACT ID: 091271003
PROJECT: C 912-71-3
CONTRACT: 04173038
AWARD AMOUNT: \$12,380,276.54
PROJECTED AMOUNT: \$12,438,632.54
ADJ PROJECTED AMT: \$12,911,722.58
PEND ADJ PROJ AMT: \$12,911,722.58
CONTRACTOR: J.D. ABRAMS, L.P.
CO AMOUNT: \$56,631.32
CO TYPE: NON-PARTICIPATING
3RD PARTY AMOUNT: \$56,631.32
APPRV LEVEL: OVERRIDE

CHANGE ORDER NBR.

16

REPORT DATE: 10/21/2019 3:50:51PM

HIGHWAY: CS
DISTRICT: 12
COUNTY: HARRIS
AREA ENGINEER: John Elam, P.E.
AREA NUMBER: 056

DESCRIPTION: CO16: Work Zone Pavement Markings
REASON: 1E - 1E-DES ERROR DELAY, REMORK, INEFF-CONSULT
SECONDARY REASON(S):

Functions:

<input checked="" type="checkbox"/> Extra Work	<input type="checkbox"/> Force Account
<input type="checkbox"/> Zero Dollar	<input type="checkbox"/> Final Quantity
<input type="checkbox"/> Overrun/Underrun	<input type="checkbox"/> Change Project Limits
<input type="checkbox"/> Time Adjustment	<input type="checkbox"/> Delete/Add CSJ
<input type="checkbox"/> Stock Account	

DRAFT

DESCRIBE THE REASON FOR THE CHANGE ORDER AND WHAT IS BEING CHANGED. WHEN NECESSARY, INCLUDE EXCEPTIONS TO THIS AGREEMENT:

The project plans call for the reconstruction of a concrete roadway consisting of a 2-lane roadway with curb and gutter, curb side parking lanes, storm sewer, water lines, sanitary sewer lines, bike lanes, landscape and street lighting improvements. The limits are from Elgin Street to Pierce Street in Harris County, Texas, a total of 0.689 miles.

The subject change order will add to the contract, ten (10) new items of work, one (1) new Unique Change Order Item and fifty-seven (57) Revised Plan Sheets for work zone pavement markings.

It was discovered in August 2018 that all temporary work pavement markings had not been added to the contract when the revised Traffic Control Plan (TCP) was approved. It was also discovered that no work zone pavement marking items were included in the contract for the original TCP either.

The Plans, Specifications and Estimate (PS&E) were prepared by a third party consultant hired by Midtown Management and are responsible for 100% of the design at no cost to TXDOT.

The following new items of work will be added to the contract:

LINE 1090	0662-2064	WK ZN PAV MRK REMOV (W) 4" (BRK)	
LF	\$0.47722	28,500.000	\$13,600.77
LINE 1091	0662-2067	WK ZN PAV MRK REMOV (W) 4" (SLD)	
LF	\$0.42420	10,535.000	\$4,468.95
LINE 1092	0662-6102	WK ZN PA MRK REMOV (Y) 24" (SLD)	
LF	\$2.38612	2,500.000	\$5,965.30
LINE 1093	0662-2017	WK ZN PAV MRK NON-REMOV (W)(ARROW)	
EA	\$68.93222	9.000	\$620.39
LINE 1094	0662-2027	WK ZN PAV MRK NON-REMOV (W)(WORD)	
EA	\$90.14222	9.000	\$811.28
LINE 1095	0662-2099	WK ZN PAV MRK REMOV (Y) 4" (SLD)	
LF	\$0.42420	20,000.000	\$8,484.00
LINE 1104	0677-2001	ELIM EXT PAV MRK & MRKS (4")	
LF	\$0.31815	28,500.000	\$9,067.28
LINE 1105	0678-6001	PAV SURF PREP FOR MRK (4")	
LF	\$0.12726	10,535.000	\$1,340.68
LINE 1106	0678-6009	PAV SUR PREP FOR MRK (ARROW)	
EA	\$26.51222	9.000	\$238.61
LINE 1107	0678-6016	PAV SURF PREP FOR MRK (WORD)	
EA	\$37.11778	9.000	\$334.06

The following Unique Change Order Item will be added:

LINE 0311 9608-2019 UNIQUE CHANGE ORDER ITEM 19 DOL = \$11,700.00
Mobilization for Striping - \$1,950.00 EA x 6
(No Average Low Bid) - CO#16

This change order will also add fifty-seven (57) pages of Revised Plan Sheets to the Traffic Control Plan to facilitate reconstruction of Caroline Street in accordance with the City of Houston.

The revision covered by this change order will result in an overrun of funds authorized for the project in the amount of \$56,631.32. This change order is associated with a third party amount per the advanced funding agreement. Midtown Management District will be covering 100% of the total change order. The Engineering and contingencies on this project is 4.95% and the total third party cost is \$59,434.57.

ADDITIONAL TIME NOT NEEDED

"By signing this change order, the contractor agrees to waive any and all claims for additional compensation due to any and all other expenses, additional changes for time, overhead and profit, or loss of compensation as a result of this change and that this agreement is made in accordance Item 4 and the Contract. Exceptions should be noted in explanation above."

THE CONTRACTOR

BY: _____ DATE _____

TYPED/PRINTED NAME: _____ DATE _____

TYPED/PRINTED TITLE: _____ DATE _____

AREA ENGINEER: _____ DATE _____

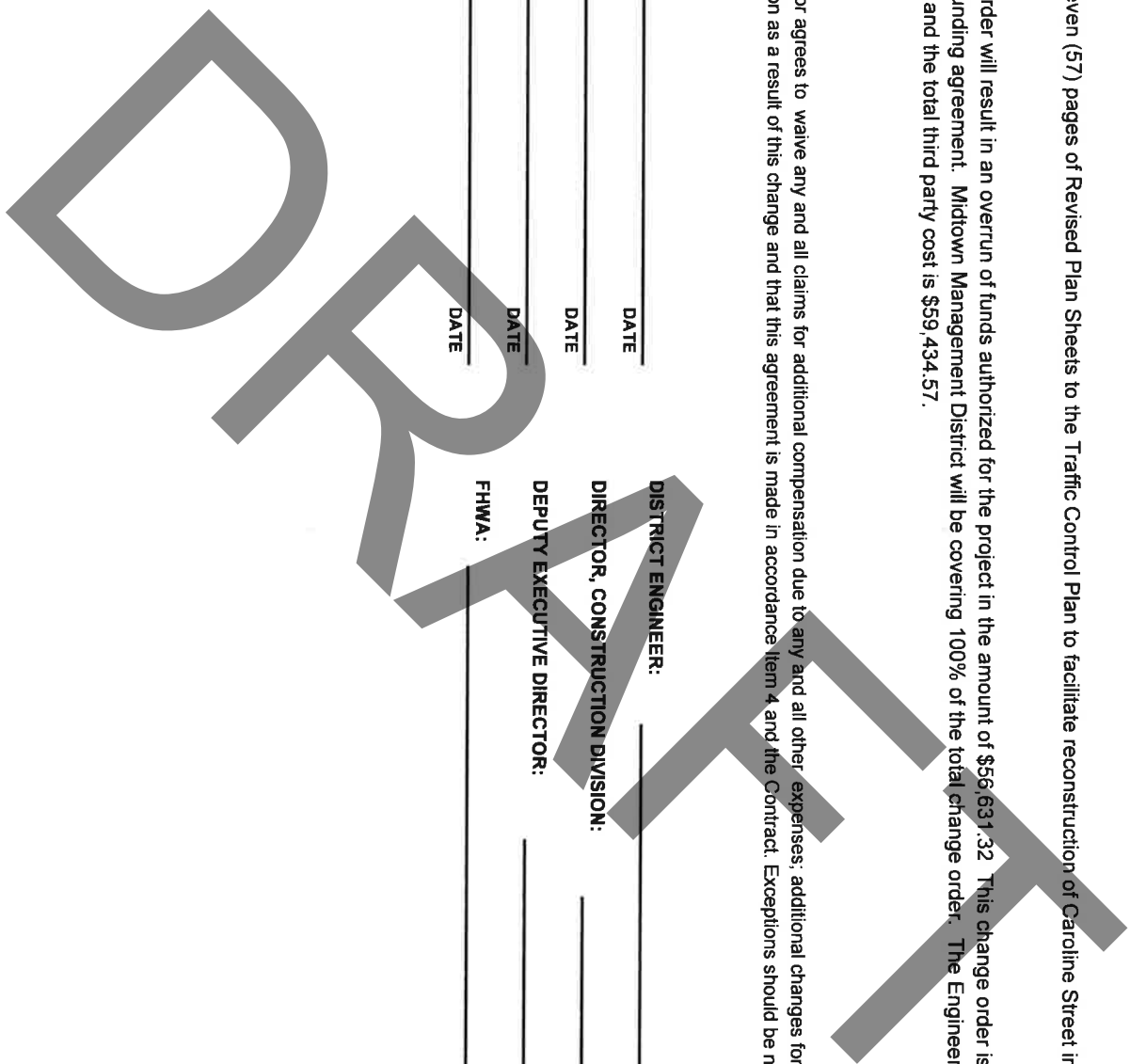
AREA ENGINEER'S SEAL: _____ DATE _____

DISTRICT ENGINEER: _____ DATE _____

DIRECTOR, CONSTRUCTION DIVISION: _____ DATE _____

DEPUTY EXECUTIVE DIRECTOR: _____ DATE _____

FHWA: _____ DATE _____



CONTRACT ID 091271003
 CONTRACT ITEMS

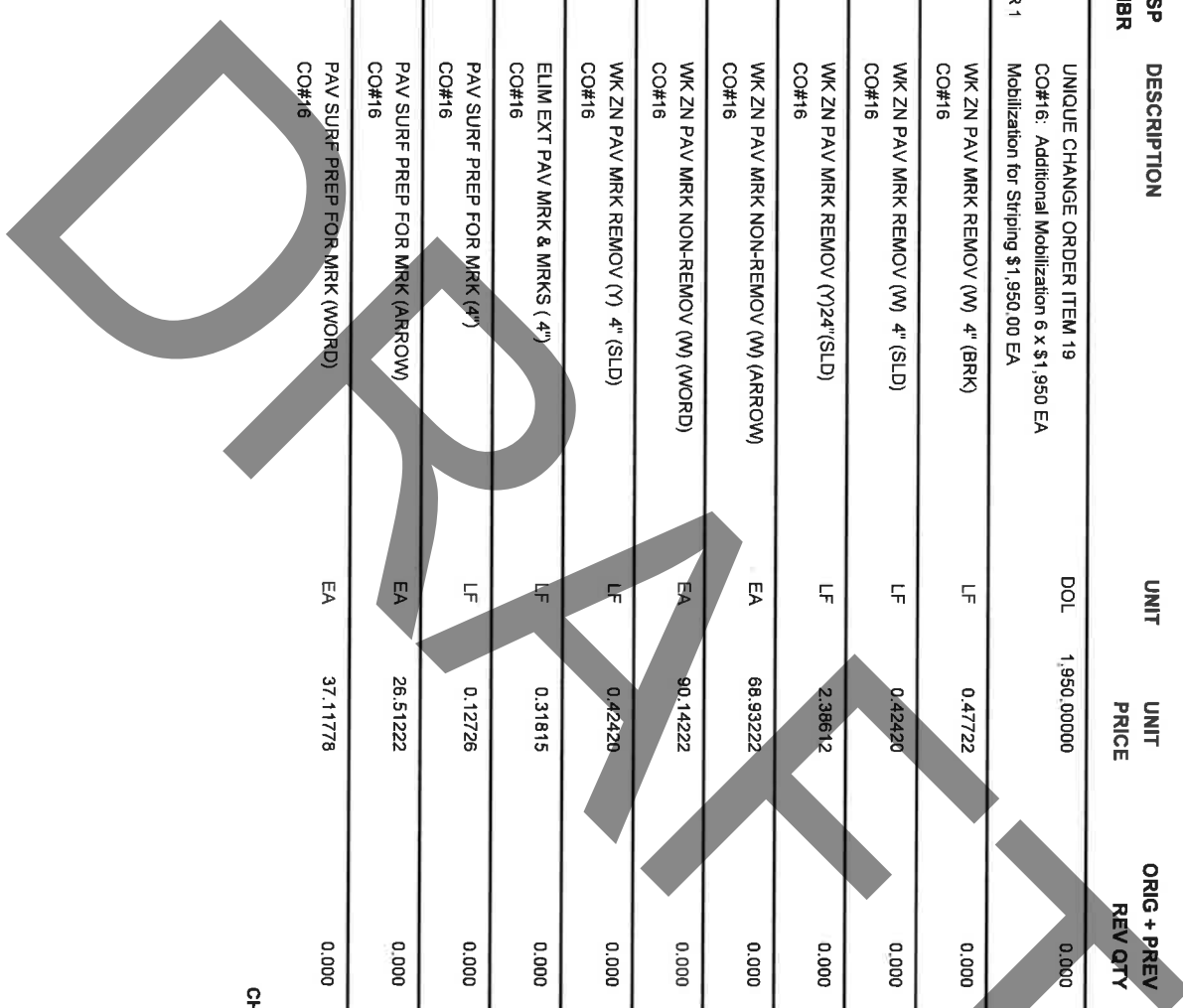
CHANGE ORDER NBR. 16

Page 4 of 4

PROJECT NBR 091271003 (C 912-71-3 NOT ELIGIBLE FOR FEDERAL PARTICIPATION)

CATG NBR	LINE ITEM	ITEM CODE	SP NBR	DESCRIPTION	UNIT	UNIT PRICE	ORIG + PREV REV QTY	QTY THIS CO	NEW QTY	AMOUNT THIS CO
001	0311	96082019		UNIQUE CHANGE ORDER ITEM 19 CO#16: Additional Mobilization 6 x \$1,950 EA ADDTL CO DESCR 1 Mobilization for Striping \$1,950.00 EA	DOL	1,950.00000	0.000	6.000	6.000	\$11,700.00
001	1090	06622064		WK ZN PAV MRK REMOV (W) 4" (BRK) CO#16	LF	0.47722	0.000	28,500.000	28,500.000	\$13,600.77
001	1091	06622067		WK ZN PAV MRK REMOV (W) 4" (SLD) CO#16	LF	0.42420	0.000	10,535.000	10,535.000	\$4,468.95
001	1092	06626102		WK ZN PAV MRK REMOV (Y)24"(SLD) CO#16	LF	2.38612	0.000	2,500.000	2,500.000	\$5,965.30
001	1093	06622017		WK ZN PAV MRK NON-REMOV (W) (ARROW) CO#16	EA	68.93222	0.000	9.000	9.000	\$620.39
001	1094	06622027		WK ZN PAV MRK NON-REMOV (W) (WORD) CO#16	EA	90.14222	0.000	9.000	9.000	\$811.28
001	1095	06622099		WK ZN PAV MRK REMOV (Y) 4" (SLD) CO#16	LF	0.42420	0.000	20,000.000	20,000.000	\$8,484.00
001	1104	06772001		ELIM EXT PAV MRK & MRKS (4") CO#16	LF	0.31815	0.000	28,500.000	28,500.000	\$9,067.28
001	1105	06786001		PAV SURF PREP FOR MRK (4") CO#16	LF	0.12726	0.000	10,535.000	10,535.000	\$1,340.68
001	1106	06786009		PAV SURF PREP FOR MRK (ARROW) CO#16	EA	26.51222	0.000	9.000	9.000	\$238.61
001	1107	06786016		PAV SURF PREP FOR MRK (WORD) CO#16	EA	37.11778	0.000	9.000	9.000	\$334.06

CHANGE ORDER AMOUNT \$56,631.32



DRAFT

TEXAS DEPARTMENT OF TRANSPORTATION

CONSTRUCTION CONTRACT CHANGE ORDER NUMBER: #18

Third Party Funding Notification Sheet

This form is used when the subject change order involves funding by a source other than TxDOT/U.S. DOT, and involves third parties who are providing funding under an Advance Funding Agreement or Donation Agreement.

1. Outside funding provided by:

Midtown Management District
(Outside Entity's Legal Name)

CCSJ:	0912-71-003
Project:	C 912-71-3
Highway:	CS Caroline Street
County:	Harris
District:	Houston
Contract Number:	04173038

2. Type of outside funding agreement for this change:

Existing Amended New
[Check one]

3. Indicate the type and amount of funding:

Fixed Price (Lump Sum) (Estimated Amount _____)
 Actual Cost

(a) Contract Items (Bid Items): \$107,250.99

(b) E&C*: (a) x $\frac{.0495}{\text{enter \%}}$ = \$5,308.92

TOTAL \$112,559.91

Use as needed:

I hereby acknowledge notification of the modifications covered by this Change Order.

Date _____

By _____

Typed/Printed Name _____

Typed/Printed Title _____

* The percentage (%) for E&C (Engineering and Contingencies) charges varies from project to project depending on the contract amount of the project. Projects with a higher contract amount will have a lower rate of E&C charge. For a specific project, E&C rate (%) can be derived from the cost of "Engineering and Contingencies" in the "Estimated Cost" of the project.

Funding for this Change Order has been arranged:

TxDOT Representative Date

Typed/Printed Name: Quincy D. Allen, P.E.



CHANGE ORDER NBR. 18

REPORT DATE: 10/23/2019 9:08:43AM

CONTRACT ID: 091271003
 PROJECT: C 912-71-3
 CONTRACT: 04173038
 AWARD AMOUNT: \$12,380,276.54
 PROJECTED AMOUNT: \$12,438,632.54
 ADJ PROJECTED AMT: \$12,911,722.58
 PEND ADJ PROJ AMT: \$12,911,722.58
 CONTRACTOR: J.D. ABRAMS, L.P.
 CO AMOUNT: \$107,250.99
 CO TYPE: NON-PARTICIPATING
 3RD PARTY AMOUNT: \$107,250.99
 APPRV LEVEL: OVERRIDE

HIGHWAY: CS
 DISTRICT: 12
 COUNTY: HARRIS
 AREA ENGINEER: John Elam, P.E.
 AREA NUMBER: 056

DESCRIPTION: CO18: 11" Fast Track Concrete Pavement
 REASON: 1E - TIME-DES ERROR DELAY, REWORK, INEFF-CONSULT
 SECONDARY REASON(S):

Functions:

<input checked="" type="checkbox"/> Extra Work	<input type="checkbox"/> Force Account
<input type="checkbox"/> Zero Dollar	<input type="checkbox"/> Final Quantity
<input checked="" type="checkbox"/> Overrun/Underrun	<input type="checkbox"/> Change Project Limits
<input type="checkbox"/> Time Adjustment	<input type="checkbox"/> Delete/Add CSJ
<input type="checkbox"/> Stock Account	

DRAFT

DESCRIBE THE REASON FOR THE CHANGE ORDER AND WHAT IS BEING CHANGED. WHEN NECESSARY, INCLUDE EXCEPTIONS TO THIS AGREEMENT:

The project plans call for the reconstruction of a concrete roadway consisting of a 2-lane roadway with curb and gutter, curb side parking lanes, storm sewer, water lines, sanitary sewer lines, bike lanes, landscape and street lighting improvements. The limits are from Elgin Street to Pierce Street in Harris County, Texas, a total of 0.689 miles.

The subject change order will add one (1) new item and adjust the quantity of three (3) existing items to the contract.

The Plans, Specifications and Estimate (PS&E) were prepared by a third party consultant hired by Midtown Management and are responsible for 100% of the design at no cost to TXDOT.

To accelerate the project, the Contractor requested to use Fast Track Pavement. The use of Fast Track Concrete Pavement was called for in the plans, but the bid item was not part of the original contract.

The use of high early strength concrete (fast track pavement) within the intersections was referenced in the general notes of the plans but was not included as a bid item in the original contract. The justification for the use of fast track pavement within the intersections is to expedite the reopening of intersections in order to reduce the impact on open traffic. The use of fast track pavement should allow the street to be reopened after 24 hours instead of the 7 days necessary for conventional concrete to cure at the strength high enough to be suitable for traffic loads. Prior to construction the use of fast track pavement was discussed between TXDOT, KCI, Midtown, and JD Abrams and was agreed upon that fast track would be used within the intersections.

To accomplish the goal of using Fast Track Pavement this change order is necessary to deduct specified quantities for three (3) existing line items needed for Concrete Paving 8" and replace with the new added line item for Fast Track Paving.

The Contractor proposed \$98.82/SY for the 11" Fast Track and the average low bid is \$97.00/SY. The North Harris Area Office accepts the proposal to be fair and reasonable.

The following new item will be added to the contract:

LINE 0200 ITEM 0360-6088 CONC PAV (JOINT REINF)(FAST TRK)(11") SY 3,816.100 \$98.82 \$377,092.10

The quantity of the following existing items will be adjusted to the contract:

LINE 0185 0260-2012 LIME (HYD, COM OR OK)(SLRY)OR OK (DRY) TON -80.140 \$265.00 -\$21,237.10

LINE 0190 0260-2073 LIME TRT (SUBGRADE)(8") SY -3,816.100 \$3.15 -\$12,020.72

LINE 0195 0360-2025 CONC PAV (JOINT REINF)(8") SY -3,816.100 \$62.00 -\$236,598.20

The revision covered by this change order will result in an overrun of funds authorized for the project in the amount of \$107,250.99. This change order is associated with a third party amount per the advanced funding agreement. Midtown Management District will be covering 100% of the total change order. The Engineering and Contingencies on this project is 4.95% and the total third party amount is \$112,559.91.

ADDITIONAL TIME NOT NEEDED

"By signing this change order, the contractor agrees to waive any and all claims for additional compensation due to any and all other expenses; additional changes for time, overhead and profit; or loss of compensation as a result of this change and that this agreement is made in accordance Item 4 and the Contract. Exceptions should be noted in explanation above."

THE CONTRACTOR

BY: _____ DATE _____

TYPED/PRINTED NAME: _____ DATE _____

TYPED/PRINTED TITLE: _____ DATE _____

AREA ENGINEER: _____ DATE _____

AREA ENGINEER'S SEAL: _____ DATE _____

DISTRICT ENGINEER: _____ DATE _____

DIRECTOR, CONSTRUCTION DIVISION: _____ DATE _____

DEPUTY EXECUTIVE DIRECTOR: _____ DATE _____

FHWA: _____ DATE _____

DRAFT

CONTRACT ID 091271003
 CONTRACT ITEMS

CHANGE ORDER NBR. 18

PROJECT NBR 091271003 (C 912-71-3 NOT ELIGIBLE FOR FEDERAL PARTICIPATION)

CATG NBR	LINE ITEM	ITEM CODE	SP NBR	DESCRIPTION	UNIT	UNIT PRICE	ORIG + PREV REV QTY	QTY THIS CO	NEW QTY	AMOUNT THIS CO
001	0185	02602012	003	LME(HYD.COM OR QK(SLURY)OR QK(DRY) CO#18: Reduce QTY and Replace with 11" Fast Track	TON	265.00000	508.000	-80.140	427.860	-\$21,237.10
001	0190	02602073	003	LME TRT (SUBGRADE)(8") CO#18: Reduce QTY and Replace with 11" Fast Track	SY	3.15000	24,183.000	-3,816.100	20,366.900	-\$12,020.72
001	0195	03602025	013	CONC PAV (JOINT REINF)(8") CO#18: Reduce QTY and Replace with 11" Fast Track	SY	62.00000	21,600.000	-3,816.100	17,783.900	-\$236,598.20
001	0200	03606088		CONC PAV (JOINT REINF) (FAST TRK) (11") CO#18	SY	98.82000	0.000	3,816.100	3,816.100	\$377,107.00

CHANGE ORDER AMOUNT \$107,250.99

