



midtown
H O U S T O N

**MIDTOWN REDEVELOPMENT AUTHORITY/
TIRZ#2
BOARD OF DIRECTORS MEETING
SEPTEMBER 30, 2021**



**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 regular** meeting, open to the public, with the Board of Directors of the Midtown Reinvestment Zone on **Thursday, September 30, 2021, at 12:30 P.M.** at the offices of Bracewell LLP, 711 Louisiana Street, Suite 2300, Houston, Texas 77002 and via Webex at the following link: <https://bracewell.webex.com/bracewell/j.php?MTID=m000f29f24cfa36ce35403109469a1199> or dial US Toll Free 1-855-282-6330, and when prompted enter Access Code 259 102 59927 #.

A quorum of the Board of Directors will be physically present at the meeting location. This meeting will be conducted in person and by videoconference in accordance with the provisions of Section 551.127 of the Texas Government Code. The meeting location will be open to the public during open portions of the meeting.

The public will be permitted to offer comments as provided on the agenda and as permitted by the presiding officer during the meeting. During a public comment period, any person may address the Board of Directors in person or via Webex at the following link: <https://bracewell.webex.com/bracewell/j.php?MTID=m000f29f24cfa36ce35403109469a1199> or dial US Toll Free 1-855-282-6330, and when prompted enter Access Code 259 102 59927 #. For an electronic copy of agenda documents, please refer to the following link: <https://midtownhouston.com/affiliated-organizations/mra/board/>.

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 August 26, 2021.
4. Consent Agenda for the Authority:
 - a. Minutes for August 26, 2021;
 - b. Monthly financial reports for August 30, 2021;
 - c. Invoices from Trustee and Operating Accounts for August 2021.

5. Fiscal Year 2021 Financial Audit.
6. Investment Reports for Quarters ending December 31, 2020 and June 30, 2021.
7. Midtown Affordable Housing Program:
 - a. Affordable Housing Operations Campus;
 - i. Change Orders;
 - ii. Approve Professional Services Agreement and Work Order for Project Management Services - Vergel Gay & Associates;
 - b. Presentation regarding Development Agreement with Cole Klein Builders, LLC;
 - c. Presentation regarding a Multi-Family Affordable Housing Project to be located at 0 Calhoun, Houston, Texas - Horizon International Group, LLC and A.C.T.I.O.N. CDC;
 - d. Affordable Housing Development Update.
8. Midtown Capital Improvements Program:
 - a. Architectural and Engineering Services
 - i. Approve Professional Services Agreement and Work Order for On-Call Services
 1. Design Workshop
 2. Lionheart Places
 3. OJB Landscape Architecture
 4. Walter P Moore
 - b. Parks and Greenspace - Walter P Moore / Design Workshop
 - i. Baldwin Park
 1. Approve Work Order for Construction Administration Services
 2. Approve Work Order for Construction Management and Inspection Services
 - c. Caroline Street Reconstruction – ESPA Corp/KCI
 - i. Change Orders
9. 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).

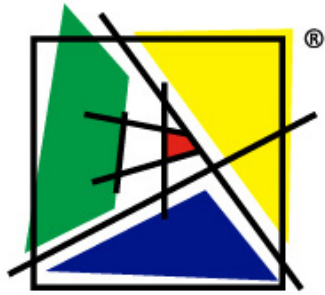
Upon entering into the executive session, the presiding officer shall announce which agenda items will be discussed.

10. Adjourn.



Matt Thibodeaux

Executive Director MT/ks



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CONSENT AGENDA

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

August 26, 2021

A regular Meeting of the Board of Directors (the “Board”) of Reinvestment Zone Number Two, City of Houston, Texas (the “Zone”) was held **Thursday, August 26, 2021 at 12:30 P.M.** via video and telephonic conferencing. 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	Donald Bond	7	Caton M. Fenz
3	Vacant	8	John Thomas
4	Michael Murphy	9	Zoe Middleton
5	Al Odom		

and all the above were present except Directors Thomas.

Also in attendance were Midtown Staff members: Matt Thibodeaux, Vernon Williams, Kandi Schramm, Todd Edwards, David Thomas, Theresa Gilmore, Marlon Marshall, Mark Sullivan, Mechelle Phillips, Jaime Giraldo, and Willie Larry; Barron F. Wallace and Mary Buzak of Bracewell LLP; Peggy Foreman of Burney & Foreman; Algenita Davis, Robert Bradford and Angie Gomez of CCPPI; Rachel Ray of Walter P. Moore; Zack Martin of MCMD, Jennifer Curley of the City of Houston; Jeri Brooks of One World Strategy Group; Theola Petteway of Almeda/OST Redevelopment Authority; Interim Executive Director Sean Haley of CCPPI; LeRon Wilson of TIRZ#25; Alex Ramirez of Design WorkShop; Mariana Rashcke of The Goodman Corporation, Joy Fitzgerald, Consultant for CCPPI; and other attendees –David Edwards, Ed Pettit, Linda Trevino, Monica Aizpurua, Ryan Burns, John Mudd, Imani Nash, Allen Douglas, Mary Claire Neal, Uyiosa Elegon, Emily Patterson, Keith Kirven, Sam Dike, Emma Whalen, Nancy Sims, Bryan Grover, George Wyche, Scott Irby, Theadore Andrews, John Mullian and Robin Owens. There were 66 attendees on the call; fourteen (14) of the attendees failed to introduce themselves and therefore their identities were unknown.

CONSENT AGENDA FOR THE MIDTOWN REINVESTMENT ZONE.

MINUTES FOR JULY 8, 2021.

Matt Thibodeaux, Executive Director, presented the consent agenda to the Board.

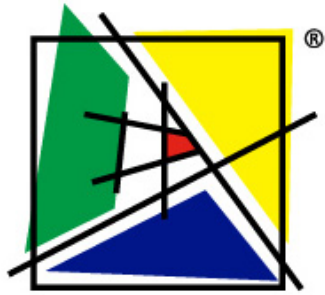
Director Goren made a motion to approve the consent agenda. The motion was seconded by Director Foster and carried by unanimous vote.

ADJOURNMENT

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

Caton Fenz, Assistant. Secretary

Date



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H O U S T O N

CONSENT AGENDA

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

August 26, 2021

A regular meeting of the Board of Directors (the “Board”) of the Midtown Redevelopment Authority (the “Authority”) was held via video and telephonic conferencing on Thursday, August 26, 2021, at 12:30 p.m. The meeting was open to the public. The roll was called of the duly appointed members of the Board, to-wit:

<u>Pos. #</u>	<u>Name</u>	<u>Pos. #</u>	<u>Name</u>
1	Camille Foster	6	Abe Goren
2	Donald Bond	7	Caton M. Fenz
3	Vacant	8	John Thomas
4	Michael F. Murphy	9	Zoe Middleton
5	Al Odom		

and all the above were present except Director Thomas.

Also in attendance were Midtown Staff members: Matt Thibodeaux, Vernon Williams, Kandi Schramm, Todd Edwards, David Thomas, Theresa Gilmore, Marlon Marshall, Mark Sullivan, Mechelle Phillips, Jaime Giraldo, and Willie Larry; Barron F. Wallace and Mary Buzak of Bracewell LLP; Peggy Foreman of Burney & Foreman; Algenita Davis, Robert Bradford and Angie Gomez of CCPPI; Rachel Ray of Walter P. Moore; Zack Martin of MCMD, Jennifer Curley of the City of Houston; Jeri Brooks of One World Strategy Group; Theola Petteway of Alameda/OST Redevelopment Authority; Interim Executive Director Sean Haley of CCPPI; LeRon Wilson of TIRZ#25; Alex Ramirez of Design WorkShop; Mariana Rashcke of The Goodman Corporation, Joy Fitzgerald, Consultant for CCPPI; and other attendees –David Edwards, Ed Pettit, Linda Trevino, Monica Aizpurua, Ryan Burns, John Mudd, Imani Nash, Allen Douglas, Mary Claire Neal, Uyiosa Elegon, Emily Patterson, Keith Kirven, Sam Dike, Emma Whalen, Nancy Sims, Bryan Grover, George Wyche, Scott Irby, Theodore Andrews, John Mulligan and Robin Owens. There were 66 attendees on the call; fourteen (14) of the attendees failed to introduce themselves and therefore their identities were unknown.

Chairman Odom called the meeting to order and welcomed guests. He announced, that the meeting was being recorded and stated that **“In accordance with section 418.016 of the Texas Government Code, as amended, the Texas Governor has temporarily suspended certain open meeting statutes that require government officials and members of the public to be physically present at a specified meeting location. As a result, governmental entities, such as the Authority and the Zone, are permitted to meet via telephonic meeting. Members of the public are invited to join the telephonic meeting and may make public comments during the public comment portion of the agenda.”**

PUBLIC COMMENTS:

Emily Patterson encouraged the Board to improve communications with Midtown residents especially regarding the status of construction on Caroline Street.

Uyiosa Elegon stated that he would also like to encourage the Board to be more communicative with the community regarding the proposal from Rice Management Company related to the ION District. He expressed concern about the Board entering into an agreement with Rice Management Company without requiring that Rice Management Company also enter into a Community Benefits Agreement exclusively with HCEED. He advised the Board that a Community Benefits Agreement with HCEED would be an effective

way to hold Rice Management Company accountable to the residents and businesses in the surrounding community who will be negatively affected by the proposed development within the ION District.

John Mulligan expressed concern about the Caroline Street Project and a large excavation site that has existed on Caroline Street for a long time. He stated that he was very concerned about potential flooding in the area.

CONSENT AGENDA FOR THE AUTHORITY:

- A. **MINUTES FOR JULY 8, 2021;**
- B. **MONTHLY FINANCIAL REPORTS FOR JUNE 30 AND JULY 31, 2021;**
- C. **INVOICES FROM TRUSTEE AND OPERATING ACCOUNTS FOR JULY 2021;**
- D. **REIMBURSEMENT TO PEARL RESIDENCES AT MIDTOWN OWNER LLC PURSUANT TO DEVELOPMENT AGREEMENT;**
- E. **REIMBURSEMENT TO CAYDON HOUSTON PROPERTY LP PURSUANT TO DEVELOPMENT AGREEMENT.**

Executive Director Thibodeaux presented the consent agenda. Director Murphy made a motion to approve the consent agenda as presented. The motion was seconded by Director Foster and carried by unanimous vote.

ECONOMIC DEVELOPMENT AGREEMENT WITH RICE UNIVERSITY, ACTING BY AND THROUGH RICE MANAGEMENT COMPANY.

Barron F. Wallace with Bracewell, LLC presented a detailed summary of the key terms of the Economic Development Agreement with Rice University, acting by and through Rice Management Company. Following an extensive discussion by the Board, Director Murphy made a motion to approve the Resolution Approving An Economic Development Agreement Between The Midtown Redevelopment Authority And Rice University, Acting By And Through Rice Management Company, Relating To The Ion District; Authorizing Certain Other Agreements And Conveyances Described Therein; And Authorizing The Authority Or Its Agent To Take All Necessary Actions Regarding Same. The motion was seconded by Director Goren and carried by 6 votes, with Director Middleton voting no.

MIDTOWN AFFORDABLE HOUSING PROGRAM:

AFFORDABLE HOUSING OPERATIONS CAMPUS;

Marlon Marshall reported that the Operations Campus is substantially complete. Residents are moving into the apartments at this time. The Garage construction is complete; waiting on the internet connection to activate the equipment. Management staff is working with the IT consultants for completion of the additional security and data equipment in order to all the function of the security system and access control devices at the Residential Apartment Building.

CHANGE ORDERS;

Mr. Marshall reported on change orders:

Change Order #28 for Security System infrastructure to provide servers, access cards and back up batteries to monitor the Operations Campus Office Building and Campus Apartments in the amount of \$21,886.13. Director Murphy made a motion to approve Change Order #28 for Security System

infrastructure to provide servers, access cards and back up batteries to monitor the Operations Campus Office Building and Campus Apartments in the amount of \$21,886.13. The motion was seconded by Director Goren and carried by unanimous vote.

Change Order #25R2 for Reconciliation of allowance credit in the amount of \$134,393.02. Director Murphy made a motion to approve Change Order #25R2 for Reconciliation of allowance credit in the amount of \$134,393.02. The motion was seconded by Director Middleton and carried by unanimous vote.

RESOLUTION AUTHORIZING A DEVELOPMENT AGREEMENT WITH NEW HOPE HOUSING, INC. FOR DEVELOPMENT OF A MULTI-FAMILY HOUSING PROJECT (0 CHACO STREET):

Peggy Foreman of Burney and Foreman reported that the team had engaged in negotiations of the terms of a Grant Agreement with New Hope Housing, Inc. to develop a multi-family housing development in the northern section of 3rd Ward. She stated that the project will consist of construction of a 3-story structure containing approximately 184, 1- and 2-bedroom rental units for households headed by persons 55 years of age or older. Ms. Foreman stated that approximately 20 of the units will be rented at market rates and the remainder would be rented for an amount that is affordable for low to moderate income persons/families. Director Goren made a motion to approve the Resolution authorizing a Grant Agreement with New Hope Housing, Inc. for Development of a Multi-Family Housing Project and to authorize the Chair or Executive Director to execute the Agreement. The motion was seconded by Director Murphy and carried by unanimous vote.

AFFORDABLE HOUSING DEVELOPMENT UPDATE.

Mr. Edwards stated that the Board packet contained a written Summary of Real Estate Activities for the month of August 2021. He stated that that CCPPI would be evaluating and conducting interviews with the 5 entities that submitted proposals in response to Request for Proposals for development of the 0 Calhoun Street property and will submit a recommendation to the Board at a future meeting. He also gave an update on the status of current single family development projects and reported that 19 of the 20 affordable units at St. Charles Place had been leased.

MIDTOWN CAPITAL IMPROVEMENT PROGRAM:

PARKS AND GREENSPACE – WALTER P. MOOR / DESIGN WORKSHOP

BAGBY PARK – STORAGE AND RENOVATIONS

Mr. Marshall reported that La Calle has opened for business at Bagby Park and they are excited to partner with Midtown in programming activities in the Park.

CHANGE ORDERS

Mr. Marshall reported that there were no change orders to be presented at this meeting.

BALDWIN PARK

Mr. Marshall reported that six (6) bids had been received for the Baldwin Park Improvements consisting of perimeter lighting, installation of playground equipment and additional electrical infrastructure. He reported that 6 bids were received on July 21, 2021, and that after review and

evaluation, the lowest most responsible bid was submitted by Landscape Art in the amount [of] not to exceed \$463,558.31. He reminded the Board that the Midtown Management District will pay the purchase cost of the new playground equipment to be installed in Baldwin Park. Director Goren made a motion to award the Contract to Landscape Art in the amount of \$463,558.31. The motion was seconded by Director Foster and carried by unanimous vote.

CAROLINE STREET RECONSTRUCTION – ESPA CORP/KCI

Mr. Marshall reported that the Contractor continues waterline and drainage installation and roadway paving and sidewalk installations between Gray and Pierce Streets. He reported that the Contractor continues to work on rain garden walls and conduit installation for streetscape lighting and irrigation between McGowen and Pierce Streets and rain garden excavations and grading for landscape installations between Elgin and McIlhenny Streets. Mr. Marshall reported that the MRA staff again met with TxDOT Leadership to advocate for increased efforts to get the project completed and for better communications with the nearby residents and the surrounding Midtown community. Mr. Marshall thanked Director Camille Foster for her participation in the call to better understand the issues relating to this project.

CHANGE ORDERS

Mr. Marshall presented the following Change Orders:

Change Order #48 for work zone pavement markings included in the revised traffic control plan for the Caroline Street Reconstruction Project in the amount of \$50,008.10. Director Bond made a motion to approve Change Order #48 for work zone pavement markings included in the revised traffic control plan for the Caroline Street Reconstruction Project in the amount of \$50,008.10. The motion was seconded by Director Goren and carried by unanimous vote.

Change Order #49 for revisions to the traffic control plan on Webster between Caroline and Austin Streets in the amount of \$8,801.24. Director Murphy made a motion to approve Change Order #49 for revisions to the traffic control plan on Webster between Caroline and Austin Streets in the amount of \$8,801.24. The motion was seconded by Director Goren and carried by unanimous vote.

Change Order #51 for installation of fire hose and connections to provide temporary water source to fire sprinkler system at 2808 Caroline Street in the amount of \$1,081.65. Director Foster made a motion to approve Change Order #51 for installation of fire hose and connections to provide temporary water source to fire sprinkler system at 2808 Caroline Street in the amount of \$1,081.65. The motion was seconded by Director Middleton and carried by unanimous vote.

Change Order #52 for an additional message board which was required by the revised traffic control plan at the Caroline and McGowen Streets intersection in the amount of \$2,545.42. Director Goren made a motion to approve Change Order #52 for an additional message board which was required by revised traffic control plan at the Caroline and McGowen Streets intersection in the amount of \$2,545.42. The motion was seconded by Director Foster and carried by unanimous vote.

Change Order #53 for the extra work required to cut, plug, remove and dispose of sections of existing waterlines planned to be abandoned in locations that conflict with construction activities in the amount of \$2,088.55. Director Foster made a motion to approve Change Order #53 for the extra work required to cut, plug, remove and dispose of sections of existing waterlines planned to be abandoned in a place that conflict with construction activities for a

cost of \$2,088.55. The motion was seconded by Director Murphy and carried by unanimous vote.

Change Order #9 for Traffic System Construction, Inc. for the repair of one 2” PVC conduit under the existing roadway which required crews to re-pull conductors as needed to return the intersection to its existing condition in the amount of \$8,305.61. Director Goren made a motion to approve Change Order #9 for Traffic System Construction, Inc. for the repair of one 2” PVC conduit under the existing roadway, which required crews to repull conductors as needed to return the intersection to its existing condition in the amount of \$8,305.61. The motion was seconded by Director Murphy and carried by unanimous vote.

PROFESSIONAL SERVICES AGREEMENTS - ARCHITECTURAL AND ENGINEERING SERVICES.

Mr. Marshall reported that the evaluation team, after seeing the number of responses and the qualifications of the firms, decided to recommend the creation of pre-qualified groupings of Architectural and Engineering Firms from which the Midtown staff could select firms to provide professional services as needed to implement the MRA Capital Improvement Plan. He further stated that the staff is working with the Bracewell law firm to update the basic form of professional services agreement and that each final agreement for a specific project, the final agreement would come to the Board for consideration and approval. Director Goren made a motion to authorize the Executive Director to negotiate final professional services agreements with firms selected from the Pre-Qualified Group of consultants to provide professional architectural and engineering services for the implementation of the MRA Capital Improvement Plan. The motion was seconded by Director Murphy and carried by unanimous vote.

EXECUTIVE SESSION

The Board did not enter into executive session for this meeting.

ADJOURN

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

Caton Fenz, Assistant Secretary

Date

Midtown Redevelopment Authority

Profit & Loss

July through August 2021

Jul - Aug 21

Ordinary Income/Expense

Income

400000 · Revenue & Support	
400009 · City of Houston Tax Increment	11,642,400.87
400025 · Interest-Debt Service & Reserve	125.95
400026 · Interest-Other Bond Funds	237.42
400029 · Interest - Affordable Housing	487.02
400030 · Interest-Operating Funds	3,782.84
Total 400000 · Revenue & Support	<u>11,647,034.10</u>

Total Income

11,647,034.10

Gross Profit

11,647,034.10

Expense

500000 · BOND FUND EXPENSES	
504000 · Projects & Expenses	
500010 · CIP '03 Admin & General Exp.	6,511.19
500046 · T-0221 Midtown Park	19,662.90
Total 504000 · Projects & Expenses	<u>26,174.09</u>
Total 500000 · BOND FUND EXPENSES	26,174.09

510000 · INCREMENT PROJECTS/EXPENSE

510002 · T-0214 Caroline St near HCCS	1,810.20
510003 · T-0211 Holman Street St	784.82
510008 · T-0220 Afford Housing Land Bnk	
510013 · T-0220 Affordable Housing Legal	10,710.00
510017 · T-0220 Drainage Fees	2,602.02
510117 · Landscape Services	84,897.91
512001 · T-0220 Aff Hous Expense	22,767.70
512003 · Operations Center (3117 Emancipation AVE & 3112 St Charles St.)	
5120031 · Lease Units Electricity	3,066.01
5120033 · Operations Center Legal	1,636.25
5120034 · Operatings Center Insurance	-755.00
512003 · Operations Center (3117 Emancipation AVE & 3112 St Charles	1,494,377.61
Total 512003 · Operations Center (3117 Emancipation AVE & 3112 St Charles	<u>1,498,324.87</u>
Total 510008 · T-0220 Afford Housing Land Bnk	1,619,302.50
510010 · T-0237 Baldwin Park Upgrades	792.00
510019 · T-0214 Caroline St	10,709.87
510024 · T-0204 Infrastruc/Street Lights	148.63
510040 · Developer Reimbursement	1,656,715.00
510041 · CIP Program Expenses	1,000.00
510045 · T-0224 HTC I - Bldg Maintenance	18,877.80
510053 · T-0233 Midtown Garage	6,033.00
510102 · HMAAC Interest Expense	5,628.90
510400 · KIOS at Bagby Park	3,400.00
510534 · T-0225 Mobility & Pedest Imprv	5,397.19
510700 · Municipal Services Costs	781,263.00
Total 510000 · INCREMENT PROJECTS/EXPENSE	<u>4,111,862.91</u>

Midtown Redevelopment Authority

Profit & Loss

July through August 2021

Jul - Aug 21

550000 · General & Admin. Expense	
550002 · Contract Labor	
550003 · Rent Expense (Additional office space)	22,535.00
550004 · Salaries	
550014 · Health Insurance	24,040.30
550015 · AFLAC	432.04
550018 · Life Insurance	51.40
550004 · Salaries - Other	273,923.36
Total 550004 · Salaries	<u>298,447.10</u>
5500047 · Overtime	
550007 · Courier Service	446.94
550008 · Office Supply & Expense	1,929.88
550010 · Telephone & Utilities	
550110 · Cellular Service	198.50
550113 · Drainage fee	239.33
550010 · Telephone & Utilities - Other	3,769.40
Total 550010 · Telephone & Utilities	<u>4,207.23</u>
550012 · Postage	320.99
550022 · Bank Charges & Fees	5,408.74
550023 · Trust Expenses	5,600.00
550026 · Accounting Consultants	1,500.00
550027 · Financial Audit (Audit Services)	20,000.00
550028 · Legal Consultants	9,517.50
550032 · Engineering Consultants	2,529.01
550034 · Equip Rent & Lease Expense	1,601.83
550036 · Licenses & Fees	217.00
550037 · Workman's Comp Insurance	712.12
550039 · Computers & Repairs & Maint	8,089.98
550044 · Payroll Expense & PR Tax Exp	410.40
550045 · Payroll Fees	3,656.88
550046 · Reimb. Employee Office Exp.	4,554.72
550047 · Soc Sec - Medicare	20,451.86
550050 · Depreciation Expense	36,422.76
550052 · Depre Expense-Midtown Park	53,040.43
550053 · Deprec Expense-Works of Art	2,419.26
550061 · Public Relations	16,662.50
550201 · CIP	43,513.46
Total 550000 · General & Admin. Expense	<u>564,195.59</u>
550051 · Dep Exp - Midtown Park/Garage	38,508.16
600000 · Bond Related Expenses	
550055 · Amort Bond Prem	-42,464.04
560039 · 2013 Bond Series Int Expense	92,451.56
560040 · 2015 Bond Int Expense	28,053.13
560041 · 2017 Bond Int Expense	149,239.58
560042 · 2020 Bond Int Exp	42,816.67

Midtown Redevelopment Authority

Profit & Loss

July through August 2021

Jul - Aug 21

Total 600000 · Bond Related Expenses	<u>270,096.90</u>
Total Expense	<u>5,010,837.65</u>
Net Ordinary Income	<u>6,636,196.45</u>
Net Income	<u><u>6,636,196.45</u></u>

Midtown Redevelopment Authority

Balance Sheet

As of August 31, 2021

Aug 31, 21

ASSETS

Current Assets

Checking/Savings

101001 · Wells Fargo Ope Acctg 64040	10,800,020.68
101002 · Infrastructure Projects 1731	953.64
101010 · WF Surplus Acct 63943	1,289.20
101020 · WF FTA Enhanced Path 63919	60.16
102200 · Logic Operating Account (Investment Account)	5,059,906.39
103200 · TexStar Operating Acct 1111	6,951.24
103600 · Wells Fargo Oper Inves 63901	731.76
103700 · WF Operating Saving 3215777180	45,325.85
104000 · Affordable Housing Accounts	
104021 · WF Afford Hous 3927	870,412.62
104022 · WF Pilot Program 3935	344.65
104116 · TexStar Aff. Hsng MM 1800	2,014.39
104200 · Logic Affordable Housing (Investment Account)	92,554.60
1043000 · BBVA USA	1,010,438.17
1044000 · Wells Fargo NAI (NAI Partners Account)	39,147.35

Total 104000 · Affordable Housing Accounts 2,014,911.78

105000 · Trustee Investments

105001 · Pledge Revenue Fund 422885	
105100 · Pledge Revenue Fund -422885	67,674.28
Total 105001 · Pledge Revenue Fund 422885	<u>67,674.28</u>

105002 · Debt Service Fund

105200 · BNY-Debt Service Fund 422896	7,521,292.81
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Total 105002 · Debt Service Fund 7,521,292.81

105003 · Reserve Fund 422897

105324 · TexStar Debt Res Fnd MM 1023 (Debt Reserve Fund)	7,422,261.09
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Total 105003 · Reserve Fund 422897 7,422,261.09

105009 · Austin Park Maint. Fund 422919

105901 · Austin Park Money Market Acct.	3,582.05
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Total 105009 · Austin Park Maint. Fund 422919 3,582.05

107000 · BOND FUNDS

107009 · BNY-TICR AFF HSG 693802	48.59
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107012 · BNY 443264 2011 Escrow	9.99
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107018 · LOGIC 2017 PROJECT FUND (Trust Account 7487592004)	3,081,663.22
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Total 107000 · BOND FUNDS 3,081,721.80

Total 105000 · Trustee Investments 18,096,532.03

Total Checking/Savings 36,026,682.73

Accounts Receivable

130100 · Tax Increments Receivable

103150 · City of Houston - Tax Increment	-10,377,009.95
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Total 130100 · Tax Increments Receivable -10,377,009.95

170000 · Accounts Receivable

170008 · KIOS	-6,400.00
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Midtown Redevelopment Authority

Balance Sheet

As of August 31, 2021

	<u>Aug 31, 21</u>
170010 · Midtown Management District	-314.52
170011 · Midtown Parks Conservancy	1,400,785.66
170020 · HX Houston Exponential AR	42,133.69
170021 · HTC BUILTOUT	338,285.67
170050 · MRA AHF	963.00
170052 · OST/ALMEDA	<u>2,366,565.95</u>
Total 170000 · Accounts Receivable	<u>4,142,019.45</u>
Total Accounts Receivable	<u>-6,234,990.50</u>
Total Current Assets	29,791,692.23
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	-2,434,324.21
150065 · Land - HTC Phase II	697,219.00
150066 · Houston Tech Center II	2,816,117.96
150067 · Accum.Deprec. HTC Phase I	-2,111,467.94
150069 · Land - Bagby Park	1,318,870.15
150070 · BagbyPark	2,453,218.83
150071 · Accum.Deprec. BagbyPark	-1,428,396.73
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	-89,512.64
150078A · Midtown (Superblock) Garage	13,784.20
150078B · Midtown (Superblockj) Park	4,598,895.40
150078C · Midtown Garage - Depreciable As	
1500781 · Acc Depre - Midtown Garage	-1,655,850.92
150078C · Midtown Garage - Depreciable As - Other	<u>23,104,895.00</u>
Total 150078C · Midtown Garage - Depreciable As	21,449,044.08
150078D · Midtown Park - Depreciable Asse	
1500782 · Acc Depre Midtown Park	-2,386,818.91
150078D · Midtown Park - Depreciable Asse - Other	<u>19,094,553.00</u>
Total 150078D · Midtown Park - Depreciable Asse	16,707,734.09
150079B · Works of Art - Donated	725,778.00
150080 · Land (Resale) (Land purchase for resale)	
150081 · Earnest Money	-49,744.89
150082 · Option Fees	9,770.00
150803 · Affordable Housing Legal	104,930.05
150804 · Affordable Housing Misc	753,699.46

Midtown Redevelopment Authority

Balance Sheet

As of August 31, 2021

	<u>Aug 31, 21</u>
150805 · AFFORD HOUS GRANTS	126,750.28
150080 · Land (Resale) (Land purchase for resale) - Other	45,939,239.97
Total 150080 · Land (Resale) (Land purchase for resale)	<u>46,884,644.87</u>
150080A · Land Held for Resale	1,999,033.00
150089 · Land HMAAC (Land)	1,206,150.00
150090 · HMAAC Property	918,850.00
150091 · Accum Depr HMAAC	-493,881.36
150100 · 2800 MAIN	317,069.93
Total 150000 · Fixed Assets	<u>107,824,843.85</u>
Total Fixed Assets	<u>107,824,843.85</u>
TOTAL ASSETS	<u><u>137,616,536.08</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
200000 · Accounts Payable	649,421.47
Total Accounts Payable	<u>649,421.47</u>
Other Current Liabilities	
200001 · Current Liabilities	
200005 · Accrued Expenses	-14,709.74
201000 · Operating Account Liabilities	-3,432.48
201001 · MIDCORP Kios	24,454.84
201002 · Due to MPC	8,850.00
202000 · Project Fund Liabilities	18,578.35
204000 · HMAAC NOTE - CURRENT	102,902.00
2103008 · CRI Current Camden	-1,445,404.56
200001 · Current Liabilities - Other	13,800.00
Total 200001 · Current Liabilities	<u>-1,294,961.59</u>
2030112 · BBVA Taxable Loan	9,164,590.65
2030113 · BBVA LOAN TAX EXEMPT	4,790,000.00
2103007 · Developer Advances Midtown Park	7,870,302.00
25000 · Retainage Payable (Retainage)	940,796.98
Total Other Current Liabilities	<u>21,470,728.04</u>
Total Current Liabilities	<u>22,120,149.51</u>
Long Term Liabilities	
210000 · Long Term Liabilities	
210047 · Bonds Payable Series '13	21,975,000.00
210049 · Bond Payable Series '15	8,755,000.00
210050 · Bond Payable Series 2017	36,485,000.00
210053 · Accrued Bond Int 2015 series	28,053.16
210055 · Accrued Bond Interest 13 Series	92,451.54
210056 · Accrued Bond Interest Series 11	0.02
210058 · Series 2013 BOND PREMIUM	918,830.91
210059 · Series 2015 Bond Prem	466,334.33
210060 · Accrued Bond Interst 2017	42,816.69

Midtown Redevelopment Authority

Balance Sheet

As of August 31, 2021

	<u>Aug 31, 21</u>
210061 · Series 2017 Bond Premium	3,368,515.75
210062 · Accrued Bond Interest Series 17	149,239.46
210063 · Series 2020 Bond Premium	1,908,078.95
210064 · Bonds Payable Series 2020	11,085,000.00
2103000 · LOANS	
2103003 · HMAAC LOAN REFINANCED	<u>710,232.82</u>
Total 2103000 · LOANS	<u>710,232.82</u>
Total 210000 · Long Term Liabilities	<u>85,984,553.63</u>
Total Long Term Liabilities	<u>85,984,553.63</u>
Total Liabilities	108,104,703.14
Equity	
1110 · Retained Earnings (Retained Earnings)	22,875,636.49
Net Income	<u>6,636,196.45</u>
Total Equity	<u>29,511,832.94</u>
TOTAL LIABILITIES & EQUITY	<u><u>137,616,536.08</u></u>

Midtown Redevelopment Authority
 Transactions by Account
 As of March 31, 2021

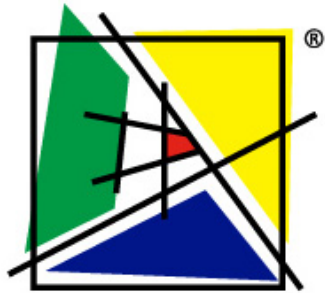
Wells Fargo Ope Acctg 64040

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	09/15/2021	10039	HX Houston Exponential	JULY - AUGUST 2021	15,585.09
Bill Pmt -Check	09/20/2021	10040	NEVA Corporation	HVAC Monthly Service	1,000.00
Bill Pmt -Check	09/20/2021	10041	Pitney Bowes Global Financial Services LL	LEASE	163.20
Bill Pmt -Check	09/20/2021	10042	Purchase Power	Postage	320.99
Bill Pmt -Check	09/22/2021	10044	FLEXTG FINANCIAL SERVICES	CANNON/IR-C5750I	660.20
Bill Pmt -Check	09/22/2021	10045	Bracewell LLP	Legals	27,542.50
Bill Pmt -Check	09/30/2021	10046	Equi-Tax, Inc.	MontlyConsultation Service fee per contrac	500.00
Bill Pmt -Check	09/30/2021	10047	IDS Engineering Group	Midtown PSA WO No 001 Ext 09 Project 1'	2,607.00
Bill Pmt -Check	09/30/2021	10048	Midtown Scouts Square Property. LP	CONTRACT PARKING	300.00
Bill Pmt -Check	09/30/2021	10049	One World Strategy Group, LLC	Public Relations	12,500.00
Bill Pmt -Check	09/30/2021	10050	Staples Advantage	Office Supplies	1,362.66
Bill Pmt -Check	09/30/2021	10051	TKE Elevators	Elevator Maintenance Service	1,293.98
Bill Pmt -Check	09/30/2021	10052	Traffic Systems Construction, Inc.	Traffic Signal Work Order FY2019B	10,709.87
Bill Pmt -Check	09/30/2021	10053	Walter P. Moore	VOID:	0.00
Bill Pmt -Check	09/30/2021	10054	Wulfe & Co.	Consulting for Bagby Park and Midown Par	3,400.00
Bill Pmt -Check	09/30/2021	10055	The Goodman Corporation	Professional Services	2,334.06
Bill Pmt -Check	09/30/2021	10056	Bee-Line Delivery Service, Inc.	Courier Services	143.99
Bill Pmt -Check	09/30/2021	10057	CenterPoint Energy	CAROLINE WO#99882060 99885778	1,274.00
Bill Pmt -Check	09/30/2021	10058	KCI Technologies	Job No. 2321-001- (E71133207) Caroline S	1,683.00
Bill Pmt -Check	09/30/2021	10059	Walter P. Moore	Professional Services	23,063.91
Bill Pmt -Check	09/30/2021	10060	TKE Elevators	Monthly Elevator Service	375.69

Midtown Redevelopment Authority
 Transactions by Account
 As of March 31, 2021

WF Afford Hous 3927
 9/30/2021

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	09/15/2021	3794	Five Pillar Pro	Real Estate Photos	1,000.00
Bill Pmt -Check	09/15/2021	3795	Kirksey Architecture, LLC	Emancipation Center Interiors	11,494.86
Check	09/16/2021	3796	City of Houston Municipal Court Dept	N37063591-NT / N37063591-01 NT 2020	434.20
Bill Pmt -Check	09/22/2021	3799	CENTERPOINT ENERGY 4	3113 SAINT CHARLES ST HOUSTON, TX 77	66.90
Bill Pmt -Check	09/30/2021	3800	Arch-Con Corporation	Project: 1905004 05-30-2021	689,264.27
Bill Pmt -Check	09/30/2021	3805	Bracewell LLP	Legal Services	11,264.25
Bill Pmt -Check	09/30/2021	3806	CCPPI	Amended Housing Grant Agreement - Septeml	95,833.33
Bill Pmt -Check	09/30/2021	3807	Martin Construction Management & Designs		25,800.00
Bill Pmt -Check	09/30/2021	3808	Four Eleven LLC	Landscape Services	37,817.73
Bill Pmt -Check	09/30/2021	3809	TransTeQ	LAWN AND LANDSCAPING SERVICE	45,244.49
Bill Pmt -Check	09/30/2021	3810	TLC Engineering, Inc.	Affordab;le Housing February thru April 2021bi	46,313.50



midtown
H O U S T O N

FY21 FINANCIAL AUDIT



Midtown Redevelopment Authority

REQUIRED COMMUNICATIONS

June 30, 2021

DRAFT

DATE, 2021

The Board of Directors
Midtown Redevelopment Authority

We are pleased to present the results of our audit of the 2021 financial statements of Midtown Redevelopment Authority (the Authority).

This report to the Board of Directors summarizes our audit, the reports issued and various analyses and observations related to the Authority's accounting and reporting. The document also contains the communications required by our professional standards.

Our audit was designed, primarily, to express opinions on the Authority's 2021 basic financial statements. We considered the Authority's current and emerging business needs, along with an assessment of risks that could materially affect the financial statements, and aligned our audit procedures accordingly. We conducted the audit with the objectivity and independence that you expect. We received the full support and assistance of the Authority's personnel.

At Carr, Riggs & Ingram, LLC (CRI), we are continually evaluating the quality of our professionals' work in order to deliver audit services of the highest quality that will meet or exceed your expectations. We encourage you to provide any feedback you believe is appropriate to ensure that we do not overlook a single detail as it relates to the quality of our services.

This report is intended solely for the use of the Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate this opportunity to work with you. If you have any questions or comments, please contact me at 832-333-7403 or at ahill@cricpa.com.

Alyssa Hill
Partner

As discussed with the Board of Directors and management during our planning process, our audit plan represented an approach responsive to the assessment of risk for the Authority. Specifically, we planned and performed our audit to:

- Perform audit services, as requested by the Board of Directors, in accordance with auditing standards generally accepted in the United States of America, in order to express opinions on the Authority’s financial statements for the year ended June 30, 2021;
- Communicate directly with the Board of Directors and management regarding the results of our procedures;
- Address with the Board of Directors and management any accounting and financial reporting issues;
- Anticipate and respond to concerns of the Board of Directors and management; and
- Other audit related procedures as they arise and upon request.

We have audited the financial statements of the governmental activities and each major fund of Midtown Redevelopment Authority (the Authority) as of and for the year ended June 30, 2021 and have issued our report thereon dated XXXXXX, 2021. Professional standards require that we provide you with the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITORS’ RESPONSE
<p>Auditors’ responsibility under Generally Accepted Auditing Standards</p>	<p>As stated in our engagement letter dated April 1, 2020, our responsibility, as described by professional standards, is to express opinions about whether the basic financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP). Our audit of the financial statements does not relieve you of your responsibilities.</p> <p>As part of our audit, we considered the internal control of the Authority. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.</p>

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p>Client's responsibility</p>	<p>Management, with oversight from those charged with governance, is responsible for designing, implementing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation in the financial statements of financial position and changes in financial position in conformity with the applicable framework. Management is responsible for the design and implementation of programs and controls to prevent and detect fraud.</p> <p>Management, with oversight from those charged with governance, is responsible for overseeing nonaudit services by designating an individual, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.</p>
<p>Planned scope and timing of the audit</p>	<p>Our initial audit plan was not significantly altered during our fieldwork.</p>
<p>Management judgments and accounting estimates <i>The process used by management in forming particularly sensitive accounting estimates and the basis for the auditors' conclusion regarding the reasonableness of those estimates.</i></p>	<p>The Authority believes estimates and assumptions, if any, provide a reasonable basis for the fair presentation of the basic financial statements. See also section titled "Accounting Policies, Judgments, and Sensitive Estimates & CRI Comments on Quality".</p>
<p>Potential effect on the financial statements of any significant risks and exposures <i>Major risks and exposures facing the Authority and how they are disclosed.</i></p>	<p>No such risks or exposures were noted other than those disclosed in the notes to the financial statements.</p>

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p>Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditors' judgment about the quality of accounting principles</p>	<p>The significant accounting policies are described in note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed in fiscal year 2021. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the basic financial statements in the proper period.</p> <p>Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were: The disclosure of restricted assets in Note 5, loans and bonds payable in Notes 6, 7, and 8, fund balances in Note 9 and the disclosure of commitments and contingencies in note 13 to the financial statements.</p> <p>The Authority's financial statement disclosures are neutral, consistent, and clear.</p>
<p>Significant difficulties encountered in the audit <i>Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.</i></p>	<p>We encountered no significant difficulties in dealing with the Authority's management in performing and completing our audit.</p>
<p>Disagreements with management <i>Disagreements, whether or not subsequently resolved, about matters significant to the financial statements or auditors' report. This does not include those that came about based on incomplete facts or preliminary information.</i></p>	<p>We are pleased to report that no such disagreements arose during the course of our audit.</p>
<p>Other findings or issues <i>Matters significant to oversight of the financial reporting practices by those charged with governance. For example, an entity's failure to obtain the necessary type of audit, such as one under Government Auditing Standards in addition to Generally Accepted Auditing Standards.</i></p>	<p>None noted.</p>
<p>Matters arising from the audit that were discussed with, or the subject of correspondence with, management <i>Business conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.</i></p>	<p>None noted.</p>

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p>Corrected and uncorrected misstatements <i>All significant audit adjustments arising from the audit, whether or not recorded by the Authority, that could, individually or in the aggregate, have a significant effect on the financial statements. We should also inform the Board of Directors about uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented, that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. We should also inform the Board about any internal control deficiencies that could have prevented the misstatements.</i></p>	<p>See "Summary of Audit Adjustments" section.</p>
<p>Major issues discussed with management prior to retention <i>Any major accounting, auditing or reporting issues discussed with management in connection with our initial or recurring retention.</i></p>	<p>Discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.</p>
<p>Consultations with other accountants <i>When management has consulted with other accountants about significant accounting or auditing matters.</i></p>	<p>None of which we are aware except those consultations performed in the normal course of business to the Authority's outside accountant.</p>
<p>Written representations <i>A description of the written representations the auditor requested or a copy of the representation letter.</i></p>	<p>See "Management Representation Letter" section.</p>
<p>Internal control deficiencies <i>Any significant deficiencies or material weaknesses in the design or operation of internal control that came to the auditors' attention during the audit.</i></p>	<p>See "Internal Control Findings" section.</p>
<p>Fraud and illegal acts <i>Fraud involving the Authority's personnel or those responsible for internal controls, or causing a material misstatement of the financial statements, where the auditor determines there is evidence that such fraud may exist. Any illegal acts coming to the auditors' attention involving senior management and any other illegal acts, unless clearly inconsequential.</i></p>	<p>We are unaware of any fraud or illegal acts involving consultants or causing material misstatement of the financial statements.</p>

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p>Required Supplementary Information <i>The auditors' responsibility for required supplementary information accompanying the financial statements, as well as any procedures performed and the results.</i></p>	<p>Required supplementary information (RSI) accompanying the financial statements was subjected to certain limited procedures, including inquiries of management regarding the methods for 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 the audit of the Authority's basic financial statements. However, we did not audit the RSI and do not express an opinion or provide any assurance on the RSI.</p>
<p>Other Supplementary Information <i>The auditors' responsibility for other supplementary information accompanying the financial statements, as well as any procedures performed and the results.</i></p>	<p>Other supplementary information, requested by the City of Houston, which accompanies the basic financial statements but is not RSI, was subject to certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures.</p>
<p>Other information in documents containing audited financial statements <i>The external auditors' responsibility for information in a document containing audited financial statements, as well as any procedures performed and the results.</i></p>	<p>Our responsibility related to documents (including annual reports, websites, etc.) containing the financial statements is to read the other information to consider whether:</p> <ul style="list-style-type: none"> • Such information is materially inconsistent with the financial statements; and • We believe such information represents a material misstatement of fact. <p>We have not been provided any such items to date and are unaware of any other documents that contain the audited financial statements.</p>

We are required to communicate our judgments about the quality, not just the acceptability, of the Authority's accounting principles as applied in its financial reporting. We are also required to communicate critical accounting policies and sensitive accounting estimates. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The Board of Directors may wish to monitor throughout the year the process used to compute and record these accounting estimates. The table below summarizes our communications regarding these matters.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	AUDITORS' CONCLUSIONS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Deferred Inflow of Resources	Deferred inflow 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 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.	X	The Authority relies on tax increment calculations from City of Houston to record deferred inflow of resources.	The Authority's policies are in accordance with all applicable accounting guidelines.
Depreciation of Capital Assets	The Authority depreciates capital assets using the straight-line method.	X	The Authority depreciates capital assets over their estimated useful lives which are based on the experience with similar assets.	The Authority's policies are in accordance with all applicable accounting guidelines.



During the course of our audit, we accumulate differences between amounts recorded by the Authority and amounts that we believe are required to be recorded under GAAP. Those adjustments are either recorded (corrected) by the Authority or passed (uncorrected). Uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even if, in the auditors' judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

Significant audit adjustments recorded as a result of audit procedures are listed in the section below titled "Corrected Adjustments". Audit adjustments uncorrected by the Authority are listed in the following section titled "Uncorrected Adjustments".

Corrected Adjustments:

- Audit adjustment related to:
 - To roll net assets due to prior year entries not recorded by Authority, including those that were provided by the Authority in prior year (\$16,424,207),
 - To record City of Houston (COH), Houston Community College (HCC) and Houston Independent School District (HISD) tax increments for fiscal year 2021 (\$23,732,174),
 - To reverse prior year HCC tax increment revenue and corresponding receivable recorded as current year revenue when collected (\$1,578,091),
 - To reverse accrued revenue for garage sale (\$5,366,566) and transfer down payment (\$3,000,000) received in current year to liability,
 - To adjust accounts receivable balance from Midtown Parks Conservancy (MPC) and reclassify related expenses to Capital Outlay (\$628,932),
 - To adjust retainage payable (\$365,546),
 - To recognize donated works for art (\$30,000) and to depreciate Midtown Park Phase II and III, works of art, Bagby Park and Operations Center (\$407,944),
 - To capitalize costs that were expensed during the year for Bagby Park and Operations Center (\$12,901,378)
 - To place Bagby Park and Operations Center in service (\$29,720,736),
 - To recognize losses from sale/disposal of affordable housing properties (\$2,531,932),
 - To apply current year principal payments that were recorded as interest (\$337,149)
 - Reclassification entries for financial statement presentation purposes

Uncorrected Adjustments:

There was an uncorrected misstatement noted during the audit to record the difference in bond premium for \$41,395 that was determined to be immaterial to the government-wide financial statements and was not recorded.



QUALITATIVE MATERIALITY CONSIDERATIONS

In evaluating the materiality of audit differences when they do arise, we consider both quantitative and qualitative factors, for example:

- Whether the difference arises from an item capable of precise measurement or whether it arises from an estimate, and, if so, the degree of imprecision inherent in the estimate.
- Whether the difference masks a change in earnings or other trends.
- Whether the difference changes a net decrease in assets to addition, or vice versa.
- Whether the difference concerns an area of the Authority's operating environment that has been identified as playing a significant role in the Authority's operations or viability.
- Whether the difference affects compliance with regulatory requirements.
- Whether the difference has the effect of increasing management's compensation – for example, by satisfying requirements for the award of bonuses or other forms of incentive compensation.
- Whether the difference involves concealment of an unlawful transaction.

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The Board of Directors and Management of
Midtown Redevelopment Authority

In planning and performing our audit of the financial statements of the governmental activities and each major fund of Midtown Redevelopment Authority (the Authority) as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed in the accompanying chart, we identified a deficiency in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

This communication is intended solely for the information and use of the Board of Directors and management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Houston, TX
DATE, 2021

The following legend should be used in conjunction with reviewing the “Rating” of each of the identified internal control items:

IP = Improvement Point	D = Control Deficiency	SD = Significant Deficiency	MW = Material Weakness
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CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
1	SD	All	During fiscal year 2021, CRI noted the formal closing checklist created in 2018 was not utilized. The checklist serves as a tool to ensure the Authority’s books are closed consistently month to month and all year end entries are properly accounted for prior to the annual audit. CRI also noted at the completion of the fiscal year 2020 audit, all related audit entries, including entries provided by the Authority during the 2020 audit, were not posted to the Authority’s books.	We recommend consistent use of the formal closing checklist (monthly and annually) to document entries, reversing entries, and reconciliations. At the completion of the audit, all required entries should be posted so the Authority’s final trial balance agrees to the audited trial balance.	Management will work with the Authority’s accountant to implement use of the checklist for the monthly closing process as well as review additional requirements that may be necessary for the annual closing process to ensure the books are closed and ready for the annual audit.



To be inserted at final

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Midtown Redevelopment Authority

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

June 30, 2021



	Page
REPORT	
Independent Auditors' Report	1
REQUIRED SUPPLEMENTARY INFORMATION	
Management's Discussion and Analysis (Unaudited)	3
BASIC FINANCIAL STATEMENTS	
Governmental Funds Balance Sheet and Statement of Net Position	13
Governmental Funds Revenues, Expenditures and Changes in Fund Balances and Statement of Activities	16
Notes to Financial Statements	18
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – All Funds (Unaudited)	37
OTHER SUPPLEMENTARY INFORMATION	
Schedule of Operating Expenses and Capital Expenditures (Unaudited)	39
Schedule of Estimated Project Costs to Actual Costs (Unaudited)	42
Schedule of Properties Held – Land Held for Resale (Unaudited)	43
Schedule of Capital Assets (Unaudited)	55

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Midtown Redevelopment Authority
Houston, Texas

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, 2021, 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, 2021, 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 12 and 37 through 38 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 Supplementary 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, 2021, the schedule of estimated project costs to actual expenditures for the period from December 29, 1995 (date of inception) through June 30, 2021, the schedule of properties held – land held for resale, and the schedule of capital assets, on pages 39 through 55, 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.

XX XX, 2021

Houston, Texas

Midtown Redevelopment Authority Management's Discussion and Analysis (Unaudited)

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, 2021 and 2020. This discussion and analysis includes comparative data for the year ended June 30, 2021 with the year ended June 30, 2020 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

- On March 16, 2020, Governor Greg Abbott approved a request from the Office of the Attorney General (AG) to suspend certain requirements of Chapter 551, Texas Government Code (Texas Open Meetings Act) that required governmental officials and members of the public to be physically present at the location of a public meeting. The Midtown Redevelopment Authority's essential workers continued to maintain and keep the District's properties, parks and public right of way improvements clean and safe. The Authority's office staff worked a hybrid in-office and remote calendar for continuing to manage all of the District's administrative affairs, holding virtual Board meetings and supervision for construction of capital improvement projects and the affordable housing program. During fiscal year 2021 the Authority followed the COVID-19 Virus Stay Home Stay Safe Order from the City of Houston and protocol from the Center for Disease Control and Prevention while working in the office. On June 30, 2021, Governor Abbott's office approved a request from the AG to lift these suspensions as of September 1, 2021. Beginning on September 1, all suspended provisions of the Texas Open Meetings Act were effective and all governmental entities subject to the Texas Open Meetings Act must conduct their meetings in full compliance with the Texas Open Meetings Act.
- 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 increased to \$286,543,928. The preliminary value for tax year 2021 (collectible Fiscal Year 2022) of real property located within the Zone is approximately \$2,818,436,714 with a preliminary taxable value of approximately \$2,688,777,765 (net of exemptions).
- The seventh amendment to the Project Plan and Finance Plan (Part H) was approved by the City of Houston on December 16, 2020. The Amendment consists of the reallocation of the Zone's project cost categories and allocations to align with the current goals and objectives of the Zone and the extension of the life of the Zone until December 31, 2050. The anticipated use of expenditures is the renewal, replacement, maintenance, and operation of capital projects of the Zone.
- In 2015, Midtown refinanced the Houston Museum of African American Culture (HMAAC) building located at 4807 Caroline in the amount of \$1.8 million; the balloon note was due September 30, 2020, in amount of \$1,134,405 with Liberty Bank. Staff negotiated with Liberty Bank for refinancing in November 2020, at 4% with no appraisal expense and no pre-payment penalty. The Board approved refinancing the HMAAC Building, paying \$250,000 towards the principal for a refinance amount of \$870,876.

Midtown Redevelopment Authority Management's Discussion and Analysis (Unaudited)

- 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 2021, the City of Houston (the City) received the tax year 2019 Pass-Through Funds for the Houston Independent School District, in an amount totaling \$5,011,762. Of the total amount, \$3,341,175 was dedicated to the educational set-aside component and the balance of the funds in the total amount of \$1,670,587 was placed in the Authority's Affordable Housing Increment Account.
- The Authority continues the 2015 Management Agreement with the 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 more than 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 fiscal year 2021, the Authority continued to work under the Amended 2017 Municipal Service Cost Agreement with the City and remitted \$781,263 to the City in July 2021 for the purposes of reimbursing the City for increased public safety services within the Zone. This agreement has automatically renewed annually at amounts determined pursuant to the adopted budget. In addition to the amount of the Municipal Service Costs line item shown in the fiscal year 2021 budget, the Zone and the Authority may pay all or a portion of 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.
- Pursuant to its Interlocal Agreement with Houston Community College System, the Authority began construction on its Caroline Street Project in late August 2018 and has continued construction through fiscal year 2021. The Caroline Street Project is projected to cost approximately \$18.5 million. As of June 30, 2021, the Caroline Street Project has incurred costs of approximately \$18 million. Of which, \$4 million was funded by a Texas Department of Transportation Grant. The Caroline Street construction was expected to be completed in December 2020 but due to unexpected delays caused by the COVID-19 pandemic the project is still under construction.
- Bagby Park has undergone renovation at an estimated cost of \$1,132,000, consisting of lawn regrading, the installation of park lighting, an onsite storage facility, a new stage with a canopy and an additional restroom facility at the back of the park. An additional contract for the storage and restroom facilities was approved in the first quarter of 2020 and was completed in fiscal year 2021. In April 2020, the Board approved a renegotiated lease with La Calle, an authentic Mexican food restaurant. La Calle performed some renovations on the kiosk prior to opening for business in August 2021.

Midtown Redevelopment Authority Management's Discussion and Analysis (Unaudited)

- 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). This property, located at 2222 Cleburne Street, consists of approximately 2.9 acres of land that was used for a 112-unit senior housing facility. The project named the Law-Harrington Senior Living Center, rental units, activity center and clinic was completed during fiscal year 2021 and the grand opening was held in the first quarter of 2021.
- Midtown continues its pursuit of strategic partnerships with not-for-profit corporations to create a comprehensive institution to accelerate the development of affordable housing and other social services to create a strong neighborhood and provide necessary resources within the City. Since 2016, 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. The Authority's Board approved a 60-day extension of the Affordable Housing Initiative Service Agreement with CCPPI due to delays caused by COVID-19 pandemic; until December 31, 2020. On January 1, 2021, an Amended and Restated Affordable Housing Initiative Services Agreement with CCPPI was approved by the Authority's Board for the continuation of services. The Agreement provides for a three (3) year extension with an increased scope of services and increased performance metrics and reporting requirements. As part of the Affordable Housing Plan the Authority granted property to HBDI which has begun construction of 43 homes; known as Palmetto Place; in fiscal year 2021. Additionally, as part of its Affordable Housing Pilot Program, the Authority continues to make land available from approximate 2.9 million square feet of property in 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. The developers participating in the Affordable Housing Pilot Program to date are HOU Homes, Mayberry Homes, Epic Homes, Cole Klein Builders, LLC., Agape Homes CDC, and Park Street LLC. The Authority approved in fiscal year 2021 Developer Agreements for the sale of 5 lots to Park Street LLC, and with Cole Klein Builders, LLC for the sale of nine (9) lots for construction of affordable single-family homes for sale to qualified homebuyers.
- The Authority's Affordable Housing Plan began with 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 construction of the Operations Center was completed in June 2021 and leasing has begun of the office building spaces and multi-family affordable housing units. The Boards of the Authority and the OST/Alameda Corridors Redevelopment Authority approved a Purchase and Sale Agreement and a Lease Agreement between the Authority and Old Spanish Trail/Alameda Corridors Redevelopment Authority providing for the conveyance and lease back of the parking garage. OST/Alameda Corridors has agreed to pay an amount not to exceed \$6 million for the purchase of the garage. The purchase and sale agreement between OST/Alameda Corridors and the Authority was executed in February 2021 which required a down payment of \$3 million towards the purchase of the garage. However, the sale was not deemed to be consummated before June 30, 2021 as a lease back agreement, as required on the purchase and sale agreement, was not fully executed before June 30, 2021. It is anticipated that the purchase and contract balance will be completed in the second quarter of fiscal year 2022.

Midtown Redevelopment Authority Management's Discussion and Analysis (Unaudited)

- As part of the Initiative Services Agreement with CCPPI, CCPPI has assisted in the development and implementation of a Request for Proposal for landscape maintenance firms for the vacant affordable housing properties. After receiving, reviewing, and vetting all bids with staff and consultants; the Authority's Board entered into contracts with Trans Teq Environmental Solutions, Inc. and Four Eleven LLC. for the landscape maintenance of approximately 2.9 million square feet of affordable housing properties in the Authority's inventory.
- The Authority began repayment on two (2) development projects that were completed during fiscal year 2021. The Pearl by The Morgan Group has received its first annual reimbursement payment of \$466,469 and Mid-Main received its total payment in full of \$166,913.

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 (Unaudited)

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:

	2021	2020
Assets		
Cash, cash equivalents and investments	\$ 21,442,000	\$ 34,885,000
Tax increment receivables	23,732,000	12,105,000
Other receivables	528,000	481,000
Property held for resale	44,186,000	46,774,000
Capital assets, net	91,358,000	80,400,000
Total assets	\$ 181,246,000	\$ 174,645,000
Liabilities		
Current liabilities	\$ 9,608,000	\$ 7,043,000
Loans and bonds payable – current	5,896,000	6,213,000
Loans and bonds payable – long-term	100,298,000	102,572,000
Total liabilities	115,802,000	115,828,000
Net position		
Net investment in capital assets	63,677,000	53,310,000
Restricted	63,031,000	75,743,000
Unrestricted deficit	(61,264,000)	(70,236,000)
Total net position	\$ 65,444,000	\$ 58,817,000

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 increment receivables at June 30 were due to the Authority from the following:

	2021	2020
Houston Community College System (HCCS)	\$ 1,713,000	\$ 1,578,000
City of Houston (City)	11,642,000	10,527,000
Houston Independent School District (HISD)	10,377,000	-
Total tax increment receivables	\$ 23,732,000	\$ 12,105,000

Midtown Redevelopment Authority Management's Discussion and Analysis (Unaudited)

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The Authority received tax increments outstanding at June 30, 2020 in August and November 2020. The Authority received City and HISD tax increments outstanding at June 30, 2021 in July 2021. The increment due from HCCS is expected to be collected in fall 2021.

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 2020 of approximately \$47,000 is mainly related to increase in amount billed and due from the District and HTC as of June 30, 2021 compared to as of June 30, 2020.

Property held for resale relates to the Authority's affordable housing land assemblage program. During fiscal year 2021, the Authority sold/granted 18 properties with a cost of approximately \$2,642,000.

The increase in capital assets net, relates to the Authority's continued renovations to Bagby Park and construction on the Operations Center with combined additions of approximately \$12.9 million in fiscal year 2021, and donated works of art with acquisition value of approximately \$30,000. The Authority's total long-term debt had a net decrease in fiscal year 2021 of approximately \$2.6 million as a result of additional borrowings on BBVA notes and 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, 2021 and 2020, the Authority has an unrestricted deficit of \$61.2 million and \$70.2 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 \$12.5 million at June 30, 2021 and 2020; net position restricted for affordable housing in the amount of \$47.4 million and \$55.8 million at June 30, 2021 and 2020, respectively; and net position restricted for capital projects in the amount of \$3.1 million and \$5 million at June 30, 2021 and 2020, respectively. The majority of the Authority's net position restricted for affordable housing is invested in land held for resale totaling \$44.1 million and \$46.7 million at June 30, 2021 and 2020, respectively.

Midtown Redevelopment Authority Management's Discussion and Analysis (Unaudited)

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:

	2021	2020
Revenues		
Tax increments	\$ 25,403,000	\$ 23,978,000
Investment and other income (expense)	(1,698,000)	1,175,000
Total revenues	23,705,000	25,153,000
Expenses		
Current	3,991,000	3,800,000
Debt service	4,557,000	5,712,000
Capital outlay	8,530,000	6,381,000
Total expenses	17,078,000	15,893,000
Change in net position	6,627,000	9,260,000
Net position - beginning of year	58,817,000	49,557,000
Net position - end of year	\$ 65,444,000	\$ 58,817,000

The City 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, 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.

Fiscal year 2021 and 2020 other revenue (expense) primarily includes amounts received from other entities as reimbursement under management agreements and interlocal agreements and donated capital assets offset by losses recorded on affordable housing properties granted to third parties during the year.

Capital projects funded from loan and bond proceeds and tax increments totaled 66% and 45% of total expenses in fiscal year 2021 and 2020, respectively. More detailed information about the Authority's capital projects is presented in the other supplementary information – Schedule of Operating Expenses and Capital Expenditures.

Midtown Redevelopment Authority Management's Discussion and Analysis (Unaudited)

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

GOVERNMENTAL FUNDS

At the end of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of approximately \$81.4 million, which is approximately \$7.3 million less than the prior fiscal year. Approximately 54% of the fund balance, or \$44.2 million, is invested in property held by the Authority which is being held for resale and is considered non-spendable. Approximately 4% of the fund balances, or \$3.1 million, is committed or restricted by bonds to various capital projects and development agreements entered into by the Authority. Approximately 18% of the fund balances, or \$13 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 \$14.8 million), and to affordable housing (approximately \$3.2 million).

CAPITAL ASSETS

As of June 30, 2021, the Authority had approximately \$91.4 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 2021, the Authority completed the construction of the Operations Center and renovations of Bagby Park. More detailed information about the Authority's capital assets is presented in the notes to the basic financial statements.

DEBT ADMINISTRATION

No bonds were issued during 2021. In March 2020, the Authority issued Tax Increment Contract Revenue Refunding Bonds, Series 2020 (Series 2020) in the aggregate principal amount of \$11,085,000. Proceeds from the Series 2020 Bonds were used for the purposes of refunding Series 2011 bonds in order to restructure and align debt service; funding the reserve requirement of debt service reserve fund; and paying costs of issuance.

As of June 30, 2021 and 2020, the Authority has four and five series of Tax Increment Contract Revenue Bonds totaling \$81,920,000 and \$81,920,000, respectively. A debt service reserve fund in the amount of \$7,422,328 has been established based on an amount equivalent to the estimated annual debt service with the inclusion of Series 2013, 2015, 2017 and 2020 bonds.

Midtown Redevelopment Authority Management's Discussion and Analysis (Unaudited)

DEBT ADMINISTRATION (Continued)

During 2021 and 2020, the Authority was advanced \$3,998,110 and \$10,556,477, respectively, under its \$14 million tax-exempt and taxable loan agreement with a bank that was used to partially fund the construction of the Operations Center. Total loans outstanding at June 30, 2021 and 2020 were \$21,189,846 and \$19,574,289, respectively.

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 2021 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 2021 budget was approximately \$5.8 million of tax increments for educational facilities and \$618,000 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.

FUTURE PROJECTS

The staff and consultants vetted 57 responses to the Request for Qualifications (RFQ) for Architectural and Engineering Services and performed an evaluation of the responses. The evaluation team, after seeing the number of responses and the qualifications of the firms, decided to create pre-qualified groupings of Architectural and Engineering Firms of which the Midtown staff could choose from, as necessary. The Authority and consultants will continue in planning and implementing capital improvement projects with certain pre-approved grouping of firms 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 is continuing its efforts with The Goodman Corporation 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 Board authorized a Grant Agreement with New Hope Housing for an Unimproved Property to construct a development project for a multi-family housing at 0 Chaco Street. The project will consist of a 3-story, 184 low-income rental units of 1 to 2 bedrooms for persons 55 years of age or older. It is anticipated the Authority will grant the property located at 0 Chaco Street in fiscal year 2022 to New Hope Housing to begin construction on the multifamily housing.

Midtown Redevelopment Authority Management's Discussion and Analysis (Unaudited)

FUTURE PROJECTS (Continued)

The Authority approved an Agreement with Rice Management Company (Rice) regarding their construction and installation of the South Main Innovation District and the associated Public Infrastructure and Improvements that will significantly contribute to the economic improvement and development of the Midtown Zone. Rice is developing the Innovation District, which will consist of approximately 16 acres of mixed-use development in Midtown, in multiple phases, that will have a public realm, mixed-use development with community spaces and amenities on multiple blocks of property located in the southern portion of the Midtown Zone and generally situated between Isabella Street to the North, Ruth Street to the West, Wheeler Avenue to the South and Austin Street to the East. The Innovation District will consist of a 300,000 sq. ft. innovation hub to be known as the "lon" that will anchor the district, plazas, educational/cultural spaces, a parking garage, restaurant and retail spaces, walkways and gardens. Over a period of years it is anticipated that approximately one billion dollars will be invested in the Innovation District with the potential of generating approximately \$220 million in additional tax revenues and also create tens of thousands of tech and non-tech jobs.

At the May 2017 Board 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. This Grant is budgeted for payment in the amounts of \$750,000 and \$850,000 for fiscal years 2022 and 2023, respectively.

As of the date hereof, the Authority's fiscal year 2022 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 2021 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 2022 budget will include the design and implementation of capital improvement projects, affordable housing projects, administration costs and the Municipal Service Fee. For fiscal year 2022 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.

The COVID-19 pandemic continues to affect the United States and Texas. The extent of the pandemic will determine the future of developments, the effect on financial markets and the economy in the District.

* * * * *

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, 2021

	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	\$ 2,683,045	\$ 953	\$ -	\$ 1,004,795	\$ 2,088,042	\$ 5,776,835	\$ -	\$ 5,776,835
Investments	5,066,468	-	3,081,426	94,561	7,422,328	15,664,783	-	15,664,783
Tax increment receivables	23,732,174	-	-	-	-	23,732,174	-	23,732,174
Other receivables	528,069	-	-	-	-	528,069	-	528,069
Due to/from other funds	(23,422,145)	11,184,274	-	6,935,375	5,302,496	-	-	-
Property held for resale	-	-	-	44,185,785	-	44,185,785	-	44,185,785
Capital assets, net	-	-	-	-	-	-	91,357,928	91,357,928
Total assets	\$ 8,587,611	\$ 11,185,227	\$ 3,081,426	\$ 52,220,516	\$ 14,812,866	\$ 89,887,646	\$ 91,357,928	\$ 181,245,574
Liabilities								
Accounts payable	\$ 1,663,055	\$ -	\$ -	\$ 1,812,072	\$ -	\$ 3,475,127	\$ (396,803)	\$ 3,078,324
Interest payable	-	-	-	-	-	-	2,272,168	2,272,168
Retainage payable	-	-	-	-	-	-	1,257,349	1,257,349
Unearned revenue	338,286	-	-	-	-	338,286	(338,286)	-
Deposit on contract	-	-	-	3,000,000	-	3,000,000	-	3,000,000
Loans payable								
Due within one year	-	-	-	-	-	-	2,255,761	2,255,761
Due after one year	-	-	-	-	-	-	18,934,085	18,934,085
Bonds payable								
Due within one year	-	-	-	-	-	-	3,640,000	3,640,000
Due after one year	-	-	-	-	-	-	81,364,225	81,364,225
Total liabilities	2,001,341	-	-	4,812,072	-	6,813,413	108,988,499	115,801,912
Deferred inflows of resources								
Deferred tax increment revenue	1,712,763	-	-	-	-	1,712,763	(1,712,763)	

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, 2021

	General Fund	Infrastructure and Project Fund	Capital Projects Fund	Affordable Housing Fund	Debt Service Fund	Total	Adjustments	Statement of Net Position
Fund balances								
Nonspendable	\$ -	\$ -	\$ -	\$ 44,185,785	\$ -	\$ 44,185,785	\$ (44,185,785)	
Restricted	-	-	3,081,426	3,222,659	14,812,866	21,116,951	(21,116,951)	
Committed	95,607	3,315,091	-	-	-	3,410,698	(3,410,698)	
Assigned	4,777,900	7,870,136	-	-	-	12,648,036	(12,648,036)	
Total fund balances	4,873,507	11,185,227	3,081,426	47,408,444	14,812,866	81,361,470	(81,361,470)	
Total liabilities, deferred inflows of resources and fund balances	\$ 8,587,611	\$ 11,185,227	\$ 3,081,426	\$ 52,220,516	\$ 14,812,866	\$ 89,887,646	\$ -	
Net position								
Net investment in capital assets							\$ 63,676,708	\$ 63,676,708
Restricted								
Debt service							12,540,698	12,540,698
Affordable housing							47,408,444	47,408,444
Capital expenditures							3,081,426	3,081,426
Unrestricted (accumulated deficit)							(61,263,614)	(61,263,614)
Total net position							\$ 65,443,662	\$ 65,443,662

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, 2021

Total fund balance of governmental funds	\$ 81,361,470
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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	91,357,928
Other revenues are not available for current period expenditures therefore are deferred in the funds	2,051,049
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds	(1,257,349)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	(21,189,846)
Tax increment revenue bonds and related interest are not due and payable in the current period and therefore are not reported in the funds	(86,879,590)

Net position of governmental activities	\$ 65,443,662
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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, 2021

	General Fund	Infrastructure and Project Fund	Capital Projects Fund	Affordable Housing Fund	Debt Service Fund	Total	Adjustments	Statement of Activities
Revenues								
Tax increments	\$ 11,024,280	\$ -	\$ -	\$ 6,935,375	\$ 7,308,434	\$ 25,268,089	\$ 134,672	\$ 25,402,761
Investment income	16,815	-	6,966	8,900	5,734	38,415	-	38,415
Other revenue (expense)	765,302	-	-	-	-	765,302	(2,501,932)	(1,736,630)
Total revenues	11,806,397	-	6,966	6,944,275	7,314,168	26,071,806	(2,367,260)	23,704,546
Expenditures/expenses								
Current								
Administration and support	1,664,593	-	-	158,304	-	1,822,897	-	1,822,897
Municipal service costs agreement	781,263	-	-	-	-	781,263	-	781,263
Depreciation	-	-	-	-	-	-	1,972,817	1,972,817
Amortization of bond premium	-	-	-	-	-	-	(586,054)	(586,054)
Capital outlay	-	4,449,687	-	19,879,350	-	24,329,037	(15,798,857)	8,530,180
Debt service								
Principal payments	337,149	-	1,445,404	-	3,620,000	5,402,553	(5,402,553)	-
Interest charges	33,969	-	550,784	38,360	3,802,137	4,425,250	29,248	4,454,498
Other charges	-	-	-	102,311	-	102,311	-	102,311
Total expenditures/expenses	2,816,974	4,449,687	1,996,188	20,178,325	7,422,137	36,863,311	(19,785,399)	17,077,912
Excess (deficiency) of revenues over expenditures	8,989,423	(4,449,687)	(1,989,222)	(13,234,050)	(107,969)	(10,791,505)	10,791,505	
Other financing sources (uses)								
Issuance of note payable	-	-	-	3,398,110	-	3,398,110	(3,398,110)	-
Internal transfers	(9,320,409)	7,827,551	-	1,416,293	76,565	-	-	-
Total other financing sources (uses)	(9,320,409)	7,827,551	-	4,814,403	76,565	3,398,110	(3,398,110)	
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	(330,986)	3,377,864	(1,989,222)	(8,419,647)	(31,404)	(7,393,395)	7,393,395	
Change in net position							6,626,634	6,626,634
Fund balances/net position								
Beginning of year	5,204,493	7,807,363	5,070,648	55,828,091	14,844,270	88,754,865	(29,937,837)	58,817,028
End of year	\$ 4,873,507	\$ 11,185,227	\$ 3,081,426	\$ 47,408,444	\$ 14,812,866	\$ 81,361,470	\$ (15,917,808)	\$ 65,443,662

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, 2021

Change in total fund balance of governmental funds	\$ (7,393,395)
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	12,901,376
Donated capital assets	30,000
Depreciation expense	(1,972,817)
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.	
Issuance of note payable	(3,398,110)
Repayment of bond and loan principal	5,402,553
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	
Other revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	586,054
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	134,672
	336,301
Change in net position of governmental activities	\$ 6,626,634

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. During 2021, the City approved the extension of the life of the Zone until December 31, 2050.

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. In evaluating the Authority as a reporting entity, management has considered all potential component units in accordance with Section 2100: Defining the Financial Reporting Entity of the Governmental Accounting Standards Board (GASB) Codification.

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

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.

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.

Fiduciary funds and fiduciary component units have not been included in the government-wide financial statements.

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 provisions of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, specifies the following classifications:

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 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, notes, developer agreements 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, 2021, 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)

Interfund Transfers

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.

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.

Property Held for Resale

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.

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 50 years; equipment, 3 to 5 years and works of art, 3 to 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.

Deposit on Contract and Unearned Revenue

The deposit on contract consists of a down payment received related to the sale of a parking garage that was not consummated before June 30, 2021. In the fund financial statements, unearned revenue also consists of other revenue not considered available as of June 30, 2021.

Debt and Related Premiums, Discounts, and Issuance Costs

Debt consists of tax increment contract revenue bonds, loans with financial institutions, and a 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. Debt issuance costs are expensed as incurred.

Midtown Redevelopment Authority Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In governmental fund financial statements, bond premiums, discounts and any debt 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.

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.

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.

Recently Issued Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This statement is effective for the Authority's fiscal year 2022. Management is currently evaluating the requirements of this statement and the impact on reporting.

Midtown Redevelopment Authority Notes to Financial Statements

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.

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, 2021, the carrying amount of the Authority's deposits was \$5,776,835 and the bank balances totaled \$7,471,603. The Authority's deposits in excess of FDIC insurance totaling \$4,834,662 were adequately collateralized. Cash deposits totaling \$2,136,941, which approximate fair value, represent money market investments in U.S. Government Securities. In addition, the Authority held \$15,664,783 in investment pools at June 30, 2021, 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.

Midtown Redevelopment Authority Notes to Financial Statements

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, 2021 are as follows:

	Cash and Cash Equivalents	Investments	Total
Trustee funds			
Debt service	\$ 2,088,042	\$ -	\$ 2,088,042
Debt service reserve fund	-	7,422,328	7,422,328
Project fund	-	3,081,426	3,081,426
Debt service - Affordable housing	1,004,401	-	1,004,401
Affordable housing	49	-	49
Total trustee funds	3,092,492	10,503,754	13,596,246
Enabling legislation			
Affordable housing	345	94,561	94,906
Total restricted assets	\$ 3,092,837	\$ 10,598,315	\$ 13,691,152

The Authority fully funded the debt service in July 2021 after collection of tax increment receivable outstanding as of June 30, 2021.

Note 6: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance at July 1, 2020	Additions	Reclassifications	Disposals	Balance at June 30, 2021
Non-depreciable assets					
Land and improvements	\$ 14,944,931	\$ -	\$ -	-	\$ 14,944,931
Construction in process	16,819,360	12,901,376	(29,720,736)	-	-
Depreciable assets					
Works of art	1,107,027	30,000	-	-	1,137,027
Buildings and improvements	56,570,697	-	29,720,736	-	86,291,433
Equipment	58,378	-	-	-	58,378
Total capital assets	89,500,393	12,931,376	-	-	102,431,769
Less: accumulated depreciation	(9,101,024)	(1,972,817)	-	-	(11,073,841)
Government activities - capital assets, net	\$ 80,399,369	\$ 10,958,559	\$ -	-	\$ 91,357,928

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.

Midtown Redevelopment Authority Notes to Financial Statements

Note 7: LOANS PAYABLE

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

Balance at July 1, 2020	\$ 19,574,289
Additions	3,398,110
Retirements	(1,782,553)
<hr/>	
Balance at June 30, 2021	\$ 21,189,846
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Current portion, long-term debt	\$ 2,255,761
<hr/>	

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 in 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 significant principal payments have been made by the Authority, the loan is expected to be paid off in October 2025. 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, 2021, the outstanding balance on the loan totaled \$6,424,898.

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. This loan was refinanced again in November 2020. The refinanced loan bears interest at 4.0%, requires monthly principal and interest payments totaling \$10,545 and matures in November 2025. The loan is secured by 4807 Caroline Street property. The loan has a due on demand clause. At June 30, 2021, the outstanding balance on the loan totaled \$810,358.

In July 2019, the Authority entered into a \$14 million tax-exempt and taxable loan agreement with a bank to partially fund the construction of the Operations Center. The \$6 million tax-exempt loan bears interest at 79% of LIBOR plus 0.86% per annum and requires quarterly interest payments from October 1, 2019 until July 1, 2022 and quarterly principal and interest payments thereafter until maturity totaling \$75,000, if fully funded by end of loan advance period, as defined in the agreement. The \$8 million taxable loan bears interest at LIBOR plus 1.09% per annum and requires quarterly interest payments from October 1, 2019 until July 1, 2022 and quarterly principal and interest payments thereafter until maturity totaling \$100,000, if fully funded by end of loan advance period, as defined in the agreement. The loan matures on July 15, 2024. This loan agreement required the creation of a loan pledged revenue fund consisting of the estimated debt service due on the loans for the following twelve month period and the estimated amount of unused fees for the following twelve month period. At June 30, 2021, the loan pledged revenue fund totaled \$1,004,401. At June 30, 2021, the combined outstanding balance on the loan totaled \$13,954,590.

Midtown Redevelopment Authority
Notes to Financial Statements

Note 7: LOANS PAYABLE (Continued)

Future minimum payments as of June 30 are as follows:

Fiscal Year	Principal	Interest	Total
2022	\$ 2,255,761	\$ 639,474	\$ 2,895,235
2023	2,143,134	502,637	2,645,771
2024	2,143,134	393,567	2,536,701
2025	2,143,134	284,898	2,428,032
2026	1,341,009	175,306	1,516,315
2027-2031	3,488,648	534,308	4,022,956
2032-2036	3,488,648	337,025	3,825,673
2037-2041	3,488,648	139,742	3,628,390
2042	697,730	4,274	702,004
Total	\$ 21,189,846	\$ 3,011,231	\$ 24,201,077

Note 8: TAX INCREMENT CONTRACT REVENUE BONDS

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

Balance at July 1, 2020	\$ 81,920,000
Additions	-
Retirements	(3,620,000)
Balance at June 30, 2021	\$ 78,300,000
Current portion, long-term debt	\$ 3,640,000

Tax Increment Revenue Bonds at June 30, 2021 consist of the following:

Date Series Issued	Outstanding Balance
2013	\$ 21,975,000
2015	8,755,000
2017	36,485,000
2020	11,085,000
Total principal payable	78,300,000
Unamortized premium and discount, net	6,704,225
Total bonds payable	\$ 85,004,225

Midtown Redevelopment Authority Notes to Financial Statements

Note 8: TAX INCREMENT CONTRACT REVENUE BONDS (Continued)

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
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	45,000	1,105,106	1,150,106
2026	2,285,000	1,103,306	3,388,306
2027-2031	13,220,000	3,728,025	16,948,025
2032-2033	6,300,000	476,500	6,776,500
Total	\$ 21,975,000	\$ 9,736,194	\$ 31,711,194

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.

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
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	\$ 8,755,000	\$ 1,042,126	\$ 9,797,126

Midtown Redevelopment Authority Notes to Financial Statements

Note 8: TAX INCREMENT CONTRACT REVENUE BONDS (Continued)

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
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	695,000	1,696,125	2,391,125
2026	1,270,000	1,661,375	2,931,375
2027-2031	2,350,000	7,778,675	10,128,675
2032-2036	17,735,000	6,550,700	24,285,700
2037-2038	12,540,000	948,250	13,488,250
Total	\$ 36,485,000	\$ 23,916,250	\$ 60,401,250

In March 2020, the Authority issued Tax Increment Contract Revenue Refunding Bonds Series 2020 (the 2020 Bonds) in the aggregate principal amount of \$11,085,000. The refunding was undertaken to partially refund the Tax Increment Contract Revenue Bonds Series 2011 (Series 2011). The Authority achieved a cash flow savings and an economic gain of \$2,245,644 as a result of the refunding.

The 2020 Bonds mature serially January 1, in each year 2022 through 2033. The 2020 Bonds are callable in whole or in part any date beginning January 1, 2030 at par.

The 2020 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
2022	\$ 1,870,000	\$ 513,800	\$ 2,383,800
2023	650,000	420,300	1,070,300
2024	685,000	387,800	1,072,800
2025	715,000	353,550	1,068,550
2026	755,000	317,800	1,072,800
2027-2031	4,370,000	985,000	5,355,000
2032-2033	2,040,000	102,400	2,142,400
Total	\$ 11,085,000	\$ 3,080,650	\$ 14,165,650

Midtown Redevelopment Authority Notes to Financial Statements

Note 9: FUND BALANCES – GOVERNMENTAL FUNDS

As of June 30, 2021, 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	\$ -	\$ -	\$ -	\$ 44,185,785	\$ -	\$ 44,185,785
Restricted for						
Capital projects	-	-	3,081,426	-	-	3,081,426
Affordable housing	-	-	-	3,222,659	-	3,222,659
Debt service	-	-	-	-	14,812,866	14,812,866
Committed to						
Loan payments	95,607	-	-	-	-	95,607
Streetscapes and gateways	-	1,075,346	-	-	-	1,075,346
Parks	-	583,030	-	-	-	583,030
Developer agreement	-	1,656,715	-	-	-	1,656,715
Assigned to						
FY2022 CIP plan and budget	4,777,900	7,870,136	-	-	-	12,648,036
Total fund balances	\$ 4,873,507	\$ 11,185,227	\$ 3,081,426	\$ 47,408,444	\$ 14,812,866	\$ 81,361,470

Note 10: TAX INCREMENT SUMMARY

The Authority's tax increment revenue for the year ended June 30, 2021, as reflected in the Statement of Activities was received from the following Participants:

	Gross Increment	Transfers	Net Increment
City of Houston	\$ 12,255,159	\$ (612,758)	\$ 11,642,401
Houston Independent School District (Tax Year 2019 Set Aside)	5,011,762	(3,341,175)	1,670,587
Houston Independent School District	13,281,615	(2,904,605)	10,377,010
Houston Community College System (Tax Year 2020)	1,737,763	(25,000)	1,712,763
Total tax increments	\$ 32,286,299	\$ (6,883,538)	\$ 25,402,761

Midtown Redevelopment Authority Notes to Financial Statements

Note 10: TAX INCREMENT SUMMARY (Continued)

The Authority's tax increment revenue for the year ended June 30, 2021, as reflected in the governmental funds, was received from the following Participants:

	Gross Increment	Transfers	Net Increment
City of Houston	\$ 12,255,159	\$ (612,758)	\$ 11,642,401
Houston Independent School District (Tax Year 2019 Set Aside)	5,011,762	(3,341,175)	1,670,587
Houston Independent School District	13,281,615	(2,904,605)	10,377,010
Houston Community College System (Tax Year 2019)	1,603,091	(25,000)	1,578,091
Total tax increments	\$ 32,151,627	\$ (6,883,538)	\$ 25,268,089

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 \$678,000 for the year ended June 30, 2021. At June 30, 2021, approximately \$145,000 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 incurred approximately \$628,000 for the year ended June 30, 2021 related to the cost of MIDCorp's personnel and services provided to MIDCorp. These costs are included in T-0207 Operating of Zone and Project Facilities capital project. 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, 2021. HTC remitted \$0 in performance rent to the Authority during fiscal year 2021.

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.

Construction Contracts and Consultant Agreements

Engineering and construction contracts relating to construction-in-progress and other capital projects aggregated approximately \$3.4 million. These contracts will be paid in future period as work is performed. Payment will be made with proceeds from past bond issues, bank loans, operating reserves, and Federal grants to be received. In addition, the Authority enters into agreements with various consultants to provide professional services each year.

Midtown Redevelopment Authority Notes to Financial Statements

Note 13: COMMITMENTS AND CONTINGENCIES (Continued)

Affordable Housing Operations Campus

The Affordable Housing Operations Campus (Operations Center) which consists of a 5-story building (Operations Campus), a 20-unit multi-family affordable housing development (Housing Development) and a parking garage was completed as of June 30, 2021. The project costs were incurred by the Authority through direct payment to vendors. The Authority was responsible for 80% of the project costs. Reimbursement for the remaining 20% of the project costs will be obtained from the sale of the parking garage to Old Spanish Trail/Alameda Corridors Redevelopment Authority (OSTAC) for which a \$3,000,00 down payment was received during 2021. This down payment is recorded as deposit on contract in the accompanying financial statements until the sale lease back agreement is finalized and executed.

Effective April 2021, the Authority as owner and CCPPI as operator entered into a management agreement with NAI Partners to manage the Operations Campus. The Authority will be charged a management fee equal to the greater of 3% of gross revenue, as defined in the agreement, or \$3,500 per month for the term of this agreement. The management fee is adjusted to \$1,750 per month during the period where there are no tenants occupying the office building. In addition, the Authority is obligated to reimburse NAI Partners certain expenses as outlined in the initial management services proposal or the approved annual budget thereafter. This agreement expires on March 31, 2023 and shall be automatically renewed on an annual basis thereafter unless terminated by the Authority or NAI Partners.

Effective February 2021, the Authority entered into a management agreement with StressFree Property Solutions to manage and lease the Housing Development. The Authority will be charged a management fee of \$1,200 per month for the term of this agreement. In addition, the Authority will be charged a leasing fee for new tenants that will range from 50% to 75% of the base rent and a renewal fee for renewed tenants of \$250. This agreement expires on February 28, 2022 and shall be automatically renewed on a monthly basis thereafter unless terminated by the Authority or StressFree Property Solutions.

The Center for Civic and Public Policy Improvement Agreement

In July 2018, the Authority entered into an Initiative Services Agreement with The Center for Civic and Public Policy Improvement (CCPPI) for the coordination, implementation and administration of a comprehensive plan to address the development of affordable housing in the target area, as defined in the Agreement (Affordable Housing Plan). In January 2021, an Amended and Restated Affordable Housing Initiative Services Agreement with CCPPI was approved by the Authority's Board for the continuation of services. The Agreement provides for a three (3) year extension with an increased scope of services and increased performance metrics and reporting requirements. In consideration of the services to be performed by CCPPI, the Authority will pay \$1,234,000; \$1,373,500 and \$714,500 in fiscal years 2022; 2023 and 2024, respectively.

Midtown Redevelopment Authority Notes to Financial Statements

Note 13: COMMITMENTS AND CONTINGENCIES (Continued)

Pearl Midtown ROW and Pearl Rosemont ROW Development Agreements

In 2017, the Authority entered into a Development Agreement with Pearl Residences at Midtown Owner, LLC. (Pearl Residences) for reimbursement of up to \$3.8 million of eligible project costs related to the Pearl Midtown ROW project. This agreement was executed contemporaneously with a development agreement entered into by the Authority with Helena – Dew Holdings, LLC (Helena - Dew) for reimbursement of up to \$1.4 million of eligible project costs related to the Pearl Rosemont ROW project. Reimbursement to each developer, Pearl Residences and Helena – Dew, will occur over 9 years from available tax increments, as defined in the agreement. Reimbursement commences after completion of the project and execution of a maintenance agreement. As the Pearl Midtown ROW project was completed in October 2019 and the maintenance agreement was executed in February 2020, the reimbursement related to the Pearl Midtown ROW project commenced in fiscal year 2021 with a payment of \$466,694 which is included in accounts payable as of June 30, 2021 in the accompanying financial statements.

“The Midtown” Development Agreement

In 2018, the Authority entered into a Development Agreement with Caydon Houston Property, LP. (Caydon) for reimbursement of up to \$5.2 million of eligible project costs related to the underground duct bank infrastructure and certain public infrastructure and improvements in connection with “The Midtown” development. Reimbursement to Caydon will occur over 8 years from available tax increments, as defined in the agreement. Reimbursement commences after completion of the project and execution of a maintenance agreement. “The Midtown” development project was completed in December 2019. The final determination of the value of the eligible project costs for reimbursement, totaling \$3,355,519, and the required maintenance agreement were executed subsequent to year end. Annual reimbursement from available tax increment will commence in fiscal year 2022 and are due by November 1 of each year during the term of the agreement.

Administrative Agreement

The Authority has a memorandum of understanding with Fourth Ward Redevelopment Authority (Fourth Ward) and Midtown Management District (the District) whereby the Authority provides office space, certain equipment and certain staff services to Fourth Ward 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 \$750,000 and \$850,000 at the completion of the project which is expected to be in fiscal year 2022 and 2023, respectively.

Note 14: UNCERTAINTIES

The continued spread of COVID-19 pandemic is affecting the United States economies. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Authority. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

DRAFT

**Required Supplementary Information
and
Other Supplementary Information**

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

For the year ended June 30, 2021

	Original and Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance With Final Budget
Budgetary fund balance - beginning of year	\$ 42,681,717	\$ 88,754,865	\$ 46,073,148
Resources			
Incremental property tax revenue	30,519,578	32,151,627	1,632,049
Grant proceeds	6,000,000	-	(6,000,000)
Proceeds from loans	11,470,000	3,398,110	(8,071,890)
Miscellaneous revenue	604,570	765,302	160,732
Other interest income	325,000	38,415	(286,585)
Total available resources	91,600,865	125,108,319	33,507,454
Expenses			
Maintenance and operations	1,875,450	1,664,593	210,857
Project costs and capital expenditures	33,938,540	21,955,409	11,983,131
Special projects as determined by the COH	500,000	-	500,000
Debt service	9,973,326	9,930,114	43,212
Other interfund transfers:			
HISD educational facilities	5,818,320	6,220,780	(402,460)
Municipal services - public safety	781,263	781,263	-
Municipal services - quality of life	492,737	-	492,737
Administrative fees	617,823	662,758	(44,935)
Total expenses	53,997,459	41,214,917	12,782,542
Budgetary fund balance - end of year	\$ 37,603,406	\$ 83,893,402	\$ 20,724,912

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

For the year ended June 30, 2021

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 125,108,319
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	(88,754,865)
Issuance of loans are reported as other financing sources	(3,398,110)
Budgeted revenues include HISD educational facilities transfers and city administrative	
charges, while the Authority's funds report revenues net of these transfers	(6,883,538)

Total revenue as reported on the statement of revenues, expenditures and	
changes in fund balances - total governmental funds	\$ 26,071,806

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 41,214,917
differences - budget to GAAP:	
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	2,531,932
Budgeted expenditures include HISD educational facilities transfers and city administrative	
charges, while the authority's funds report revenues net of these transfers	(6,883,538)

Total expenditures as reported on the statement of revenues, expenditures and	
changes in fund balances - total governmental funds	\$ 36,863,311

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

For the year ended June 30, 2021

Management Consulting Services	Vendor	Budget	Actual Expenditures	Variance
Administration and Overhead:				
Administration (Salaries, Benefits and Taxes)		\$ 486,650	\$ 222,910	\$ 263,740
Office Expenses	n/a	253,500	182,855	70,645
Midtown Management District	n/a	525,000	528,207	(3,207)
Fourth Ward Redevelopment Authority	n/a	40,000	37,760	2,240
Insurance	Anco-Wessendorff	214,000	261,992	(47,992)
Accounting	Bookkeeper	85,000	58,183	26,817
Accounting	McConnell & Jones LLP	-	22,108	(22,108)
Auditor - Financial	Carr, Riggs & Ingram, LLC	41,000	31,000	10,000
Bond Services/Trustee	Masterson Advisors, LLC	35,000	12,191	22,809
Total Administration and Overhead		1,680,150	1,357,206	322,944
Program and Project Consultants:				
Legal - General Matters	Bracewell LLP, Burney & Foreman	90,000	275,983	(185,983)
Engineering consultants	IDS/Walter P. Moore	95,000	21,404	73,596
Construction Audits	Carr, Riggs & Ingram, LLC	10,300	10,000	300
Total Program and Project Consultants		195,300	307,387	(112,087)
Total Management Consulting Services		\$ 1,875,450	\$ 1,664,593	\$ 210,857
Capital Expenditures				
T-0207 Operating of Zone and Project Facilities	Vendor	Budget	Actual Expenditures	Variance
Construction/maintenance	MIDCorp	\$ 1,000,000	\$ 1,631,620	\$ (631,620)
Total Operating of Zone and Project Facilities		1,000,000	1,631,620	(631,620)
T-0210 Main Street Enhancements	Reliant Energy	218,130	4,262	213,868

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

For the year ended June 30, 2021

Capital Expenditures - Continued	Vendor	Budget	Actual Expenditures	Variance
T-0204 Enhanced Street Lights	COH/Center Point	\$ 105,000	\$ 55,056	\$ 49,944
T-0214 Caroline Streets @ HCCS (Elgin to Holman)				
Construction	BEGA	1,300,000	192,507	1,107,493
Other	TLC/KCI/Center Point	160,100	658,312	(498,212)
Total Caroline Streets @ HCCS		1,460,100	850,819	609,281
T-0225 Mobility and Pedestrian Improvements				
Planning		650,000	-	650,000
Construction	Jerdon	150,000	60,015	89,985
Design		200,000	-	200,000
Other	TGC	5,300	76,797	(71,497)
Total Mobility and Pedestrian Improvements		1,005,300	136,812	868,488
T-0220 Affordable Housing:				
Design		500,000	-	500,000
Construction	TLC Engineering, Martin Construction, Kirksey Architecture, Arch-Con Corporation, CCPPI	14,500,000	15,051,155	(551,155)
Other professionals	Various	3,030,000	2,454,568	575,432
Total Affordable Housing		18,030,000	17,505,723	524,277
T-0221 Midtown Park:				
Design		750,000	-	750,000
Construction and management	Millis	1,000,000	139,885	860,115
Other	Williams Scotsman, Inc.	190,900	3,980	186,920
Total Midtown Park		1,940,900	143,865	1,797,035
T-0222 Street Overlay Program		1,050,000	-	1,050,000
T-0223 Safe Sidewalk Program		260,100	-	260,100
T-0224 HTC Building Maintenance	Various	100,000	73,321	26,679
T-0230 Wheeler SL Pedestrian Enhancements		525,600	-	525,600
T-0206 South East Neighborhood Street Reconstruction		625,300	-	625,300

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

For the year ended June 30, 2021

Capital Expenditures - Continued	Vendor	Budget	Actual Expenditures	Variance
T-0232 Public and Cultural Facilities		\$ 1,050,000	\$ -	\$ 1,050,000
T-0233 Parking Garage - Midtown Park				
Construction and management		500,000	-	500,000
Other		20,500	-	20,500
Total Parking Garage - Midtown Park		520,500	-	520,500
T-0234 Parks and Open Spaces				
Planning		350,000	-	350,000
Design		125,000	-	125,000
Construction	Walter P. Moore	250,000	36,780	213,220
Other	COH	25,300	652	24,648
Total Parks and Open Spaces		750,300	37,432	712,868
T-0236 Bagby Park:				
Construction and management	IDS/Jerdon/Shade Structures	400,000	440,778	(40,778)
Design	WPM	100,000	20,156	79,844
Other	Various	20,500	15,506	4,994
Total Bagby Park		520,500	476,440	44,060
T-0239 Brazos Street Reconstruction				
Planning		150,000	-	150,000
Construction and management		1,350,000	-	1,350,000
Other		20,100	-	20,100
Total Brazos Street Reconstruction		1,520,100	-	1,520,100
T-0240 Real Estate Development		50,000	-	50,000
T-0241 Almeda/Crawford		56,710	-	56,710
T-0245 Museum District - Pedestrian Enhancement		100,000	-	100,000
T-0247 I59/69 CAP Park		250,000	-	250,000
T-0248 Tuam Street		2,020,000	-	2,020,000
T-0249 Pearl Market Place	Pearl Residences	520,000	466,694	53,306
T-0250 Mid Main Development	Mid Main	225,000	166,913	58,087
T-0299 Concrete Panel Replacement Program		35,000	-	35,000
General CIP:				
Design Services	Walter P. Moore	-	146,538	(146,538)
Other Consultants	One World Strategy Group, LLC	-	162,500	(162,500)
Other Consultants	Design Workshop	-	22,763	(22,763)
Other Consultants	IDS Engineering Group	-	26,946	(26,946)
Other Consultants	Ford Momentum	-	34,200	(34,200)
Other Consultants	A.O. Phillis & Associates	-	6,080	(6,080)
Other Professional Services	Various	-	7,425	(7,425)
Total General CIP		-	406,452	(406,452)
Total Capital Expenditures		\$ 33,938,540	\$ 21,955,409	\$ 11,983,131

Midtown Redevelopment Authority
Schedule of Estimated Project Costs to Actual Costs
For the Period December 29, 1995 (Date of Inception) through June 30, 2021 (Unaudited)

Budget Line Item	Budgeted Expenditures (a)	Actual Expenditures From Inception (December 29, 1995) Through June 30, 2020	Actual Expenditures for the Year Ended June 30, 2021 (c)	Actual Expenditures From Inception (December 29, 1995) Through June 30, 2021	Variance to Budget
Non-Educational Project Costs					
Infrastructure improvements:					
Roadway and utility system improvements:					
Streets and utilities	\$ 164,063,856	\$ 37,630,214	\$ 1,285,018	\$ 38,915,232	\$ 125,148,624
Streetscape and gateways	70,773,654	40,773,654	208,607	40,982,261	29,791,393
Public infrastructure	77,000,000	42,000,000	2,297,235	44,297,235	32,702,765
Total infrastructure improvements	311,837,510	120,403,868	3,790,860	124,194,728	187,642,782
Other project costs:					
Real property assembly	25,533,106	14,503,168	624,106	15,127,274	10,405,832
Professional services	11,966,225	7,241,127	406,452	7,647,579	4,318,646
Historic preservation	10,139,992	139,992	-	139,992	10,000,000
Parks and recreational facilities	53,903,004	29,268,528	476,440	29,744,968	24,158,036
Safety and security infrastructure	1,576,282	-	-	-	1,576,282
Remediation	4,393,956	-	-	-	4,393,956
Cultural and public facilities	16,633,276	4,343,935	33,969	4,377,904	12,255,372
Total other project costs	124,145,841	55,496,750	1,540,967	57,037,717	67,108,124
Affordable housing	294,840,659	119,501,819	17,544,086	137,045,905	157,794,754
Financing costs (b)	95,507,011	66,057,690	3,831,382	69,889,072	25,617,939
Zone administration	50,286,136	16,699,646	651,238	17,350,884	32,935,252
Educational Project Costs					
Education project costs	83,770,000	66,144,560	6,220,780	72,365,340	11,404,660
Total project plan	\$ 960,387,157	\$ 444,304,333	\$ 33,579,313	\$ 477,883,646	\$ 482,503,511

(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 \$960,387,157. The Budgeted Expenditures are reported based on the Authority's 7th Amendment to the Project and Financing Plan that was approved by City Council in December 2020.

(b) Amount expended for the year ended June 30, 2021, does not include the repayment of bond and note principal payments in the amount of \$5,402,553.

(c) Expenditures are reported on the accrual basis.

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

June 30, 2021

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

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

<i>June 30, 2021</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

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

<i>June 30, 2021</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	-
MRA 113	63,951
MRA 114	77,641
MRA 115	-
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

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

<i>June 30, 2021</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	-
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	-
MRA 175	72,853
MRA 176	140,837

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

<i>June 30, 2021</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
MRA 182	61,375
MRA 183	77,763
MRA 184	48,407
MRA 185	37,907
MRA 186	-
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	-
MRA 216	48,322
MRA 217	-
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	-
MRA 226	61,725
MRA 227	58,150
MRA 228	-

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

<i>June 30, 2021</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

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

<i>June 30, 2021</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	-
MRA 279	141,072
MRA 280	82,298
MRA 281	-
MRA 282	19,572
MRA 283	88,722
MRA 284	88,722
MRA 285	-
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	-
MRA 304	-
MRA 305	-
MRA 306	90,922
MRA 307	-
MRA 308	129,598
MRA 309	63,668
MRA 310	139,793

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

<i>June 30, 2021</i>	Total Value
Purchased Properties - Affordable Housing (Continued):	
MRA 311	\$ 59,018
MRA 312	72,868
MRA 313	44,418
MRA 314	-
MRA 315	58,142
MRA 316	-
MRA 317	59,518
MRA 318	-
MRA 319	69,414
MRA 320	-
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	-
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	-
MRA 337	-
MRA 338	56,518
MRA 339	53,334
MRA 340	50,713
MRA 341	57,563
MRA 342	58,213
MRA 343	-
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

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

<i>June 30, 2021</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	-
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

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

<i>June 30, 2021</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	-
MRA 436	76,789
MRA 437	473,819
MRA 438	1,807,152

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

<i>June 30, 2021</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	-
MRA 460	54,407
MRA 461	54,907
MRA 462	106,157
MRA 463	54,403
MRA 464	-
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

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

<i>June 30, 2021</i>	Total Value
<hr/>	
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	43,898,715
Costs associated with pending properties and other general costs not allocated to specific properties	287,070
<hr/>	
Total land held for resale - affordable housing	\$ 44,185,785
<hr/>	

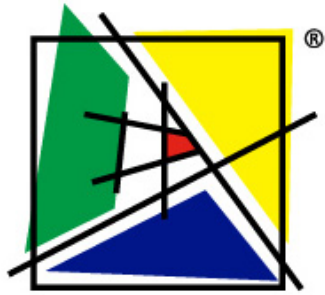
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**Midtown Redevelopment Authority
Schedule of Capital Assets (Unaudited)**

June 30, 2021

Property	Net Book Value
Houston Technology Center	\$ 2,465,305
JPI Park Land	736,911
Bagby Park	3,372,064
Operations Center	30,505,824
Walgreens/Lui Park Land	141,000
Houston Museum of African American Culture	1,634,944
Midtown Park Land and Improvements	52,501,880
Total capital assets	\$ 91,357,928

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midtown
H O U S T O N

INVESTMENT REPORTS



midtown
H O U S T O N

July 31, 2021

Board of Directors
Midtown Redevelopment Authority
410 Pierce, Suite 355
Houston, Texas 77002

Re: Investment Report – Quarter Ending June 30, 2021

Dear Board of Directors:

In my capacity as Investment Officer and in compliance with Article III, Section 3.03 and Article IV, Section 4.06 of the Investment Policy of the Authority, please find attached the 4th Quarter Fiscal Year 2021 Investment Report.

These reports reflect compliance of the Investment Policies of the Authority, and in accordance with the Investment provisions of the Public Funds Investment Act. The enclosed report is presented to the Board of Directors for review and approval.

Kindest regards,

Matt Thibodeaux
Executive Director

cc: Carr, Riggs & Ingram (CRI)



July 31, 2021

Board of Directors
Matt Thibodeaux, Executive Director
Midtown Redevelopment Authority
410 Pierce Street, Suite 355
Houston, Texas 77002

Re: Investment Report – Quarter Ending June 30, 2021

Dear Board of Directors:

I have prepared the Quarterly Investment Report in my capacity as Financial Accounts Manager for the Authority. This report is presented in accordance with generally accepted accounting principals and Article III, Section 3.03 and Article IV, Section 4.06 of the Investment Policy of the Authority and will be reviewed as part of the annual audit.

The average yield from TexStar Money Market Accounts for this quarter is 0.0404337%

The average yield from Logic Money Market Accounts for this quarter is 0.073167%

The average yield from Wells Fargo interest earning accounts is 0.13791625%

The average yield from BBVA interest account is 0.3000%

The total amount of interest earned for this quarter is \$,3964.77

The total average yield on fifteen interest bearing accounts is 0.118276%

The report reflects the compliance of your investment portfolio with the Investment Policies of the Authority and is in accordance with the Investment provisions of the Public Funds Investment Act.

This report is presented to the Board of Directors for review and approval.

Respectfully,

A handwritten signature in black ink, appearing to read "Theresa D. Gilmore".

Theresa D. Gilmore
Financial Accounts Manager

cc: Carr, Riggs & Ingram (CRI)



July 31, 2021

Board of Directors
Matt Thibodeaux, Executive Director
Midtown Redevelopment Authority
410 Pierce Street, Suite 355
Houston, Texas 77002

Re: Investment Report – Quarter Ending June 30, 2021

Dear Board of Directors:

I have prepared the Quarterly Investment Report in my capacity as Financial Accounts Manager for the Authority. This report is presented in accordance with generally accepted accounting principals and Article III, Section 3.03 and Article IV, Section 4.06 of the Investment Policy of the Authority and will be reviewed as part of the annual audit.

The average yield from TexStar Money Market Accounts for this quarter is 0.0404337%

The average yield from Logic Money Market Accounts for this quarter is 0.073167%

The average yield from Wells Fargo interest earning accounts is 0.13791625%

The average yield from BBVA interest account is 0.3000%

The total amount of interest earned for this quarter is \$,3964.77

The total average yield on fifteen interest bearing accounts is 0.118276%

The report reflects the compliance of your investment portfolio with the Investment Policies of the Authority and is in accordance with the Investment provisions of the Public Funds Investment Act.

This report is presented to the Board of Directors for review and approval.

Respectfully,

Theresa D. Gilmore
Financial Accounts Manager

cc: Carr, Riggs & Ingram (CRI)

FY2021

April May June 2021

NAME OF FUND	DATE OF PURCHASE	M R A I T T U Y	BEGINNING BOOK VALUE	CHANGES		INCOME RECEIVED THIS PERIOD	INCOME RECEIVED TO DATE	ENDING BOOK VALUE	ENDING MARKET VALUE	MATURITY VALUE	YIELD
				PURCHASES	SALES & REDEMPTIONS						
WF 64040			4,315,589.98	2,205,484.82	371,361.22	1,664.38	8,054.29	2,483,110.76	2,483,110.76		0.1600%
WF Infrastructure Projects 1731			953.00			0.38	1.52	953.38	953.38		0.1600%
WF Surplus 63943			1,288.51			0.51	104.63	1,289.02	1,289.02		0.1567%
WF ETA 63919			60.12			0.02	0.10	60.14	60.14		0.1333%
LOGIC Operating			5,058,593.29			923.26	8,641.20	5,059,516.55	5,059,516.55		0.0732%
TEXSTAR Operating Account			6,951.04			0.12	8.12	6,951.16	6,951.16		0.0104%
WF Investment Acct 63901			731.27			0.29	1.17	731.56	731.56		0.1600%
WF OPR SAV ACCT 77180			45,323.96			1.13	4.71	45,325.09	45,325.09		0.0100%
TOTAL OPERATING FUNDS			9,429,471.17	2,205,484.82	371,361.22	2,590.09	16,815.74	7,597,937.66	7,597,937.66		
ACCT. 36024024 AFFORDABLE HOUSING											
WF Affordable Housing 3927			1,441,000.96	1,575,337.37	18,015.56	545.42	2,414.78	(115,775.43)	(115,775.43)		0.1600%
WF Affordable Housing 3935			344.42			0.14	0.55	344.56	344.56		0.1633%
TOTAL DDA			1,441,345.38	1,575,337.37		545.56	2,415.33	(115,430.87)	(115,430.87)		0.0404%
TEXSTAR AFF HOUS			2,014.39			16.88	2,232.24	92,547.47	92,547.47		0.0732%
LOGIC AFF HOUS			92,530.59			15,867.89	25,000.00	9,132.11	9,132.11		0.0000%
Wells Fargo NAI			1,042,887.47			39,230.90	57.03	1,004,713.60	1,004,713.60		0.3000%
BBVA AFFORD HOUS			1,137,432.45			54,098.79	619.47	1,108,407.57	1,108,407.57		
TOTAL AFFORDABLE HOUSING											
422885 PLEDGE REVENUE											
677 FUND US TREASURY MM		VARIOUS	45,268.07		0.21			45,268.28	45,268.28		
TOTAL PLEDGE REVENUE			45,268.07		0.21			45,268.28	45,268.28		
422896 DEBT SERVICE FUND											
Debt Service		VARIOUS	2,087,293.06	1.00	694.54			2,087,986.60	2,087,986.60		
TOTAL DEBT SERV FUND			2,087,293.06	1.00	694.54			2,087,986.60	2,087,986.60		
422897 RESERVE FUND											
Debt Service			45.06					45.06	45.06		0.0404%
TEXSTAR Debt Ser Money Market			7,422,828.68	693.54		192.91	5,733.94	7,422,328.05	7,422,328.05		
TOTAL RESERVE FUND			7,422,873.74	693.54		192.91	5,733.94	7,422,373.11	7,422,373.11		
TICR 98 COI											
ESCROW			9.99					9.99	9.99		
443264 2011 Escrow 1998 2001			9.99					9.99	9.99		
422919 AUSTIN PARK											
677 FUND US TREASURY MM		VARIOUS	3,582.05					3,582.05	3,582.05		
TOTAL AUSTIN MAINT. FUND			3,582.05					3,582.05	3,582.05		
AFFORD. HOUSING											
639802 AEF HOUS FUND 2013		VARIOUS	48.59					48.59	48.59		
Logic Affordable Housing 2017		VARIOUS	N/A								

FY2021

April May June 2021

NAME OF FUND	DATE OF PURCHASE	M R A I T T U Y	BEGINNING BOOK VALUE	CHANGES		INCOME RECEIVED THIS PERIOD	INCOME RECEIVED TO DATE	ENDING BOOK VALUE	ENDING MARKET VALUE	MATURITY VALUE	YIELD
				PURCHASES	SALES & REDEMPTIONS						
TOTAL AFFORD. HOUSING 2011											
			48.59	-	-	-	2,318.50	48.59	48.59		
937932 PROJECT FUND											
697932 PROJECT FUND 2017											
LOGIC 2017 PROJECT	VARIOUS	N/A	3,080,863.50			562.30	6,965.74	3,081,425.80	3,081,425.80		0.0733%
TOTAL PROJECT FUND			3,080,863.50	-	-	562.30	6,965.74	3,081,425.80	3,081,425.80		
TOTAL INVESTMENTS											
			24,648,188.00	3,835,615.52	397,055.97	3,964.77	38,415.06	21,231,608.78	21,231,608.78		



midtown
HOUSTON

February 12, 2021

Board of Directors
Midtown Redevelopment Authority
410 Pierce, Suite 355
Houston, Texas 77002

Re: Investment Report – Quarter Ending December 31, 2020

Dear Board of Directors:

In my capacity as Investment Officer and in compliance with Article III, Section 3.03 and Article IV, Section 4.06 of the Investment Policy of the Authority, please find attached the 2nd Quarter Fiscal Year 2021 Investment Report.

These reports reflect compliance of the Investment Policies of the Authority, and in accordance with the Investment provisions of the Public Funds Investment Act. The enclosed report is presented to the Board of Directors for review and approval.

Kindest regards,

Matt Thibodeaux
Executive Director

cc: Carr, Riggs & Ingram (CRI)



midtown
H O U S T O N

February 12, 2021

Board of Directors
Matt Thibodeaux, Executive Director
Midtown Redevelopment Authority
410 Pierce Street, Suite 355
Houston, Texas 77002

Re: Investment Report – Quarter Ending December 31, 2020

Dear Board of Directors:

I have prepared the Quarterly Investment Report in my capacity as Financial Accounts Manager for the Authority. This report is presented in accordance with generally accepted accounting principals and Article III, Section 3.03 and Article IV, Section 4.06 of the Investment Policy of the Authority and will be reviewed as part of the annual audit.

The average yield from TexStar Money Market Accounts for this quarter is 0.092333%

The average yield from Logic Money Market Accounts for this quarter is 0.1662%

The average yield from Wells Fargo interest earning accounts is 0.137083%

The average yield from BBVA interest account is 0.2000%

The total amount of interest earned for this quarter is \$9,655.06.

The total average yield on sixteen interest bearing accounts is 0.139904%

The report reflects the compliance of your investment portfolio with the Investment Policies of the Authority, and is in accordance with the Investment provisions of the Public Funds Investment Act.

This report is presented to the Board of Directors for review and approval.

Respectfully,

Theresa D. Gilmore
Financial Accounts Manager

cc: Carr, Riggs & Ingram (CRI)

FY2021

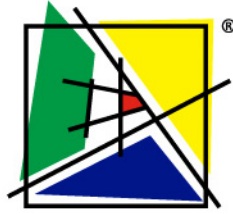
October November December 2020

NAME OF FUND	DATE OF PURCHASE	M R A I T T U Y	BEGINNING BOOK VALUE	CHANGES		INCOME RECEIVED THIS PERIOD	INCOME RECEIVED TO DATE	ENDING BOOK VALUE	ENDING MARKET VALUE	MATURITY VALUE	YIELD
				PURCHASES	SALES & REDEMPTIONS						
WF 64040			4,798,022.86	1,544,951.14	3,381,691.45	1,984.55	4,113.90	6,636,747.72	6,636,747.72		0.1600%
WF Infrastructure Projects 1731			952.29		0.38		0.75	952.67	952.67		0.1567%
WF Surplus 63943			1,244.99	3,234,624.64	3,234,624.68	43.04	103.61	1,288.07	1,288.07		0.1333%
WF FTA 63919			60.07		0.02		0.05	60.09	60.09		0.1567%
LOGIC Operating			5,055,116.41			2,118.31	6,359.37	5,057,234.72	5,057,234.72		0.1662%
TexSTAR Operating Account			6,948.89		1.51		7.36	6,950.40	6,950.40		0.0923%
WF Investment Acct 63901			730.73		0.29		0.59	731.02	731.02		0.0157%
WF OPR SAV ACCT 77180			45,321.68		1.14		2.29	45,322.82	45,322.82		0.0100%
TOTAL OPERATING FUNDS			9,908,397.92	4,779,575.78	6,616,316.13	4,149.24	10,587.92	11,749,287.51	11,749,287.51		
ACCT. 36024024 AFFORDABLE HOUSING											
WF Affordable Housing 3927			3,385,201.15	4,553,726.81	1,410,315.58	961.11	1,254.88	242,751.03	242,751.03		0.1600%
WF Affordable Housing 3935			344.16			0.14	0.28	344.30	344.30		0.1600%
TOTAL DDA			3,385,545.31	4,553,726.81	1,410,315.58	961.25	1,255.16	243,095.33	243,095.33		0.0923%
TEXSTAR AFF HOUS			2,013.87		0.45		1.34	2,014.32	2,014.32		0.1662%
LOGIC AFF HOUS			892,147.33	600,000.00	334.78		2,166.88	292,482.11	292,482.11		0.2000%
BBVA AFFORD HOUSE			1,110,940.63	1,036,908.08	1,010,000.00	527.67	1,576.03	1,084,560.22	1,084,560.22		0.2000%
TOTAL AFFORDABLE HOUSING			2,005,101.83	1,636,908.08	1,010,000.00	862.90	4,999.41	1,379,056.65	1,379,056.65		
422885 PLEDGE REVENUE											
677 FUND US TREASURY MM		n/a	42,059.30	3,234,624.68	3,248,681.70	-	-	56,116.32	56,116.32		
TOTAL PLEDGE REVENUE			42,059.30	3,234,624.68	3,248,681.70	-	-	56,116.32	56,116.32		
422896 DEBT SERVICE FUND											
Debt Service			7,655,705.31		6,601.71		-	7,662,306.02	7,662,306.02		
TOTAL DEBT SERV FUND			7,655,705.31	1.00	6,601.71	-	-	7,662,306.02	7,662,306.02		
422897 RESERVE FUND											
Debt Service			45.06	6,600.71	6,600.71	1,728.29	4,847.49	45.06	45.06		0.0923%
TexSTAR Debt Ser Money Market			7,428,010.23	6,600.71	6,600.71	1,728.29	4,847.49	7,423,137.81	7,423,137.81		0.0923%
TOTAL RESERVE FUND			7,428,055.29	13,201.42	6,600.71	1,728.29	4,847.49	7,423,182.87	7,423,182.87		
TICR 98 COI											
ESCROW			9.99					9.99	9.99		
443264 2011 Escrow 1998 2001			9.99					9.99	9.99		
422919 AUSTIN PARK											
677 FUND US TREASURY MM			3,582.05					3,582.05	3,582.05		

FY2021

October November December 2020

NAME OF FUND	DATE OF PURCHASE	M R A T T U Y	BEGINNING BOOK VALUE	CHANGES		INCOME RECEIVED THIS PERIOD	INCOME RECEIVED TO DATE	ENDING BOOK VALUE	ENDING MARKET VALUE	MATURITY VALUE	YIELD
				PURCHASES	SALES & REDEMPTIONS						
TOTAL AUSTIN MAINT. FUND			3,582.05	-	-	-	-	3,582.05	3,582.05	-	
AFFORD. HOUSING											
693802 AFF HOUS FUND 2013	VARIOUS	NA	-	2,055,860.27	2,055,860.27			-	-		
Logic Affordable Housing 2017	VARIOUS	N/A	2,055,244.42	2,055,860.27	-	615.85	2,318.50	(0.00)	(0.00)		0.1662%
TOTAL AFFORD. HOUSING 2011			2,055,244.42	4,111,720.54	2,055,860.27	615.85	2,318.50	(0.00)	(0.00)		
937932 PROJECT FUND											
697932 PROJECT FUND 2017	VARIOUS	N/A	5,074,886.63	1,996,188.06		1,337.53	5,576.04	3,080,036.10	3,080,036.10		0.1662%
LOGIC 2017 PROJECT	VARIOUS	N/A	5,074,886.63	1,996,188.06	-	1,337.53	5,576.04	3,080,036.10	3,080,036.10		
TOTAL PROJECT FUND			37,558,588.05	20,325,946.37	14,354,376.10	9,655.06	29,584.52	31,596,672.84	31,596,672.84		



midtown
HOUSTON

**MIDTOWN AFFORDABLE HOUSING
PROGRAM**

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



ARCH-CON[®]
CORPORATION
PRIME CHANGE PROPOSAL FORM

Project	Affordable Housing Oper
Job Number	1905004
Phase	
Project Manager	Corey Englade
Project Coordinator	Sandra Sanchez

Change Proposal #	29
Emancipation One Reception Desk	
Description:	

Breakdown		Cost
1	Millwork	\$ 14,697.00
2	Paint Columns	\$ 2,200.00
3	Tape Lights	\$ 6,105.00
4	Signage	\$ 1,790.00
5	Supervision	\$ 2,840.00
6		\$ -
7		\$ -
8		\$ -
9		\$ -
10		

Schedule Impact:

Yes
 No

Current Substantial
 Completion Date: N/A

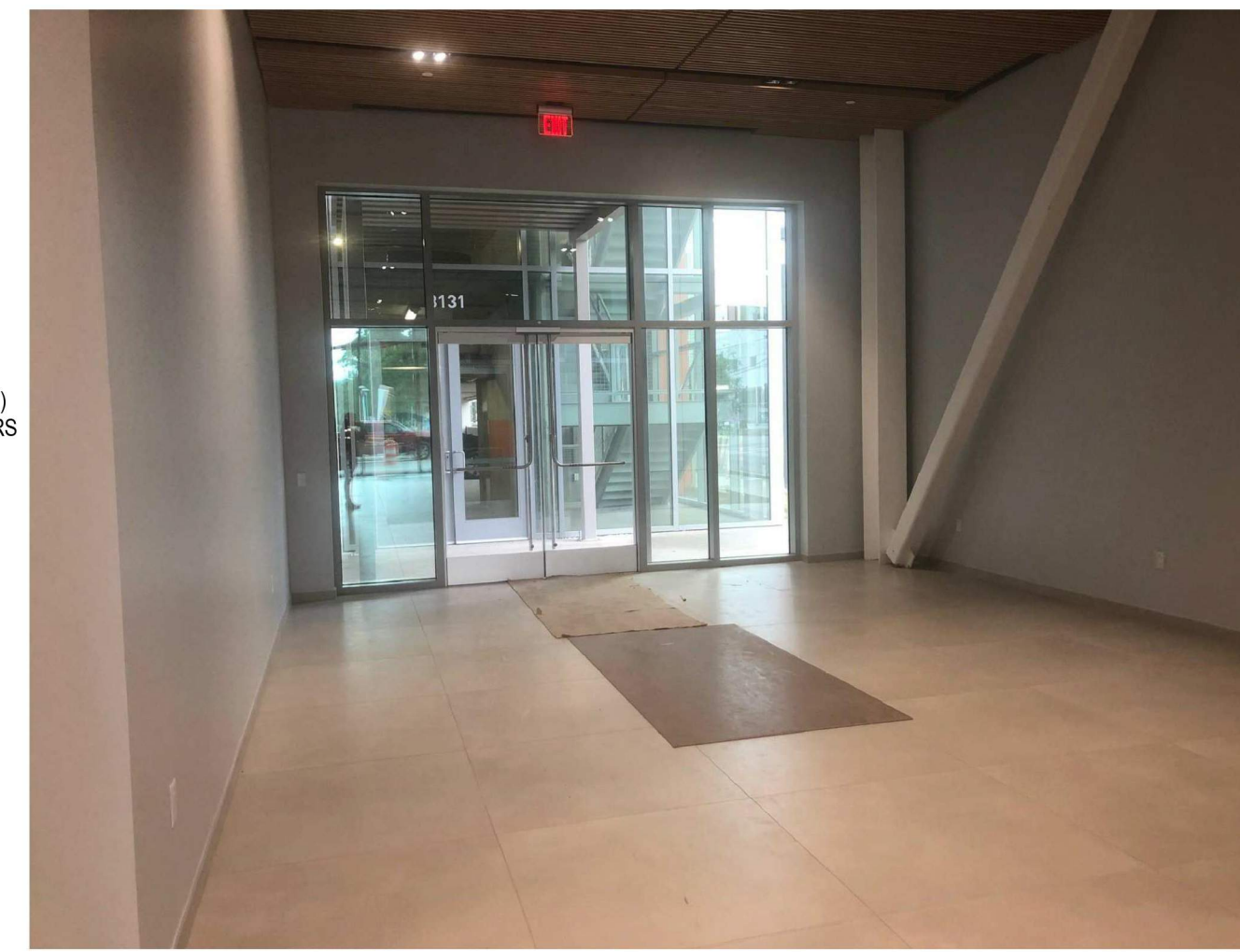
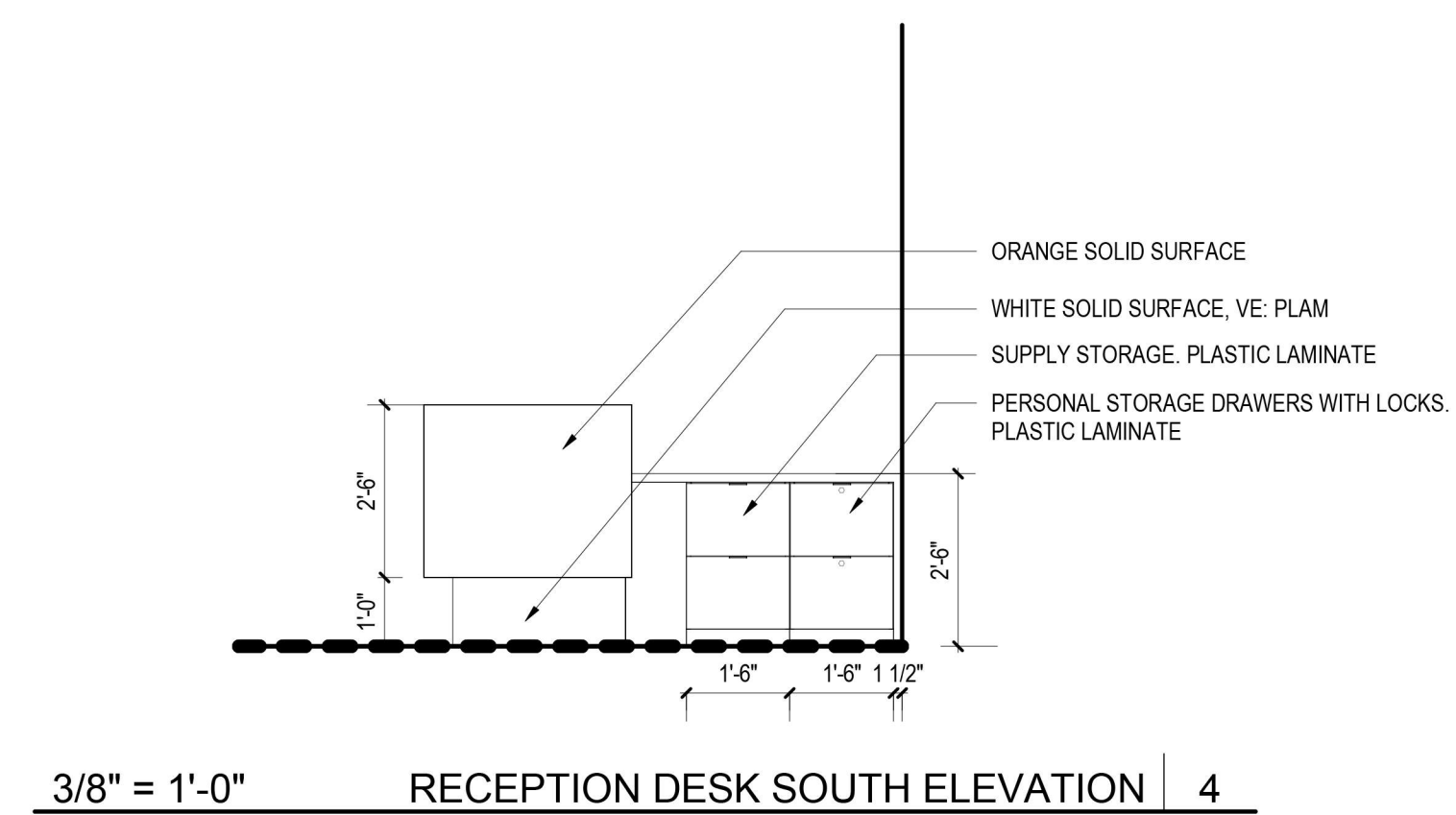
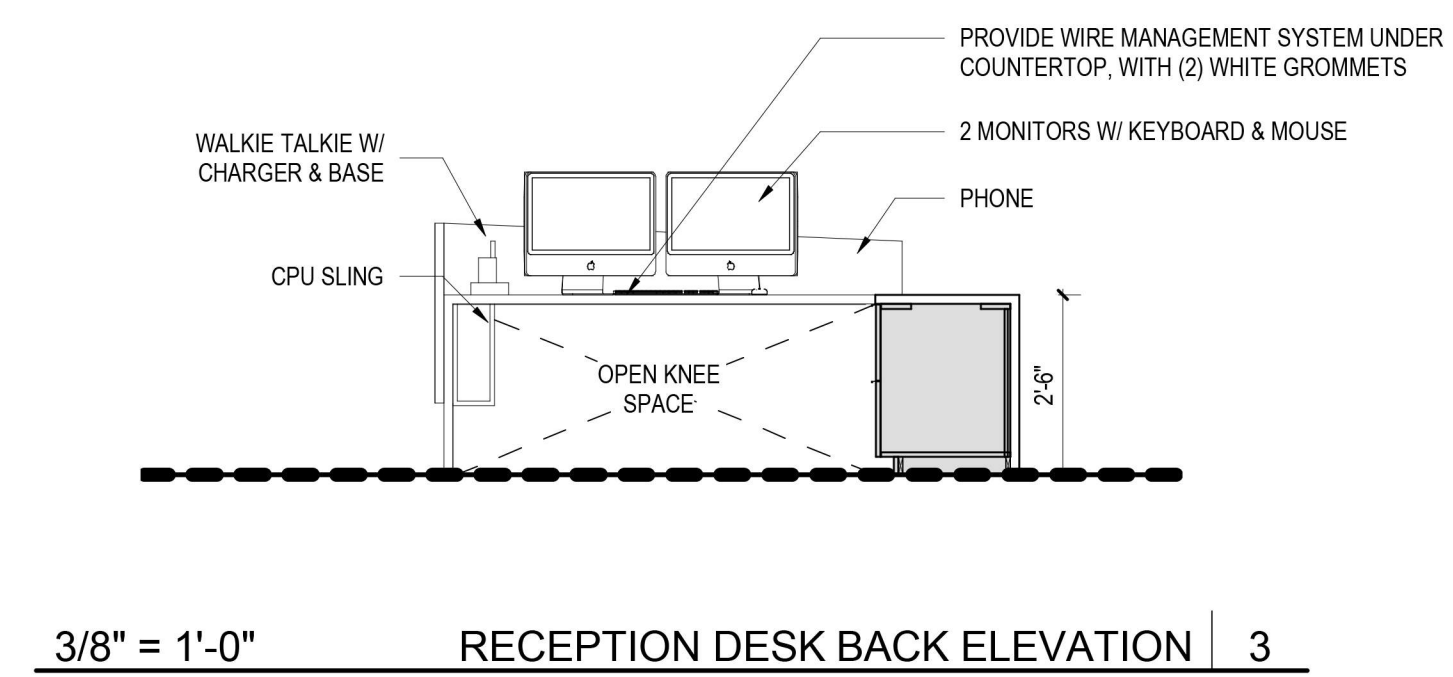
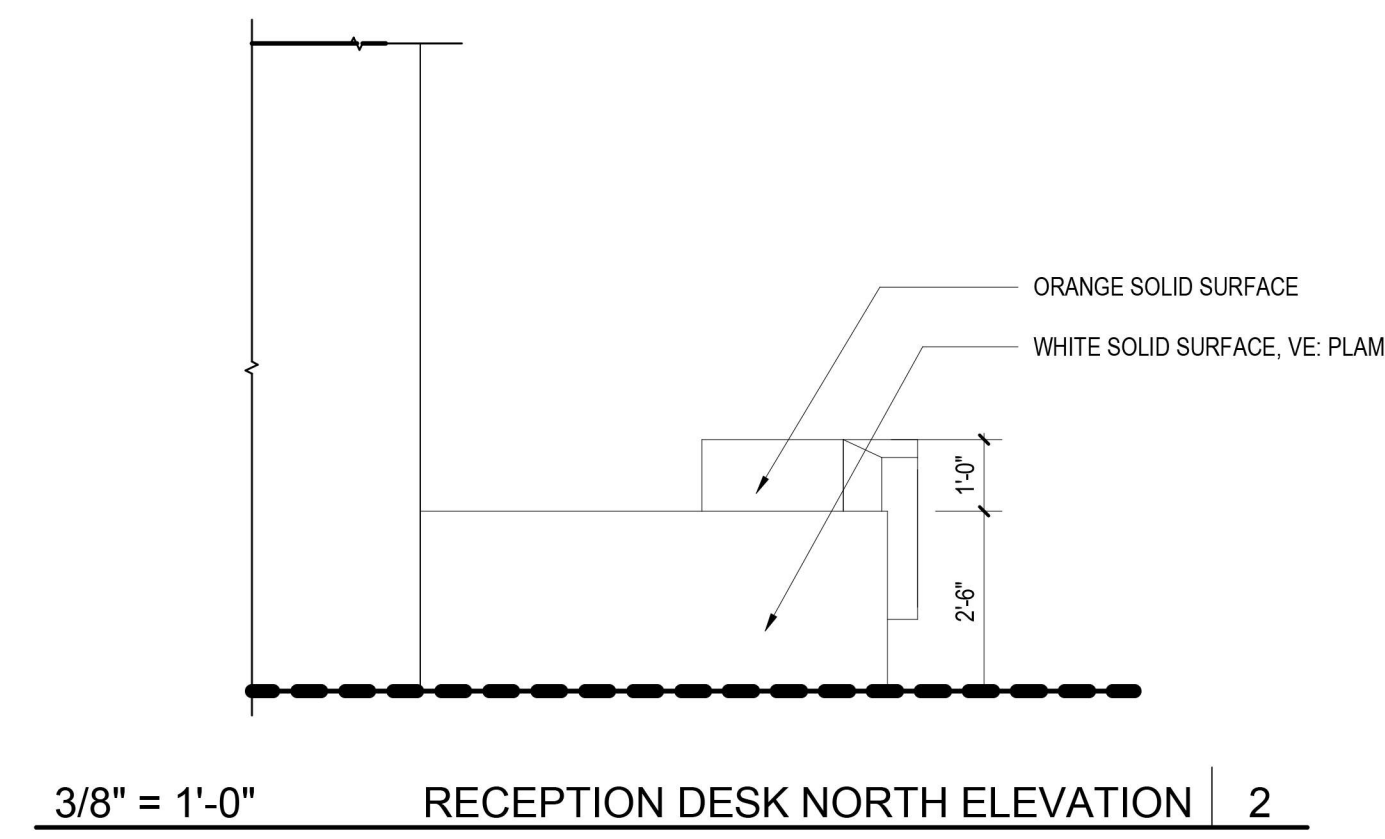
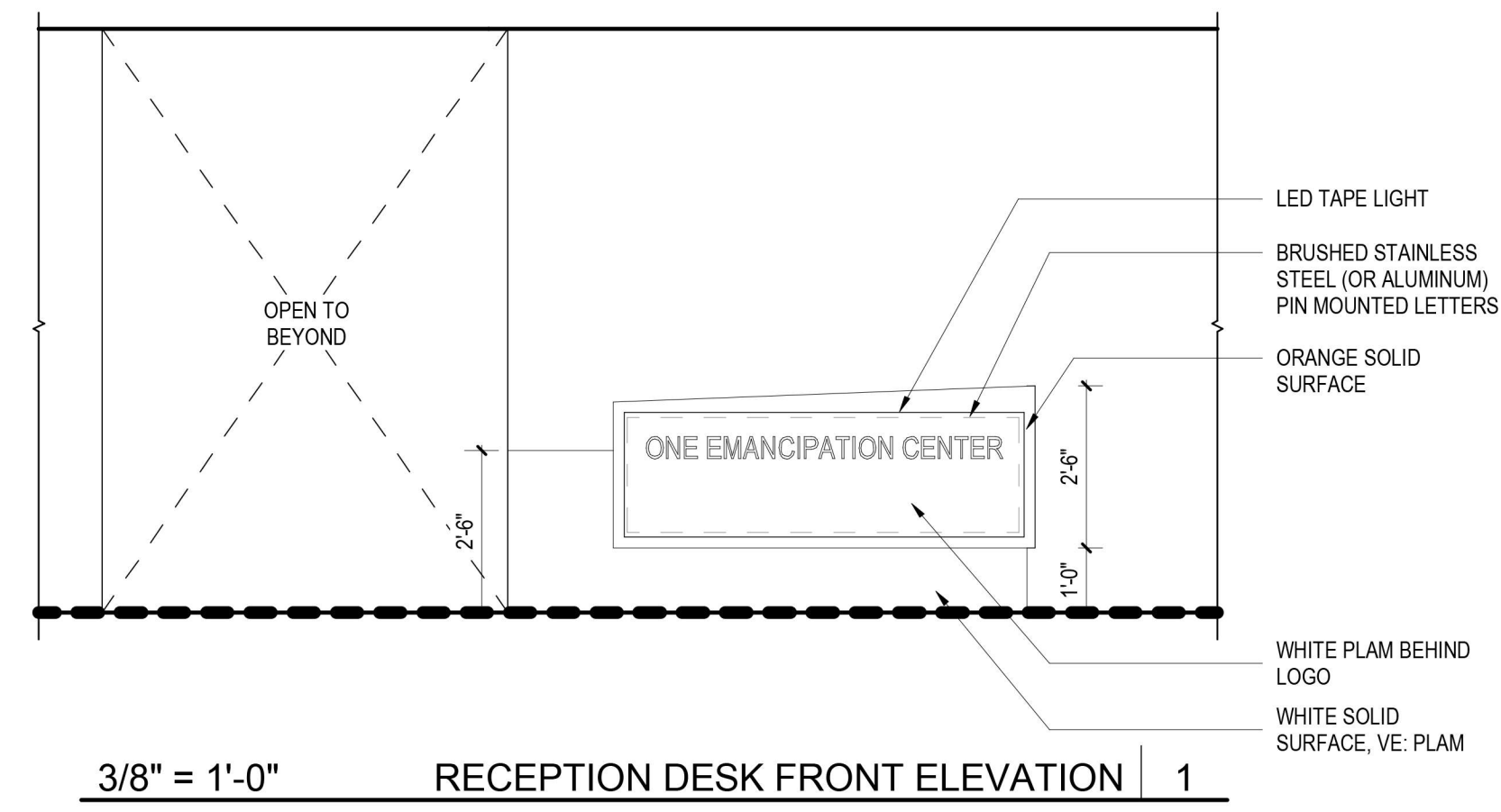
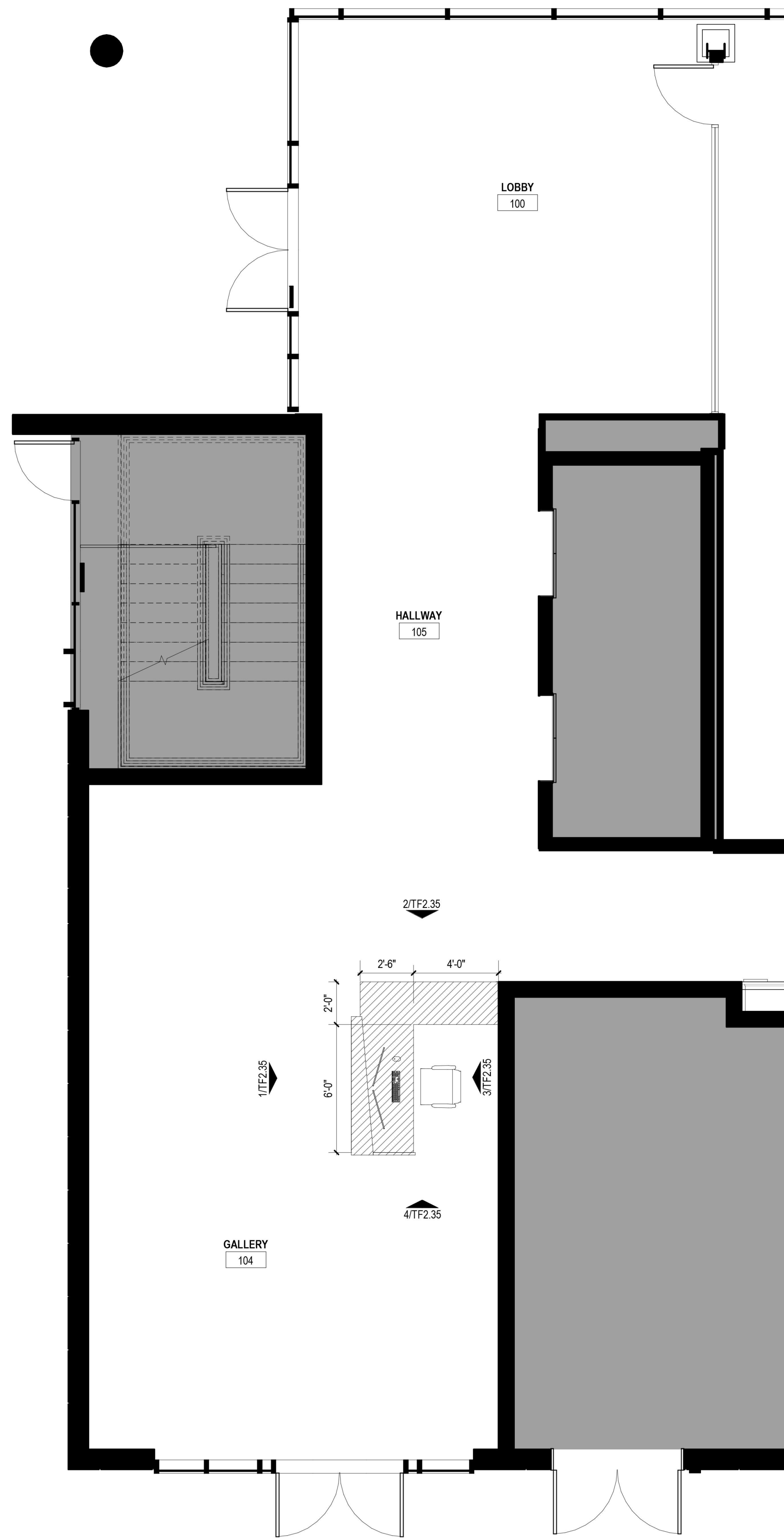
Calendar Days: 0

Revised Substantial
 Completion Date: N/A

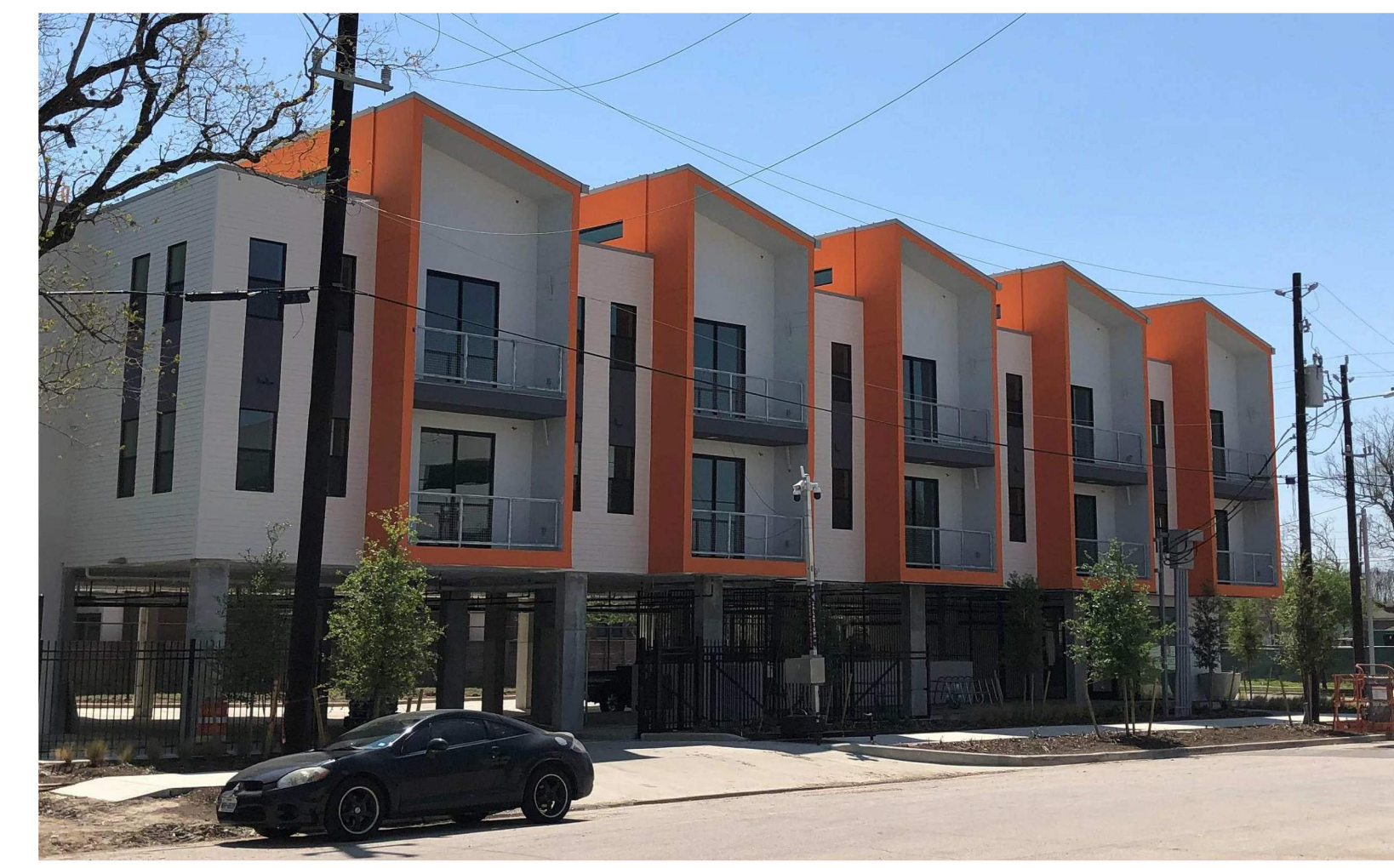
Approved
 Rejected

Subtotal		\$ 27,632.00
GL Insurance	1.15%	\$ 293.25
BR Insurance	0.29%	\$ 80.98
Safety	0.00%	\$ -
OH & Profit	6.00%	\$ 1,552.08
Sales Tax	0.00%	
Total		\$ 29,558.31

Owner Representative	Date
Architect/Engineer	Date
<i>WHE</i>	09/03/21
Arch-Con Corporation	Date



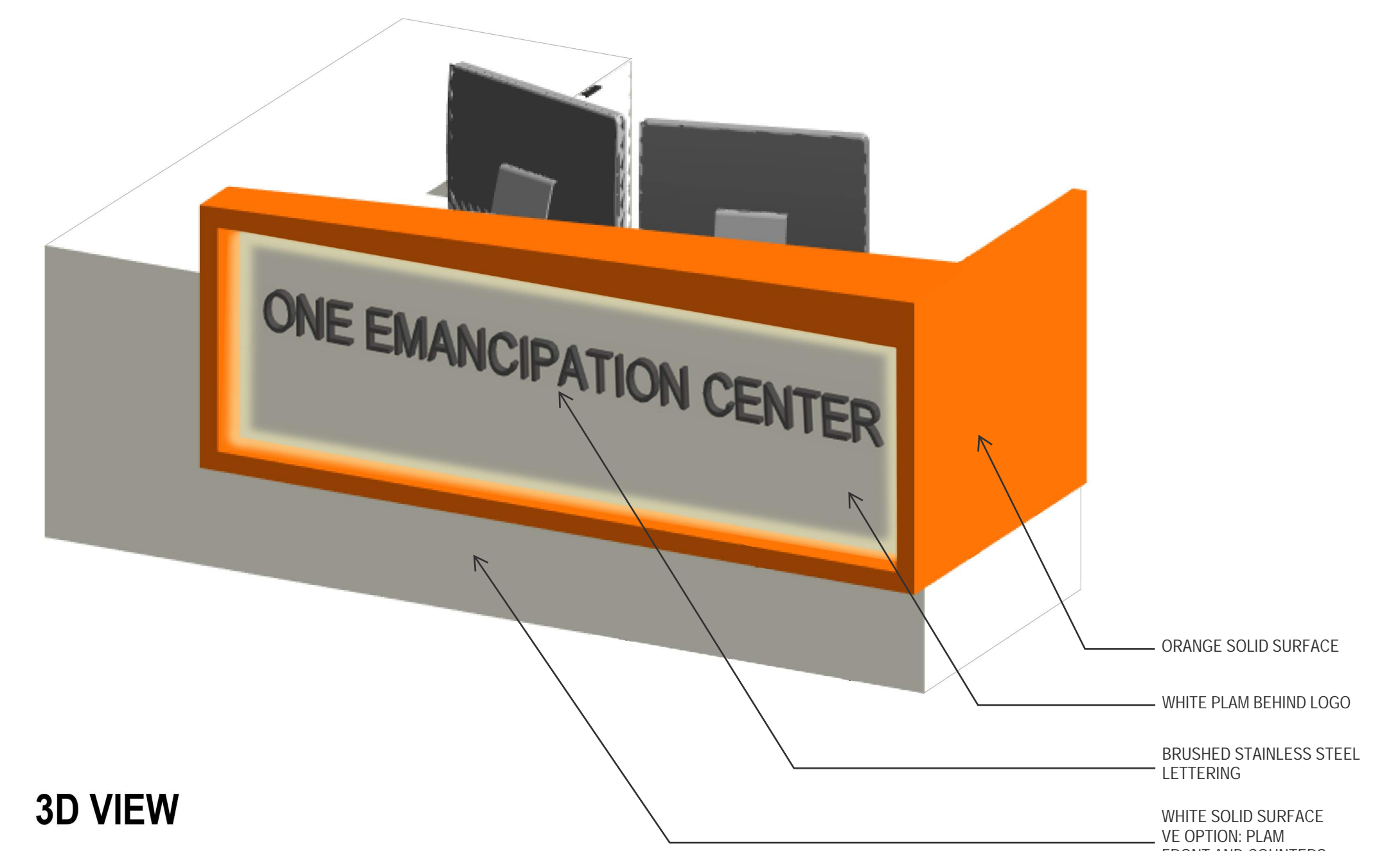
GALLERY PHOTOS



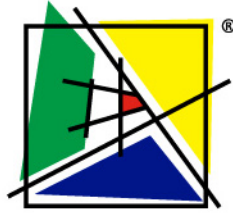
CONCEPT INSPIRATION



PAINT EXISTING COLUMNS ORANGE



3D VIEW



midtown
HOUSTON

**MIDTOWN CAPITAL IMPROVEMENTS
PROGRAM**

Capital Improvements Program

Parks and Greenspace

Baldwin Park

- Baldwin Park Improvements Project includes installation of playground equipment, perimeter lighting, electrical infrastructure, and expansion of the detention pond in the park.
- The construction contract for the project has been awarded to Landscape Art for \$463,558.31.
- Ongoing coordination with City of Houston - Houston Parks and Recreation Department for construction kickoff since Baldwin Park is a COH-owned park which is maintained by Midtown.
- The anticipated project start is late October 2021; project duration is estimated to be six months.
- Proposals for Construction Management and Inspection services for the project were requested from the Pre-Qualified Group of CM&I firms.

Caroline Street Reconstruction

- Contractor continues roadway paving activity at Gray, Webster, and McGowen intersections.
- Drainage and paving activities have resumed on Elgin following AT&T's completion of repairs to damaged manhole and duct bank facilities.
- Rain garden media and irrigation installations ongoing between Elgin and Hadley.
- Upcoming work includes installation of trees and rain garden plantings.

Change Orders

- CO #54 – Removal of steel casing from existing 16-inch waterline to perform wet connection and cut and plug near Pierce Street
 - o Amount: \$1,608.35
 - o TxDOT fee (4.95%): \$79.61
 - o Total: \$1,687.96
- CO #55 – Cut and plug of existing 20-inch waterline near Pierce Street
 - o Amount: \$5,525.54
 - o TxDOT fee (4.95%): \$273.51
 - o Total: \$5,799.05
- Traffic Systems Construction – Installation of two bike/pedestrian signals and regulatory signage for the bike lanes at Caroline/Gray intersection
 - o Total: \$8,333.05
- CenterPoint Energy - installation of temporary cobra-head streetlights on Caroline between Webster and Hadley.
 - o Total: \$1,274.00

Construction Contract Budget

- Original Contract Amount: \$12,380,276.54
- Net Change Orders (including TxDOT fee): \$1,530,025.83
- Contract Amount to Date: \$13,910,302.37
- Change Order Time Adjustment Total – 173 days



CHANGE ORDER NBR. 54

REPORT DATE: 9/2/2021 3:54:00PM

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: \$13,664,669.17
PEND ADJ PROJ AMT: \$13,664,669.17
CONTRACTOR: J.D. ABRAMS, L.P.
CO AMOUNT: \$1,608.35
CO TYPE: NON-PARTICIPATING
3RD PARTY AMOUNT: \$1,608.35
APPRV LEVEL: OVERRIDE

HIGHWAY: CS
DISTRICT: 12
COUNTY: HARRIS
AREA ENGINEER: Hamoon Bahrami, P.E.
AREA NUMBER: 058

DESCRIPTION: Cut & Remove Steel Casing - Ex. 16" Waterline near Pierce St
REASON: 2A - 2A-DIFFER SITE CONDITION (UNFORESEEABLE)
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	

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

This Change Order will provide for adding one unique item of work to the contract for the extra work required to cut and remove a steel casing found around an existing 16-inch waterline near Pierce Street.

The project plans, designed by ESPA, call for the reconstruction of a concrete roadway consisting of a 2-lane roadway with curb and gutter, curb side parking lanes, storm sewer, waterlines, 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 project plans call for the proposed 16-inch PVC waterline to be connected to the existing 16-inch waterline via a 16-inch wet connection near Pierce Street. Upon excavation, the Subcontractor VACA Underground, discovered that the existing 16-inch waterline was encased within a steel casing. The contract plans do not indicate that the existing 16-inch waterline is encased. Therefore, the following item will be added to the contract to compensate the Subcontractor for cutting and removing a section of the steel casing required to be able to perform the 16-inch wet connection and the cut and plug near Pierce Street:

- Item 9608-2046, UNIQUE CHANGE ORDER ITEM 46, CUT & REMOVE STEEL CASING NEAR PIERCE ST – 1.00 LS at a unit price of \$1,608.35/LS, where DOL=LS.

After a thorough review of the Contractor’s pricing support documentation, the West Harris Area Office found that their cost is supported rental rates for their equipment and appropriate hours and labor rates for the manpower. The West Harris Area Office has determined the price to be fair and reasonable.

The revisions covered by this Change Order do not require revisions to the original environmental clearances or approval by the Texas Department of Licensing and Regulation. The total Change Order amount for this project has exceeded 10 percent of the original contract amount, and this Change Order will require the approval of the District Engineer. The revisions covered by this Change Order are estimated to overrun the funds authorized for this project by \$1,608.35. 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% (\$79.61) making the third-party total cost \$1,687.96.

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 ID 091271003

CHANGE ORDER NBR. 54

Page 3 of 3

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	4068	96082046		UNIQUE CHANGE ORDER ITEM 46	DOL	1,608.35000	0.000	1.000	1.000	\$1,608.35
		CO DESCR		CO 54, CUT & REMOVE STEEL CASING NEAR PIERCE ST, DOL=LS						
		ADDTL CO DESCR 1		CO 54, CUT & REMOVE STEEL CASING NEAR PIERCE ST, DOL=LS						
									CHANGE ORDER AMOUNT	\$1,608.35



CHANGE ORDER NBR. 55

REPORT DATE: 9/7/2021 11:58:39AM

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: \$13,664,669.17
PEND ADJ PROJ AMT: \$13,664,669.17
CONTRACTOR: J.D. ABRAMS, L.P.
CO AMOUNT: \$5,525.54
CO TYPE: NON-PARTICIPATING
3RD PARTY AMOUNT: \$5,525.54
APPRV LEVEL: OVERRIDE

HIGHWAY: CS
DISTRICT: 12
COUNTY: HARRIS
AREA ENGINEER: Hamoon Bahrami, P.E.
AREA NUMBER: 058

DESCRIPTION: 20" Cut, Plug & Abandon
REASON: 1B - 1B-INCORRECT PS&E (CONSULTANT DESIGN)
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	

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

This Change Order will provide for adding one item of work to the contract for the 20-inch cut, plug and abandon performed near Pierce Street.

The project plans, designed by ESPA, call for the reconstruction of a concrete roadway consisting of a 2-lane roadway with curb and gutter, curb side parking lanes, storm sewer, waterlines, 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.

Plan Sheet 268 (for reference only) calls for a 20-inch cut, plug and abandon to be performed near Pierce Street (approximate Station 36+13). However, a pay item for the proposed 20-inch cut, plug and abandon was inadvertently left off the contract at the time of letting. A field meeting was held on August 4, 2021 with TxDOT, the Prime Contractor (J.D. Abrams, L.P), the City of Houston, the Engineer of Record, and the Midtown Site Inspector. During the field meeting, it was recommended by the City of Houston and the Engineer of Record that when the cut and plug is performed, that the Contractor plug both sides of the cut pipe. Therefore, the following item will be added to the contract to compensate the Contractor for cutting into the existing 20-inch waterline and plugging both ends of the cut pipe:

- Item 5969-2047 CUT AND PLUG WATER MAIN (20IN) – 2.00 EA at a unit price of \$2,762.77/LS, where DOL=EA.

This item does not have an average low bid unit price. After a thorough review of the Contractor’s pricing support documentation, the West Harris Area Office found that their cost is supported by invoices for the materials, rental rates for their equipment, and appropriate hours and labor rates for the manpower. The West Harris Area Office has determined the price to be fair and reasonable.

The revisions covered by this Change Order do not require revisions to the original environmental clearances or approval by the Texas Department of Licensing and Regulation. The total Change Order amount for this project has exceeded 10 percent of the original contract amount, and this Change Order will require the approval of the District Engineer. The revisions covered by this Change Order are estimated to overrun the funds authorized for this project by \$5,525.54. 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% (\$273.51) making the third-party total cost \$5,799.05.

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 ID 091271003

CHANGE ORDER NBR. 55

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	0977	59692047		CUT AND PLUG WATER MAIN (20IN)	EA	2,762.77000	0.000	2.000	2.000	\$5,525.54
		CO DESCR		CO 55						
		ADDTL CO DESCR 1		CO 55						
									CHANGE ORDER AMOUNT	\$5,525.54



Randy Morehead
Service Consultant
CenterPoint Energy Houston

2301 W. Gears Rd
Houston, TX 77067
713-945-6282

randy.morehead@centerpointenergy.com

September 21, 2021

Martin Herrera
City of Houston
Houston, TX 77251

Subject: Caroline Reconstruction
Location: Caroline St b/w Webster Ave and Hadley Ave

Dear Mr. Herrera,

The *Streetlight Division* at CenterPoint Energy (CNP) has prepared a cost for the Temp lighting to be installed and removed at the subject location.

The total cost is: **\$1,274.00**

The following is a breakdown of the above-mentioned cost:

Temp overhead streetlight installation: \$ 894.00

1. 3-115W 8' arm led luminaires

Temp overhead streetlight removal: \$ 380.00

2. 3-115W 8' arm led luminaires

Please note, the City's contractor is responsible for staking and coordinating with CNP's Street Light Consultant the proposed temporary wood pole locations per the attached CNP installation sketch. Actual location of the wood poles will be determined by the contractor to avoid construction conflicts. The contractor is also required to trim trees as needed for the temporary. Tree trimming requirements will be ascertained per a field meeting with CenterPoint Energy prior to the staking of wood poles.

Your signature below will be our acknowledgment of your acceptance to the above-mentioned terms and conditions and associated charges. Also, a check for the above noted amount made payable to *CenterPoint Energy* will be required before CNP can proceed with the planned construction. Please send the check, the original signed copy of this agreement and invoice to:

ATTN. Distribution Project Coordinator SHC I FL 03, CenterPoint Energy, 4700 South Shaver Rd., Houston, TX 77034.

If there are any questions, please do not hesitate to contact me at (713) 945-6282. Please note this estimate is valid for a period of 180 days from the date of this agreement.

Thank You,

Randy Morehead

Randy Morehead
Service Consultant
CenterPoint Energy

The above requirements are approved and accepted this

_____ Day of _____, 2021,

By _____ (Signature)

_____ (Printed name)

_____ (Title)

_____ (Company)

Traffic Systems Construction, Inc.

P.O. BOX 1346 Dickinson, Texas 77539 Office (281) 337-1926 Fax No. 1 (281) 534-1937

www.trafficsci.com

CHANGE ORDER

DATE : 09/21/2021 No.10
GENERAL CONTRACTOR : TRAFFIC SYSTEMS CONSTRUCTION
OWNER : TXDOT
PROJECT NUMBER : N-321040-0013-4
LOCATION : GRAY @ CAROLINE STREET
DESCRIPTION OF WORK : TSC TO PROVIDE PRICING TO INSTALL TWO BIKE LANE SIGNALS, PEDESTRIAN SIGNALS
REGULATORY SIGNS AND ADDITIONAL WIRING DUE TO THE REVISIONS MADE IN THE
TO ACCOMODATE FOR BIKE LANES

PLEASE NOTE : ALL CHANGE ORDERS MUST BE APPROVED OR DENIED WITHIN 60 DAYS
AFTER 60 DAYS THE CHANGE ORDER PRICING WILL NO LONGER BE VALID
DUE TO MATERIAL SUPPLIER PRICE INCREASES.

COST BREAKDOWN

MATERIAL

ITEM	UNIT	QTY.	UNIT PRICE	TAXABLE	NON-TAXABLE
BIKE LANE SIGNAL	EA	2	\$480.00		\$960.00
PEDESTRIAN SIGNAL	EA	1	\$300.00		\$300.00
NO.14 7/C	LF	200	\$2.18		\$436.00
PULL LINE	EA	1	\$87.00		\$87.00
MULE TAPE	EA	1	\$218.00		\$218.00
VINYL FORK CONNECTORS	EA	20	\$0.22		\$4.40
BANDING MATERIAL	EA	1	\$98.00		\$98.00
BANDING BUCKLES	BOX	1	\$75.00		\$75.00
				SUBTOTAL	\$2,178.40
			PROFIT & COMPENSATION	10%	\$217.84
				MATERIAL TOTAL	\$2,396.24

EQUIPMENT

ITEM	UNIT	QTY.	UNIT PRICE	TAXABLE	NON-TAXABLE
CREW TRUCK	HR	8	\$13.70		\$109.60
FLATBED TRUCK	HR	30	\$26.57		\$797.10
AERIAL LIFT	HR	30	\$14.78		\$443.40
TRAILER	HR	20	\$11.85		\$237.00
				SUBTOTAL	\$1,587.10
			PROFIT & COMPENSATION	10%	\$158.71
				EQUIPMENT TOTAL	\$1,745.81

LABOR

ITEM	UNIT	QTY.	UNIT PRICE	TAXABLE	NON-TAXABLE
SUPERVISOR	HR	8	\$55.00		\$440.00
FOREMAN	HR	30	\$40.00		\$1,200.00
HELPER	HR	30	\$30.00		\$900.00
				SUBTOTAL	\$2,540.00
			PROFIT & COMPENSATION	10%	\$254.00
			LABOR BURDEN	55%	\$1,397.00
				LABOR TOTAL	\$4,191.00

GRAND TOTAL **\$8,333.05**

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (this “*Agreement*”) is between **MIDTOWN REDEVELOPMENT AUTHORITY**, a Texas not-for-profit local government corporation (“*Midtown*”), and _____, a _____ (“*Consultant*”). Midtown and Consultant are sometimes referred to herein collectively as the “*Parties*” or individually as a “*Party*”.

The Parties agree as follows:

ARTICLE 1

SCOPE OF SERVICES

1.1. Consultant agrees to perform engineering, design, project management, program management, technical, consulting and such other services (the “*Services*”) as are requested from time to time by Midtown, which Services shall be set forth more particularly in work orders, the form of which is attached hereto as Attachment B (“*Work Orders*”), issued in writing from time to time by Midtown and accepted by Consultant. Services may include design of specific projects, performing detailed site surveys, conducting constructability studies, preparing cost estimates, and determination of a contractor’s general compliance with plans, specifications, design, and planning concepts.

1.2. Work Orders shall contain the schedule, price and payment terms applicable to the Services within the scope of such Work Orders. Work Orders will refer to and be governed by and subject to the terms, conditions and other provisions of this Agreement. Work Orders will become effective when a copy thereof is signed and issued by the executive director of Midtown or his duly authorized representative (the “*Executive Director*”), signed by Consultant, returned to Midtown, and approved by Midtown’s board of directors (the “*Board of Directors*”) (if such approval is required). Services covered by any Work Order (and related plans and specifications, if any) are not modified unless such modification has been agreed to in writing by Midtown and Consultant as set forth herein.

1.3. Terms, conditions or other provisions contained in any Work Order that conflict with any terms, conditions or other provisions of this Agreement will have no effect and will be deemed stricken and severed from such Work Orders, and the balance of such Work Orders will remain in full force and effect.

1.4. Nothing herein obligates Midtown to issue, or Consultant to accept, any Work Orders. Further, the Parties agree that nothing in this Agreement prohibits the Parties from entering into separate or supplemental agreements in addition to this Agreement for services or work (e.g., services or work may involve tasks, risks and responsibilities which the Parties may decide should be governed by an agreement other than or different from this Agreement).

ARTICLE 2

TERM OF AGREEMENT

2.1. This Agreement shall be effective for a term of one (1) year from the date of the last signature set forth below and shall be automatically renewed without action by either Party for subsequent terms of one (1) year unless terminated earlier in writing in accordance with Article 13.

2.2. Notwithstanding any termination of this Agreement pursuant to Section 2.1, this Agreement shall remain in effect for Work Orders issued and accepted during the term of this Agreement until such time as the Services under the Work Orders have been completed; provided however, that, pursuant to Article 13, either Party shall have the right to terminate any Work Order for cause and Midtown shall have the right to terminate any Work Order for convenience.

ARTICLE 3

COMPENSATION AND PAYMENT

3.1. Midtown agrees to pay Consultant, and Consultant agrees to accept, as full and complete compensation for Services properly performed by Consultant hereunder, the rates and charges agreed upon for a specific Work Order. Attachment A shall be used to negotiate the price of each Work Order issued hereunder.

3.2. On or as soon as practicable after the first day of each calendar month, Consultant shall submit an invoice to Midtown, together with appropriate releases and lien waivers in forms acceptable to Midtown, covering all Services performed by Consultant during the preceding calendar month. Consultant shall separately itemize on each invoice: (i) each Work Order for which payment is sought, (ii) the amount of payment requested for each such Work Order, (iii) brief descriptions of Services performed during the prior month for each such Work Order, and (iv) the total payment requested by such invoice. Midtown shall pay the amount it agrees to be due within thirty (30) days after receipt of such invoice or within fifteen (15) days after the monthly meeting of the Board of Directors where such amount is approved, whichever is later.

3.3. Midtown may withhold all or any part of payment requested in any invoice to protect Midtown from loss or expected loss because of:

(a) Services that are defective or not in compliance with this Agreement or the applicable Work Order or any failure of Consultant to perform Services in accordance with the provisions of this Agreement or the applicable Work Order;

(b) third party suits, stop notices, claims or liens for which Consultant is responsible pursuant to this Agreement, including pursuant to any indemnification obligation hereunder, asserted or filed against any Indemnatee (as defined below) or any Indemnatee's property or any portion thereof;

(c) uninsured damage to any Indemnatee which results from Consultant's failure to obtain or maintain the insurance required by this Agreement or from any action

or inaction by Consultant or any of its subconsultants which excuses any insurer from liability for any loss or claim which would, but for such action or inaction, be covered by insurance;

- (d) any failure of Consultant to pay any of its subconsultants;
- (e) failure of Consultant to submit proper invoices with all required attachments and supporting documentation;
- (f) evidence that the Services cannot be completed for the unpaid balance of the fee due Consultant under the applicable Work Order;
- (g) evidence that the Services will not be completed within the time set forth in the applicable Work Order or a schedule agreed upon for such Services, and that the unpaid balance would not be adequate to cover damages for the anticipated delay; or
- (h) any other failure of Consultant to comply with this Agreement.

3.4. Consultant agrees to pay in full as soon as reasonably practicable, but in no event later than thirty (30) days following payment from Midtown for a specific Work Order, all subconsultants in connection with Services that are owed payment by Consultant out of such payment made to Consultant by Midtown.

3.5. If Midtown is entitled to reimbursement or payment from Consultant under or pursuant to this Agreement, such payment shall be made promptly upon demand by Midtown. Notwithstanding anything contained in this Agreement to the contrary, if Consultant fails to promptly make any payment due Midtown, or Midtown incurs any costs and expenses to cure any default of Consultant or to correct defective Services, or Consultant owes Midtown money for any other reason, Midtown, without waiver or limitation of any of its other rights or remedies under this Agreement and applicable law, shall have the right but not the obligation to from time to time deduct from any amounts due or owing by Midtown to Consultant any and all amounts owed by Consultant to Midtown.

ARTICLE 4

ACCESS TO SITES; PERMITS; AVAILABILITY OF FUNDING

4.1. Consultant shall have access to all sites to the extent necessary for the performance of Services under this Agreement.

4.2. Unless otherwise specified in the applicable Work Order(s), Consultant will assist Midtown in securing all necessary approvals, permits, licenses, easements and consents necessary for the performance of Services.

4.3. Consultant understands that appropriations for Services pursuant to Work Orders under this Agreement will sometimes be made in stages by Midtown. Consultant also understands that such Services will be performed and expenses incurred by Consultant and payments will be

made to Consultant under the direction of and subject to the approval of the Executive Director and/or the Board of Directors.

ARTICLE 5

STANDARD OF CARE; COORDINATION OF SERVICES; SAFETY; COST ESTIMATES; FURNISHING OF INFORMATION TO PUBLIC WORKS DIRECTOR; REVIEW AND APPROVAL BY CITY OF HOUSTON

5.1. Consultant shall supervise and direct the Services and those of its subconsultants using its best skill and attention in an expeditious and economical and efficient manner consistent with furthering the interests of Midtown, and shall exercise the degree of care, skill, and diligence in the performance of the Services in accordance with and consistent with the industry standards for professionals regularly engaged in the performance of services of a similar nature to the Services (Consultant's "*Standard of Care*").

5.2. Consistent with its Standard of Care, Consultant will keep Midtown apprised of the status of Services, will coordinate its activities with Midtown, and accommodate other activities of Midtown at the sites to which the Services relate.

5.3. Consultant confirms and agrees that Midtown has and shall retain all rights, title, and interest in and to any information, drawings, maps, field notes, statistics, computation, or other data provided by or on behalf of Midtown, including, without limitation, any copyright or other intellectual property rights, and that by use of any thereof, Consultant shall not acquire any right, title, or interest in any thereof, including, without limitation, any copyright or other intellectual property rights. Consultant shall promptly report to Midtown any error, inconsistency or omission of which Consultant becomes aware in any contractor's work, in any of Consultant's documents provided to Midtown, contractor or others in connection with the Services, or in any information or documents provided to Consultant by or on behalf of Midtown. Midtown makes no representation or warranty that any services, information, surveys and reports provided by or on behalf of Midtown under this Agreement ("*Midtown Information*") are accurate, complete, correct, fit for their intended purpose, or can be used without infringing any patent, copyright, trademark, or other intellectual property rights of third parties under the intellectual property rights of the world. Nevertheless, Consultant shall be entitled to rely upon such Midtown Information without the need to independently confirm its accuracy, completeness, correctness, fitness for a particular purpose or likelihood of infringement; provided, however, that Consultant may not rely upon such Midtown Information if: (i) Consultant has been informed by Midtown (a) of inaccuracies, errors, omissions or other deficiencies in such Midtown Information, or (b) otherwise not to rely upon such Midtown Information, in whole or in part; or (ii) Consultant becomes aware of any inaccuracy, error, omission or other deficiency in the Midtown Information, or (iii) Consultant otherwise, in accordance with the Standard of Care, should not rely upon such Midtown Information. Consultant immediately shall inform Midtown in writing of any Midtown Information which Consultant considers unreliable. In the event Consultant is prevented from relying upon any particular item of Midtown Information but has need to rely upon such Midtown Information for performance of its Services in accordance with this Agreement, Consultant shall inform Midtown in writing of the problem with the particular item of the Midtown Information

and Consultant's need for reliable replacement information. The parties shall then determine how best to obtain such information in a reliable form.

5.4. Consultant shall be responsible for its own activities at sites including the safety of its employees, and that of its subconsultants but shall not assume control of or responsibility for the overall site safety. Construction contractors of Midtown, other than Consultant, have sole responsibility for providing materials, means, and methods of construction, for controlling their individual work areas and safety of said areas for all parties, and for taking appropriate steps to ensure the quality of their work and the safety of their employees and of others in connection with their performance of work or services provided under contracts with Midtown. The foregoing does not, however, relieve Consultant of its obligation to comply with the Standard of Care and otherwise properly perform its obligations under this Agreement and the Work Orders.

5.5. During performance of the Services, Consultant shall not, directly or indirectly, become involved in any relationship that presents a conflict of interest based upon information available to Consultant, or upon discovery thereof, allow such a conflict to continue. If Consultant believes that there is a possibility of a conflict of interest, prior to performance of Services, or at such time that Consultant discovers the potential for which there is a possibility of a conflict of interest, Consultant shall provide to Midtown any additional disclosures regarding the potential conflict. Consultant shall promptly provide to Midtown any facts or additional information regarding any possible conflict as Midtown may reasonably request, including that requested pursuant to Section 5.6 herein.

5.6. With respect to providing Services hereunder, Consultant shall (a) promptly disclose to Midtown any facts which might involve any reasonable possibility of a conflict of interest during the term of this Agreement; (b) complete any forms required by state law, including forms in accordance with Chapters 171 and 176, Texas Local Government Code; (c) ensure that each of Consultant's subconsultants completes the required forms provided pursuant to clause (b) of this section, and provides a copy of the required forms to Midtown before such subconsultant performs any Services; (d) comply with the "Good Faith Efforts" requirement defined and described in Midtown's Minority and Women-owned Business Enterprises Policy, as amended from time to time; and (e) for projects funded in whole or in part by federal funds, comply with all federal requirements regarding Services performed for such projects, including those set forth in Attachment C.

5.7. If requested by Midtown, Consultant shall furnish to the director of Houston Public Works (the "**Public Works Director**") copies of estimates and progress reports related to construction and necessary for the performance of Services as such estimates and reports are prepared and become available.

5.8. Consultant acknowledges and agrees that projects of Midtown may be subject to review and approval by the City of Houston. Accordingly, as and when requested by Midtown, Consultant shall submit information and cooperate with the City of Houston to the extent necessary to undergo such review or obtain such approval as part of the Services.

ARTICLE 6

AUDIT RIGHTS

Consultant and its subconsultants shall maintain records and books in accordance with generally accepted accounting principles and practices. For Services provided by Consultant under cost reimbursable, time and material or unit price Work Orders, during the period of this Agreement and for five (5) years thereafter, Consultant and its subconsultants shall maintain records of direct costs for which Midtown is charged. Midtown shall at all reasonable times have access to such records for the purpose of inspecting, auditing, verifying, or copying the same, or making extracts therefrom.

ARTICLE 7

OWNERSHIP OF INSTRUMENTS OF SERVICE AND TECHNOLOGY

7.1. All drawings, specifications, other documents prepared or furnished by the Consultant or its subconsultants pursuant to this Agreement, including those in electronic form, and copies thereof furnished by any of them and the architectural works (as defined by 17 U.S.C. 101) embodied thereby, are and shall remain Midtown's property upon creation (collectively, "*Instruments of Service*") provided, however, that Instruments of Service do not include pre-existing proprietary information of Consultant or its subconsultants ("*Consultant Proprietary Information*"). Consultant agrees to and does hereby assign, grant, transfer and convey to Midtown, its successors and assigns, Consultant's entire right, title, interest and ownership in and to such Instruments of Service, including the right to secure copyright registration. Consultant confirms that Midtown and its successors and assigns shall own Consultant's right, title and interest in and to, including the right to use, reproduce, distribute (whether by sale, rental, lease or lending, or by other transfer of ownership), to perform publicly, and to display, all such Instruments of Service, whether or not such Instruments of Service constitute a "work made for hire" as defined in 17 U.S.C. Section 201(b). In addition, the Consultant hereby grants Midtown a fully paid-up, royalty free, perpetual, assignable, non-exclusive license to use, copy, modify, create derivative works from and distribute to third parties Consultant Proprietary Information in connection with Midtown's exercise of its rights in the Instruments of Service, operation, maintenance, repair, renovation, expansion, replacement and modification of projects of Midtown or otherwise in connection with property or projects in which Midtown has an interest (whether by Midtown or a third party). Notwithstanding anything in this Agreement to the contrary, if (a) Midtown uses the Instruments of Service for a project other than the project for which the Instruments of Service were prepared or furnished and without Consultant's involvement, and (b) Consultant has not consented to such use, then Midtown agrees to release Consultant and its subconsultants for any liability arising from such use; provided, however, that the foregoing release shall not apply in the event such lack of involvement is due to termination of Consultant for cause. Consultant shall obtain assignments, confirmations and licenses substantially similar to the provisions of this paragraph from all of its subconsultants. Instruments of Service are to be used by Consultant only with respect to the project in connection with which such Instruments of Service were created and are not to be used on any other project without Midtown's prior written consent. For the avoidance of doubt, Consultant and its subconsultants are not prohibited from using public standards or details on any other project. Consultant and its subconsultants are

granted a limited, nonexclusive, non-transferable, revocable license during the term of their respective agreements under which each is obligated to perform Services to use and reproduce applicable portions of the Instruments of Service appropriate to and for use in the execution of Services. Submission or distribution to comply with official regulatory requirements or for other purposes in connection with Services is not to be construed as publication in derogation of Midtown's copyright or other reserved rights. Consultant shall deliver all copies of the Instruments of Service to Midtown upon the earliest to occur of Midtown's request, completion of Services in connection with which Instruments of Service were created, or termination of this Agreement, except that Consultant may keep one (1) record copy of all Instruments of Service for its files.

7.2. Consultant agrees that all information provided by Midtown in connection with Services ("**Confidential Information**") shall be considered and kept confidential, and shall not be reproduced, transmitted, used or disclosed by Consultant without the prior written consent of Midtown, except as may be necessary for Consultant to fulfill its obligations hereunder; provided, however, that such obligation to keep confidential such Confidential Information shall not apply to any information, or portion thereof, that:

(i) was at the time of receipt by Consultant otherwise known by Consultant by proper means;

(ii) has been published or is otherwise within the public domain, or is generally known to the public at the time of its disclosure to Consultant;

(iii) subsequently is developed independently by Consultant, by a person having nothing to do with the performance of this Agreement and who did not learn about any such information as a result of Consultant being a Party to this Agreement;

(iv) becomes known or available to Consultant from a source other than Midtown, which source is not under an obligation of confidentiality to Midtown, and without breach of this Agreement by Consultant or any other impropriety of Consultant;

(v) enters the public domain without breach of this Agreement by or other impropriety of Consultant;

(vi) becomes available to Consultant by inspection or analysis of products available in the market;

(vii) is disclosed with the prior written approval of Midtown;

(viii) was exchanged between Midtown and Consultant and ten years have subsequently elapsed since such exchange; or

(ix) is required to be disclosed pursuant to applicable law; provided that Consultant uses reasonable efforts to notify Midtown in writing of any proposed disclosure of Confidential Information pursuant to this subsection sufficiently in advance of such proposed disclosure such that Midtown may seek an appropriate protective order (and Consultant shall reasonably cooperate, at Midtown's expense, with any such effort) or waive any applicable confidentiality requirements hereunder.

7.3. Consultant shall not be liable for the inadvertent or accidental disclosure of Confidential Information, if such disclosure occurs despite the exercise of at least the same degree of care as Consultant normally takes to preserve and safeguard its own proprietary or confidential information, but in no event less than a commercially reasonable degree of care.

7.4. Consultant will advise Midtown of any patents or proprietary rights and any royalties, licenses, or other charges which Consultant knows or should know in the exercise of its Standard of Care impacts any design provided by Consultant in connection with any Services, and obtain Midtown's prior written approval before proceeding with such Services. Consultant shall not perform patent searches or evaluation of claims, but will assist Midtown in this regard if requested, on the basis set forth herein. There will be no charge for Consultant's existing patents.

ARTICLE 8

INDEPENDENT CONTRACTOR RELATIONSHIP

In the performance of Services hereunder, Consultant shall be an independent contractor with the authority to control and direct the performance of the details of Services and its own means and methods, subject to compliance with this Agreement. Consultant shall not be considered a partner, affiliate, agent or employee of Midtown and shall in no way have any authority to bind Midtown to any obligation. As an independent contractor, as between Consultant and Midtown, Consultant assumes full responsibility for the safety of all persons performing and property associated with Consultant's performance of the Services, and shall supervise and control Consultant's agents, employees and subconsultants.

ARTICLE 9

CORRECTION OF SERVICES

If Consultant fails to comply with the Standard of Care, in addition to such other rights and remedies as Midtown may have under this Agreement, at law or in equity, Consultant shall, without additional compensation, be responsible for the damages actually suffered or incurred by Midtown due to such failure by Consultant, and costs of correcting its Services, including but not limited to, when applicable:

- (a) The cost of correcting and replacing any affected design documents, including reproducible drawings;
- (b) The replacement cost of the contractor's work which is installed pursuant to and in accordance with documents for which Consultant is responsible under this Agreement or applicable Work Order containing errors or omissions in contravention of the Standard of Care; and
- (c) The additional costs of consultants to Midtown, if any, arising out of such defective Services.

In the event that Consultant is either not capable of performing the corrections or not capable of performing such corrections in time to meet Midtown's requirements, Midtown may

have the Services reformed and any defective Services corrected by a third party and Consultant shall reimburse Midtown for the expense of such performance or correction or Midtown may offset such amount in accordance with this Agreement or otherwise in accordance with applicable law.

ARTICLE 10

INDEMNIFICATION BY CONSULTANT

TO THE MAXIMUM EXTENT ALLOWED BY LAW, CONSULTANT SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS MIDTOWN AND ITS DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS, AND THE CITY OF HOUSTON AND ITS OFFICERS, ELECTED OFFICIALS, AGENTS, AND EMPLOYEES (COLLECTIVELY, THE “**INDEMNITEES**”), FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES, DAMAGES, DEMANDS, SUITS, CAUSES OF ACTION, SETTLEMENTS, LIABILITIES, COSTS, FINES, JUDGMENTS AND EXPENSES (INCLUDING REASONABLE AND NECESSARY COURT COSTS, EXPERTS’ FEES AND ATTORNEYS’ FEES) (COLLECTIVELY, “**LOSSES**”), WHETHER ARISING IN EQUITY, AT COMMON LAW, OR BY STATUTE, INCLUDING THE TEXAS DECEPTIVE TRADE PRACTICES ACT (AS AMENDED) OR SIMILAR STATUTE OF OTHER JURISDICTIONS, OR UNDER THE LAW OF CONTRACTS, TORTS (INCLUDING NEGLIGENCE AND STRICT LIABILITY WITHOUT REGARD TO FAULT) OR PROPERTY, ARISING IN FAVOR OF OR BROUGHT BY ANY OF CONSULTANT’S EMPLOYEES, AGENTS, SUBCONSULTANTS, OR REPRESENTATIVES, OR BY ANY GOVERNMENTAL AGENCY OR BY ANY OTHER THIRD PARTY WHICH ARE :

- A. DUE TO THE VIOLATION OF ANY ORDINANCE, REGULATION, STATUTE, OR OTHER LEGAL REQUIREMENT IN THE PERFORMANCE OF THIS AGREEMENT, BY CONSULTANT, ITS EMPLOYEES, AGENTS, SUBCONSULTANTS, OR REPRESENTATIVES, OR ANY OTHER ENTITY OVER WHICH CONSULTANT EXERCISES CONTROL;
- B. TO THE EXTENT CAUSED BY OR RESULTING FROM ANY NEGLIGENT OR INTENTIONAL ACT OR OMISSION IN VIOLATION OF CONSULTANT’S STANDARD OF CARE, BY CONSULTANT, ITS EMPLOYEES, AGENTS, SUBCONSULTANTS, OR REPRESENTATIVES, OR ANY OTHER ENTITY OVER WHICH CONSULTANT EXERCISES CONTROL;
- C. CAUSED BY OR RESULTING FROM ANY CLAIM ASSERTING INFRINGEMENT OR ALLEGED INFRINGEMENT OF A PATENT, TRADEMARK, COPYRIGHT, OR OTHER INTELLECTUAL PROPERTY RIGHT IN CONNECTION WITH THE INFORMATION FURNISHED BY OR THROUGH CONSULTANT, ITS EMPLOYEES, AGENTS, SUBCONSULTANTS, OR REPRESENTATIVES, OR ANY OTHER ENTITY OVER WHICH THE CONSULTANT EXERCISES CONTROL;
- D. DUE TO THE FAILURE OF CONSULTANT, ITS EMPLOYEES, AGENTS, SUBCONSULTANTS, OR REPRESENTATIVES, OR ANY OTHER ENTITY

OVER WHICH CONSULTANT EXERCISES CONTROL TO PAY ITS CONSULTANTS OR SUBCONSULTANTS AMOUNTS DUE FOR SERVICES PROVIDED IN CONNECTION WITH THIS AGREEMENT; OR

- E. OTHERWISE ARISING OUT OF OR RESULTING FROM THE PERFORMANCE OF THE SERVICES UNDER THIS AGREEMENT, INCLUDING SUCH LOSSES ATTRIBUTABLE TO BODILY INJURY, SICKNESS, DISEASE, OR DEATH, OR TO INJURY TO OR DESTRUCTION OF TANGIBLE PROPERTY, INCLUDING LOSS OF USE RESULTING THEREFROM, BUT ONLY TO THE EXTENT SUCH LOSSES ARE CAUSED BY OR RESULT FROM ANY NEGLIGENT OR INTENTIONAL ACTS OR OMISSIONS OF CONSULTANT, ITS EMPLOYEES, AGENTS, SUBCONSULTANTS, OR REPRESENTATIVES, OR ANY OTHER ENTITY OVER WHICH CONSULTANT EXERCISES CONTROL.

The indemnification obligations of Consultant under this Article 10 shall not be construed to negate, abridge, or reduce other rights or obligation of indemnity which would otherwise exist as to a party or person described in this Article 10. The presence or absence of any insurance relating to or otherwise affecting this Agreement, the Services, the Instruments of Service, or the Consultant's actions or inactions shall not be construed as a limitation upon the duties and obligations of the Consultant as provided in this Article 10.

ARTICLE 11

LIMITATION OF LIABILITY

11.1. Except for Consultant's obligations pursuant to Article 10, neither Party hereto, nor its affiliates, its subcontractors, subconsultants, or vendors of any tier, shall be liable to the other Party or its affiliates for any loss of profit, loss of revenue, loss of use or for any other indirect, consequential or special damages, WHETHER ARISING OUT OF OR BASED UPON THE OTHER'S BREACH OF CONTRACT OR OTHERWISE UNDER THE LAW OF CONTRACTS, TORTS (INCLUDING, WITHOUT LIMITATION, NEGLIGENCE OF EVERY KIND AND STRICT LIABILITY, WITHOUT REGARD TO FAULT), OR THE LAW OF PROPERTY, OR AT COMMON LAW OR IN EQUITY, VIOLATION OF STATUTE, OR OTHERWISE, provided that this waiver shall not apply to:

- (i) the other's gross negligence, willful or intentional misconduct, or fraud or misrepresentation; or
- (ii) damages recoverable from any insurance procured by the other.

11.2. For purposes of this Article, an "*affiliate*" of a Party includes any parent, subsidiary or affiliated corporation, partnership or other legal entity, and its and their officers, agents, employees and insurers.

11.3. There are no third party beneficiaries of this Agreement and no third party may rely upon any obligation herein or upon the findings of any report produced hereby. Further, this Agreement does not create or confer any legal claim or cause of action in favor of any party not a

signatory to this Agreement and the obligations and legal duties imposed on any party by this Agreement are owed exclusively to the other party or parties and are not owed to any party not a signatory to this Agreement.

ARTICLE 12

INSURANCE

Consultant shall, at all times during the performance of Services pursuant to Work Orders issued under this Agreement and through the expiration of the last correction period set forth in Article 9, provide insurance coverage, with companies lawfully authorized to do business in Texas, in at least the amounts and types described in Attachment D. Consultant shall require its subconsultants to maintain similar insurance during this period. Such insurance is to be provided at the sole cost of Consultant and all subconsultants. In the event any requirement of Attachment D or this Article 12 is less stringent upon Consultant or its subconsultants than those which are required pursuant to any agreement between the City of Houston and Midtown, upon notification by Midtown to Consultant of such requirement, then Consultant agrees to comply and to cause its subconsultants to comply with and cause compliance with any more stringent requirements set forth therein. The term “*subconsultant*” for the purposes of Attachment D and this Article 12 shall include subconsultants of any tier.

ARTICLE 13

CHANGES; TERMINATION FOR CONVENIENCE; TERMINATION FOR CAUSE; UNFORESEEN SITE CONDITIONS

13.1. Midtown may, at any time and from time to time, make written changes to Work Orders in the form of modifications, supplements, additions, or omissions. In the event Consultant believes that such modifications, supplements, additions, or omissions will entitle Consultant to an adjustment in time or compensation for performance, Consultant shall notify Midtown before commencing such modifications, supplements, additions, or omissions. Such notification shall include a statement of the proposed schedule and cost adjustment for such modifications, supplements, additions, or omissions. In the event that Midtown agrees that Consultant is entitled to an adjustment, Midtown shall issue a written change order setting forth the agreed upon equitable adjustment to the Work Order to reflect the change in compensation and schedule, which change order shall be effective upon execution by Consultant. If Consultant commences such modifications, supplements, additions, or omissions without first notifying Midtown as required herein and obtaining such change order and Midtown does not subsequently agree to an adjustment for such modifications, supplements, additions, or omissions in writing, Consultant does so at its own risk and Midtown shall not be required to pay or otherwise be liable for any costs associated with such modifications, supplements, additions, or omissions and Consultant will not be entitled to any compensation or schedule adjustment. Furthermore, if any such modifications, supplements, additions, or omissions are required due to Consultant’s errors, omissions, failure to comply with this Agreement or Work Order or other fault, Consultant shall provide such modifications, supplements, additions, or omissions at its own cost and expense and without any adjustment to the schedule.

13.2. Midtown may for convenience terminate this Agreement, any Work Order issued under this Agreement, or Consultant's right to perform Services under this Agreement or any Work Order, in whole or in part, at any time by giving thirty (30) days' written notice of such termination. Upon receipt of such notice Consultant shall:

- (i) stop work on the date and to the extent specified in such notice, and
- (ii) take such further action regarding termination of the Services as Midtown may reasonably direct.

In the event of such termination, Midtown shall have the right but not the obligation to assume all obligations, commitments, and claims that Consultant may have in good faith undertaken or incurred in connection with the Services terminated, and Midtown shall pay Consultant for Services properly performed to date of termination and for reasonable costs of closing out such Services. Upon termination, Consultant may invoice Midtown for all Services performed by Consultant prior to the time of termination which have not previously been compensated. Payment of this final invoice is due and payable within thirty (30) days after receipt by Midtown or within fifteen (15) days after the monthly meeting of the Board of Directors where such amount is approved, whichever is later.

13.3. This Agreement or any Work Order may be suspended by Midtown, in whole or in part, upon notice to Consultant, specifying which portion of the Services are to be suspended and the effective date of such suspension. Consultant shall continue to diligently perform any remaining Services that are not suspended. Upon resumption of the Services, Consultant may seek a change order pursuant to Section 13.1 to equitably adjust Consultant's compensation and time for performance as a result of such a suspension; provided, however, that no adjustment shall be made to the extent: (i) that performance is, was or would have been so suspended, delayed or interrupted by another cause for which Consultant is responsible or otherwise for a delay not caused by Midtown; or (ii) that an equitable adjustment is made or denied under another provision of this Agreement or applicable Work Order. Moreover, adjustments made in the cost of and time for performance shall be limited to the increase or decrease in the cost and time of performance directly attributable to such suspension.

13.4. This Agreement or any Work Order may be terminated by either Party in the event that the other Party fails to perform in accordance with this Agreement or such Work Order and the breaching Party does not cure such failure within ten (10) days after receipt of written notice describing such failure. In the event that Midtown terminates this Agreement or any Work Order for cause, no compensation for such Work Order will be due Consultant until final completion of the then ongoing Services and payment of any such compensation will be subject to Midtown's right to offset all damages and costs associated with finally completing such Services.

13.5. The payments due Consultant for termination and suspension as set forth in this Article 13 shall be Midtown's only obligation and liability to Consultant by reason of such termination or suspension. Consultant shall not be entitled to any additional amounts for anticipated profits or unperformed Services. All amounts payable shall be subject to Midtown's rights to offset and audit.

ARTICLE 14

FORCE MAJEURE

14.1. Any delay in performance or non-performance of any obligation of Consultant contained herein shall be excused to the extent such failure or non-performance is caused by Force Majeure. “*Force Majeure*” means act of God (e.g. fire, flood, hurricanes, tornadoes, earthquakes, and epidemic or pandemic), war, riot, civil disturbance, sabotage, terrorism or judicial restraint, but only to the extent such event (i) is beyond the control of and cannot be reasonably anticipated by or the effects alleviated by Consultant and (ii) prevents the performance of Services. Events not specifically listed herein shall not constitute events of Force Majeure.

14.2. If Consultant is affected by Force Majeure, Consultant shall promptly provide notice to Midtown, explaining in detail the full particulars and the expected duration thereof. Consultant shall use its commercially reasonable efforts to remedy the interruption or delay if it is reasonably capable of being remedied.

ARTICLE 15

ASSIGNMENT AND SUBCONTRACTING

15.1. Consultant shall not assign or transfer (by operation of law or otherwise) any right or interest in this Agreement or any Work Order without Midtown’s prior written consent. For purposes of this Article 15, a merger is considered a transfer. Any purported assignment by the Consultant in violation of this provision shall be void. Midtown may assign its rights and obligations under and interest in this Agreement, in whole or in part, without the consent of the Consultant.

15.2. The Parties respectively bind themselves, their partners, successors, permitted assigns and legal representatives to the other Party hereto and to partners, successors, permitted assigns and legal representatives of such other Party in respect of all covenants, agreements and obligations contained herein.

15.3. Consultant shall not utilize any subconsultant without prior written approval by Midtown. The qualifications of Consultant’s subconsultants shall be subject to Midtown’s review and approval. All agreements between the Consultant and its subconsultants shall be subject to the requirements of (and such agreements shall expressly so state) this Agreement and applicable Work Orders. Consultant shall be fully responsible for the timely and proper performance of Services by its subconsultants to the same extent as if all such Services were performed by the Consultant’s personnel. All costs of Services performed by such subconsultants are included in the compensation due Consultant for such Services and shall be paid by the Consultant. Midtown shall have no responsibility for payment of the Consultant’s subconsultants.

ARTICLE 16

CONSULTANT REPRESENTATIVE/CONSULTANT TEAM

16.1. Consultant shall designate an individual to serve as its representative and provide Midtown with written notice of such individual prior to performing any Services. Any consent, approval, decision or determination hereunder by such representative shall be binding on Consultant. Consultant shall have the right, from time to time, to change such representative to another equally or better qualified individual, but only with Midtown's prior written consent, by giving Midtown written notice of Consultant's intent to do so.

16.2. Consultant is obligated to employ the personnel and subconsultants for performance of the Services as originally proposed. Requests for replacements of the original personnel or subconsultants shall be submitted in writing to Midtown. Changes must be approved in writing by Midtown, who shall carefully consider the qualifications and status of the proposed replacement personnel or subconsultants.

ARTICLE 17

SEVERABILITY AND REFORMATION

The invalidity, illegality, or unenforceability of any provision of this Agreement or any Work Order, or the occurrence of any event rendering any portion or provision of this Agreement or any Work Order void, shall in no way affect the validity or enforceability of any other portion or provision of this Agreement or Work Orders. If any provision of this Agreement or any Work Order or any portion of this Agreement or any Work Order is deemed unenforceable or void, then such provision or portion thereof shall be deemed severed from this Agreement or such Work Order and the balance of this Agreement or Work Order shall remain in full force and effect. The parties further agree that this Agreement and any Work Order shall be construed to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this Section shall not prevent the entire Agreement or Work Order from being void should a provision which is the essence of this Agreement or applicable Work Order be determined to be invalid, illegal, unenforceable or void.

ARTICLE 18

CONSTRUCTION

If a term is defined as one part of speech (such as a noun), it shall have a corresponding meaning when used as another part of speech (such as a verb). Terms defined in the singular have the corresponding meanings in the plural, and vice versa. Unless the context of this Agreement clearly requires otherwise, words importing the masculine gender shall include the feminine and neutral genders and vice versa. The terms "include," "includes" or "including" shall mean "including without limitation." The words "hereof," "hereto," "hereby," "herein," "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular section or article in which such words appear. The headings in this

Agreement are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Agreement.

ARTICLE 19

ENTIRE AGREEMENT

This Agreement and Work Orders issued under it contain the full and complete understanding of the Parties pertaining their subject matter and supersede any and all prior and contemporaneous representations, negotiations, agreements or understandings between the parties, whether written or oral. This Agreement and Work Orders may be modified only in writing, signed by both Parties.

ARTICLE 20

GOVERNING LAW

This Agreement and Work Orders, and its and their construction and any disputes arising out of, connected with or relating to this Agreement or Work Orders shall be governed by the laws of the State of Texas, without regard to its conflicts of law principles.

ARTICLE 21

COMPLIANCE WITH STATE LAWS

21.1. Consultant hereby certifies that Consultant is not delinquent in a tax owed the State of Texas under Chapter 171, Texas Tax Code.

21.2. To the extent this Agreement constitutes a contract for goods or services for which a written verification statement is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislative Session, “**SB 19**”), Texas Government Code, as amended, Consultant hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any:

- (i) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and
- (ii) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code, as amended, does not contravene applicable Texas or federal law. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” shall have the meaning assigned to such term in Section 2274.001(3) (as added by SB 19), Texas Government Code. Consultant understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with Consultant and exists to make a profit.

21.3. To the extent this Agreement constitutes a contract for goods or services for which a written verification statement is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislative Session), Texas Government Code, as amended, Consultant hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code, as amended, does not contravene applicable Texas or federal law. As used in the foregoing verification, “boycott energy companies” shall have the meaning assigned to the term “boycott energy company” in Section 809.001, Texas Government Code. Consultant understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with Consultant and exists to make a profit.

21.4. For purposes of compliance with Section 2271.002, Texas Government Code, as amended, Consultant hereby verifies that it does not boycott Israel and will not boycott Israel through the term of this Agreement. For purposes of this verification, “boycott Israel” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

21.5. For purposes of compliance with Section 2252.152, Texas Government Code, as amended, Consultant hereby represents and warrants that, at the time of this Agreement, neither Consultant nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of Consultant, is a company listed by the Texas Comptroller of Public Accounts under Sections 2252.153 or 2270.0201, Texas Government Code.

21.6. Consultant will provide a completed and notarized Form 1295 generated by the Texas Ethics Commission’s electronic filing application in accordance with the provisions of Section 2252.908, Texas Government Code, as amended, and the rules promulgated by the Texas Ethics Commission (“**Form 1295**”), in connection with entry into this Agreement. Upon receipt of Consultant’s Form 1295, Midtown agrees to acknowledge Consultant’s Form 1295 through its electronic filing application. Midtown and Consultant understand and agree that, with the exception of information identifying Consultant and the contract identification number, Midtown is not responsible for the information contained in Consultant’s Form 1295 and Midtown has not verified such information.

ARTICLE 22

DISPUTE RESOLUTION

22.1. In the event of any claim, dispute or controversy arising out of or relating to the implementation of or performance of this Agreement or any Work Order (whether such claim, dispute or controversy is allegedly extra-contractual in nature, whether such claim, dispute or controversy arises under the law of tort, contract, property, or otherwise, or at law or in equity, or under state or federal laws, or by statute or common law, for damages or any other relief) (all of which are referred to herein as “**Disputes**”) which Midtown and Consultant have been unable to

resolve within thirty (30) days after such Dispute arises, a senior representative of Consultant shall meet with the Executive Director of Midtown at a mutually agreed upon time and place not later than forty-five (45) days after such Dispute arises to attempt to resolve such Dispute. In the event such representatives are unable to resolve any such Dispute within fifteen (15) days after such meeting, either Party may, by written notice to the other, submit such Dispute to non-binding mediation before a mutually agreeable mediator. If the Parties are unable to agree upon a mediator within twenty (20) days after such written notice of submission to mediation, the American Arbitration Association shall be empowered to appoint a qualified mediator. If the Dispute is technical in nature, the mediator appointed by the American Arbitration Association shall be qualified by at least ten (10) years' experience in construction, engineering, and/or public works operations. The mediation shall be conducted within thirty (30) days of the selection or appointment of the mediator, as applicable. The Parties shall share the mediator's fee and any filing fees equally. The mediation shall be held at a mutually agreeable location in Houston, Texas. If the Parties are unable to agree upon a location, the mediation shall be held at the offices of the American Arbitration Association in Houston, Texas.

22.2. Subject to Consultant's obligation to comply with the requirements of the foregoing Section 22.1, for purposes of all legal or equitable proceedings arising out of, relating to or connected with this Agreement or any Work Order, Consultant hereby agrees that this Agreement and all Work Orders are performable in whole or in part in Houston, Harris County, Texas, and hereby submits to the jurisdiction of the state courts within Houston, Harris County, Texas, and agrees that such jurisdiction shall be exclusive with respect to any such proceeding filed by Consultant. For the avoidance of doubt Consultant hereby expressly, clearly and unequivocally agrees that Midtown has the right to choose the forum in which any legal or equitable proceeding arising out of, relating to or connected with this Agreement shall be heard; and, having so agreed, Consultant hereby irrevocably waives its right to remove any such proceeding to any federal court should Midtown choose to bring any proceeding in any state court of Texas. Furthermore, to the fullest extent permitted by law, Consultant hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any proceeding arising out of, relating to or connected with this Agreement in any state court in Houston, Harris County, Texas. Finally, Consultant hereby irrevocably waives any claim which it may now or hereafter have that any such proceeding brought in any state court in Houston, Harris County, Texas, has been brought in an inconvenient forum.

22.3. If Consultant brings any claim against Midtown and Consultant does not prevail with respect thereto, Consultant shall be liable for all attorneys' fees incurred by Midtown as a result thereof.

ARTICLE 23

RIGHTS AND REMEDIES

23.1. Duties and obligations imposed by this Agreement and the Work Order and rights and remedies available thereunder shall be in addition to and not a limitation of duties, obligations, rights and remedies otherwise imposed or available by law, except where a remedy is agreed to be sole and exclusive in this Agreement or applicable Work Order.

23.2. Failure of either Party to insist on the strict performance of any of the requirements 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 obligation hereunder or to exercise any right or remedy occurring as a result of any default or failure of performance. Furthermore, no action or failure to act by Midtown shall constitute a waiver of any right or duty afforded to Midtown under this Agreement or otherwise by law, nor shall any such action or failure to act constitute approval of or acquiescence in any breach thereunder. Any claim by the Consultant that the terms of conditions of this Agreement or any Work Order have been changed or waived must be evidenced by an agreement in writing approved and signed by Midtown.

23.3. Any acceptance or approval by Midtown shall not constitute nor be deemed to be a release of responsibility or liability of Consultant or its subconsultants for the accuracy, competency and completeness of any Services, nor shall acceptance or approval be deemed to be an assumption of such responsibility or liability by Midtown for any defect, error or omission in any Services. Whenever used in this Agreement or any Work Order, "approval," "approve," "approved," "consent" or "consented" shall not include any implied or imputed approval or consent.

ARTICLE 24

NOTICE

All notices, requests or consents provided for or required to be given hereunder must be in writing and will be deemed given if personally delivered, or mailed by certified mail, return receipt requested, or nationally recognized overnight delivery service (with proof of receipt) to the following addresses (or any other address that a Party may designate by written notice to the other Party):

If to Midtown: Midtown Redevelopment Authority
410 Pierce Street
Suite 355
Houston, TX 77002
Attention: Matthias Thibodeaux

If to Consultant: _____

Houston, Texas _____
Attention: _____

If delivered personally, notice will be deemed received upon delivery. If delivered by certified mail, notice will be deemed received upon the earlier of actual receipt or five (5) business days after the date of deposit in the United States mail. If delivered by a nationally recognized overnight delivery service, notice will be deemed received the first business day after the date of deposit with the delivery service.

ARTICLE 25

COUNTERPARTS

This Agreement may be executed and delivered (including by facsimile transmission or electronic signature) in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each Party and delivered to the other Party, it being understood that both Parties need not sign the same counterpart.

[Signature page follows]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the day and year of the last signature written below.

Consultant:

Midtown:

MIDTOWN REDEVELOPMENT
AUTHORITY

By: _____

By: _____

Printed Name and Title

Printed Name and Title

Date: _____

Date: _____

ATTACHMENT A

Compensation terms for Services:

A.1. COMPENSATION BASED ON COST

(a) PERSONNEL COSTS

**FOR SERVICES
ON TIME AND MATERIALS BASIS**

<u>Staff Category</u>	<u>Hourly Rate (Regular Time)</u>	<u>Hourly Rate (Overtime)</u>
.....	\$ _____	\$ _____
.....	\$ _____	\$ _____
.....	\$ _____	\$ _____
.....	\$ _____	\$ _____

(b) ALL OTHER EXPENSES

Reimbursable expenses will be invoiced at the actual cost, which will not exceed the reasonable cost for such expense, and will be limited to those costs incurred by the Consultant and its subconsultants of any tier in performing the Services as follows:

1. Subject to Midtown’s approval, actual and reasonable travel and subsistence expenses for out-of-town travel in the discharge of duties in connection with the Services, provided that the daily travel rates shall not exceed those set forth above. Consultant shall use commercially reasonable efforts to obtain the lowest available cost for such travel and expenses, including but not limited to coach class air travel. For travel solely by automobile, mileage will be reimbursed at the IRS Standard Mileage Rate in effect at the time of travel for business miles.

2. Costs of postage including the cost of air express mail and delivery services directly required by the Services.

3. Fees paid on behalf of Midtown for securing approvals of governmental authorities having jurisdiction over a project, if directly required by the Services.

4. Costs of additional insurance coverage or limits, including professional liability insurance, when requested by Midtown in amounts in excess of the requirements of Attachment D of this Agreement.

5. An estimate of Consultant’s reimbursable expenses will be set forth in each Work Order; provided, however, that Consultant shall provide notice to Midtown when the total of its reimbursable expenses are 75% of such estimate for each project along with a

revised estimate of the total reimbursable expenses for the Work Order and each project included therein.

Non-reimbursable expenses are included within the fees for the Services and include expenses incurred by the Consultant and its subconsultants of any tier as follows:

1. Costs of all transportation and subsistence expenses within (i) the metropolitan area of the Consultant and its subconsultants of any tier, and (ii) the metropolitan area of any project.
2. All local postage.
3. All telephone communications, internet services, e-mail transmissions, and facsimile transmissions.
4. All photocopying required either in support of the Services or to communicate with contractor, Midtown, and all other consultants and sub-consultants to Midtown or the Consultant of any tier.
5. Costs of all materials, photographic production, computer time, data processing and similar expenses incurred in support of the Services.
6. Any other costs in excess of the fees paid by Midtown unless approved in advance and in writing by Midtown.

A.2. LUMP SUM COMPENSATION (STIPULATED SUM FEE)

Unless a particular Work Order expressly states otherwise, Midtown will compensate Consultant on the basis of a mutually agreed lump sum price for the scope of work specified in the Work Order. Midtown may ask Consultant for a cost estimate for the scope of work prior to issuing the Work Order. The cost estimate will include a summary breakdown showing the labor hours and cost, subconsultant costs, and other direct costs included in the estimate. Rates to be used in preparing the estimate will be as specified in Section A.1(a) above. Consultant will submit and Midtown will pay monthly invoices based on the mutually agreed percentage of the project completed, or according to the mutually agreed schedule of payment by design phase if such schedule is expressly included in a Work Order.

[End of Attachment A]

ATTACHMENT B

Form of Work Order

WORK ORDER NO. _____

This Work Order No. ____ (this "Work Order") is issued subject to and is governed by that certain Professional Services Agreement between Midtown and Consultant dated as of _____, 20__ (the "PSA").

Work Order Date: _____

Consultant: _____.

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: _____

Location of Services: _____

Description of Services: _____

Schedule Requirements: Commencement of Services: _____

Completion of Services: _____

Midtown:

Consultant:

MIDTOWN REDEVELOPMENT
AUTHORITY

By: _____

By: _____

Printed Name and Title

Printed Name and Title

Date: _____

Date: _____

[End of Attachment B]

ATTACHMENT C

Federal Transit Administration Required Clauses and Related Provisions

For purposes of Attachment C, the term “Contractor” or “Respondent” shall mean Consultant and the term “Owner” shall mean Midtown.

Contractor is bound to Midtown to the same extent that Midtown is bound as recipient to the FTA pursuant to the clauses contained in Attachment C.

As such, Contractor agrees to comply with the statutory schemes and requirements set forth or referred to in this Attachment C to the extent each applies to the Contractor or the Services or any other obligations of Contractor pursuant to this Agreement. Without limiting the generality of the foregoing, Contractor agrees to submit all certifications as required by this Attachment C.

Moreover, to the extent that Midtown is required to ensure that the Contractor and any entity under its control comply with any requirement set forth or referred to in this Attachment C, the Contractor is itself responsible to ensure its own compliance with each thereof as well as to ensure the compliance with each thereof by all such entities under its control.

Further, to the extent that Midtown is required to give Contractor notice pursuant to any of the requirements set forth or referred to in this Attachment C, Contractor agrees that the inclusion of the requirements contained or referred in this Attachment C constitutes sufficient notice to discharge any such obligation of Midtown.

Finally, except to the extent required by law, Contractor agrees that Midtown’s obligations to the Contractor, and the Contractor’s rights in respect of Midtown, shall not be broadened or expanded pursuant to the inclusion of this Attachment C as part of this Agreement.

These federally required contract clauses are in accordance with FTA Circular 4220.1F, Third Party Contracting Guidance. The Respondent certifies to abide by the clauses below as part of this procurement. The Respondent must also complete the forms included in the Respondent/Contractor Pre-Award Certifications.

1. **FLY AMERICA** – Does not apply to this contract.
2. **BUY AMERICA** – Does not apply to this contract.
3. **CHARTER BUS and SCHOOL BUS REQUIREMENTS** – Does not apply to this contract.
4. **CARGO PREFERENCE REQUIREMENTS** – Does not apply to this contract.

5. SEISMIC SAFETY REQUIREMENTS – Does not apply to this contract.

6. ENERGY CONSERVATION

- a. As authorized by the State of Texas, the Texas State Energy Conservation Office (SECO) has adopted the most recent edition of the International Energy Conservation Code (IECC) without amendment for new buildings or additions only. The Respondent/Contractor shall design the facility in accordance with 2015 IECC.
- b. The Respondent/Contractor also agrees to include any applicable requirements in each subcontract involving construction of commercial buildings financed in whole or in part with Federal assistance provided by FTA.

7. CLEAN WATER

- a. The Respondent/Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq. The Respondent/Contractor agrees to report each violation to the Owner and understands and agrees that the Owner will, in turn, report each violation as required to assure notification to FTA and the appropriate EPA Regional Office.
- b. The Respondent/Contractor also agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with Federal assistance provided by FTA.

8. BUS TESTING – Does not apply to this contract.

9. PRE-AWARD and POST DELIVERY AUDIT REQUIREMENTS – Does not apply to this contract.

10. LOBBYING

- a. Respondents/Contractors who apply for an award of \$100,000 or more shall file the Certification Regarding Lobbying, required by 49 C.F.R. Part 20, New Restrictions on Lobbying, with the Owner. Each subcontractor shall file the Certification Regarding Lobbying with the Respondent/Contractor that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, officer or employee of Congress, or an employee of a Member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352.
- b. The Respondent/Contractor and subcontractors shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from subcontractors to Respondent/Contractor to the Owner. The Respondent/Contractor agrees to include

these requirements in each subcontract exceeding \$100,000 financed in whole or in part with Federal assistance provided by FTA.

- c. The certification regarding Lobbying to be completed by the Respondent/Contractor and subcontractor(s) is provided herein (See Respondent/Contractor Pre-Award Certifications) under Certifications and Forms Section.

11. ACCESS TO RECORDS AND REPORTS

The following access to records requirements applies to this contract:

- a. The Owner is an FTA Recipient in accordance with 49 C.F.R. 18.36(i). The Respondent/Contractor agrees to provide the Owner, the FTA Administrator, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Respondent/Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts, and transcriptions.
- b. The Respondent/Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.
- c. The Respondent/Contractor agrees to maintain all books, records, accounts and reports required under this contract for a period of not less than three years after the date of termination or expiration of this contract, except in the event of litigation or settlement of claims arising from the performance of this contract, in which case Respondent/Contractor agrees to maintain same until the Owner, the FTA Administrator, the Comptroller General, or any of their duly authorized representatives, have disposed of all such litigation, appeals, claims or exceptions related thereto. Reference 49 C.F.R. 18.39(i)(11).
- d. FTA does not require the inclusion of these requirements in subcontracts.

12. FEDERAL CHANGES

- a. The Respondent/Contractor shall at all times comply with all applicable FTA regulations, policies, procedures, and directives, including without limitation those listed directly or by reference in the Master Agreement between the Owner and FTA, as they may be amended or promulgated from time to time during the term of this contract. The Respondent/Contractor's failure to so comply shall constitute a material breach of this contract.
- b. The Respondent/Contractor also agrees to include any applicable requirements in each subcontract involving a federal change financed in whole or in part with Federal assistance provided by FTA.

13. BONDING REQUIREMENTS – Does not apply to this contract.

14. CLEAN AIR

- a. The Respondent/Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. §§ 7401 et seq. The Respondent/Contractor agrees to report each violation to the Owner and understands and agrees that the Owner will, in turn, report each violation as required to assure notification to FTA and the appropriate EPA Regional Office.
- b. The Respondent/Contractor also agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with Federal assistance provided by FTA.

15. RECYCLED PRODUCTS – Does not apply to this contract.

16. DAVIS-BACON and COPELAND ANTI-KICKBACK ACTS – Does not apply to this contract.

17. CONTRACT WORK HOURS and SAFETY STANDARDS ACT – Does not apply to this contract.

18. RESERVED

19. NO FEDERAL GOVERNMENT OBLIGATION TO THIRD PARTIES

- a. The Owner and the Respondent/Contractor acknowledge and agree that, notwithstanding any concurrence by the Federal Government in or approval of the solicitation or award of the underlying contract, absent the express written consent by the Federal Government, the Federal Government is not a party to this contract and shall not be subject to any obligations or liabilities to the Owner, the Respondent/Contractor, or any other party (whether or not a party to that contract) pertaining to any matter resulting from the underlying contract.
- b. The Respondent/Contractor agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clause shall not be modified, except to identify the subcontractor who will be subject to its provisions.

20. PROGRAM FRAUD and FALSE OR FRAUDULENT STATEMENTS AND RELATED ACTS

- a. The Respondent/Contractor acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986, as amended, 31 U.S.C. § 3801 et seq. and U.S. DOT regulations, “Program Fraud Civil Remedies,” 49 C.F.R. Part 31, apply to its actions pertaining to this Project. Upon execution of the underlying contract, the Respondent/Contractor certifies or affirms the truthfulness and accuracy of any statement it has made, it makes, it may make, or causes to be made, pertaining to the underlying contract or the FTA assisted project for which this contract work is being performed. In addition to other penalties that may be applicable, the

Respondent/Contractor further acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification, the Federal Government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act of 1986 on the Respondent/Contractor to the extent the Federal Government deems appropriate.

- b. The Respondent/Contractor also acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification to the Federal Government under a contract connected with a project that is financed in whole or in part with Federal assistance originally awarded by FTA under the authority of 49 U.S.C. § 5307, the Government reserves the right to impose the penalties of 18 U.S.C. § 1001 and 49 U.S.C. § 5307(n)(1) on the Respondent/Contractor, to the extent the Federal Government deems appropriate.
- c. The Respondent/Contractor agrees to include the above two clauses in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clauses shall not be modified, except to identify the subcontractor who will be subject to the provisions.

21. TERMINATION

The termination provisions of this Agreement are provided in Article 13 hereof.

22. GOVERNMENT-WIDE DEBARMENT AND SUSPENSION

- a. This contract is a covered transaction for purposes of 49 C.F.R. Part 29. As such, the Respondent/Contractor is required to verify that none of the Respondent/Contractor, its principals, as defined at 49 C.F.R. 29.995, or affiliates, as defined at 49 C.F.R. 29.905, are excluded or disqualified as defined at 49 C.F.R. 29.940 and 29.945.
- b. The Respondent/Contractor is required to comply with 49 C.F.R. 29, Subpart C and must include the requirement to comply with 49 C.F.R. 29, Subpart C in any lower tier covered transaction it enters into.
- c. The certification (**See Respondent/Contractor Pre-Award Certifications**) is a material representation of fact relied upon by the Owner. If it is later determined that the Respondent/Contractor knowingly rendered an erroneous certification, in addition to remedies available to the Owner, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment. The Respondent/Contractor agrees to comply with the requirements of 49 C.F.R. 29, Subpart C and Executive Order 12549 while this offer is valid and throughout the period of any contract that may arise from this offer.
- d. The Respondent/Contractor also agrees to include these requirements in each subcontract exceeding \$25,000 financed in whole or in part with Federal assistance provided by FTA.

23. **PRIVACY ACT** – Does not apply to this contract.

24. **CIVIL RIGHTS REQUIREMENTS**

The following requirements apply to the underlying contract:

- a. **Nondiscrimination** - In accordance with Title VI of the Civil Rights Act, as amended, 42 U.S.C. § 2000d, section 303 of the Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6102, section 202 of the Americans with Disabilities Act of 1990, 42 U.S.C. § 12132, and Federal transit law at 49 U.S.C. § 5332, the Respondent/Contractor agrees that it will not discriminate against any employee or applicant for employment because of race, color, creed, national origin, sex, age, or disability. In addition, the Respondent/Contractor agrees to comply with applicable Federal implementing regulations and other implementing requirements FTA may issue.
- b. **Equal Employment Opportunity** - The following requirements apply to the underlying contract:
 - i. **Race, Color, Creed, National Origin, Sex** - In accordance with Title VII of the Civil Rights Act, as amended, 42 U.S.C. § 2000e, and Federal transit laws at 49 U.S.C. § 5332, the Respondent/Contractor agrees to comply with all applicable equal employment opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor,” 41 C.F.R. Parts 60 et seq., (which implement Executive Order No. 11246, “Equal Employment Opportunity,” as amended by Executive Order No. 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” 42 U.S.C. § 2000e note), and with any applicable Federal statutes, executive orders, regulations, and Federal policies that may in the future affect construction activities undertaken in the course of the Project. The Respondent/Contractor agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, national origin, sex, or age. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. In addition, the Respondent/Contractor agrees to comply with any implementing requirements FTA may issue.
 - ii. **Age** - In accordance with section 4 of the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. § 623 and Federal transit law at 49 U.S.C. § 5332, the Respondent/Contractor agrees to refrain from discrimination against present and prospective employees for reason of age. In addition, the Respondent/Contractor agrees to comply with any implementing requirements FTA may issue.

- iii. **Disabilities** - In accordance with section 102 of the Americans with Disabilities Act, as amended, 42 U.S.C. § 12112, the Respondent/Contractor agrees that it will comply with the requirements of U.S. Equal Employment Opportunity Commission, “Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act,” 29 C.F.R. Part 1630, pertaining to employment of persons with disabilities. In addition, the Respondent/Contractor agrees to comply with any implementing requirements FTA may issue.
- c. The Respondent/Contractor also agrees to include these requirements in each subcontract financed in whole or in part with Federal assistance provided by FTA, modified only if necessary, to identify the affected parties.

25. BREACHES AND DISPUTE RESOLUTION

The breach provisions of this Agreement are provided in Article 13 hereof, and the dispute resolution provisions of this Agreement are provided in Article 22 hereof.

26. PATENT AND DISPUTE RESOLUTION – Does not apply to this contract.

27. TRANSIT EMPLOYEE PROTECTIVE AGREEMENTS – Does not apply to this contract.

28. DISADVANTAGED BUSINESS ENTERPRISES

- a. This contract is subject to the requirements of Title 49, Code of Federal Regulations, Part 26, Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs. The agency’s overall goal for DBE participation is 12.5%. A separate contract goal has not been established.
- b. The Respondent/Contractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Respondent/Contractor shall carry out applicable requirements of 49 C.F.R. Part 26 in the award and administration of this DOT-assisted contract. Failure by the Respondent/Contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the Owner deems appropriate.
- c. Respondents are required to document sufficient DBE participation to meet these goals or, alternatively, document adequate good faith efforts to do so, as provided for in 49 C.F.R. 26.53 (**See Respondent/Contractor Pre-Award Certifications**). Award of this contract is conditioned on submission of the following concurrent with and accompanying an initial proposal:
 - i. The names and addresses of subcontractors that will participate in the contract;

- ii. A description of the work that each subcontractor will perform;
 - iii. Whether the subcontractors are a DBE, non-DBE, or a Small Business Enterprise (SBE);
 - iv. The ethnic code, as described in the form;
 - v. The age of the firm;
 - vi. The annual gross receipts from the firm;
 - vii. The dollar amount of the participation of each DBE firm participating; and
 - viii. Written confirmation from the DBE subcontractor that it is participating in the contract as provided in the commitment made under (8) (**See Respondent/Contractor Pre-Award Certifications**).
- d. The Respondent/Contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than thirty (30) days from the receipt of each payment the prime contractor receives from the Owner. The Respondent/Contractor agrees further to return retainage payments to each subcontractor within thirty (30) days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the timeframe stated in this paragraph may occur only for good cause, as determined by the Owner, and following written approval of the Owner. This clause applies to both DBE and non-DBE subcontractors and shall be included in the contract between the Respondent/Contractor and any and all subcontractors.
- e. The Respondent/Contractor must promptly notify the Owner, whenever a DBE subcontractor performing work related to this contract is terminated or fails to complete its work and must make good faith efforts to engage another DBE subcontractor to perform at least the same amount of work. The Respondent/Contractor may not terminate any DBE subcontractor and perform that work through its own forces or those of an affiliate without prior written consent of the Owner.
- f. The Respondent/Contractor shall report DBE participation on a monthly basis on the Contractor Payment Report Form (**See Respondent/Contractor Pre-Award Certifications**).
- g. The Owner encourages the Respondent/Contractor on DOT-assisted contract to make use of financial institution owned and controlled by socially and economically disadvantaged individuals. The Federal Reserve Statistical Release maintains a list of Minority-Owned Banks (<http://www.federalreserve.gov/releases/mob/>).

29. RESERVED

30. INCORPORATION OF FEDERAL TRANSIT ADMINISTRATION (FTA) TERMS

- a. The preceding provisions include, in part, certain Standard Terms and Conditions required by DOT, whether or not expressly set forth in the preceding contract provisions. All contractual provisions required by DOT, as set forth in Best Practices Procurement and Lessons Learned Manual, Appendix A Federally Required and Other Model Contract Clauses, are hereby incorporated by reference. The following clauses apply to this contract.
 - i. Access to Records and Reports
 - ii. Clean Air Act and Federal Water Pollution Control Act
 - iii. Civil Rights Laws and Regulations
 - iv. Disadvantaged Business Enterprise (DBE)
 - v. Fly America
 - vi. Government-Wide Debarment and Suspension
 - vii. Lobbying Restrictions
 - viii. No Government Obligation to Third Parties
 - ix. Program Fraud and False or Fraudulent Statements and Related Acts
 - x. Termination
 - xi. Violation and Breach of Contract
- b. The Contractor shall not perform any act, fail to perform any act, or refuse to comply with any Owner requests which would cause the Owner to be in violation of the FTA terms and conditions.
- c. The Contractor also agrees to include any applicable requirements in each subcontract financed in whole or in part with Federal assistance provided by FTA.

31. DRUG AND ALCOHOL TESTING – Does not apply to this contract.

32. AMERICANS WITH DISABILITIES ACT (ADA) ACCESSIBILITY

- a. ADA Accessibility ensures that all individuals regardless of disability are not excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.
- b. The Respondent/Contractor agrees to comply with 49 U.S.C. § 5301(d), which states the Federal policy that elderly individuals and individuals with disabilities have the same right as other individuals to use public transportation services and

facilities, and that special efforts shall be made in planning and designing those services and facilities to implement transportation accessibility rights for elderly individuals and individuals with disabilities.

- c. The Respondent/Contractor also agrees to comply with all applicable provisions of section 504 of the Rehabilitation Act of 1973, as amended, with 29 U.S.C. § 794, which prohibits discrimination on the basis of disability; with the Americans with Disabilities Act of 1990 (ADA), as amended, 42 U.S.C. §§ 12101 et seq., which requires that accessible facilities and services be made available to individuals with disabilities; and with the Architectural Barriers Act of 1968, as amended, 42 U.S.C. §§4151 et seq., which requires that buildings and public accommodations be accessible to individuals with disabilities; and with other laws and amendments thereto pertaining to access for individuals with disabilities that may be applicable.
- d. In addition, the Respondent/Contractor agrees to comply with applicable implementing Federal regulations any later amendments thereto, and agrees to follow applicable Federal directives except to the extent FTA approves otherwise in writing
- e. The Respondent/Contractor and all of its subcontractors shall adhere to any applicable ADA Accessibility requirements from the following:
 - i. 49 C.F.R. Part 27 – Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance, U.S. DOT regulation
 - ii. 49 C.F.R. Part 37 - Transportation Services for Individuals with Disabilities (ADA), U.S. DOT regulation
 - iii. 49 C.F.R. Part 38 and 36 C.F.R. Part 1192 – Americans with Disabilities Act (ADA) Accessibility Specifications for Transportation Vehicles, Joint U.S. Architectural and Transportation Barriers Compliance Board (U.S. ATBCB)/U.S. DOT regulation
 - iv. 28 C.F.R. Part 35 – Nondiscrimination on the Basis of Disability in State and Local Government Services, U.S. DOJ regulation
 - v. 28 C.F.R. Part 36 – Nondiscrimination on the Basis of Disability by Public Accommodations and in Commercial Facilities, U.S. DOJ regulation
 - vi. 41 C.F.R. Subpart 101-19 – Accommodations for the Physically Handicapped, U.S. General Services Administration (U.S. GSA) regulation”
 - vii. 29 C.F.R. Part 1630 – Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act, U.S. EEOC

- viii. 47 C.F.R. Part 64, Subpart F – Telecommunications Relay Services and Related Customer Premises Equipment for the Hearing and Speech Disabled, U.S. Federal Communications Commission regulation
- ix. 36 C.F.R. Part 1194 – Electronic and Information Technology Accessibility Standards, U.S. ATBCB regulation
- x. 49 C.F.R. Part 609 – Transportation for Elderly and Handicapped Persons, FTA regulation
- xi. Federal civil rights and nondiscrimination directives implementing the foregoing Federal laws and regulations, except to the extent the Federal Government determines otherwise in writing.

33. VETERAN’S PREFERENCE – Does not apply to this contract.

RESPONDENT/CONTRACTOR PRE-AWARD CERTIFICATIONS

This checklist will be used to ensure that all required procurement certifications listed within have been read, initialed, and signed by the Respondent/Contractor BEFORE the bid or proposal is submitted. All certifications listed below follow this checklist.

Respondent/Contractor's Initials:

- A. Lobbying Certification _____
- B. Suspension and Debarment Certification _____
- C. Respondent/Contractor Certification _____
- D. DBE Subcontractor Certification _____
- E. Contractor Payment Report Form _____

I HEREBY ATTEST THAT THE PREVIOUS EXHIBIT TITLED, FEDERALLY REQUIRED CONTRACT CLAUSES, WAS READ AND MY INITIALS ABOVE INDICATE THAT EACH ITEM WAS PROPERLY PREPARED AND EXECUTED.

DATE: _____

SIGNATURE: _____

NAME / TITLE: _____

RESPONDENT/
CONTRACTOR _____

LOBBYING CERTIFICATION FORM

To be completed by the prime contractor and all subcontractors.

The Respondent/Contractor certifies that to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form--LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions [as amended by "Government-wide Guidance for New Restrictions on Lobbying," 61 Fed. Reg. 1413 (1/19/96). Note: Language in paragraph (2) herein has been modified in accordance with Section 10 of the Lobbying Disclosure Act of 1995 (P.L. 104-65, to be codified at 2 U.S.C. 1601, et seq.)]
- (3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

[Note: Pursuant to 31 U.S.C. § 1352(c)(1)-(2)(A), any person who makes a prohibited expenditure or fails to file or amend a required certification or disclosure form shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure or failure.]

The Respondent/Contractor/Subcontractor, _____,
certifies or affirms the truthfulness and accuracy of each statement of its certification and
disclosure, if any. In addition, the Respondent/Contractor understands and agrees that the
provisions of 31 U.S.C. A 3801, et seq., apply to this certification and disclosure, if any.

DATE: _____

SIGNATURE: _____

NAME / TITLE: _____

RESPONDENT/
CONTRACTOR _____

SUSPENSION AND DEBARMENT CERTIFICATION FORM

**CERTIFICATION REGARDING DEBARMENT,
SUSPENSION, AND OTHER RESPONSIBILITY MATTERS**

PRIMARY COVERED TRANSACTIONS

To be completed by the prime contractor and all subcontractors.

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 13 C.F.R. Part 145. The regulations were published as Part VII of the May 26, 1988 Federal Register (pages 19160-19211).

**(BEFORE COMPLETING CERTIFICATION,
READ INSTRUCTIONS ON NEXT PAGE)**

The prospective primary Respondent/Contractor certifies to the best of its knowledge and belief that it and its principals:

- (a) Are not presently debarred, suspended, proposed for disbarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
- (b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
- (d) Have not within a three-year period preceding this application had one or more public transactions (Federal, State, or local) terminated for cause or default.

Where the prospective primary Respondent/Contractor is unable to certify to any of the statements in this certification, such prospective primary participant shall attach an explanation to this proposal.

DATE: _____
SIGNATURE: _____
NAME / TITLE: _____
RESPONDENT/CONTRACTOR _____

INSTRUCTIONS FOR CERTIFICATION

By signing and submitting this proposal, the Respondent/Contractor is providing the certification set out below.

1. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The Respondent/Contractor shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the Owner's determination whether to enter into this transaction. However, failure of the Respondent/Contractor to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
2. The certification in this clause is a material representation of fact upon which reliance was placed when the Owner determined to enter into this transaction. If it is later determined that the Respondent/Contractor knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the Owner may terminate this transaction for cause or default.
3. The Respondent/Contractor shall provide immediate written notice to the Owner to which this proposal is submitted if at any time the Respondent/Contractor learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms "bid," "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the Owner to which this proposal is submitted for assistance in obtaining a copy of those regulations (13 C.F.R. Part 145).
5. The Respondent/Contractor agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a subcontractor who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the Owner entering into this transaction.
6. The Respondent/Contractor further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion- Lower Tier Covered Transactions," provided by the Owner entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a Respondent/Contractor is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

8. Except for transactions authorized under paragraph 6 of these instructions, if a Respondent/Contractor in a covered transaction knowingly enters into a lower tier covered transaction with a subcontractor who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the Owner may terminate this transaction for cause or default.
9. The Respondent/Contractor also agrees to include these requirements in each subcontract, or a lower tier covered transaction, exceeding \$25,000 financed in whole or in part with Federal assistance provided by FTA.

RESPONDENT/CONTRACTOR CERTIFICATION

Instructions: The prime Respondent/Contractor shall complete this form by listing 1) Names of **ALL** proposed subcontractors, whether or not the subcontractor is a DBE or SBE. 2) Contact information, 3) Description of work to be performed/product to be provided, 4) Status as a DBE or non-DBE, 5) Ethnic Code of firm, 6) Gender code of owner, 7) Age of the firm, 8) Annual gross receipts of the firm, and 9) % or \$ amount of Total Subcontract. Those contractors which are listed on this form as DBEs must have current certification as a DBE with a participating TUCP certifying agency. The DBE certification must be complete by the time the proposals are submitted. Additionally, those (sub)contractors which are listed on this form as DBEs must complete **DBE SUBCONTRACTOR CERTIFICATION**, agreeing to the information here.

RESPONDENT/CONTRACTOR: _____

PROJECT NAME: _____

ETHNIC CODES

- A Black American
- B Hispanic American
- C Native American
- D Sub-continental Asian American
- E Asian-Pacific American
- F Non-Minority Women
- G Other

GENDER CODES

- A Male
- B Female
- C Choose Not to Disclose

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Name of subcontract or	Address, Telephone # of DBE Firm (Including name of contact)	Description of Work, Service Provided	DBE, SBE or non-DBE	Ethnic Code	Gender Code	Age of Firm	Annual Gross Receipts	DBE % or \$ amount of Total Contract

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Name of subcontractor	Address, Telephone # of DBE Firm (Including name of contact)	Description of Work, Service Provided	DBE, SBE or non-DBE	Ethnic Code	Gender Code	Age of Firm	Annual Gross Receipts	DBE % or \$ amount of Total Contract

The undersigned will enter into a formal agreement with DBE contractors for work listed in this schedule upon execution of a contract with the Owner. The Contractor agrees to the terms of this schedule by signing below and submitting the DBE SUBCONTRACTOR CERTIFICATION, as completed by the DBE subcontractor(s).

SIGNATURE

DATE

DBE SUBCONTRACTOR CERTIFICATION

NOTE: In accordance with 49 C.F.R. (Code of Federal Regulations) Part 26 and Board policy, DBE firms participating in the DBE Program must have "current" certification status with a TUCP Certifying Agency by the due date established for this RFP.

1. TO: (Respondent/Contractor): _____

2. The undersigned is either currently certified under the Texas Unified Certification Program (TUCP) as a DBE or will be at the time this solicitation is due.

3. The undersigned is prepared to perform the following described work and/or supply the material listed in connection with the above project (where applicable specify "supply" or "install" or both) _____

_____ and at the following price \$ _____ and/or _____ % of the total contract amount (should be the same \$ or % found on **RESPONDENT/CONTRACTOR CERTIFICATION**).

4. The DBE subcontractor should complete this section only if the DBE is subcontracting any portion of its subcontract.

With respect to the proposed subcontract described above, the undersigned DBE anticipates that _____ % of the dollar value of this subcontract will be sublet and/or awarded to other contractors. Any and all DBE subcontractors a DBE subcontractor uses must be listed on Form 1 and must also be DBE certified.

DATE: _____ DBE FIRM: _____
SIGNATURE: _____
PRINT NAME: _____
PHONE NUMBER: _____

DATE: _____ RESPONDENT/
CONTRACTOR _____

SIGNATURE: _____

PRINT NAME: _____

PHONE NUMBER: _____

**ATTACH COPY OF SUBCONTRACTOR'S
TEXAS UNIFIED CERTIFICATION PROGRAM CERTIFICATE**

CONTRACTOR PAYMENT REPORT FORM

This form is to be included with each pay application until final payment of the Contract has been made. This form has been included for reference only.

CONTRACTOR PAYMENT REPORT FORM							
<p>Instructions: Contractors are required to complete and submit this report, as specified in the contract or as requested, until final payment of the contract has been made. Failure to comply with the DBE provisions may result in contract termination, or the suspension or debarment of the contractor from doing business with the Owner in the future in accordance with the procedures set forth in the DBE Program. This report must be submitted with each invoice. Instructions for completing this report can be found on the following page.</p>							
1. Contract Number, if applicable	2. Invoice Number	3. Reporting Period From: _____ To: _____		4. Contractor's Business Name	5. Contact Person	6. Address	
7. Telephone Number	8. Date of Contract Award	9. Schedule Date of Completion	10. Original Contract Amount	11. Current Contract Modifications	12. Total Amount Received to Date	13. Total Amount Owed	
			\$	\$	\$	\$	
14. Committed DBE %	15. Actual DBE Participation to date	16. Actual DBE % to Date					
	\$	#VALUE!					
17	18	19	20	21	22	23	24
Name of DBE Subcontractor	Description of Work	Amount of payments made during current invoice period	Date of payments made during current invoice period	Subcontract Dollars	Amount paid to date	Percent Paid to Date	Amount of this invoice allocated to DBE subcontractor
<i>(Add rows to the table, as needed, to complete this section)</i>							
By completing this form, the Contractor acknowledges the Owner's prompt payment policy, which requires the Contractor to pay all subcontractors within 30 days of receiving payment from the Owner.							
Signature		Date Signed	Name and Title of Individual Completing Report				

[End of Attachment C]

ATTACHMENT D

Insurance

(a) **Kinds of Claims:**

(1) claims under workers' or workmen's compensation, disability benefit and other similar employee benefit acts which are applicable to Consultant's Services to be performed;

(2) claims for damages because of bodily injury, occupational sickness or disease, or death of Consultant's employees;

(3) claims for damages because of bodily injury, sickness or disease, or death of any person other than the Consultant's employees;

(4) claims for damages insured by usual personal injury liability coverage which are sustained (i) by a person as a result of an offense directly or indirectly related to employment of such person by Consultant, or (ii) by another person;

(5) claims for damages, other than to Consultant's work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom;

(6) claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle; and

(7) claims for professional negligence.

(b) **Policies and Minimum Limits of Liability**

<u>Kinds of Insurance:</u>	<u>Limits of Liability*:</u>
<p>A. Workers' Compensation Texas Operations</p> <p>Employer's Liability</p>	<p>Statutory</p> <p>Accident \$500,000 Each Accident Disease \$500,000 Each Employee Disease \$500,000 Policy Limit</p>
<p>B. Commercial General Liability Including, but not limited to:</p> <ol style="list-style-type: none"> 1. premises/operations 2. independent contractors' protective 3. products and completed operations 4. personal injury liability with employment exclusion deleted 5. contractual 	<p>\$2,000,000 General Aggregate \$2,000,000 Products/Completed Operations Aggregate \$1,000,000 Each Occurrence \$1,000,000 Personal and Advertising Injury \$500,000 Fire Damage Liability</p>

<u>Kinds of Insurance:</u>	<u>Limits of Liability*:</u>
C. Professional Liability	\$4,000,000 each occurrence & \$6,000,000 aggregate on a claims made basis covering errors and omissions of Consultant and its subconsultants
D. Business Automobile Liability including All Owned, Hired and Non-owned Automobiles.	\$1,000,000 Combined Single Limit Per Occurrence
E. Umbrella Liability	\$4,000,000 Per Occurrence \$4,000,000 Aggregate Bodily Injury and Property Damage

*Aggregate limits are per 12 month policy period unless otherwise indicated.

(c) **Additional Requirements**

(1) All required insurance shall be maintained with responsible insurance carriers acceptable to Midtown and lawfully authorized to issue insurance of the types and amounts set forth in Article 12 and this Attachment D and having a Best's Financial Strength Rating of at least A- and a Best's Financial Size Category of Class VII or better, according to the most current edition of Best's Key Rating Guide, Property-Casualty United States.

(2) All policies shall be in a form reasonably acceptable to Midtown and each policy must state that, to the extent commercially available, such policy may not expire or be cancelled, materially modified or nonrenewed unless the carrier therefor gives Midtown and the Public Works Director thirty (30) days advance written notice. When any required insurance, due to the attainment of a normal expiration date or renewal date, shall expire, Consultant shall, prior to such expiration, supply Midtown with certificates of insurance and amendatory riders or endorsements that clearly evidence the continuation of all coverage in the same manner, limits of protection, and scope of coverage as is required by this Agreement. Any renewal or replacement policies shall be in form and substance satisfactory to Midtown and written by carriers acceptable to Midtown. Consultant shall or, to the extent commercially reasonable, shall cause the applicable carrier or carriers to give written notice to the Public Works Director and Midtown within five days of the date on which total claims by any party against any insurance provided pursuant to Article 12 and this Attachment D reduce the aggregate amount of coverage below the amounts required by Article 12 and this Attachment D. In the alternative, a policy may contain an endorsement establishing a policy aggregate for each Work Order, subject to approval of such endorsement by Midtown.

(3) With respect to all policies required in Article 12 and this Attachment D, as soon as practicable upon execution of this Agreement, Consultant shall deposit with Midtown true and correct certificates thereof, accompanied by evidence satisfactory to Midtown of the payment of premiums and of the requirements of Article 12 and this Attachment D. Thereafter, certification of premium payments shall be deposited with Midtown not less than thirty (30) days before the expiration dates of the expiring policies or reduction of the stated dollar coverage of the face of

the policy. If requested to do so by Midtown, Consultant shall also furnish the originals or certified copies of the insurance policies for inspection.

(4) All policies of insurance and certificates issued pursuant to Article 12 and this Attachment D, with the exception of Professional Liability, and Workers' Compensation Insurance, shall name the Indemnitees as additional insureds.

(5) Inasmuch as Midtown and Consultant intend that all of Consultant's insured losses and liabilities fall upon Consultant's insurers, without recourse against Midtown, Consultant agrees to cause of all its policies of insurance required pursuant to Article 12 and this Attachment D to provide, if necessary by endorsement, that each such insurer fully waives subrogation against the Indemnitees.

(6) All insurance required pursuant to Article 12 and this Attachment D shall be primary in respect of any insurance maintained by Midtown or the City of Houston covering the same risk.

(7) If any policy required to be purchased pursuant to Article 12 and this Attachment D is subject to a deductible, self-insured retention or similar self-insurance mechanism which limits or otherwise reduces coverage, the deductible, self-insured retention or similar self-insurance mechanism shall be the sole responsibility of Consultant in the event of any loss and Consultant hereby waives any claim therefor against the Indemnitees.

(8) Moreover, Consultant hereby releases the Indemnitees from and waives all claims it may have against the Indemnitees to the extent any of such claims are covered by insurance required to be furnished by Consultant or any subconsultant hereunder, whether or not Consultant or such subconsultant actually obtains such insurance, and EVEN IF SUCH CLAIMS ARISE OUT OF, RELATE TO OR ARE BASED UPON AN INDEMNITEE'S OWN NEGLIGENCE OR OTHER TORTIOUS CONDUCT, BAD FAITH, ARBITRARY OR CAPRICIOUS CONDUCT, INEQUITABLE CONDUCT, BREACH OF CONTRACT OR OTHER FAULT, HOWEVER CHARACTERIZED, OR STRICT LIABILITY WITHOUT REGARD TO FAULT.

(9) Consultant shall require and cause its subconsultants to purchase and maintain the insurance policies set forth above with limits of liability commensurate with the amount of each such subcontract agreement. Consultant shall provide copies of insurance certificates for all such insurance to Midtown and the Public Works Director.

(10) If Consultant fails to procure or to maintain in force the insurance required by Article 12 and this Attachment D, Midtown may secure such insurance and the costs thereof shall be borne by Consultant. Consultant shall reimburse Midtown the cost of such insurance plus five percent (5%) administrative charge within ten (10) days after billing by Midtown. Any sum remaining unpaid fifteen (15) days after billing by Midtown shall bear interest at the rate of twelve percent (12%) per annum until paid by Consultant. CONSULTANT SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE INDEMNITEES FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, DAMAGES AND EXPENSES (INCLUDING COURT COSTS, COSTS OF DEFENSE AND ATTORNEYS' FEES), THAT ANY INDEMNITEE MAY INCUR AS A RESULT OF THE CONSULTANT'S FAILURE TO OBTAIN OR CAUSE TO BE

OBTAINED THE SPECIFIC ENDORSEMENTS OR INSURANCE REQUIRED PURSUANT TO THIS AGREEMENT. Failure of any Indemnitee to identify any deficiency in the insurance forms provided shall not be construed as a waiver of the Consultant's obligation to maintain such insurance and to cause such insurance to be maintained.

(11) Consultant's compliance with the provisions of Article 12 and this Attachment D shall not be deemed to constitute a limitation of Consultant's liability with respect to claims covered by insurance provided pursuant to Article 12 and this Attachment D or in any way limit, modify or otherwise affect Consultant's obligations under this Agreement or otherwise. The insolvency, bankruptcy, or failure of any insurance company carrying insurance for Consultant or any subconsultant, or the failure of any insurance company to pay claims accruing shall not be held to waive any of the provisions of this Agreement.

(12) If requested by Midtown, Consultant shall furnish or shall cause to be furnished any such other insurance as Midtown may deem necessary for any Work Order or Orders and the cost thereof shall be charged to Midtown by appropriate modification of any such order(s).

[End of Attachment D]