



Midtown Redevelopment Authority

FINANCIAL STATEMENTS

June 30, 2023



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Midtown Redevelopment Authority
Houston, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Midtown Redevelopment Authority (the Authority), a component of the City of Houston, Texas, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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 the Authority as of June 30, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of revenues, expenditures and change in fund balance – budget to actual be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

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, 2023, the schedule of estimated project costs to actual costs for the period from December 29, 1995 (date of inception) through June 30, 2023, the schedule of properties held – land held for resale and the schedule of capital assets (supplementary information), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Carr, Riggs & Ingram, L.L.C.

Houston, Texas
September 28, 2023

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

This discussion and analysis of Midtown Redevelopment Authority's (the Authority or Midtown) financial statements provides an overview of the Authority's financial performance during the years ended June 30, 2023 and 2022. This discussion and analysis includes comparative data for the year ended June 30, 2023 with the year ended June 30, 2022 and a brief explanation for significant changes between fiscal years. Since the Management's Discussion and Analysis is designed to focus on current activities, resulting changes and current known facts, please read in conjunction with the Authority's basic financial statements and the notes to the financial statements.

FINANCIAL HIGHLIGHTS

At the creation of the Tax Increment Reinvestment Zone Number Two (Midtown TIRZ or Zone) in 1995, the appraised base year value for real property located within the Zone was \$157,081,540. With the addition of four annexations of land in each of 1997, 1999, 2009 and 2015, the appraised base year value for real property located within the Zone increased to \$286,543,928. The preliminary ad valorem tax value for tax year 2023 (collectible Fiscal Year 2024) of real property located within the Zone is \$3,208,904,046.

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 2023, the City of Houston (the City) received the tax year 2021 Pass-Through Funds for the Houston Independent School District, in an amount totaling \$6,006,700. Of the total amount, \$4,004,466 was dedicated to the educational set-aside component and the balance of the funds in the total amount of \$2,002,234 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. Maintenance and Operation, as a direct consequence of an expanding list of projects, particularly park and public space projects, the Zone must provide for operation of the Zone's existing and planned facilities in the near term and in years to come beyond the duration of the Zone. A certain amount of each capital line item may be transferred to a third party (Midtown Parks Conservancy) to perform maintenance and operations of Midtown capital projects, per the terms of Midtown's Project Plan.

As of June 30, 2023, the Caroline Street Project has incurred costs of over \$10 million. Of which, \$5.5 million was funded by a Texas Department of Transportation Grant. Caroline Street Project consists of roadway, infrastructure, bicycle, and streetscape enhancements between Pierce and Elgin. The project incorporates green stormwater infrastructure and environmentally friendly streetscape elements the same as installed on Bagby Street. The Caroline Street construction was substantially completed in July 2023.

La Calle opened for business at the kiosk in Bagby Park in August 2021 and was operational until January 25, 2023 when a fire damaged the kitchen and building. The construction on the kiosk is planned to begin in October 2023 and is expected to reopen in December 2023. Bagby Park is open and enjoyed by the surrounding residents, businesses and public while construction and repair is ongoing.

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

Midtown Park, an award-winning 3-acre park includes the Camden Pavilion, Reliant Dog Park, water features, children's interactive play area with climbing art pieces, a berm with a mosaic art wall, and front plaza area featuring a public art installation in a cascading fountain. Currently, the installation of additional electrical infrastructure and site improvements to facilitate activation of Front 90 plaza area and construction of Front 90 improvements began in fiscal year 2023.

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. The Authority reimbursed the Museum of Fine Arts \$1,595,000 on October 27, 2022.

Planning and design of roadway reconstruction, infrastructure, and streetscape enhancements on the Brazos Street between St. Joseph and Elgin began in fiscal year 2023. This Greenroads project will incorporate Low Impact Development (LID) techniques, green stormwater infrastructure, and environmentally friendly streetscape elements similar to Bagby Street. A new bikeway is approved as part of the Houston Bike Plan and will be included in the project. The Authority spent \$280,000 towards this project in fiscal year 2023.

The Midtown Parks and Public Space Master Plan update aims to establish priorities and criteria to ensure that parks and public spaces continue to be the forefront of quality-of-life initiatives as Midtown Houston continues to grow. The plan is intended to assist Midtown Houston in updating their goals, strategies, and recommendations for their parks and public space and to develop recommendations for capital improvements to public space over the next five to 10 years. This update will focus not only on parks, but also on walkable and bikeable streetscapes that can provide comfortable connections throughout Midtown.

As part of the Authority's ongoing efforts to improve mobility infrastructure in a safe and effective manner in Midtown, the Safe Streets and Roads for All Plan is intended to create a comprehensive mobility safety plan for Midtown that aligns with the City's Vision Zero Plan. The goal is to reduce and ultimately eliminate traffic crashes resulting in serious injuries and fatalities in Midtown. The study's intention is to conduct an in-depth analysis of the outcomes generated by the City's Vision Zero Plan that focuses specifically on Midtown and create a strategic implementation plan for addressing mobility safety concerns across Midtown. Additionally, special attention will be paid to identifying future grant opportunities that can be leveraged by the Authority and its partners for future implementation opportunities.

The Authority's Affordable Housing Land Banking Program had, as of June 2019, acquired approximately 5,100,000 square feet of land in the Third Ward at an approximate cost of \$40.9 million. As part of its Affordable Housing Program, the Authority continues to make land available from 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 120% of median income for the area as determined by the Department of Housing and Urban Development. The Authority has engaged in development and purchase agreements with private for-profit and non-profit builders of various entities such as; Daggett Homes LLC, Mayberry Homes Inc., Agape Homes CDC, Cole-Klein Builders, LLC, Park Street Homes LLC, Lin Development Group LLC, - Houston Habitat for Humanity Inc. & CR Design Builders LLC - for the development of affordable single-family homes. In fiscal year 2022 the Board entered into a Grant Agreement with New Hope Housing, Inc. a non-profit corporation, for the development of a multi-family housing located at 0 Chaco Street and certain nearby properties. The project will consist of a multi-story structure, containing 1 and 2 bedrooms units for rental to low to moderate income rental households headed by persons 55 years of age or older and began construction on the project in late fiscal year 2023.

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

The Authority continues its pursuit of strategic partnerships with not-for-profit corporations to create a comprehensive institution to accelerate the development of affordable housing and provide other social services to create a strong neighborhood and provide necessary resources to facilitate affordable housing development 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. Midtown has worked with CCPPI to complete a comprehensive plan and systematic approach to the provision of affordable housing on land purchased by the Authority for that purpose. In fiscal year 2022 the Authority completed construction of its Affordable Housing Operations Campus (the Campus) which consist of (i) a 5-story office building containing approximately 64,500 square feet to house office, supportive services and community (Commercial and not-for-profit) (The Operations Center); (ii) a 20-unit multi-family affordable housing development consisting of approximately 17,050 square feet; and (iii) a public parking garage consisting of approximately 83,000 square feet and containing approximately 200 parking spaces located at the intersection of Emancipation Avenue and Elgin Street. The Campus was completed in fiscal year 2022 and is currently open. During fiscal year 2023 build-out of lease space on floor 2, 4 and 5 were ongoing for an estimated amount of \$3,094,000. The build-out was considered substantially complete for these floors as of June 2023. Construction of the interior build-out of tenant improvements in The Operations Center will continue in fiscal year 2024.

On January 1, 2021, an Amended and Restated Affordable Housing Initiative Services Agreement with CCPPI (The CCPPI Agreement) was approved by the Authority's Board for the continuation of services. The CCPPI Agreement provides for a three (3) year extension with an increased scope of services and increased performance metrics and reporting requirements. 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 OST/Alameda Corridors Redevelopment Authority providing for the conveyance and lease back of the public 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. The purchase was completed in fiscal year 2023 with the balance of \$3,000,000 paid.

In fiscal year 2023, the Authority continued to work under the Amended 2017 Municipal Service Cost Agreement with the City and remitted approximately \$777,000 to the City in July 2022 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, 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. The Authority spent approximately \$70,000 in the homeless outreach program during fiscal year 2023.

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

The Ion District Economic Development Agreement with the Rice Management Company (RMC) and the Authority relates to the development of The Ion District on approximately 16 acres of land in the southern portion of the Midtown Zone. The innovation district development includes an approximately 300,000 square feet innovation hub (The Ion) and has a public realm, mixed-use development with community spaces of plazas, educational/cultural spaces, a parking garage, restaurant and retail spaces, walkways and gardens on multiple blocks of property located in the southern portion of the Midtown Zone and is generally situated between Isabella Street to the North, Ruth Street to the West, Wheeler Avenue to the South and Austin Street to the East. As part of the agreement, RMC plans to construct and install certain public infrastructure and improvements including a parking garage. In addition, RMC and Midtown expect to collaborate in a process to identify certain opportunities to induce the redevelopment of other areas within the Midtown Zone. The Authority approved an Agreement with RMC regarding their construction and installation of the Ion District and the associated Public Infrastructure and Improvements that will significantly contribute to the economic improvement and development of the Midtown Zone. Over a period of years, it is anticipated that approximately one billion dollars may be invested in the Ion District. Midtown paid \$392,714 in March 2023 as the first payment of The Ion District Economic Development Agreement.

Additionally, the Authority made a second payment on the Development Agreement with The Pearl Residences by the Morgan Group and Caydon Houston Property LLC in the amount of \$529,491 and \$1,289,375, respectively in fiscal year 2023.

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)

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:

	2023	2022
Assets		
Cash, cash equivalents and investments	\$ 43,047,000	\$ 43,306,000
Tax increment receivables	13,101,000	1,911,000
Other receivables	1,156,000	215,000
Lease receivable	6,150,000	2,981,000
Property held for resale	34,340,000	43,558,000
Capital assets, net	83,451,000	89,303,000
Total assets	\$ 181,245,000	\$ 181,274,000
Liabilities		
Current liabilities	\$ 5,749,000	\$ 5,801,000
Loans and bonds payable – current	6,744,000	6,643,000
Loans and bonds payable – long-term	80,477,000	93,781,000
Total liabilities	92,970,000	106,225,000
Deferred inflow of resources	6,006,000	2,938,000
Net position		
Net investment in capital assets	68,923,000	65,676,000
Restricted	57,713,000	61,470,000
Unrestricted deficit	(44,367,000)	(55,035,000)
Total net position	\$ 82,269,000	\$ 72,111,000

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:

	2023	2022
Houston Community College System (HCCS)	\$ -	\$ 1,911,000
City of Houston (City)	13,101,000	-
Total tax increment receivables	\$ 13,101,000	\$ 1,911,000

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

The Authority received tax increments outstanding at June 30, 2023 in September 2023. The Authority received tax increments outstanding at June 30, 2022 in September 2022.

Other receivables include amounts due from other entities under memos of understanding for reimbursement of shared services, the Houston Technology Center (HTC) and from the City of Houston related to interest earned by the City on tax increments for fiscal year 2016 through 2023.

The Authority has various lease operations that are reported in accordance with GASB Statement No. 87. Accordingly, lease receivable and deferred inflow balances of approximately \$6,150,000 and \$6,006,000, respectively, were included in the Statement of Financial Position as of June 30, 2023 compared to approximately \$2,981,000 and \$2,938,000, respectively, as of June 30, 2022. The increase was the result of various leases entered into during fiscal year 2023 net of current year payments received.

Property held for resale relates to the Authority's affordable housing land assemblage program. During fiscal year 2023, the Authority sold 39 properties with a cost of approximately \$9.2 million.

The decrease in capital assets, net, primarily relates to the sale of the Operations Center garage (\$6.5 million) offset by costs incurred during fiscal year 2023 in the construction of certain tenant improvements on the Operations Center (\$3.1 million).

The Authority's total long-term debt had a net decrease in fiscal year 2023 of approximately \$13.2 million as a result of repayments of loans and bonds (\$12.4 million), and amortization of bond premium (\$546,000).

See Capital Assets and Debt Administration for more information related to the Authority's capital asset and long-term debt activities.

The net decrease in current liabilities relates primarily to the finalized sale of the Operations Center garage which resulted in the application of the \$3 million deposit on contract recorded in prior year, decrease in interest payable as a result of the refunding bond issued and the increase in accounts payable and retainage payable due to ongoing construction of certain tenant improvements on the Operations Center.

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, 2023 and 2022, the Authority has an unrestricted deficit of \$44.4 million and \$55 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 \$13.1 million and \$13 million at June 30, 2023 and 2022, respectively; net position restricted for affordable housing in the amount of \$44.6 million and \$47.3 million at June 30, 2023 and 2022, respectively; and net position restricted for capital projects in the amount of \$4.5 thousands and \$1.2 million at June 30, 2023 and 2022, respectively. The majority of the Authority's net position restricted for affordable housing is invested in land held for resale totaling \$34.3 million and \$43.6 million at June 30, 2023 and 2022, respectively.

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

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:

	2023	2022
Revenues		
Tax increments	\$ 28,494,000	\$ 27,021,000
Lease revenue	723,000	474,000
Investment and other revenues (expenses)	1,989,000	(160,000)
Total revenues	31,206,000	27,335,000
Expenses		
Current	5,709,000	5,150,000
Debt service	3,504,000	4,204,000
Capital outlay	11,835,000	11,314,000
Total expenses	21,048,000	20,668,000
Change in net position	10,158,000	6,667,000
Net position - beginning of year	72,111,000	65,444,000
Net position - end of year	\$ 82,269,000	\$ 72,111,000

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 2023 other revenues (expenses) primarily includes amounts received from other entities as reimbursement under management agreements and interlocal agreements, interest earned by the City on tax increments for fiscal year 2016 through 2023, and insurance proceeds from the fire at the kiosk in Bagby Park and other minor insurance claims. These were offset by losses recorded on affordable housing properties sold to third parties during the year. Fiscal year 2022 other revenues (expenses) primarily includes amounts received from other entities as reimbursement under management agreements and interlocal agreements offset by losses recorded on affordable housing properties granted to third parties during the year and bad debt expense related to the HTC's receivable outstanding as of June 30, 2022 for which an allowance was established in 2022 due to uncertainty of collectability. Lease revenue in 2023 and 2022 relates to lease of office spaces and various apartments units at the Operations Center, lease of a kiosk in Bagby Park and lease of office space in the HTC Building.

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

Capital projects funded from loan and bond proceeds and tax increments totaled 42% and 51% of total expenses in fiscal year 2023 and 2022, respectively. More detailed information about the Authority's capital projects is presented in the supplementary information – Schedule of Operating Expenses and Capital Expenditures.

GOVERNMENTAL FUNDS

At the end of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of approximately \$73.5 million, which is approximately \$9.7 million less than the prior fiscal year. Approximately 47% of the fund balance, or \$34.3 million, is invested in property held by the Authority which is being held for resale and is considered non-spendable. Approximately 5% of the fund balances, or \$3.5 million, is committed or restricted by bonds to various capital projects and development and grant agreements entered into by the Authority. Approximately 16% of the fund balances, or \$11.4 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 \$14.2 million) and to affordable housing (approximately \$9.8 million).

CAPITAL ASSETS

As of June 30, 2023, the Authority had approximately \$83.5 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 2023, the Authority continued with the construction of certain tenant improvements at the Operations Center. More detailed information about the Authority's capital assets is presented in the notes to the basic financial statements.

DEBT ADMINISTRATION

In October 2022, the Authority issued Tax Increment Contract Revenue Refunding Bonds, Series 2022 (Series 2022) in the aggregate principal amount of \$22,510,000. Proceeds from the Series 2022 bonds were used for the purpose of refunding Series 2013 bonds in order to achieve debt service savings; and paying costs of issuance.

As of June 30, 2023 and 2022, the Authority has four series of Tax Increment Contract Revenue Bonds totaling \$71,410,000 and \$74,660,000, respectively. A debt service reserve fund in the amount of \$7,151,147 has been established based on an amount equivalent to the estimated annual debt service with the inclusion of Series 2015, 2017, 2020 and 2022 bonds.

Total loans outstanding at June 30, 2023 and 2022 were \$11,086,000 and \$19,649,000, 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.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

The fiscal year 2023 budget was not yet approved by the City for the Authority. The Authority continued to operate under its approved budget for fiscal year 2022 pursuant to Section VI of the Tri-Party Agreement between the City, the Authority and the Zone. 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. Included in the pending City's approval budget for fiscal year 2023 was approximately \$6.1 million of tax increments for educational facilities and \$731,000 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 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.

Mobility & Pedestrian Enhancements consists of implementation of Safe Streets and Roads to improve safety and prevent roadway deaths and serious injuries for all roadway users within the Midtown Zone. Midtown conducted a community outreach survey to help identify unsafe locations for pedestrians, cyclists, and drivers within the Midtown Zone. The outcome of the survey will be used to develop safety-oriented projects in alignment with City's Vision Zero Plan to include improvements to intersections, bicycle facilities, pedestrian access, access management, and other mobility related safety elements beginning in fiscal year 2024.

The development of I59/69 Cap Parks at street level above the Midtown segment of Interstate 59/69 reconstruction is included in the North Houston Highway Improvement Project. The planning and conceptual design for the expanded Caroline/Wheeler Cap Park will continue in fiscal year 2024.

In partnership with the City of Houston, the Authority is using the analysis provided by the City's updated pavement condition information to prioritize phases for asphalt overlays of local streets in the Midtown Zone and proposing to begin construction in fiscal year 2024.

Midtown along with its consultants is planning and designing the Southeast Neighborhood Streets roadway, infrastructure, and pedestrian improvements to the local neighborhood streets. The project will incorporate improvements to alleviate drainage issues in areas south of Baldwin Park.

As part of the Safe Sidewalk Program repair and replacement of damaged and missing sidewalks and accessibility ramps is anticipated to continue in fiscal year 2024 throughout the Zone.

Planning and development of concepts for eligible pedestrian-transit-bicycle improvements within ½ mile of the Wheeler Street corridor to improve pedestrian access to transit facilities will begin in fiscal year 2024.

Elizabeth Baldwin Park's new renovations will include playground upgrades and additions to provide additional play experiences for children to learn and practice developmental skills. Electrical infrastructure will be installed to better facilitate future park programming, and new perimeter lighting will improve visibility into the park.

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

As of the date hereof, the Authority's fiscal year 2023 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 2022 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 2023 budget will include the design and implementation of capital improvement projects, affordable housing projects, administration costs and the Municipal Service Fee. For fiscal years 2023 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.

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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, 2023

	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	\$ 15,979,012	\$ 961	\$ -	\$ 2,563,646	\$ 2,314,787	\$ 20,858,406	\$ -	\$ 20,858,406
Investments	12,595,661	-	4,571	2,217,740	7,370,732	22,188,704	-	22,188,704
Tax increment receivables	13,100,660	-	-	-	-	13,100,660	-	13,100,660
Other receivables, net	1,156,446	-	-	-	-	1,156,446	-	1,156,446
Lease receivable	625,855	-	-	5,524,027	-	6,149,882	-	6,149,882
Due to/from other funds	(22,388,252)	11,957,983	-	5,926,373	4,503,896	-	-	-
Property held for resale	-	-	-	34,340,080	-	34,340,080	-	34,340,080
Capital assets, net	-	-	-	-	-	-	83,450,545	83,450,545
Total assets	\$ 21,069,382	\$ 11,958,944	\$ 4,571	\$ 50,571,866	\$ 14,189,415	\$ 97,794,178	\$ 83,450,545	\$ 181,244,723
Liabilities								
Accounts payable	\$ 1,248,756	\$ 2,686,685	\$ -	\$ 593,645	\$ -	\$ 4,529,086	\$ (283,171)	\$ 4,245,915
Interest payable	-	-	-	-	-	-	1,345,032	1,345,032
Retainage payable	-	-	-	-	-	-	157,521	157,521
Loans payable								
Due within one year	-	-	-	-	-	-	2,759,283	2,759,283
Due after one year	-	-	-	-	-	-	8,326,526	8,326,526
Bonds payable								
Due within one year	-	-	-	-	-	-	3,985,000	3,985,000
Due after one year	-	-	-	-	-	-	72,150,932	72,150,932
Total liabilities	1,248,756	2,686,685	-	593,645	-	4,529,086	88,441,123	92,970,209
Deferred inflows of resources								
Deferred tax increment revenue	13,100,660	-	-	-	-	13,100,660	(13,100,660)	-
Interest on tax increments	693,800	-	-	-	-	693,800	(693,800)	-
Lease revenue	607,906	-	-	5,397,828	-	6,005,734	-	6,005,734
Total deferred inflows of resources	14,402,366	-	-	5,397,828	-	19,800,194	(13,794,460)	6,005,734

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, 2023

	General Fund	Infrastructure and Project Fund	Capital Projects Fund	Affordable Housing Fund	Debt Service Fund	Total	Adjustments	Statement of Net Position
Fund balances								
Nonspendable	\$ 17,949	\$ -	\$ -	\$ 34,466,279	\$ -	\$ 34,484,228	\$ (34,484,228)	
Restricted	931,250	-	4,571	9,791,921	14,189,415	24,917,157	(24,917,157)	
Committed	103,556	2,282,801	-	322,193	-	2,708,550	(2,708,550)	
Assigned	4,365,505	6,989,458	-	-	-	11,354,963	(11,354,963)	
Total fund balances	5,418,260	9,272,259	4,571	44,580,393	14,189,415	73,464,898	(73,464,898)	
Total liabilities, deferred inflows of resources and fund balances	\$ 21,069,382	\$ 11,958,944	\$ 4,571	\$ 50,571,866	\$ 14,189,415	\$ 97,794,178	\$ -	
Net position								
Net investment in capital assets							\$ 68,923,471	\$ 68,923,471
Restricted								
Debt service							13,127,554	13,127,554
Affordable housing							44,580,393	44,580,393
Capital expenditures							4,571	4,571
Unrestricted (accumulated deficit)							(44,367,209)	(44,367,209)
Total net position							\$ 82,268,780	\$ 82,268,780

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, 2023

Total fund balance of governmental funds	\$ 73,464,898
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	83,450,545
Other revenues are not available for current period expenditures therefore are deferred in the funds	13,100,660
Interest on tax increments are not available for current period expenditures and therefore are deferred in the funds	693,800
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds	(157,521)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	(11,085,809)
Tax increment revenue bonds and related interest are not due and payable in the current period and therefore are not reported in the funds	(77,197,793)
Net position of governmental activities	\$ 82,268,780

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, 2023

	General Fund	Infrastructure and Project Fund	Capital Projects Fund	Affordable Housing Fund	Debt Service Fund	Total	Adjustments	Statement of Activities
Revenues								
Tax increments	\$ 4,443,347	\$ -	\$ -	\$ 5,262,781	\$ 7,598,203	\$ 17,304,331	\$ 11,189,768	\$ 28,494,099
Investment income	703,399	-	6,240	166,090	270,144	1,145,873	-	1,145,873
Lease revenue	328,393	-	-	394,499	-	722,892	-	722,892
Other revenues (expenses)	838,924	-	-	-	-	838,924	4,401	843,325
Total revenues	6,314,063	-	6,240	5,823,370	7,868,347	20,012,020	11,194,169	31,206,189
Expenditures/expenses								
Current								
Administration and support	2,749,733	-	-	158,024	-	2,907,757	-	2,907,757
Municipal services cost agreement	846,632	-	-	-	-	846,632	-	846,632
Depreciation	-	-	-	-	-	-	2,501,125	2,501,125
Amortization of bond premium	-	-	-	-	-	-	(546,303)	(546,303)
Capital outlay	-	7,740,834	-	7,446,269	-	15,187,103	(3,352,476)	11,834,627
Debt service								
Principal payments	99,085	-	1,445,404	7,019,020	3,835,000	12,398,509	(12,398,509)	-
Interest charges	27,456	-	348,427	481,473	3,213,283	4,070,639	(777,917)	3,292,722
Cost of bond issuance and other charges	-	-	-	-	499,989	499,989	-	499,989
Gain on refunding	-	-	-	-	-	-	(288,448)	(288,448)
Total expenditures/expenses	3,722,906	7,740,834	1,793,831	15,104,786	7,548,272	35,910,629	(14,862,528)	21,048,101
Excess (deficiency) of revenues over expenditures	2,591,157	(7,740,834)	(1,787,591)	(9,281,416)	320,075	(15,898,609)	15,898,609	
Other financing sources (uses)								
Issuance of refunding bonds	-	-	-	-	22,510,000	22,510,000	(22,510,000)	-
Payment to refunded bond escrow agent	-	-	-	-	(22,314,786)	(22,314,786)	22,314,786	-
Proceeds from sale of capital assets	-	-	-	6,000,000	-	6,000,000	(6,000,000)	-
Internal transfers	(4,197,018)	4,138,131	603,563	591,539	(1,136,215)	-	-	-
Total other financing sources (uses)	(4,197,018)	4,138,131	603,563	6,591,539	(941,001)	6,195,214	(6,195,214)	
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	(1,605,861)	(3,602,703)	(1,184,028)	(2,689,877)	(620,926)	(9,703,395)	9,703,395	
Change in net position							10,158,088	10,158,088
Fund balances/net position								
Beginning of year	7,024,121	12,874,962	1,188,599	47,270,270	14,810,341	83,168,293	(11,057,601)	72,110,692
End of year	\$ 5,418,260	\$ 9,272,259	\$ 4,571	\$ 44,580,393	\$ 14,189,415	\$ 73,464,898	\$ 8,803,882	\$ 82,268,780

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, 2023

Change in total fund balance of governmental funds	\$ (9,703,395)
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	3,190,494
Depreciation expense	(2,501,125)
In the statement of activities, only the gain/loss on the sale/disposal of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold/disposed.	
	(6,541,467)
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 refunding bonds, net of payments to escrow agent and related gain	93,234
Repayment of bond and loan principal	12,398,509
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	
	546,303
Other revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	
Tax increments	11,189,768
Interest on tax increments	693,800
Some expenses reported in the Statement of Activities are not reported as expenditures in the governmental funds as the related revenue were deferred	
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	
	791,967
Change in net position of governmental activities	\$ 10,158,088

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 on 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 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 "Net Investment in Capital Assets".

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, except for lease 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 related interests and expense reimbursements under executed agreements. The Authority estimates and records an allowance for doubtful accounts based on prior experience. As of June 30, 2023, the Authority believes all receivables are fully collectible except for approximately \$338,000 and accordingly an allowance has been recorded.

Midtown Redevelopment Authority Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

The Authority's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the Authority may receive variable lease payments that are dependent upon the lessee's revenue or proportionate share of building's operating costs. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

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.

Midtown Redevelopment Authority Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Authority, deferred inflows of resources include tax increment revenue, interest on tax increments and lease revenue.

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.

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, 2023, the carrying amount of the Authority's deposits was \$20,858,406 and the bank balances totaled \$22,238,619. The Authority's deposits in excess of FDIC insurance totaling \$6,026,384 were adequately collateralized. Cash deposits totaling \$15,711,601, which approximate fair value, represent money market investments in U.S. Government Securities. In addition, the Authority held \$22,188,704 in investment pools at June 30, 2023, 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, 2023 are as follows:

	Cash and Cash Equivalents	Investments	Total
Trustee funds			
Debt service	\$ 2,314,787	\$ -	\$ 2,314,787
Debt service reserve fund	-	7,370,732	7,370,732
Project fund	-	4,571	4,571
Debt service - Affordable housing	1,004,018	-	1,004,018
Total trustee funds	3,318,805	7,375,303	10,694,108
Enabling legislation			
Affordable housing	1,559,628	2,217,740	3,777,368
Total restricted assets	\$ 4,878,433	\$ 9,593,043	\$ 14,471,476

Note 6: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance at July 1, 2022	Additions	Reclassifications	Disposals	Balance at June 30, 2023
Non-depreciable assets					
Land and improvements	\$ 14,944,931	\$ 111	\$ -	\$ (996,979)	\$ 13,948,063
Construction in process	458,573	3,148,575	(3,607,148)	-	-
Depreciable assets					
Works of art	1,137,027	-	-	-	1,137,027
Buildings and improvements	86,291,433	-	3,607,148	(5,927,539)	83,971,042
Equipment	58,378	41,808	-	-	100,186
Total capital assets	102,890,342	3,190,494	-	(6,924,518)	99,156,318
Less: accumulated depreciation	(13,587,699)	(2,501,125)	-	383,051	(15,705,773)
Government activities - capital assets, net	\$ 89,302,643	\$ 689,369	\$ -	\$ (6,541,467)	\$ 83,450,545

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, 2022	\$ 19,649,318
Additions	-
Retirements	(8,563,509)
<hr/>	
Balance at June 30, 2023	\$ 11,085,809
<hr/>	
Current portion, long-term debt	\$ 2,759,283
<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, 2023, the outstanding balance on the loan totaled \$3,534,090.

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, 2023, the outstanding balance on the loan totaled \$616,149.

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 \$4.79 million tax-exempt loan, as amended in July 2020, 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 \$9.21 million taxable loan, as amended in July 2020, 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, 2023, the loan pledged revenue fund totaled \$1,004,018. At June 30, 2023, the combined outstanding balance on the loan totaled \$6,935,570.

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
2024	\$ 2,759,283	\$ 625,208	\$ 3,384,491
2025	7,680,974	159,129	7,840,103
2026	645,552	51,303	696,855
Total	\$ 11,085,809	\$ 835,640	\$ 11,921,449

Note 8: TAX INCREMENT CONTRACT REVENUE BONDS

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

Balance at July 1, 2022	\$ 74,660,000
Additions	22,510,000
Retirements	(25,760,000)
Balance at June 30, 2023	\$ 71,410,000
Current portion, long-term debt	\$ 3,985,000

Tax Increment Revenue Bonds at June 30, 2023 consist of the following:

Date Series Issued	Outstanding Balance
2015	\$ 5,180,000
2017	35,255,000
2020	8,565,000
2022	22,410,000
Total principal payable	71,410,000
Unamortized premium and discount, net	4,725,932
Total bonds payable	\$ 76,135,932

Midtown Redevelopment Authority Notes to Financial Statements

Note 8: TAX INCREMENT CONTRACT REVENUE BONDS (Continued)

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
2024	\$ 2,535,000	\$ 259,000	\$ 2,794,000
2025	2,645,000	132,250	2,777,250
Total	\$ 5,180,000	\$ 391,250	\$ 5,571,250

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
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	430,000	1,597,875	2,027,875
2028	450,000	1,576,375	2,026,375
2029-2033	2,545,000	7,581,125	10,126,125
2034-2038	29,200,000	4,522,250	33,722,250
Total	\$ 35,255,000	\$ 20,364,500	\$ 55,619,500

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.

Midtown Redevelopment Authority Notes to Financial Statements

Note 8: TAX INCREMENT CONTRACT REVENUE BONDS (Continued)

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
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	790,000	280,050	1,070,050
2028	830,000	240,550	1,070,550
2029-2033	4,790,000	566,800	5,356,800
Total	\$ 8,565,000	\$ 2,146,550	\$ 10,711,550

In October 2022, the Authority issued Tax Increment Contract Revenue Refunding Bonds Series 2022 (the 2022 Bonds) in the aggregate principal amount of \$22,510,000. The refunding was undertaken to refund the Tax Increment Contract Revenue Bonds Series 2013 (Series 2013). The Authority achieved a cash flow savings and an economic gain of \$2,169,734 as a result of the refunding.

The 2022 Bonds mature January 1, in each year 2023 through 2033. The 2022 Bonds are callable in whole or in part any date beginning October 5, 2032 at par.

The 2020 Bonds bear interest of 2.98% annually and have semi-annual interest payments due on January 1 and July 1 as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 100,000	\$ 677,093	\$ 777,093
2025	235,000	675,919	910,919
2026	2,480,000	666,972	3,146,972
2027	2,555,000	592,041	3,147,041
2028	2,635,000	514,845	3,149,845
2029-2033	14,405,000	1,332,669	15,737,669
Total	\$ 22,410,000	\$ 4,459,539	\$ 26,869,539

Midtown Redevelopment Authority Notes to Financial Statements

Note 9: FUND BALANCES – GOVERNMENTAL FUNDS

As of June 30, 2023, 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	\$ -	\$ -	\$ -	\$ 34,340,080	\$ -	\$ 34,340,080
Leases	17,949	-	-	126,199	-	144,148
Restricted for						
Capital projects	931,250	-	4,571	-	-	935,821
Affordable housing	-	-	-	9,791,921	-	9,791,921
Debt service	-	-	-	-	14,189,415	14,189,415
Committed to						
Affordable housing	-	-	-	322,193	-	322,193
Loan payments	103,556	-	-	-	-	103,556
Streetscapes and gateways	-	594,484	-	-	-	594,484
Parks	-	174,195	-	-	-	174,195
Developer and grant agreements	-	1,514,122	-	-	-	1,514,122
Assigned to						
FY 2024 CIP plan and budget	4,365,505	6,989,458	-	-	-	11,354,963
Total fund balances	\$ 5,418,260	\$ 9,272,259	\$ 4,571	\$ 44,580,393	\$ 14,189,415	\$ 73,464,898

Note 10: TAX INCREMENT SUMMARY

The Authority's tax increment revenue for the year ended June 30, 2023, as reflected in the Statement of Activities was received from the following Participants:

	Gross Increment	Transfers	Net Increment
City of Houston	\$ 13,790,168	\$ (689,508)	\$ 13,100,660
Houston Independent School District (Tax Year 2021 Set Aside)	6,006,700	(4,004,466)	2,002,234
Houston Independent School District	13,769,353	(2,382,015)	11,387,338
Houston Community College System (Tax Year 2022)	2,028,867	(25,000)	2,003,867
Total tax increments	\$ 35,595,088	\$ (7,100,989)	\$ 28,494,099

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, 2023, as reflected in the governmental funds, was received from the following Participants:

	Gross Increment	Transfers	Net Increment
Houston Independent School District (Tax Year 2021 Set Aside)	\$ 6,006,700	\$ (4,004,466)	\$ 2,002,234
Houston Independent School District	13,769,353	(2,382,015)	11,387,338
Houston Community College System (Tax Year 2021)	1,935,892	(25,000)	1,910,892
Houston Community College System (Tax Year 2022)	2,028,867	(25,000)	2,003,867
Total tax increments	\$ 23,740,812	\$ (6,436,481)	\$ 17,304,331

Note 11: LEASE REVENUE

The Authority's leasing operations consist of the leasing of office space and apartment units at the Operations Center, a kiosk at Bagby Park, and office space at HTC Building.

Operations Center: Office Space

The Authority leases office space to two tenants under operating leases which are non-cancellable and terminate no later than November 2028 with an option to extend to no later than November 2038. The leases call for monthly payments (fixed payments) that range from \$13,089 to \$22,799 with certain leases subject to annual escalations. Certain provisions of the leases provide for payment of proportionate share of building's operating costs (variable non-lease component).

HTC Building: Office Space

The Authority leases office space to various tenants under operating leases which are non-cancellable and terminate no later than November 2025 with an option to extend to no later than October 2028. The leases call for monthly payments (fixed payments) that range from \$1,398 to \$4,000 with certain leases subject to annual escalations.

Bagby Park: Kiosk

The Authority leases a kiosk to a local restaurant to sell food and beverage under a non-cancellable operating lease with a lease term through June 2025 with an option to extend through June 2029. The lease calls for monthly minimum payments of \$3,500 subject to \$100 annual escalation and additional rent of 6% of gross sales in excess of breakingpoint (variable lease payment), as defined in the lease agreement.

Midtown Redevelopment Authority
Notes to Financial Statements

Note 11: LEASE REVENUE (Continued)

For the year ended June 30, 2023, payments are as follows:

	Fixed Payment	Interest Revenue	Variable Payment	Total
Operations Center: Office Space	\$ 93,625	\$ 66,186	\$ 56,423	\$ 216,234
HTC Building: Office Space	54,341	10,891	-	65,232
Bagby Park: Kiosk	36,700	6,500	78,550	121,750
	<u>\$ 184,666</u>	<u>\$ 83,577</u>	<u>\$ 134,973</u>	<u>\$ 403,216</u>

Lease receivable activity for the year ended June 30, 2023 was as follows:

	Balance at July 1, 2022	Additions	Reductions	Balance at June 30, 2023
Operations Center: Office Space	\$ 2,679,050	\$ 2,938,602	\$ (93,625)	\$ 5,524,027
HTC Building: Office Space	-	415,073	(54,341)	360,732
Bagby Park: Kiosk	301,823	-	(36,700)	265,123
	<u>\$ 2,980,873</u>	<u>\$ 3,353,675</u>	<u>\$ (184,666)</u>	<u>\$ 6,149,882</u>

Future fixed payments, including interest, due to the Authority under non-cancellable agreements are as follows:

<i>For the years ending June 30,</i>	Principal	Interest	Total
2024	\$ 804,973	\$ 212,659	\$ 1,017,632
2025	404,516	176,948	581,464
2026	396,938	161,393	558,331
2027	397,425	147,147	544,572
2028	450,415	132,237	582,652
2029-2033	2,257,912	419,696	2,677,608
2034-2038	1,333,344	90,287	1,423,631
2039	104,359	656	105,015
	<u>\$ 6,149,882</u>	<u>\$ 1,341,023</u>	<u>\$ 7,490,905</u>

The other leases of the Authority are short-term leases and, therefore, no lease receivable and deferred inflow of resources have been recognized from the apartment units at the Operations Center and certain office space at HTC building in accordance with GASB Statement No. 87. The Authority recognized lease revenue from short-term leases of \$319,676 for the year ended June 30, 2023.

Midtown Redevelopment Authority Notes to Financial Statements

Note 12: 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 13: RELATED PARTIES

The Authority has an administrative contract with the District whereby the Authority provides administrative and management services to the District (see Note 14). The District and the Authority share the same Executive Director. The Authority provided services to the District amounting to approximately \$581,000 for the year ended June 30, 2023. At June 30, 2023, approximately \$345,000 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 Vice-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 \$608,000 for the year ended June 30, 2023 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 14).

Note 14: COMMITMENTS AND CONTINGENCIES

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 expired 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 \$1.1 million. These contracts will be paid in future period as work is performed. Payment will be made with 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 14: 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 was obtained from the sale of the parking garage to Old Spanish Trail/Alameda Corridors Redevelopment Authority (OSTAC) for which a \$3 million down payment was received during 2021 and another \$3 million was received during fiscal year 2023 when the sale-lease back agreement was finalized and executed in October 2022. The lease calls for annual payments of \$1 with an initial term of 30 years commencing on October 28, 2022 and expiring on June 30, 2032. The total proceeds of \$6 million were recorded as other financing sources in the accompanying fund financial statements.

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. 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 expired on March 31, 2023 and will continue to 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 expired on February 28, 2022 and will continue to 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 \$714,500 in fiscal year 2024.

Midtown Redevelopment Authority Notes to Financial Statements

Note 14: 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 followed by a second payment of \$529,491 in fiscal year 2022. The third payment of approximately \$466,000 will be paid in November 2023 and has been included in accounts payable as of June 30, 2023 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. As “The Midtown” development project was completed in December 2019 and the maintenance agreement was executed in August 2021, the reimbursement related to the “The Midtown” project commenced in fiscal year 2022 with a payment of \$1,656,715 following by a second payment of \$1,289,375 in fiscal year 2023. Subsequent annual reimbursement from available tax increment are due by November 1 of each year during the term of the agreement.

“The Ion District” Development Agreement

In 2022, the Authority entered into a Development Agreement with Rice University, acting by and through Rice Management Company (Rice) for reimbursement of up to \$65 million of eligible project costs related to an innovation hub (the Ion), and other public infrastructure and improvements (phase I and II), including a parking garage in connection with “The Ion District” development. The parking garage, once completed, will be conveyed to the Authority and operated and maintained by Rice. Reimbursement commences after completion of the Ion, completion of each phase of the other infrastructure and improvements and completion of the parking garage and conveyance to the Authority. Reimbursement of Phase II of the other infrastructure and improvements can commence after completion of each sub-phase of Phase II, as defined in the development agreement. The Authority has the right to terminate this agreement if Rice does not complete the phase II of this project on or before December 31, 2035. As the Ion was completed in April 2021 and the maintenance agreement was executed in September 2022, the reimbursement related to the Ion project commenced in fiscal year 2023 with a payment of \$392,714. Subsequent annual reimbursement from available tax increment are due by November 1 of each year through December 31, 2044. The other public infrastructure and improvements, including the parking garage, are still under construction as of June 30, 2023.

Midtown Redevelopment Authority Notes to Financial Statements

Note 14: COMMITMENTS AND CONTINGENCIES (Continued)

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.

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. Revenue from these facilities is remitted to or retained by MIDCorp to support its operations. 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. Certain credits are applied towards the annual maintenance fee based on excess of facilities revenues. In addition, the Authority will pay \$50,000 per year for 10 years to be applied to the Renewal and Replacement Fund.

**Required Supplementary Information
and
Supplementary Information**

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

For the year ended June 30, 2023

	Original and Final Budgeted Amounts *	Actual Amounts (Budgetary Basis)	Variance With Final Budget
Budgetary fund balance - beginning of year	\$ 56,826,258	\$ 83,168,293	\$ 26,342,035
Resources			
Incremental property tax revenue	34,194,337	23,740,811	(10,453,526)
Grant proceeds	3,000,000	6,000,000	3,000,000
Proceeds from refunding bonds, net	-	195,214	195,214
Proceeds from land sale	6,000,000	-	(6,000,000)
Miscellaneous revenue	535,000	1,561,816	1,026,816
Other interest income	325,000	1,145,873	820,873
Total available resources	100,880,595	115,812,007	14,931,412
Expenses			
Maintenance and operations	1,869,950	2,749,733	879,783
Project costs and capital expenditures	42,193,661	13,150,173	(29,043,488)
Developer/project reimbursements	2,455,572	2,194,954	(260,618)
Special projects as determined by the COH	500,000	-	(500,000)
Debt service	9,264,608	16,969,137	7,704,529
Other interfund transfers:			-
HISD educational facilities	6,076,001	6,361,480	285,479
Municipal services - public safety	781,263	776,632	(4,631)
Municipal services - quality of life	492,737	70,000	(422,737)
Administrative fees	731,363	75,000	(656,363)
Total expenses	64,365,155	42,347,109	(22,018,046)
Budgetary fund balance - end of year	\$ 36,515,440	\$ 73,464,898	\$ 36,949,458

* Budgeted amounts are based on the 2023 budget approved by the Authority's board of directors that was submitted to the City for approval.

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, 2023

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 115,812,007
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	(83,168,293)
Issuance of tax increment revenue and refunding bonds, net of refunding, are reported as other financing sources (uses)	(195,214)
Proceeds from sale of capital assets is reported in the funds as other financing sources	(6,000,000)
Budgeted revenues include HISD educational facilities transfers and city administrative charges, while the Authority's funds report revenues net of these transfers	(6,436,480)

Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - total governmental funds	\$ 20,012,020
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Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 42,347,109
differences - budget to GAAP:	
Budgeted expenditures include HISD educational facilities transfers and city administrative charges, while the authority's funds report revenues net of these transfers	(6,436,480)

Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - total governmental funds	\$ 35,910,629
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Midtown Redevelopment Authority Schedule of Operating Expenses and Capital Expenditures

For the year ended June 30, 2023

Management Consulting Services	Vendor	Budget *	Actual Expenditures	Variance
Administration and Overhead:				
Administration (Salaries, Benefits and Taxes)		\$ 486,650	\$ 388,819	\$ 97,831
Office Expenses	n/a	270,000	524,620	(254,620)
Midtown Management District	n/a	495,000	580,984	(85,984)
Fourth Ward Redevelopment Authority	n/a	40,000	25,488	14,512
Insurance	Hartford Fire Insurance Company, United National Insurance Agency	214,000	751,221	(537,221)
Accounting	Bookkeeper The Morton Accounting Services	85,000	7,978	77,022
Accounting		-	119,256	(119,256)
Auditor - Financial	Carr, Riggs & Ingram, LLC Hilltop Securities Inc., Masterson Advisors, LLC,	41,000	41,250	(250)
Bond Services/Trustee	Bank of New York Mellon	43,000	20,231	22,769
Total Administration and Overhead		1,674,650	2,459,847	(785,197)
Program and Project Consultants:				
Legal - General Matters	Bracewell LLP, Burney & Foreman	90,000	228,794	(138,794)
Engineering consultants	IDS Engineering Group	95,000	61,092	33,908
Construction Audits		10,300	-	10,300
Total Program and Project Consultants		195,300	289,886	(94,586)
Total Management Consulting Services		\$ 1,869,950	\$ 2,749,733	\$ (879,783)
Capital Expenditures				
T-0207 Operating of Zone and Project Facilities				
Construction/maintenance	MIDCorp	\$ 1,000,000	\$ 1,931,807	\$ (931,807)
Total Operating of Zone and Project Facilities		1,000,000	1,931,807	(931,807)
T-0210 Main Street Enhancements		450,130	-	450,130

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

For the year ended June 30, 2023

Capital Expenditures - Continued	Vendor	Budget *	Actual Expenditures	Variance
T-0203 Entry Portals	Design Workshop, Inc.	\$ 305,300	\$ 61,628	\$ 243,672
T-0204 Enhanced Street Lights	COH	155,000	153	154,847
T-0206 South East Neighborhood Street Reconstruction		750,300	-	750,300
T-0214 Caroline Streets @ HCCS (Elgin to Holman)	COH, KCI, J. Kru Land Services, LLC, TLC Engineering, Inc.	305,836	146,249	159,587
T-0225 Mobility and Pedestrian Improvements				
Planning		750,000	-	750,000
Construction	The Goodman Corporation	500,000	95,583	404,417
Design	Walter P. Moore	250,000	84,311	165,689
Other	The Goodman Corporation	5,300	137,498	(132,198)
Total Mobility and Pedestrian Improvements		1,505,300	317,392	1,187,908
T-0220 Affordable Housing:				
Design		500,000	-	500,000
Construction	Vergel Gay & Associates, Smith & Company Architects, Inc., Kirksey Architecture, LLC, Martin Construction, Arch-Con Corporation, D.E. Harvey Builders	3,360,000	4,094,202	(734,202)
Utilities/Drainage		20,000	-	20,000
Other professionals	Various	3,030,000	3,510,091	(480,091)
Build-Out		3,500,000	-	3,500,000
CCPPI		1,429,000	-	1,429,000
Maintenance		1,222,134	-	1,222,134
BBVA Loan		7,102,311	-	7,102,311
Total Affordable Housing		20,163,445	7,604,293	12,559,152
T-0221 Midtown Park:				
Planning		75,000	-	75,000
Design	Jerdon Enterprises, L.P.	1,225,000	237,470	987,530
Construction and management	Millis, Williams Scotsman, Inc.	2,700,000	69,195	2,630,805
Other	Walter P. Moore, Wulfe & Co.	10,300	48,809	(38,509)
Total Midtown Park		4,010,300	355,474	3,654,826
T-0222 Street Overlay Program		1,750,000	-	1,750,000
T-0223 Safe Sidewalk Program		620,100	-	620,100
T-0224 HTC Building Maintenance	Various	300,150	251,710	48,440
T-0230 Wheeler SL Pedestrian Enhancements		675,600	-	675,600
T-0232 Public and Cultural Facilities	Museum of Fine Arts Houston	1,700,000	1,595,000	105,000

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

For the year ended June 30, 2023

Capital Expenditures - Continued	Vendor	Budget *	Actual Expenditures	Variance
<hr/>				
T-0233 Parking Garage - Midtown Park				
Planning		\$ 50,000	\$ -	\$ 50,000
Construction and management		1,250,000	-	1,250,000
Design	Walter P. Moore	250,000	7,771	242,229
Other	Bracewell LLP	20,500	41,306	(20,806)
<hr/>				
Total Parking Garage - Midtown Park		1,570,500	49,077	1,521,423
T-0234 Parks and Open Spaces				
Planning		750,000	-	750,000
	Design Workshop, Inc. MIDCORP, OJB, Walter P. Moore			
Design	Lion Heart, Middleton Brown L.L.C., BEGA North America	400,000	120,467	279,533
Construction		1,500,000	237,186	1,262,814
Other		25,300	-	25,300
<hr/>				
Total Parks and Open Spaces		2,675,300	357,653	2,317,647
T-0235 Public Art		255,300	-	255,300
T-0236 Bagby Park		35,500	-	35,500
T-0239 Brazos Street Reconstruction				
Planning		250,000	-	250,000
Design	Walter P. Moore	1,350,000	279,678	1,070,322
Other		20,100	-	20,100
<hr/>				
Total Brazos Street Reconstruction		1,620,100	279,678	1,340,422
T-0247 I59/69 CAP Park		1,790,500	-	1,790,500
T-0248 Tuam Street		520,000	-	520,000
T-0249 Pearl Market Place	Pearl Residences	-	512,865	(512,865)
T-0299 Concrete Panel Replacement Program		35,000	-	35,000
Caydon Developer Agreement	Caydon Houston Property LP	-	1,289,375	(1,289,375)
Rice-Ion Developer Agreement	William Marsh Rice U	-	392,714	(392,714)
General CIP:				
Other Consultants	Bryan Ross	-	350	(350)
Other Consultants	Equi-Tax, Inc.	-	6,000	(6,000)
Other Consultants	A.O. Phillis & Associates	-	11,020	(11,020)
Other Consultants	OJB	-	88,320	(88,320)
Other Professional Services	Various	-	94,369	(94,369)
<hr/>				
Total General CIP		-	200,059	(200,059)
<hr/>				
Total Capital Expenditures		\$ 42,193,661	\$ 15,345,127	\$ 26,848,534

* Budgeted amounts are based on the 2022 budget approved by the Authority's board of directors that was submitted to the City for approval.

Midtown Redevelopment Authority
Schedule of Estimated Project Costs to Actual Costs
For the Period December 29, 1995 (Date of Inception) through June 30, 2023

Budget Line Item	Budgeted Expenditures (a)	Actual Expenditures From Inception (December 29, 1995) Through June 30, 2022	Actual Expenditures for the Year Ended June 30, 2023 (c)	Actual Expenditures From Inception (December 29, 1995) Through June 30, 2023	Variance to Budget
Non-Educational Project Costs					
Infrastructure improvements:					
Roadway and utility system improvements:					
Streets and utilities	\$ 164,063,856	\$ 41,702,865	\$ 1,033,205	\$ 42,736,070	\$ 121,327,786
Streetscape and gateways	70,773,654	41,454,380	776,686	42,231,066	28,542,588
Public infrastructure	77,000,000	47,836,933	3,460,933	51,297,866	25,702,134
Total infrastructure improvements	311,837,510	130,994,178	5,270,824	136,265,002	175,572,508
Other project costs:					
Real property assembly	25,533,106	15,576,704	529,770	16,106,474	9,426,632
Professional services	11,966,225	7,956,434	200,059	8,156,493	3,809,732
Historic preservation	10,139,992	139,992	-	139,992	10,000,000
Parks and recreational facilities	53,903,004	30,216,953	713,127	30,930,080	22,972,924
Safety and security infrastructure	1,576,282	-	-	-	1,576,282
Remediation	4,393,956	-	-	-	4,393,956
Cultural and public facilities	16,633,276	4,409,321	1,622,456	6,031,777	10,601,499
Total other project costs	124,145,841	58,299,404	3,065,412	61,364,816	62,781,025
Affordable housing	294,840,659	142,945,068	8,115,457	151,060,525	143,780,134
Financing costs (b)	95,507,011	73,563,540	2,976,031	76,539,571	18,967,440
Zone administration	50,286,136	18,693,849	1,853,375	20,547,224	29,738,912
Educational Project Costs	83,770,000	78,649,883	6,361,480	85,011,363	(1,241,363)
Total project plan	\$ 960,387,157	\$ 503,145,922	\$ 27,642,579	\$ 530,788,501	\$ 429,598,656

(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, 2023, does not include the repayment of bond and note principal payments in the amount of \$12,398,509.

(c) Expenditures are reported on the accrual basis.

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

June 30, 2023

Total Value

Purchased properties - affordable housing:

	Total Value
MRA 001	\$ -
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 (Continued)

<i>June 30, 2023</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	-
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 (Continued)**

<i>June 30, 2023</i>	Total Value
Purchased Properties - Affordable Housing (Continued):	
MRA 092	\$ -
MRA 093	58,694
MRA 094	54,141
MRA 095	-
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 (Continued)**

<i>June 30, 2023</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	-
MRA 146	-
MRA 148	45,923
MRA 149	69,704
MRA 150	-
MRA 151	-
MRA 152	-
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 (Continued)**

<i>June 30, 2023</i>	Total Value
Purchased Properties - Affordable Housing (Continued):	
MRA 177	\$ -
MRA 178	53,003
MRA 179	-
MRA 180	98,491
MRA 181	36,610
MRA 182	-
MRA 183	-
MRA 184	48,407
MRA 185	37,907
MRA 186	-
MRA 187	43,125
MRA 188	61,635
MRA 189	-
MRA 190	42,203
MRA 191	-
MRA 192	43,203
MRA 193	53,203
MRA 194	-
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	-
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	-
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 (Continued)

<i>June 30, 2023</i>	Total Value
Purchased Properties - Affordable Housing (Continued):	
MRA 229	\$ -
MRA 230	34,177
MRA 231	48,553
MRA 232	58,532
MRA 233	-
MRA 234	48,532
MRA 235	-
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	-
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	-
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	-
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 (Continued)

<i>June 30, 2023</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	-
MRA 285	-
MRA 286	50,622
MRA 287	-
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 (Continued)

<i>June 30, 2023</i>	Total Value
Purchased Properties - Affordable Housing (Continued):	
MRA 311	\$ 59,018
MRA 312	-
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	-
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	-
MRA 343	-
MRA 344	-
MRA 345	53,118
MRA 346	-
MRA 347	-
MRA 348	-
MRA 349	508,500
MRA 350	57,444
MRA 351	63,043

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

<i>June 30, 2023</i>	Total Value
Purchased Properties - Affordable Housing (Continued):	
MRA 352	\$ 63,168
MRA 353	63,113
MRA 354	-
MRA 355	51,163
MRA 356	67,363
MRA 366	51,113
MRA 367	142,138
MRA 368	65,314
MRA 369	-
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	-
MRA 386	48,537
MRA 387	69,651
MRA 388	65,663
MRA 389	-
MRA 390	-
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	-
MRA 399	74,538
MRA 400	74,713
MRA 401	228,478

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

<i>June 30, 2023</i>	Total Value
Purchased Properties - Affordable Housing (Continued):	
MRA 402	\$ -
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	-
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	-
MRA 433	-
MRA 434	67,401
MRA 435	-
MRA 436	76,789
MRA 437	-
MRA 438	-

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

<i>June 30, 2023</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	-
MRA 444	77,726
MRA 445	99,354
MRA 446	-
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	-
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	-

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

<i>June 30, 2023</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
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Total Purchased Properties - Affordable Housing	34,096,614
Costs associated with pending properties and other general costs not allocated to specific properties	243,466
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Total land held for resale - affordable housing	\$ 34,340,080
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Midtown Redevelopment Authority
Schedule of Capital Assets

June 30, 2023

Property	Net Book Value
Houston Technology Center	\$ 1,947,063
JPI Park Land	736,911
Bagby Park	2,998,102
Operations Center	26,256,592
Walgreens/Lui Park Land	141,000
Houston Museum of African American Culture	1,543,058
Midtown Park Land and Improvements	49,827,819
Total capital assets	\$ 83,450,545