Proposals under Consideration

• Fountain Residential Partners – Tax Abatement
  – District I
• Halliburton Energy Services – Tax Abatement
  – District B
• Studemont Venture – Chapter 380
  – District C
Fountain Residential Gateway on Cullen

- 4 Story Building
- Surface Parking for 440 cars and 175 rack spaces for bicycles
- 190 Units with 531 Beds
- 1-4 Bedroom Units
- Developed on 7.7 Acres
- Located ¼ mile from U of H Main Campus
- Housing community for UH and TSU student bodies
- Access to the forthcoming Metro rail on Cullen
Fountain Residential
The Site and Planned Enhancements
Fountain Residential
Completed Projects

The Vue on MacGregor
347 Beds; 100% Leased
Opened in August 2014

Campus Vue
465 beds; 100% Leased
Opened in September 2015

FRP has developed student housing markets at the following universities:
Texas Christian University, University of North Texas, Oregon State University, University of Houston, University of Texas—San Antonio, University of Minnesota, Montana State University, and University of Arkansas.
Fountain Residential
Tax Abatement Terms

• Fountain Residential will invest approximately $22M
  – Approximately 80% ($17.6M) reflected as taxable value
• Construction to be completed by August 2017
• Tax Abatement Effective Jan. 2018
• First year impact is 2018
• 10 year tax abatement
• 90% abatement
  – Project Site is located within a high poverty census block (21.24%)
• Subject to recapture if project exceeds expected performance
• Annual abatement value

<table>
<thead>
<tr>
<th>Tax Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
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<tbody>
<tr>
<td>Fiscal year</td>
<td>2018</td>
<td>2019</td>
<td>2020</td>
<td>2021</td>
<td>2022</td>
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<td>2024</td>
<td>2025</td>
<td>2026</td>
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<tr>
<td>New Improvements</td>
<td>22,000,000</td>
<td>22,600,000</td>
<td>23,339,800</td>
<td>24,039,994</td>
<td>24,761,194</td>
<td>25,504,030</td>
<td>26,269,151</td>
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<td>27,868,942</td>
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<tr>
<td>Abatement at 90%</td>
<td>95,217</td>
<td>98,074</td>
<td>101,016</td>
<td>104,047</td>
<td>107,168</td>
<td>110,383</td>
<td>113,695</td>
<td>117,105</td>
<td>120,619</td>
<td>124,237</td>
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<td>Total Abatement</td>
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<td></td>
<td></td>
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<td>1,091,561</td>
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Assumptions:
1. HCAD will reflect 80% of Improvement cost.
2. Annual growth rate at 3% for the first 10 years.
• Houston headquarters
• Began expansion of campus in 2009
• Expansion Plans
  – Almost 1 million additional square feet of new development
  – Estimated 1,000 additional staff count
  – More than $110M in taxable value by January 2014
  – An estimated $21M invested in 2014 and 2015
• Long Term Master Plan
  – Capacity to add an additional 1 million square feet
  – Potential head count increase of more than 3,000

<table>
<thead>
<tr>
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<th>Pre Development Condition</th>
<th>Phase I to include:</th>
<th>Phase II to include:</th>
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<tr>
<td>Development Size</td>
<td>323,000 square feet</td>
<td>625,000 square</td>
<td>320,000 square</td>
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<td></td>
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<td>feet to include:</td>
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<td></td>
<td></td>
<td>• Office Bldg</td>
<td>• Modernization to</td>
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<td></td>
<td></td>
<td>• Tech R&amp;D</td>
<td>central plant</td>
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<td></td>
<td></td>
<td>• Instrumentation</td>
<td>• Two Office Bldgs</td>
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<tr>
<td></td>
<td></td>
<td>Facilities</td>
<td>• Parking Garage</td>
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<tr>
<td>Staff Count</td>
<td>1,800 Employees</td>
<td>$77M</td>
<td>2,700 Employees</td>
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<td>Taxable Value</td>
<td>$17M</td>
<td>$492k</td>
<td>$127M</td>
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<td>Annual AV Revenue</td>
<td>$109k</td>
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<td>$801k</td>
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• **Halliburton has completed Phase I**

• **Phase II**
  – Project was completed in April 2015
  – Requires the reconstruction of Milner Road due to new development

• **Expansion produced an economic benefit but created mobility/safety impediment**

• **Milner Road Reconstruction**
  – Traffic Impact Analysis (June 2013) forecasted increased traffic growth
  – PWE requires improvement to a 3 lane street
    • To accommodate increased traffic loads and volume
    • To increase radius to enhance safety for wide turns
  – Milner is currently a two lane asphalt street with open ditches
  – Milner will be improved to a 3 lane, 7-8” thick concrete street with curb/gutter
  – Engineering cost estimate is $3M
Proposed Tax Abatement Terms

- Halliburton will construct Milner Road
  - Requirement was not a cost factor in its economic feasibility analysis
- Tax Abatement will reimburse for ½ cost for Milner ($1.5M) and will only apply to 2014 and 2015 investment
  - Approximately $21M subject to tax abatement
- First year impact is 2017
- Up 10 year tax abatement
  - Maximum abatement is $1.5M
  - Pay back period 9 years
- 50% abatement

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<tbody>
<tr>
<td>New Improvements</td>
<td>148,135,642</td>
<td>157,023,781</td>
<td>166,445,208</td>
<td>176,431,920</td>
<td>187,017,835</td>
<td>198,238,905</td>
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<td>236,105,707</td>
<td>250,272,049</td>
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<tr>
<td>Abatement at 50%</td>
<td>66,390</td>
<td>94,435</td>
<td>124,164</td>
<td>155,676</td>
<td>189,079</td>
<td>224,486</td>
<td>262,017</td>
<td>301,800</td>
<td>343,971</td>
<td>388,671</td>
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<tr>
<td>Total 9 Yr. Abatement</td>
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<td>$1,762,018</td>
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Assumptions:
1. HCAD will reflect 80% of Improvement cost.
2. Annual growth rate at 6% for the first 10 years.
Proposed Studemont Venture

Project Location:
Studemont at Hicks, south of Olivewood Cemetery

16 Acre Site

Former Grocer Supply Site

Planned Development:
4.1 Acre Multi Family
150,000 sf retail

<table>
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<tr>
<th></th>
<th>Pre Development</th>
<th>After Project</th>
<th>Increase</th>
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<tr>
<td>Development Size</td>
<td>16-acre Project</td>
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<td>Property Value</td>
<td>$32,250,000</td>
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<td>COH AV tax (annual)</td>
<td>$204,000</td>
<td>$844,800</td>
<td>$640,800</td>
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<tr>
<td>COH Sales tax (annual)</td>
<td>$0</td>
<td>$300,000</td>
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Parcel Layout

- Developer will dedicate .15 Acre land parcel to City of Houston for Olivewood Cemetery for Parking Facility. Visitors and volunteers currently park on developer’s unpaved, dirt land.

- Extension of Summer St. will provide direct access to Court Street creating connectivity and accessibility to the Cemetery.

- Current access to cemetery is from Hicks street, which is south of the proposed Summer St.
Proposal for Chapter 380 Incentive

- Studemont Venture will construct all public improvements and public accessible amenities
  - Extension of Summer Street including Paving and Storm
    - Street segment is from Studemont west to Wichman
  - Sanitary Sewer Replacement to serve the site and surrounding properties
  - Water Line Replacement
  - Traffic signalization (pending approval by PWE)

- Proposal is for reimbursement of public streets, traffic improvements, utilities and park improvements from property taxes generated from new development

| IMPROVEMENT                     | TOTAL   | REIMBURSEMENT PORTION *
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Street and Storm</td>
<td>$556,905</td>
<td>$139,226</td>
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<tr>
<td>Land Dedication and Parking</td>
<td>$436,690</td>
<td>$436,690</td>
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<tr>
<td>Water Line</td>
<td>$81,500</td>
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<td>Sanitary Sewer Line</td>
<td>$179,200</td>
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<tr>
<td>Signalization</td>
<td>$160,000</td>
<td>$40,000</td>
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<tr>
<td>Design/Engineering/Contingencies</td>
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<td>$131,007</td>
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<tr>
<td>Total Public Improvement Costs</td>
<td>$1,838,600</td>
<td>$812,098</td>
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* Approximately 25% of public costs and 100% of land dedicated for Cemetery access