

City of Houston, Texas, Ordinance No. 2009-    

**AN ORDINANCE APPROVING THE FIRST AMENDMENT TO THE PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN FOR REINVESTMENT ZONE NUMBER TWENTY, CITY OF HOUSTON, TEXAS (THE SOUTHWEST HOUSTON ZONE); AUTHORIZING THE CITY SECRETARY TO DISTRIBUTE SUCH PLANS; CONTAINING VARIOUS PROVISIONS RELATED TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.**

\* \* \* \* \*

**WHEREAS**, by City of Houston Ordinance No. 99-1330, adopted December 15, 1999, the City created Reinvestment Zone Number Twenty, City of Houston, Texas (the "Zone") pursuant to Chapter 311 of the Texas Tax Code, as amended (the "Code"), for the purposes of redevelopment in the area of the City generally referred to as the Southwest Houston area; and

**WHEREAS**, the Board of Directors of the Zone adopted and the City approved, by City Ordinance No. 2000-310, adopted on April 19, 2000, the Project Plan and Reinvestment Zone Financing Plan for the Zone; and

**WHEREAS**, Section 311.011 of the Code authorizes the Board of Directors of the Zone to adopt an amendment to its project plan, and such amendment takes effect upon approval of the City Council of the City; and

**WHEREAS**, the Board of Directors of the Zone considered and adopted a first Amendment to the Project Plan and Reinvestment Zone Financing Plan (the "First Amendment"), and requested City Council's approval of the First Amendment; and

**WHEREAS**, before the Board of Directors of the Zone may implement the First Amendment, the City Council must approve the First Amendment; and

**WHEREAS**, a public hearing on the First Amendment is required to be held by the provisions of Section 311.011 of the Code; and

**WHEREAS**, the City Council finds that notice of the public hearing was published in a newspaper of general circulation within the City in the time and manner required by law; and

**WHEREAS**, the City Council conducted a public hearing on the proposed First Amendment on February 11, 2009; and

**WHEREAS**, at the public hearing, interested persons were allowed to speak for or against the proposed First Amendment; and

**WHEREAS**, evidence was received and presented at the public hearing in favor of the proposed First Amendment; and

**WHEREAS**, the City desires to approve the First Amendment; **NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:**

**Section 1.** Findings. That the facts and recitations contained in the preamble of this Ordinance are hereby found and declared to be true and correct and are hereby adopted as part of this Ordinance.

**Section 2.** Approval of the Amendment. That the Zone's Project Plan and the Reinvestment Zone Financing Plan approved by City Ordinance 2000-310, adopted on April 19, 2000, is hereby amended as provided in the "First Amendment to the Project

Plan and Reinvestment Zone Financing Plan” attached to this Ordinance as Exhibit “A.” The First Amendment is hereby determined to be feasible and is approved. The appropriate officials of the City are authorized to take all steps reasonably necessary to implement the First Amendment.

**Section 3.** Distribution to Taxing Units. That the City Secretary is directed to provide copies of the First Amendment to each taxing unit levying ad valorem taxes in the Zone.

**Section 4.** Severability. That if any provision, section, subsection, sentence, clause or phrase of this Ordinance, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining provisions of this Ordinance shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other portion hereof, and all provisions of this Ordinance are declared to be severable for that purpose.

**Section 5.** That City Council officially finds, determines, recites and declares a sufficient written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient and readily accessible at all times to the general public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter thereof has been discussed,

considered and formally acted upon. That City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

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

PASSED AND ADOPTED this 18<sup>th</sup> day of February, 2009.

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

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

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is \_\_\_\_\_.



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

(Prepared by Legal Dept. Donna Capps )  
(DRC:drc February 12, 2009) Assistant City Attorney)  
(Requested by Michelle Mitchell, Director, Department of Finance)  
(L.D. File No. 0619900115030)

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AYE	NO	
✓		<b>MAYOR WHITE</b>
••••	••••	<b>COUNCIL MEMBERS</b>
✓		LAWRENCE
	ABSENT <small>ABSENT OUT OF CITY CITY BUSINESS</small>	JOHNSON
✓		CLUTTERBUCK
	ABSENT	ADAMS
✓		SULLIVAN
✓		KHAN
✓		HOLM
		<i>Vacant</i>
	ABSENT	RODRIGUEZ
✓		BROWN
✓		LOVELL
✓		NORIEGA
✓		GREEN
✓		JONES
CAPTION	ADOPTED	

**EXHIBIT "A"**

**First Amendment to Project Plan and Reinvestment Zone Financing Plan  
TIRZ No. 20, Southwest Houston Zone  
October 31, 2008**

(Replaces January 25, 2000 Project Plan  
and Reinvestment Zone Financing Plan in its entirety)

**Reinvestment Zone Number Twenty  
City of Houston, Texas**

**Southwest Houston TIRZ**

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

**October 31, 2008**

**Reinvestment Zone Number Twenty, City of Houston, Texas, Southwest Houston TIRZ  
Amended Project Plan and Reinvestment Zone Financing Plan**

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## **I. Introduction and History**

### A. Creation of the Zone and the Southwest Houston Redevelopment Authority.

Tax Increment Reinvestment Zone Number 20, City of Houston, (the "Zone") also known as the Southwest Houston TIRZ, was created by Ordinance No. 1999-1330, dated December 15, 1999. The Zone covers 2,015 acres of land located in the southwest area of the City of Houston (the "City").

The Project Plan and Reinvestment Zone Financing Plan for the Zone was adopted by its Board of Directors (the "Board") by resolution on January 25, 2000, was presented to City Council, and by unanimous vote was approved by Ordinance No. 2000-310 on April 19, 2000. When used in this amendment, the term ("Original Plan") refers collectively to the Project Plan and Reinvestment Zone Financing Plan as approved by Ordinance No. 2000-310.

The Southwest Houston Redevelopment Authority (the "Authority") was created with the passage by City Council of Resolution No. 2000-8, on February 23, 2000. The City consented to the creation of the Authority to assist the Zone and the City with the implementation of the Original Plan as approved.

In 2001, with the approval of Ordinance No. 2001-33, City Council approved the Tri-Party Agreement authorizing the Authority to implement the Original Plan.

### B. Areas of Focus.

The Original Plan set forth three general areas of focus for Zone resources and activities:

1. Assist with the repositioning of Sharpstown Mall and the immediately surrounding commercial areas, where sales tax revenues and ad valorem values had been declining since 1993.
2. Improve streets and underground utilities to accommodate traffic growth and facilitate commercial growth along the Zone's major commercial corridors including (a) Bellaire Boulevard from US Hwy 59 to Rogerdale Road, which is west of Beltway 8; (b) Fondren from US Hwy 59 to the Westpark toll road; (c) Gessner from Beechnut to Harwin; and (d) Corporate Drive with intersection improvements at the Bellaire Boulevard and Harwin intersections. Other improvements to be made included turn-out lanes for buses, median improvements and left-turn lanes, sidewalk and lighting improvements, park and green space improvements and acquisition, and landscaping enhancements throughout the Zone.
3. Assist with the repositioning and commercial development of the Oak Park at Westchase office park on a portion of the former Brown & Root campus on Bellaire Boulevard west of Beltway 8 by Westchase Section Three Partners LLP ("WCS3P") -- identified in the Original Plan as "Halliburton" -- by reimbursing the developer's costs for infrastructure work such as the placement of utility lines, drainage, storm water detention, demolition, landscaping, sound barrier fencing, large tree relocation, and street paving to extend Rogerdale Road from Bellaire Boulevard to Westpark.

### C. History of the Zone and the Authority.

After creation of the Zone and the Authority, and approval of the Original Plan and the Tri-Party Agreement, the Authority requested City Council to authorize the Authority to issue bonds in order to fund the first several projects contemplated in the Original Plan and to also fund a partial reimbursement to WCS3P of the nine million, two hundred thousand dollars (\$9,200,000) spent on infrastructure improvements to ready the Oak Park at Westchase property for commercial development. With the approval of Ordinance No. 2002-1076 on November 20, 2002, City Council authorized the Authority to issue up to fifteen million dollars (\$15,000,000) in bonds and five million dollars (\$5,000,000) in notes outstanding at any one time.

The Authority, after examining the qualifications of several engineering firms, entered into a contract with HNTB Planners and Engineers to prepare a detailed study (the "HNTB Study") that would serve as the basis for identifying and planning the improvements contemplated in the Original Plan. Completed in 2003, the HNTB Study identified more than twenty projects that would be required to address the mobility, infrastructure, and development goals of the Original Plan. The improvements identified in the HNTB Study were based on, among other things, detailed and in-depth traffic studies that considered traffic counts on all the major corridors in the Zone, traffic accident reports, pedestrian mobility, and Metro bus ridership in order to assess the improvements that would be most conducive to redevelopment.

The goal of returning the vitality of the economic engine that was Sharpstown Mall was coupled with two other goals. The first goal was upgrading the commercial viability of the Zone's corridors with mobility improvements to improve traffic flows, ease existing congestion, and prepare for increases in traffic due to increases in commercial activity. The second goal was making aesthetic improvements to encourage redevelopment of the city's southwest area and return some of the commercial activity that had migrated farther southwest to Fort Bend County. This would be done by creating enhanced commercial corridors to attract capital investment and to support re-energizing of the commercial sector. All these improvements together were viewed as essential to the successful repositioning of Sharpstown Mall and the entire Zone.

As the HNTB Study was carried out in 2002-2003, the intention of the Board and the City was to use the planning detail and cost information to be provided by the HNTB Study to update and amend the Original Plan. However, based on discussions with the owners of the Sharpstown Mall and the Mall's management company, and promises received from them to deliver a detailed plan for redeveloping and repositioning the Mall, it was agreed to delay the Plan amendments in order to include accurate Mall redevelopment costs. Unfortunately, the Mall redevelopment plans were never finalized and the expected Plan amendments were long delayed.

In 2003, with the HNTB Study completed and while waiting for redevelopment plans from the Sharpstown Mall owners, the Authority identified five high-priority projects and began to work on the first one -- the reconstruction of the Bellaire/Fondren intersection. This project, with an estimated cost of three million, eight hundred thousand dollars (\$3,800,000), repaved the intersection, added new left-turn lanes and traffic signals in all four directions, and corrected inadequate storm sewer and drainage capacity by installing additional, 42-inch storm sewers under the intersection. The project was completed in 2007.

Coordinating the timing of the traffic signals along the Bellaire Boulevard corridor, another high-priority project, was undertaken the City early in the first term of the White administration.

In 2004, while completing the design and engineering plans for the Bellaire/Fondren intersection project, the Authority contracted with HNTB to prepare plans for an access management project to address mobility along the Bellaire Boulevard corridor from Mary Bates to Beltway 8. This project is the next major undertaking identified for the Authority and will be executed as a unified program in order to achieve cost and time savings.

## **II. Overview - Original Plans and First Amendment**

Except as specifically amended, the Original Plan remains the same. The Zone Area Public Improvements list and costs contained in the Original Plan (listed for reference in Section VI) are amended with the Zone Area Public Improvements list and costs detailed in Section VI of this first amendment.

It is currently anticipated that all of the Zone Area Public Improvement Projects will be undertaken as one unified program, and will include sub-surface utility costs to be funded by the City Public Works and Engineering Department.

As amended, the Plan consists of (a) the Sharpstown Mall redevelopment and East Zone Area improvements to assist with the commercial development in the eastern Bellaire Boulevard corridor; (b) Zone Area Public Improvement Projects; and (c) the Westchase Section 3 Partners ("Halliburton") Public Improvements.

Following are detailed descriptions of the essential plan elements:

### **A. Sharpstown Mall redevelopment and East Zone Area improvements**

The Original Plan included project costs and financing costs to assist with the repositioning of the mall. Those costs remain in the plan as originally contemplated.

In addition to the Mall, there are other projects in the eastern end of the Bellaire Boulevard corridor area within the Zone whose development details are being negotiated now, and whose viability will likely be determined by the availability of Zone assistance. The role of the TIRZ may include funding a study on the repositioning of the mall, and/or the possible acquisition of a portion of the mall property to facilitate its redevelopment.

The Original Plan is changed by this amendment to allow for this possibility. One significant project, the redevelopment of the 18-acre parcel of land at the intersection of Bellaire Boulevard and Fondren (the former Gilman tract) does not have funding allocated in the Original Plan. When the parcel becomes available and subject to development, it is anticipated that the Zone will be requested to provide some level of assistance. Project cost revenue is added to the plan by this amendment to further assist with the redevelopment of the mall and also fund other development projects on the zone's east end.

### **B. Zone Area Public Improvement Projects**

1. Unified Bellaire Boulevard Access Management Program. The Unified Bellaire Access Management Program provides for a series of improvements that would (a) add right turn movements along the Bellaire Boulevard corridor from Mary Bates to Beltway 8; (b) improve mobility through adjustments to the median, by closing some openings and re-channeling the traffic, in order to improve traffic safety by eliminating dangerous turning movements; (c) adding left turn lanes along the corridor; and (d) adding one additional lane of traffic in the westerly direction to address congestion at peak times. A graphic representation of the program is attached as Exhibit A. Six major elements of this project are detailed below.

This project also contemplates replacement of aged sub-surface utilities in the corridor, and the upgrading and/or replacing of Metro bus shelters along the corridor. Coordination of the Metro improvements has been assisted by the approval of an agreement with Metro that provides that Metro and the Zone will share in the cost for new bus shelters, with Metro providing ongoing maintenance of all the shelters.

Several major intersection improvements similar to the Bellaire/Fondren intersection project completed in 2007 are also planned for construction as part of this program.

- a. Bellaire/Mary Bates/Town Harbor Intersection. The scope of improvements includes paving, streetscape improvements, improvement to the traffic control and traffic signals at the intersection, sign and paving markings, water and waste water improvements, and street lighting. An additional lane of traffic heading westerly will be added to Bellaire Boulevard beginning at this intersection and continuing to Beltway 8.
- b. Bellaire/Pella Intersection. The scope of improvements includes paving, streetscape improvements, improvement to the traffic control and traffic signals at the intersection, sign and paving markings, water and waste water improvements, street lighting, and drainage improvements. The Authority is coordinating the improvements at this intersection with Strake Jesuit and St. Agnes Academy, as well as commercial property owners in the strip center to the east of the schools, in order to improve traffic movements and increase safety for all these facilities.
- c. Bellaire/Gessner Intersection. The scope of improvements includes paving, streetscape improvements, improvement to the traffic control and traffic signals at the intersection, sign and paving markings, water and waste water improvements, street lighting, and drainage improvements. The intersection will be reconstructed with brick pavers, upgraded traffic signals, sidewalk improvements, and improved turning lane bays -- all similar to those at the newly reconstructed Bellaire/Fondren intersection. This location is also a focus of improvements by Metro related to the establishment of a *Signature Service*, which will include distinctive bus stops and accelerated bus service to move riders through the corridor more quickly.
- d. Bellaire/Ranchester Intersection. The scope of improvements includes paving, streetscape improvements, improvement to the traffic control and traffic signals at the intersection, sign and paving markings, water and waste water improvements, street lighting, and drainage improvements.
- e. Bellaire/Corporate Intersection. The scope of improvements includes paving, streetscape improvements, improvement to the traffic control and traffic signals at the intersection, sign and paving markings, water and waste water improvements, and street lighting. The intersection will be reconstructed and improved with brick pavers in the intersection, upgraded traffic signals, median planters, sidewalk improvements, improved turning bays, and landscaping. This intersection is also to be the location of a Metro *Signature Service* bus stop.

- f. Bellaire at Beltway 8. The scope of improvements includes paving, streetscape improvements, improvement to the traffic control and traffic signals at the intersection, sign and paving markings, water and waste water improvements, and street lighting. This intersection will also receive similar treatment as the other key intersections, with brick pavers in the intersection, upgraded traffic signals, improved turning bays, improved sidewalks, and landscaping on both the east and the west side of the Beltway.

This Plan amendment would have the Authority fund the engineering for subsurface utilities identified by PWE, while the City funds the actual construction costs associated with the underground lines. Constructing the PWE subsurface utilities together and along with the rest of the Unified Bellaire Boulevard Access Management Program will save an estimated two million, two hundred thousand dollars (\$2,200,000) over the cost of doing all the work on a project by project basis.

The budget detail for all projects can be found in Section VI.C, Line 1 below. This includes the Authority's portion of costs for the PWE subsurface utilities.

2. Other Zone Area Public Improvement Projects. The list of the rest of the Zone Area Public Improvement Projects, also identified in the HNTB Study, has been updated to include costs associated with removal and replacement of certain elements of the City's underground utility system along Fondren from US Hwy 59 to the Westpark toll road. Cost estimates for these projects can be found in Section VI.C below. Some of these projects may be executed simultaneously. Prior to initiating these improvements, a study to update the City master drainage study for the area will be conducted to update project needs/costs.
  - a. Bellaire Boulevard Drainage From US Hwy 59 To Fondren. The scope of improvements includes paving, drainage, site work, and related construction costs to mitigate the high water ponding that occurs during moderate to heavy rain events.
  - b. Fondren/Westpark Toll Road Intersection. The scope of improvements includes improvements to the intersection, traffic signals, monumentation, landscaping, and lighting.
  - c. Fondren/Clarewood Intersection. The scope of improvements includes streetscape improvements to make the intersection more attractive for commerce.
  - d. Fondren/Harwin Intersection. The scope of the improvements includes streetscape improvements and Metro bus shelter facilities
  - e. Bellaire Boulevard Entrance to Sharpstown Mall. The scope of the project has been left general in nature to accommodate a mall redevelopment plan when one is created. It is anticipated that improvements will include landscaping, streetscape improvements, updated traffic signals, and median improvements for both access and safety.

- f. Minor Intersections and Transit Stops. The scope of these projects is to beautify the smaller intersections in the commercial corridors to make them more attractive for commerce and to replace and upgrade Metro bus transit facilities along the corridors.
- g. Hike/Bike and Pedestrian Facilities Improvements. Bike paths, walkways, and hiking/pedestrian trails have been targeted. These include bike paths along Marinette Street. Pedestrian facilities along Marinette and along the drainage facility east of and parallel to Gessner will be improved.
- h. Fondren Access Management. The scope of improvements includes paving, streetscape improvements, improvement to the traffic control and traffic signals at the intersection, and sign and paving markings.
- i. Update of the area Master Drainage Study. Funding has been included in the plan to update the drainage study in order to provide for appropriate infrastructure upgrades along this corridor to mitigate flooding in the area.

(See Section VI.C, Lines 2-10)

C. Westchase Section 3 Partners ("Halliburton") Public Improvements. As all public infrastructure work has been completed for some time, no changes are proposed in this amendment. Note that the costs actually reimbursed under the development agreement exceeded the estimate of costs contained in the Original Plans. The amount reflected in the Agreed-Upon-Procedures audit totaled nine million, ninety-five thousand dollars (\$9,095,544) in project costs and an initial one million, fifty-five thousand dollars (\$1,055,000) in interest. With this amendment, the actual costs have been updated. See Section VI.D-amended below.

### **III. Financing**

On September 4, 2008, the Southwest Houston Redevelopment Authority Board approved a payoff the remaining debt due the developer. Final payment to the developer totaled \$3,224,668. The total interest payment to the developer over the term of the agreement totaled \$3,313,655. The Authority will undertake future financings, including bonds and notes, as needed to fund the projects in the amended plan. Section VI below details the estimated costs of all the projects in the Amended Plan.

#### **IV. Other Project Plan Provisions**

A. Zone Duration.

The Zone was established as a 30-year zone.

B. Estimated Bonded Indebtedness.

In November, 2002, City Council authorized the Authority to issue up to fifteen million dollars (\$15,000,000) in bonds and five million dollars (\$5,000,000) in notes outstanding at any one time. As set forth in Exhibit C, the Redevelopment Authority will have the capacity to issue up to forty-seven million dollars (\$47,000,000) in bonds, exclusive of financing costs, over the next three years to fund the projects in the amended Plan. The Authority will seek separate debt authorization from the City per the tri-party agreement with the City to fund the project costs set forth in the amended plan.

C. Project Plan Impacts.

No changes to city codes or ordinances are proposed in the amended Plan.

D. Taxing Jurisdiction Participation.

The City of Houston will continue to be the only jurisdiction participating in the Zone.

#### **V. Texas Tax Code Chapter 311 and Texas Local Government Code Chapter 380 Authorization**

In order to maximize the Zone's ability to catalyze and assist the more challenging commercial projects being evaluated and planned in the Zone, this Plan amendment authorizes the Zone and the Authority to make loans and grants as provided in Chapter 311 of the Texas Tax Code and Chapter 380 of the Texas Local Government Code, as amended, to facilitate financing for projects within the Zone. The amount and level of funding for each project will be negotiated based on demonstrated needs and benefits.

## VI. Original And Amended Project Costs

### A. Sharpstown Mall and Surrounding Commercial Area Public Improvements.

Below are the approved costs in the Original Plan for the Sharpstown Mall and surrounding commercial area public improvements. No changes are proposed in this amendment.

<b>Sharpstown Center Public Improvements</b>	<b>Costs</b>
<b>Phase I</b>	
Street Paving and Sidewalks (5,600 LF)	\$ 3,300,000
Water, Sanitary & Storm Sewer	1,500,000
Engineering	600,000
Street Lights	250,000
<b>Sub-Total</b>	<b>\$ 5,650,000</b>
<b>Phase II</b>	
Street Paving & Sidewalks (2,900 LF)	\$ 1,700,000
Water & Sanitary & Storm Sewer	800,000
Engineering	300,000
Landscaping	600,000
Street Lights	120,000
Financing Costs	10,545,500
<b>Sub-Total</b>	<b>\$ 13,520,000</b>
<b>Total Sharpstown Center Public Improvements</b>	<b>\$ 19,715,500</b>

Note: The Original Plan contained an error in the summation of the costs above. The project costs exclusive of interest totaled nine million, one hundred and seventy thousand dollars (\$9,170,000). When the financing costs are added, the total in the Original Plan remains the same.

**B. Original Zone Area Public Improvements**

Below are the approved costs in the Original Plan for the Zone Area Public Improvements.

Area Public Improvements	Estimated Cost
<b>Intersection/Mobility Improvements (left-turn lanes)</b>	
Bellaire @ Fondren	\$ 70,000
Gessner @ Beechnut	70,000
Gessner @ Harwin	70,000
Harwin @ Corporate	70,000
<b>Protected Turn Lanes @ Esplanades</b>	
Fondren Between SH 59 & Harwin (5)	175,000
Bellaire Between SH 59 & Beltway (10)	350,000
<b>Bus Turn-out Lanes</b>	
Fondren Between SH 59 & Harwin (6)	60,000
Bellaire Between Fondren & Beltway (10)	100,000
<b>Esplanade/Right-of-Way Improvements</b>	
Bellaire from SH 59 to Beltway	780,000
Fondren from SH 59 to Bellaire	280,000
Gessner from Harwin to Bellaire	200,000
Gessner from SH 59 to Beechnut	120,000
Beechnut from SH 59 to Gessner	120,000
Ranchester within the Zone	120,000
<b>Sidewalk &amp; Lighting Improvements</b>	
Bellaire from SH 59 to Beltway	286,000
Fondren from SH 59 to Bellaire	154,000
Gessner from Harwin to Bellaire	110,000
Gessner from SH 59 to Beechnut	66,000
Beechnut from SH 59 to Gessner	66,000
Club Creek from SH 59 to Beechnut	160,000
Ranchester within the Zone	66,000
<b>Club Creek Park Development</b>	
Site Acquisition of 6.6 acres	380,000
Park Improvements	480,000
<b>Other Costs</b>	
Financing Costs	5,907,550
Creation & Administration costs (30 year duration)	970,000
<b>Total Area Public Improvements</b>	<b>\$ 11,230,550</b>

**C. Amended Zone Area Public Improvements.**

Below are updated costs for Zone Area Public Improvements. The amended costs include the addition of the underground water and waste water line replacements identified by the City Public Works and Engineering Department, which were not included in the Original Plan.

<b>Part B Financing Plan Budget TIRZ #20, City of Houston</b>	<b>Estimated Costs</b>
1. Unified Bellaire Boulevard Access Management Program	\$14,100,000
2. Bellaire Drainage to US 59 (1)	\$0
3. Fondren Gateway at West park	\$2,117,000
4. Fondren/Clarewood Intersection	\$1,353,000
5. Fondren/Harwin Intersection	\$1,581,000
6. Bellaire @ 59 (1)	\$0
7. Minor intersections and transit shelters (1)	\$0
8. Hike & Bike paths (1)	\$0
9. Fondren Access Management	\$509,000
10. Fondren Drainage Study	\$750,000
10. Sharpstown Mall and East Zone Area Improvements *	\$20,000,000
11. Financing Costs **	\$35,000,000
12. Zone Administration	\$1,750,000
14. SW Police Substation/Municipal Services	5,250,000
<b>Total</b>	<b>\$82,410,000</b>

\* May be funded with Chapter 380

\*\* The assumptions on the interest are based on a bond sale of approximately \$39 Million, whose proceeds would finance the project costs as set forth in the amended plan. Remaining interest on the 2003 bonds total \$16.9 million; the second bond sale interest total is estimated to be \$31 million, and assumes a bond sale later this year, at 6% interest, with one year of capitalized interest. The authority is expecting that the actual costs will be significantly lower with aggressive bond calls after the initial ten years have been amortized.

(1) Project costs will be updated after completion of the drainage study, whose costs will impact these projects.

D. Original Westchase Section 3 Partners ("Halliburton") Public Improvements.

Below are the approved costs in the Original Plan for the Westchase Section 3 Partners or "Halliburton" Project. As all public infrastructure work has been completed for some time, no changes are proposed in this amendment.

<b>Project Improvements</b>	<b>Estimated Cost</b>
Rogerdale	
Street Paving, Storm Sewer, Sanitary Sewer, Water Lines	\$ 2,437,000
Westchase Way (Access Road to Rogerdale)	
Street Paving, Storm Sewer, Sanitary Sewer, Water Lines	243,000
General Construction Items (Mobilization, Erosion Control, etc.)	263,000
Landscaping & Tree Relocation	1,600,000
Engineering	450,000
Financing Costs	5,750,000
<b>Total WCS3P ("Halliburton") Public Improvements</b>	<b>\$ 10,743,000</b>

Note: The actual costs reimbursed under the development agreement exceeded this initial estimate of the cost. The amount reflected in the Agreed-Upon-Procedures audit totaled nine million, ninety-five thousand dollars (\$9,095,000) in project costs.

D. Amended Westchase Section 3 Partners ("Halliburton") Public Improvements

<b>Project Audited Reimbursement Costs</b>	<b>Actual Cost</b>
Rogerdale/Westchase way combined	
Street Paving, Storm Sewer, Sanitary Sewer, Water Lines	\$ 7,727,684
Cost includes land for ROW, and Drainage/detention facilities	
General Construction Items (Mobilization, Erosion Control, etc.)	148,050
Landscaping & Tree Relocation	1,031,427
Engineering/Creation costs	188,383
Financing Costs*	1,055,409
<b>Total WCS3P ("Halliburton") Public Improvements</b>	<b>\$ 10,150,953</b>

\* Note: Financing costs were calculated as of April 2, 2002. As of September 4, 2008, the remaining developer has been paid, with interest over the term of the agreement totaling \$3,313,655.

**Municipal Services Project Costs**

A portion of the costs that are deducted from the TIRZ fund for municipal services will be directed to partially fund the costs associated with the new police substation to be located at 7277 Regency Square. TIRZ 16 (Uptown) municipal services funds will also be used to finance a portion of these costs.

**EXHIBIT A**

## **EXHIBIT A – Bellaire Corridor Project Maps**

### **I. Existing Utilities**

1. Water Lines
2. Wastewater Lines
3. Stormwater Lines

### **II. Unified Bellaire Boulevard Access Management Program**

1. Bellaire at Beltway 8
2. Bellaire at Corporate
3. Bellaire at Ranchester
4. Bellaire at Pella
5. Bellaire at South Gessner
6. Bellaire at Mary Bates

### **III. Bellaire Boulevard**

1. Schematic
2. Proposed Streetscape Schematic



BELLAIRE BLVD:

0 L MARY BATES TO BELTWAY 8



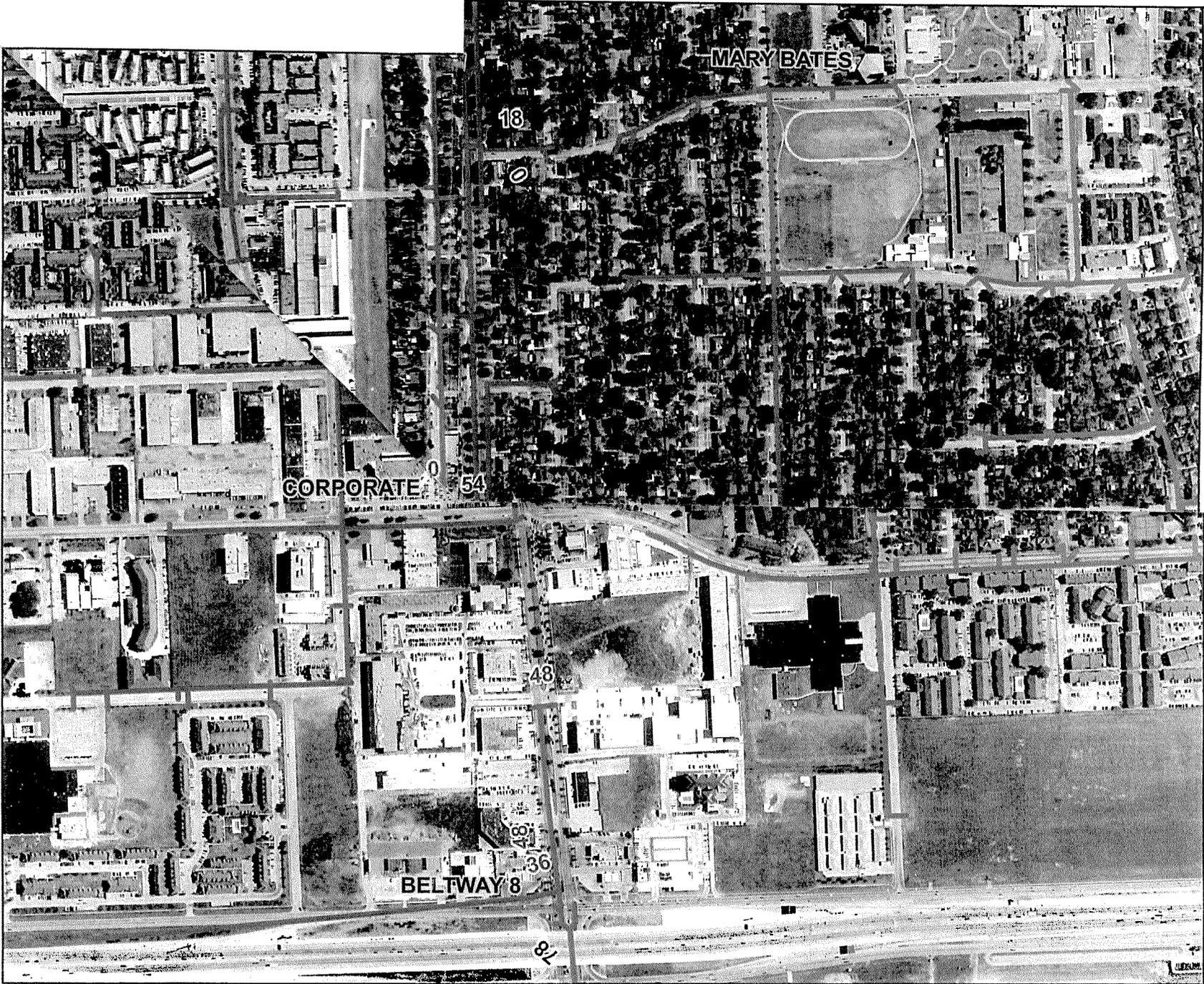
**HNTB**



BELLAIRE BLVD:  
0' L MARY BATES TO BELTWAY 8



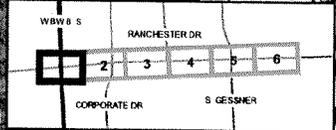
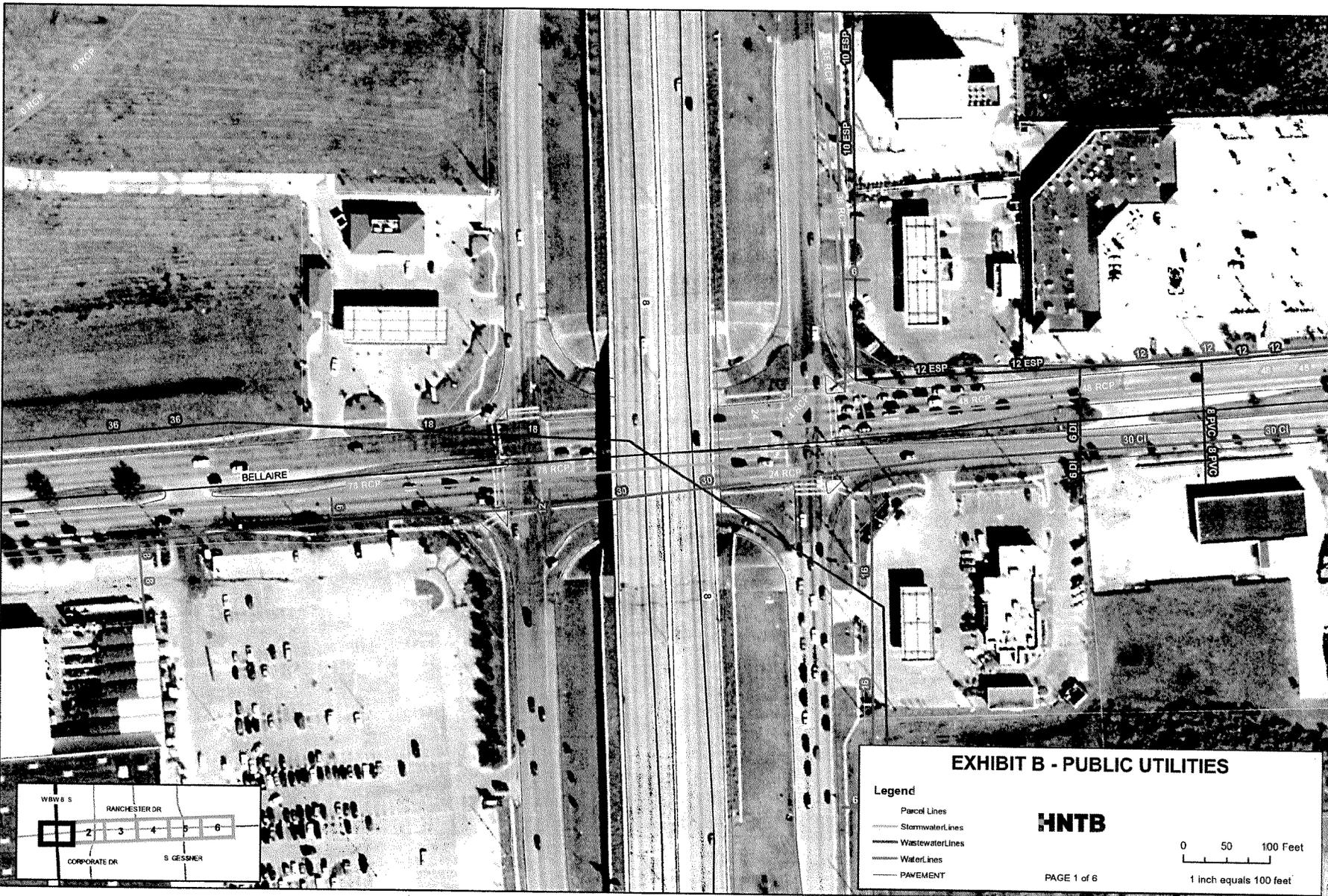
**HNTB**



BELLAIRE BLVD:  
MARY BATES TO BELTWAY 8



**HNTB**



**EXHIBIT B - PUBLIC UTILITIES**

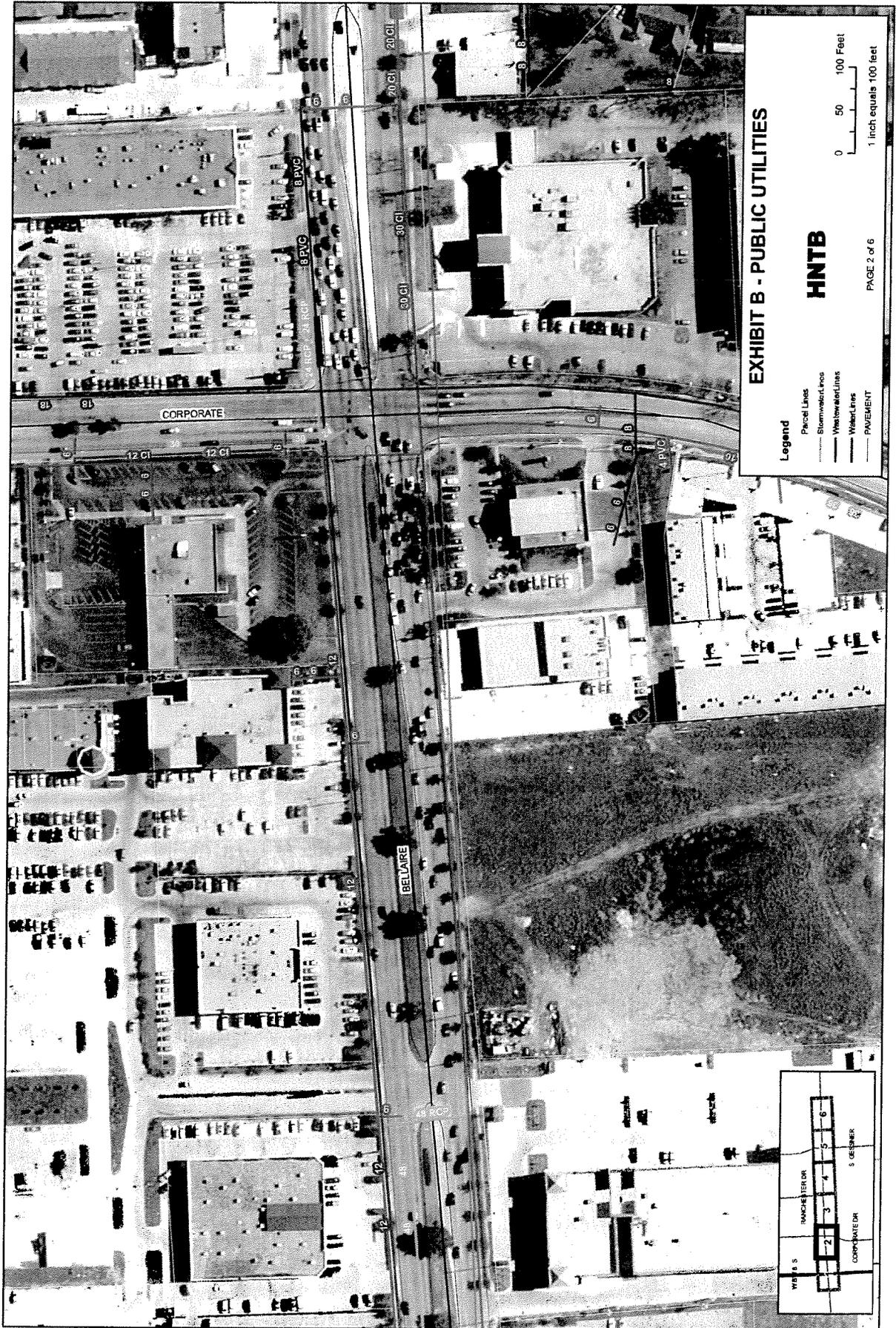
**Legend**

- Parcel Lines
- Stormwater Lines
- Wastewater Lines
- Water Lines
- PAVEMENT

**HNTB**

0 50 100 Feet

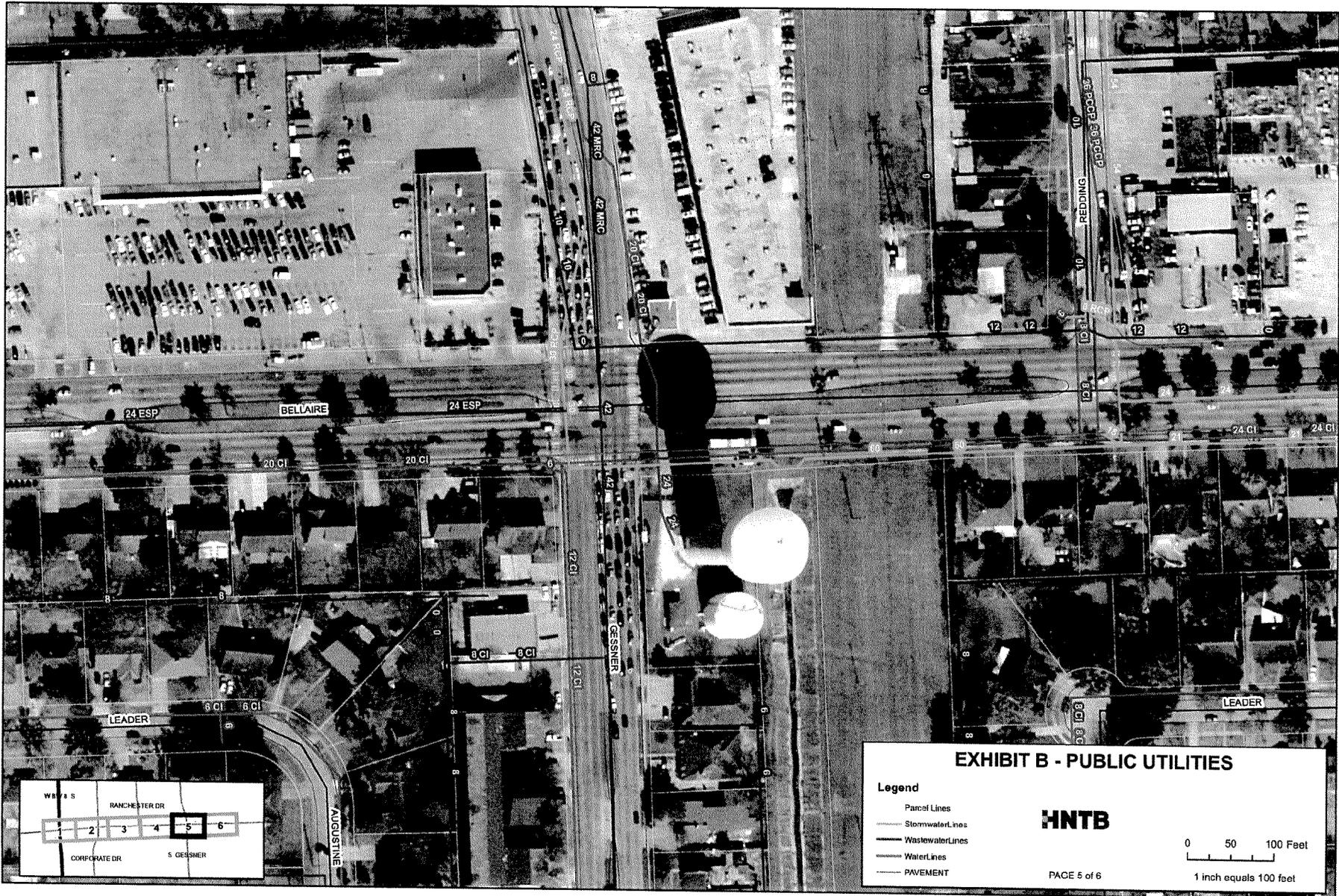
1 inch equals 100 feet

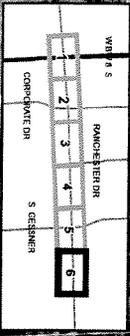
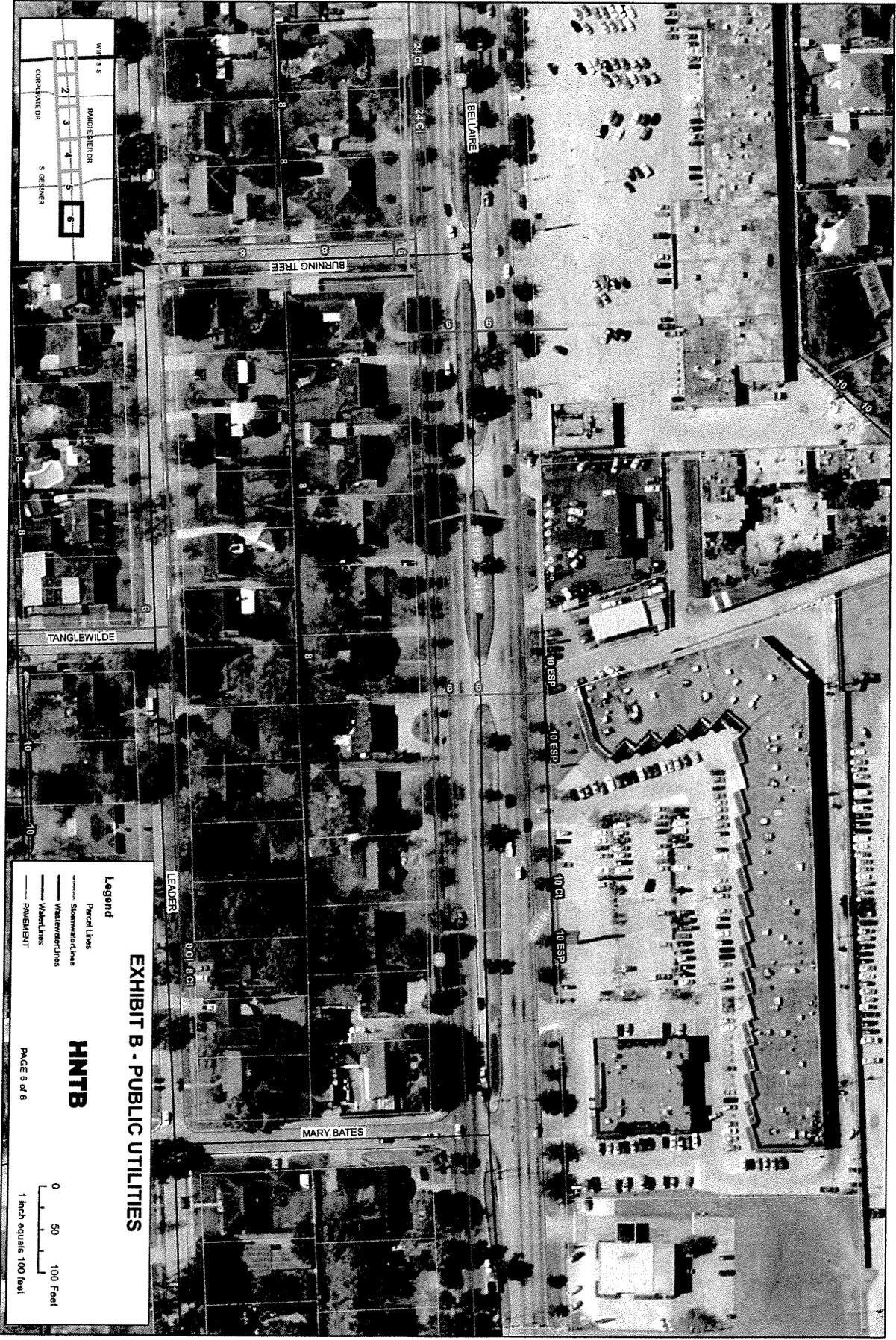


**EXHIBIT A**  
**Section II 2**









**EXHIBIT B - PUBLIC UTILITIES**

**HNTB**

Legend

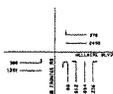
- Parcel Lines
- Stormwater Lines
- Wastewater Lines
- Water Lines
- PAVEMENT

PAGE 6 of 6

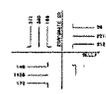
0 50 100 Feet  
1 inch equals 100 feet



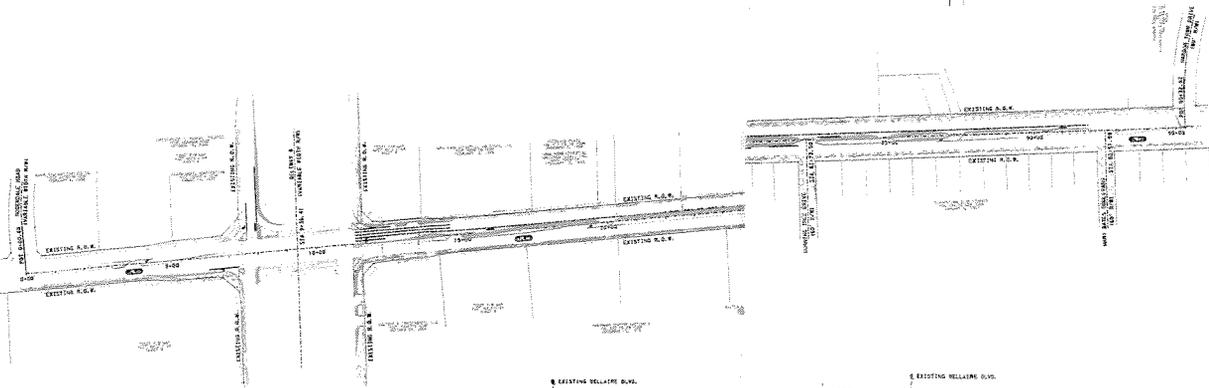
BELLAIRE/SBFR  
INTERSECTION TRAFFIC VOLUME (DHW)



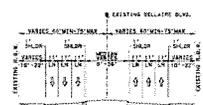
BELLAIRE/NBFR  
INTERSECTION TRAFFIC VOLUME (DHW)



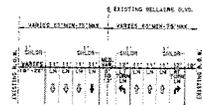
BELLAIRE  
INTERSECTION



SCHEMATIC LAYOUT  
 HARRIS COUNTY  
 SCHEMATIC  
 BELLAIRE BLVD  
 HOUSTON DISTRICT  
 CCL 0812-72-910



BELLAIRE BLVD TYPICAL  
EXISTING ROADWAY  
WITH NO TURN LANES  
FROM BWS TO MARY BATES BLVD



BELLAIRE BLVD TYPICAL  
PROPOSED ROADWAY  
EAST BOUND LY & RT TURN LANES  
FROM BWS TO MARY BATES BLVD

**LEGEND**

SYMBOL	DESCRIPTION	SCALE	TIME
(Symbol)	EXISTING ROADWAY	1" = 100'	10:00
(Symbol)	PROPOSED ROADWAY	1" = 100'	10:00
(Symbol)	EXISTING SIDEWALK	1" = 100'	10:00
(Symbol)	PROPOSED SIDEWALK	1" = 100'	10:00
(Symbol)	EXISTING DRIVE	1" = 100'	10:00
(Symbol)	PROPOSED DRIVE	1" = 100'	10:00
(Symbol)	EXISTING UTILITY	1" = 100'	10:00
(Symbol)	PROPOSED UTILITY	1" = 100'	10:00
(Symbol)	EXISTING CURB	1" = 100'	10:00
(Symbol)	PROPOSED CURB	1" = 100'	10:00
(Symbol)	EXISTING PAVEMENT	1" = 100'	10:00
(Symbol)	PROPOSED PAVEMENT	1" = 100'	10:00
(Symbol)	EXISTING LANDSCAPE	1" = 100'	10:00
(Symbol)	PROPOSED LANDSCAPE	1" = 100'	10:00
(Symbol)	EXISTING SIGNAGE	1" = 100'	10:00
(Symbol)	PROPOSED SIGNAGE	1" = 100'	10:00
(Symbol)	EXISTING LIGHTING	1" = 100'	10:00
(Symbol)	PROPOSED LIGHTING	1" = 100'	10:00
(Symbol)	EXISTING FENCE	1" = 100'	10:00
(Symbol)	PROPOSED FENCE	1" = 100'	10:00
(Symbol)	EXISTING TREE	1" = 100'	10:00
(Symbol)	PROPOSED TREE	1" = 100'	10:00
(Symbol)	EXISTING BIKEWAY	1" = 100'	10:00
(Symbol)	PROPOSED BIKEWAY	1" = 100'	10:00
(Symbol)	EXISTING TRAIL	1" = 100'	10:00
(Symbol)	PROPOSED TRAIL	1" = 100'	10:00
(Symbol)	EXISTING WATERWAY	1" = 100'	10:00
(Symbol)	PROPOSED WATERWAY	1" = 100'	10:00
(Symbol)	EXISTING EASEMENT	1" = 100'	10:00
(Symbol)	PROPOSED EASEMENT	1" = 100'	10:00
(Symbol)	EXISTING RIGHT-OF-WAY	1" = 100'	10:00
(Symbol)	PROPOSED RIGHT-OF-WAY	1" = 100'	10:00
(Symbol)	EXISTING PROPERTY LINE	1" = 100'	10:00
(Symbol)	PROPOSED PROPERTY LINE	1" = 100'	10:00
(Symbol)	EXISTING ADJACENT PROPERTY	1" = 100'	10:00
(Symbol)	PROPOSED ADJACENT PROPERTY	1" = 100'	10:00
(Symbol)	EXISTING NEIGHBORHOOD	1" = 100'	10:00
(Symbol)	PROPOSED NEIGHBORHOOD	1" = 100'	10:00
(Symbol)	EXISTING CITY BLOCK	1" = 100'	10:00
(Symbol)	PROPOSED CITY BLOCK	1" = 100'	10:00
(Symbol)	EXISTING CITY GRID	1" = 100'	10:00
(Symbol)	PROPOSED CITY GRID	1" = 100'	10:00
(Symbol)	EXISTING CITY CENTER	1" = 100'	10:00
(Symbol)	PROPOSED CITY CENTER	1" = 100'	10:00
(Symbol)	EXISTING CITY PERIPHERY	1" = 100'	10:00
(Symbol)	PROPOSED CITY PERIPHERY	1" = 100'	10:00
(Symbol)	EXISTING CITY ZONE	1" = 100'	10:00
(Symbol)	PROPOSED CITY ZONE	1" = 100'	10:00
(Symbol)	EXISTING CITY DISTRICT	1" = 100'	10:00
(Symbol)	PROPOSED CITY DISTRICT	1" = 100'	10:00
(Symbol)	EXISTING CITY REGION	1" = 100'	10:00
(Symbol)	PROPOSED CITY REGION	1" = 100'	10:00
(Symbol)	EXISTING CITY COUNTY	1" = 100'	10:00
(Symbol)	PROPOSED CITY COUNTY	1" = 100'	10:00
(Symbol)	EXISTING CITY STATE	1" = 100'	10:00
(Symbol)	PROPOSED CITY STATE	1" = 100'	10:00
(Symbol)	EXISTING CITY FEDERAL	1" = 100'	10:00
(Symbol)	PROPOSED CITY FEDERAL	1" = 100'	10:00
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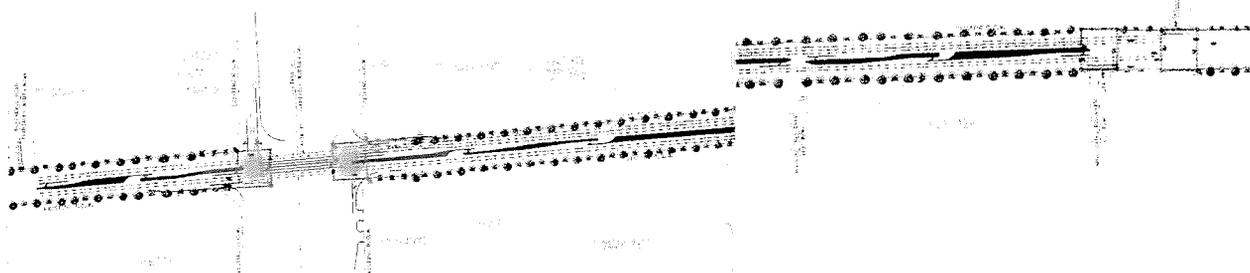
CITY & COUNTY DEPARTMENT  
 HARRIS COUNTY  
 1501 J.W. WALKER BLVD  
 HOUSTON, TEXAS 77002

FUNCTIONAL CLASSIFICATION:  
 URBAN MAJOR ARTERIAL  
 DESIGN SPEED:  
 35 MPH FROM DBR TO MARY BATES

THESE ARE PRELIMINARY DESIGN CONCEPTS  
 SUBJECT TO CHANGE WITHOUT NOTICE RELATING FROM  
 SUBSEQUENT REVIEW AND FUTURE DESIGN DEVELOPMENT

**HNTB**  
 552 0812-72-910  
 PRELIMINARY DESIGN  
 SCHEMATIC OF BELLAIRE BLVD  
 FROM DBR TO MARY BATES BLVD

BELLARE/BELTWAY B




 TEXAS  
 DEPARTMENT OF TRANSPORTATION  
 HOUSTON DISTRICT

CONTRACT NO. 03-01-010-010  
 SHEET NO. 101  
 DATE: 08/01/03

NO.	DESCRIPTION	AMOUNT	TOTAL
1	CONCRETE	100.00	100.00
2	STEEL	200.00	300.00
3	PAVEMENT	50.00	350.00
4	UTILITIES	50.00	400.00
5	LANDSCAPE	50.00	450.00
6	TRAVELER PROTECTION	50.00	500.00
7	CONSTRUCTION	50.00	550.00
8	MAINTENANCE	50.00	600.00
9	OPERATION	50.00	650.00
10	REPAIR	50.00	700.00
11	REPLACE	50.00	750.00
12	REMOVE	50.00	800.00
13	INSTALL	50.00	850.00
14	TEST	50.00	900.00
15	TRAINING	50.00	950.00
16	OPERATION	50.00	1000.00
17	REPAIR	50.00	1050.00
18	REPLACE	50.00	1100.00
19	REMOVE	50.00	1150.00
20	INSTALL	50.00	1200.00
21	TEST	50.00	1250.00
22	TRAINING	50.00	1300.00
23	OPERATION	50.00	1350.00
24	REPAIR	50.00	1400.00
25	REPLACE	50.00	1450.00
26	REMOVE	50.00	1500.00
27	INSTALL	50.00	1550.00
28	TEST	50.00	1600.00
29	TRAINING	50.00	1650.00
30	OPERATION	50.00	1700.00
31	REPAIR	50.00	1750.00
32	REPLACE	50.00	1800.00
33	REMOVE	50.00	1850.00
34	INSTALL	50.00	1900.00
35	TEST	50.00	1950.00
36	TRAINING	50.00	2000.00
37	OPERATION	50.00	2050.00
38	REPAIR	50.00	2100.00
39	REPLACE	50.00	2150.00
40	REMOVE	50.00	2200.00
41	INSTALL	50.00	2250.00
42	TEST	50.00	2300.00
43	TRAINING	50.00	2350.00
44	OPERATION	50.00	2400.00
45	REPAIR	50.00	2450.00
46	REPLACE	50.00	2500.00
47	REMOVE	50.00	2550.00
48	INSTALL	50.00	2600.00
49	TEST	50.00	2650.00
50	TRAINING	50.00	2700.00
51	OPERATION	50.00	2750.00
52	REPAIR	50.00	2800.00
53	REPLACE	50.00	2850.00
54	REMOVE	50.00	2900.00
55	INSTALL	50.00	2950.00
56	TEST	50.00	3000.00
57	TRAINING	50.00	3050.00
58	OPERATION	50.00	3100.00
59	REPAIR	50.00	3150.00
60	REPLACE	50.00	3200.00
61	REMOVE	50.00	3250.00
62	INSTALL	50.00	3300.00
63	TEST	50.00	3350.00
64	TRAINING	50.00	3400.00
65	OPERATION	50.00	3450.00
66	REPAIR	50.00	3500.00
67	REPLACE	50.00	3550.00
68	REMOVE	50.00	3600.00
69	INSTALL	50.00	3650.00
70	TEST	50.00	3700.00
71	TRAINING	50.00	3750.00
72	OPERATION	50.00	3800.00
73	REPAIR	50.00	3850.00
74	REPLACE	50.00	3900.00
75	REMOVE	50.00	3950.00
76	INSTALL	50.00	4000.00
77	TEST	50.00	4050.00
78	TRAINING	50.00	4100.00
79	OPERATION	50.00	4150.00
80	REPAIR	50.00	4200.00
81	REPLACE	50.00	4250.00
82	REMOVE	50.00	4300.00
83	INSTALL	50.00	4350.00
84	TEST	50.00	4400.00
85	TRAINING	50.00	4450.00
86	OPERATION	50.00	4500.00
87	REPAIR	50.00	4550.00
88	REPLACE	50.00	4600.00
89	REMOVE	50.00	4650.00
90	INSTALL	50.00	4700.00
91	TEST	50.00	4750.00
92	TRAINING	50.00	4800.00
93	OPERATION	50.00	4850.00
94	REPAIR	50.00	4900.00
95	REPLACE	50.00	4950.00
96	REMOVE	50.00	5000.00
97	INSTALL	50.00	5050.00
98	TEST	50.00	5100.00
99	TRAINING	50.00	5150.00
100	OPERATION	50.00	5200.00

HNTB  
 HOUSTON DISTRICT  
 1. DESIGN PROFESSIONAL  
 DESIGN TO BE SUBMITTED  
 TO THE DISTRICT ENGINEER  
 FOR REVIEW AND APPROVAL  
 BEFORE CONSTRUCTION  
 BEGINS.

THESE ARE PRELIMINARY DESIGN CONCEPTS  
 SUBJECT TO CHANGE WITHOUT NOTICE. CONSULT THE  
 DISTRICT ENGINEER FOR THE LATEST DESIGN DEVELOPMENT.

**HNTB**  
 HOUSTON DISTRICT  
 1. DESIGN PROFESSIONAL  
 DESIGN TO BE SUBMITTED  
 TO THE DISTRICT ENGINEER  
 FOR REVIEW AND APPROVAL  
 BEFORE CONSTRUCTION  
 BEGINS.

**EXHIBIT A**  
**Section III.2**

**EXHIBIT B**

Exhibit B

**UPDATED REVENUE ESTIMATE FOR AMENDMENT #1  
TAX INCREMENT REINVESTMENT ZONE NO. 20, CITY OF HOUSTON  
Projected Zone Revenues ( Assumes 97% Collection)**

Tax Year	Projected Taxable Valuation	Tax Year	Coll. Year	City Tax Rate	City Zone Project Collection	5% City Administration Fees	Debt Service and Zone Administration	Municipal Services	Total TIRZ Project Annual Collection	Cumulative TIRZ Total Collection
2006	482,422,021	2006	2007	\$0.6450	\$3,018,273	\$(150,914)	\$(1,200,000)	\$(300,000)	\$1,367,360	\$1,367,360
2007	712,997,117	2007	2008	\$0.6438	\$4,452,221	\$(222,611)	\$(1,200,000)	\$(250,000)	\$2,779,610	\$4,146,970
2008	1,116,140,341	2008	2009	\$0.6438	\$6,969,599	\$(348,480)	\$(1,200,000)	\$(250,000)	\$5,171,119	\$9,318,089
2009	1,366,140,341	2009	2010	\$0.6438	\$8,530,693	\$(426,535)	\$(1,000,000)	\$(250,000)	\$6,854,158	\$16,172,247
2010	1,579,383,896	2010	2011	\$0.6438	\$9,862,265	\$(493,113)	\$(1,000,000)	\$(250,000)	\$8,119,152	\$24,291,399
2011	1,813,951,807	2011	2012	\$0.6438	\$11,326,995	\$(566,350)	\$(1,000,000)	\$(250,000)	\$9,510,646	\$33,802,044
2012	1,904,649,397	2012	2013	\$0.6438	\$11,893,345	\$(594,667)	\$(1,000,000)	\$(250,000)	\$10,048,678	\$43,850,722
2013	1,999,881,867	2013	2014	\$0.6438	\$12,488,012	\$(624,401)	\$(1,000,000)	\$(250,000)	\$10,613,612	\$54,464,334
2014	2,099,875,961	2014	2015	\$0.6438	\$13,112,413	\$(655,621)	\$(1,000,000)	\$(250,000)	\$11,206,792	\$65,671,126
2015	2,204,869,759	2015	2016	\$0.6438	\$13,768,034	\$(688,402)	\$(1,000,000)	\$(250,000)	\$11,829,632	\$77,500,758
2016	2,315,113,247	2016	2017	\$0.6438	\$14,456,435	\$(722,822)	\$(1,000,000)	\$(250,000)	\$12,483,614	\$89,984,372
2017	2,430,868,909	2017	2018	\$0.6438	\$15,179,257	\$(758,963)	\$(1,000,000)	\$(250,000)	\$13,170,294	\$103,154,666
2018	2,552,412,354	2018	2019	\$0.6438	\$15,938,220	\$(796,911)	\$(1,000,000)	\$(250,000)	\$13,891,309	\$117,045,975
2019	2,680,032,972	2019	2020	\$0.6438	\$16,735,131	\$(836,757)	\$(1,000,000)	\$(250,000)	\$14,648,374	\$131,694,349
2020	2,814,034,621	2020	2021	\$0.6438	\$17,571,887	\$(878,594)	\$(1,000,000)	\$(250,000)	\$15,443,293	\$147,137,642
2021	2,954,736,352	2021	2022	\$0.6438	\$18,450,482	\$(922,524)	\$(1,000,000)	\$(250,000)	\$16,277,958	\$163,415,600
2022	3,102,473,169	2022	2023	\$0.6438	\$19,373,006	\$(968,650)	\$(1,000,000)	\$(250,000)	\$17,154,356	\$180,569,956
2023	3,257,596,828	2023	2024	\$0.6438	\$20,341,656	\$(1,017,083)	\$(1,000,000)	\$(250,000)	\$18,074,573	\$198,644,529
2024	3,420,476,669	2024	2025	\$0.6438	\$21,358,739	\$(1,067,937)	\$-	\$(250,000)	\$20,040,802	\$218,685,331
2025	3,591,500,503	2025	2026	\$0.6438	\$22,426,676	\$(1,121,334)	\$-	\$(250,000)	\$21,055,342	\$239,740,673
2026	3,771,075,528	2026	2027	\$0.6438	\$23,548,010	\$(1,177,400)	\$-	\$(250,000)	\$22,120,609	\$261,861,282
2027	3,959,629,304	2027	2028	\$0.6438	\$24,725,410	\$(1,236,271)	\$-	\$(250,000)	\$23,239,140	\$285,100,422
2028	4,157,610,769	2028	2029	\$0.6438	\$25,961,681	\$(1,298,084)	\$-	\$(250,000)	\$24,413,597	\$309,514,019
2029	4,365,491,308	2029	2030	\$0.6438	\$27,259,765	\$(1,362,988)	\$-	\$(250,000)	\$25,646,777	\$335,160,795
					<b>\$378,748,206</b>	<b>\$(18,937,410)</b>	<b>\$(18,600,000)</b>	<b>\$(6,050,000)</b>	<b>\$335,160,795</b>	

\* 2006 and 2007 values are based on actual numbers

\* Assumes 5% inflation after 2011.

• Prepared by Hawes Hill Calderon LLP

**EXHIBIT C**

## PRELIMINARY BOND FINANCING PLAN

Southwest Houston Redevelopment Authority  
City of Houston Tax Increment Reinvestment Zone Number 20  
Cash Flow with Additional Debt Based on Projected Value

### Table of Contents

	<u>Page</u>
Projection of Sources and Uses of Funds	1
Projection of Tax Increment Fund Cash Flows	2
Projection of Net Debt Service Requirements	3
Projection of Amounts Available for Reimbursement/Projects	4
Projection of Tax Increment Collections	5

**PROJECTION OF SOURCES AND USES OF FUNDS**

**Southwest Houston Redevelopment Authority  
City of Houston Tax Increment Reinvestment Zone Number 20  
Cash Flow with Additional Debt Based on Projected Value**

	Actual Series 2003	Projected Series 2008	Projected Series 2009	Projected Series 2010	Projected Series 2011	Projected Series 2012	Total
<b><u>Sources of Funds:</u></b>							
Par Amount of Bonds	\$13,275,000	\$26,380,000	\$8,180,000	\$13,265,000	\$9,750,000	\$10,375,000	\$81,225,000
Other Funds	0	0	0	0	0	0	0
<b>Total Sources of Funds</b>	<b>\$13,275,000</b>	<b>\$26,380,000</b>	<b>\$8,180,000</b>	<b>\$13,265,000</b>	<b>\$9,750,000</b>	<b>\$10,375,000</b>	<b>\$81,225,000</b>

<b><u>Uses of Funds:</u></b>							
Costs of Issuance (a)	\$807,072	\$1,582,800	\$490,800	\$795,900	\$585,000	\$622,500	\$4,884,072
Reserve Fund Deposit (b)	999,869	2,299,929	713,170	1,188,821	900,476	990,240	7,092,504
Capitalized Interest (c)	277,059	1,582,800	490,800	795,900	585,000	622,500	4,354,059
Available for Reimbursement	11,191,000	20,914,471	6,485,230	10,484,379	7,679,524	8,139,760	64,894,365
<b>Total Uses of Funds</b>	<b>\$13,275,000</b>	<b>\$26,380,000</b>	<b>\$8,180,000</b>	<b>\$13,265,000</b>	<b>\$9,750,000</b>	<b>\$10,375,000</b>	<b>\$81,225,000</b>

(a) Estimated at 6% for the purpose of illustration.

(b) Estimated at 100% of maximum annual debt service.

(c) Represents 1 year of interest on the Bonds.

**PROJECTION OF TAX INCREMENT FUND CASH FLOWS**

**Southwest Houston Redevelopment Authority  
City of Houston Tax Increment Reinvestment Zone Number 20  
Cash Flow with Additional Debt Based on Projected Value**

Fiscal Year Ending Jun. 30	Projected Net Tax Collections (a)	Less: Net Debt Service Requirements (c)	Less: TIRZ Admin. Expenses (b)	Interest Earnings @ 4.0% (c)	Reserve Fund Earnings @ 4.0% (c)	Annual Surplus/ (Deficit)	Fiscal Year Ending Jun. 30
2008	\$2,867,360	\$994,919	\$96,000	\$71,058	\$39,995	\$1,887,493	2008
2009	4,321,855	997,369	96,000	129,139	131,992	3,489,618	2009
2010	5,213,406	3,296,497	96,000	72,836	160,519	2,054,264	2010
2011	6,699,325	4,012,967	96,000	103,614	208,072	2,902,044	2011
2012	7,824,718	5,199,188	96,000	101,181	208,072	2,838,783	2012
2013	9,062,651	6,100,414	96,000	114,649	208,072	3,188,958	2013
2014	9,062,651	7,089,623	96,000	75,081	208,072	2,160,181	2014
2015	9,062,651	7,088,341	96,000	75,132	208,072	2,161,514	2015
2016	9,062,651	7,091,231	96,000	75,017	208,072	2,158,508	2016
2017	9,062,651	7,092,034	96,000	74,985	208,072	2,157,674	2017
2018	9,062,651	7,090,759	96,000	75,036	208,072	2,159,000	2018
2019	9,062,651	7,087,631	96,000	75,161	208,072	2,162,252	2019
2020	9,062,651	7,092,466	96,000	74,967	208,072	2,157,224	2020
2021	9,062,651	7,089,701	96,000	75,078	208,072	2,160,100	2021
2022	9,062,651	7,089,141	96,000	75,100	208,072	2,160,682	2022
2023	9,062,651	7,091,035	96,000	75,025	208,072	2,158,712	2023
2024	9,062,651	7,090,791	96,000	75,034	1,207,941	3,158,835	2024
2025	9,062,651	6,092,635	96,000	114,961	168,077	3,157,054	2025
2026	9,062,651	6,092,635	96,000	114,961	168,077	3,157,054	2026
2027	9,062,651	6,092,635	96,000	114,961	168,077	3,157,054	2027
2028	9,062,651	6,092,635	96,000	114,961	168,077	3,157,054	2028
2029	9,062,651	6,092,635	96,000	114,961	2,468,005	5,456,982	2029
2030	9,062,651	3,792,707	96,000	206,958	3,868,786	9,249,689	2030
<b>Total</b>	<b>\$190,054,388</b>	<b>\$132,849,990</b>	<b>\$2,208,000</b>	<b>\$2,199,856</b>	<b>\$11,254,474</b>	<b>\$68,450,728</b>	

(a) Assumes 3% delinquencies and 5% City of Houston administration fee.

Assumes taxes are collected at beginning of fiscal year after they are levied.

(b) Source: Hawes Hill Calderon, LLP.

(c) Estimated for the purpose of illustration.

NOTE: This is a projection of cash flows based on various assumptions, current market conditions, and a flow of funds that allows for the accumulation of reserves. These cash flows will change based on actual revenues and expenses, as well as market conditions at the time of the sale of the bonds. There are usually differences in estimated and actual revenues and expenses because events and circumstances frequently do not occur as expected, and such differences may be material.

**PROJECTION OF NET DEBT SERVICE REQUIREMENTS**

**Southwest Houston Redevelopment Authority  
City of Houston Tax Increment Reinvestment Zone Number 20  
Cash Flow with Additional Debt Based on Projected Value**

Fiscal Year Ending Jun. 30	\$13,275,000 Series 2003 Debt Service	\$26,380,000 Series 2008 Debt Service	\$8,180,000 Series 2009 Debt Service	\$13,265,000 Series 2010 Debt Service	\$9,750,000 Series 2011 Debt Service	\$10,375,000 Series 2012 Debt Service	Total Debt Service Requirements	Deposit for Capitalized Interest	Less: Capitalized Interest	Net Debt Service Requirements
2008	\$994,919	\$0	\$0	\$0	\$0	\$0	\$994,919	\$1,582,800	\$0	\$994,919
2009	997,369	1,582,800	0	0	0	0	2,580,169	490,800	1,582,800	997,369
2010	996,569	2,299,929	490,800	0	0	0	3,787,297	795,900	490,800	3,296,497
2011	999,869	2,299,929	713,170	795,900	0	0	4,808,867	585,000	795,900	4,012,967
2012	997,269	2,299,929	713,170	1,188,821	585,000	0	5,784,188	622,500	585,000	5,199,188
2013	998,019	2,299,929	713,170	1,188,821	900,476	622,500	6,722,914	0	622,500	6,100,414
2014	996,988	2,299,929	713,170	1,188,821	900,476	990,240	7,089,623	0	0	7,089,623
2015	995,706	2,299,929	713,170	1,188,821	900,476	990,240	7,088,341	0	0	7,088,341
2016	998,596	2,299,929	713,170	1,188,821	900,476	990,240	7,091,231	0	0	7,091,231
2017	999,399	2,299,929	713,170	1,188,821	900,476	990,240	7,092,034	0	0	7,092,034
2018	998,124	2,299,929	713,170	1,188,821	900,476	990,240	7,090,759	0	0	7,090,759
2019	994,996	2,299,929	713,170	1,188,821	900,476	990,240	7,087,631	0	0	7,087,631
2020	999,831	2,299,929	713,170	1,188,821	900,476	990,240	7,092,466	0	0	7,092,466
2021	997,066	2,299,929	713,170	1,188,821	900,476	990,240	7,089,701	0	0	7,089,701
2022	996,506	2,299,929	713,170	1,188,821	900,476	990,240	7,089,141	0	0	7,089,141
2023	998,400	2,299,929	713,170	1,188,821	900,476	990,240	7,091,035	0	0	7,091,035
2024	998,156	2,299,929	713,170	1,188,821	900,476	990,240	7,090,791	0	0	7,090,791
2025	0	2,299,929	713,170	1,188,821	900,476	990,240	6,092,635	0	0	6,092,635
2026	0	2,299,929	713,170	1,188,821	900,476	990,240	6,092,635	0	0	6,092,635
2027	0	2,299,929	713,170	1,188,821	900,476	990,240	6,092,635	0	0	6,092,635
2028	0	2,299,929	713,170	1,188,821	900,476	990,240	6,092,635	0	0	6,092,635
2029	0	2,299,929	713,170	1,188,821	900,476	990,240	6,092,635	0	0	6,092,635
2030	0	0	713,170	1,188,821	900,476	990,240	3,792,707	0	0	3,792,707
<b>Total</b>	<b>\$16,957,781</b>	<b>\$47,581,372</b>	<b>\$14,754,194</b>	<b>\$23,383,494</b>	<b>\$16,793,573</b>	<b>\$17,456,577</b>	<b>\$136,926,990</b>	<b>\$4,077,000</b>	<b>\$4,077,000</b>	<b>\$132,849,990</b>

**NOTES:**

Assumes Proposed Bonds are issued at 6.00%.  
 Assumes Proposed Bonds are issued on March 1.  
 Assumes principal paid on 9/1 and interest paid each 3/1 & 9/1.  
 Capitalized interest represents 1 year of debt service on the Bonds.

**PROJECTION OF AMOUNTS AVAILABLE FOR REIMBURSEMENT/PROJECTS**

**Southwest Houston Redevelopment Authority  
City of Houston Tax Increment Reinvestment Zone Number 20  
Cash Flow with Additional Debt Based on Projected Value**

Fiscal Year	Available from Bond Proceeds (a)	Available from Tax Increment Fund (b)	Total
2008	\$20,914,471	\$1,887,493	\$22,801,965
2009	6,485,230	3,489,618	9,974,848
2010	10,484,379	2,054,264	12,538,643
2011	7,679,524	2,902,044	10,581,568
2012	8,139,760	2,838,783	10,978,544
2013	0	3,188,958	3,188,958
2014	0	2,160,181	2,160,181
2015	0	2,161,514	2,161,514
2016	0	2,158,508	2,158,508
2017	0	2,157,674	2,157,674
2018	0	2,159,000	2,159,000
2019	0	2,162,252	2,162,252
2020	0	2,157,224	2,157,224
2021	0	2,160,100	2,160,100
2022	0	2,160,682	2,160,682
2023	0	2,158,712	2,158,712
2024	0	3,158,835	3,158,835
2025	0	3,157,054	3,157,054
2026	0	3,157,054	3,157,054
2027	0	3,157,054	3,157,054
2028	0	2,157,054	2,157,054
2029	0	5,456,982	5,456,982
2030	0	9,249,689	9,249,689
<b>Total</b>	<b>\$53,703,365</b>	<b>\$67,450,728</b>	<b>\$121,154,093</b>

(a) See attached Projection of Sources and Uses of Funds.

(b) See attached Projection of Tax Increment Fund Cash Flows.

**PROJECTION OF TAX INCREMENT COLLECTIONS**

**Southwest Houston Redevelopment Authority  
City of Houston Tax Increment Reinvestment Zone Number 20  
Cash Flow with Additional Debt Based on Projected Value**

Tax Roll Jan. 1	Prior Year Total Taxable Value (a)	Projected Increase in Taxable Value	Projected Total Taxable Value	Less: Base Year Taxable Value	Projected Incremental Taxable Value	Projected Tax Rate (a)	Projected Tax Collections at 97% (b)	Less: City Admin Retention at 5% (c)	Projected Net Tax Collections	Available for Fiscal Year Ending Jun. 30
2006			\$1,248,717,231 (a)	\$766,295,210	\$482,422,021	\$0.64500	\$3,018,273	\$150,914	\$2,867,360	2008
2007			1,493,430,360 (a)	766,295,210	727,135,150	0.64500	4,549,321	227,466	4,321,855	2009
2008	\$1,493,430,360	\$150,000,000 (a)	1,643,430,360	766,295,210	877,135,150	0.64500	5,487,796	274,390	5,213,406	2010
2009	1,643,430,360	250,000,000 (a)	1,893,430,360	766,295,210	1,127,135,150	0.64500	7,051,921	352,596	6,699,325	2011
2010	1,893,430,360	189,343,036 (a)	2,082,773,396	766,295,210	1,316,478,186	0.64500	8,236,546	411,827	7,824,718	2012
2011	2,082,773,396	208,277,340 (a)	2,291,050,736	766,295,210	1,524,755,526	0.64500	9,539,633	476,982	9,062,651	2013
2012	2,291,050,736		2,291,050,736	766,295,210	1,524,755,526	0.64500	9,539,633	476,982	9,062,651	2014
2013	2,291,050,736		2,291,050,736	766,295,210	1,524,755,526	0.64500	9,539,633	476,982	9,062,651	2015
2014	2,291,050,736		2,291,050,736	766,295,210	1,524,755,526	0.64500	9,539,633	476,982	9,062,651	2016
2015	2,291,050,736		2,291,050,736	766,295,210	1,524,755,526	0.64500	9,539,633	476,982	9,062,651	2017
2016	2,291,050,736		2,291,050,736	766,295,210	1,524,755,526	0.64500	9,539,633	476,982	9,062,651	2018
2017	2,291,050,736		2,291,050,736	766,295,210	1,524,755,526	0.64500	9,539,633	476,982	9,062,651	2019
2018	2,291,050,736		2,291,050,736	766,295,210	1,524,755,526	0.64500	9,539,633	476,982	9,062,651	2020
2019	2,291,050,736		2,291,050,736	766,295,210	1,524,755,526	0.64500	9,539,633	476,982	9,062,651	2021
2020	2,291,050,736		2,291,050,736	766,295,210	1,524,755,526	0.64500	9,539,633	476,982	9,062,651	2022
2021	2,291,050,736		2,291,050,736	766,295,210	1,524,755,526	0.64500	9,539,633	476,982	9,062,651	2023
2022	2,291,050,736		2,291,050,736	766,295,210	1,524,755,526	0.64500	9,539,633	476,982	9,062,651	2024
2023	2,291,050,736		2,291,050,736	766,295,210	1,524,755,526	0.64500	9,539,633	476,982	9,062,651	2025
2024	2,291,050,736		2,291,050,736	766,295,210	1,524,755,526	0.64500	9,539,633	476,982	9,062,651	2026
2025	2,291,050,736		2,291,050,736	766,295,210	1,524,755,526	0.64500	9,539,633	476,982	9,062,651	2027
2026	2,291,050,736		2,291,050,736	766,295,210	1,524,755,526	0.64500	9,539,633	476,982	9,062,651	2028
2027	2,291,050,736		2,291,050,736	766,295,210	1,524,755,526	0.64500	9,539,633	476,982	9,062,651	2029
2028	2,291,050,736		2,291,050,736	766,295,210	1,524,755,526	0.64500	9,539,633	476,982	9,062,651	2030
<b>Total</b>		<b>\$797,620,376</b>					<b>\$200,057,250</b>	<b>\$10,002,863</b>	<b>\$190,054,388</b>	

(a) Source: Hawes Hill Calderon, LLP. Years 2010 and 2011 based upon 10% growth.  
 (b) Assumes 3% of taxes levied are not collected.  
 (c) Represents fees charged by City of Houston for tax increment revenue administration.

**EXHIBIT D**

# Exhibit D

## TIRZ #20 & SOUTHWEST HOUSTON REDEVELOPMENT AUTHORITY

### PLANNING/ORDER OF MAGNITUDE ESTIMATE OF PROBABLE COSTS OF CONSTRUCTION

ACCESS MANAGEMENT PROJECTS WITHOUT AND WITH SUBSURFACE UTILITIES	STREETSCAPE IMPROVEMENTS (B)	SITE PREP	PAVING	STREET LIGHTING	BASE TOTAL	MOBILIZATION
Project 1 - Bellaire Access Management - BW 8 to Mary Bates* <small>*In engineering stage. Grant funds allocated for this by HGAC</small>	\$ 4,152,000.00	\$ 880,000.00	\$ 508,000.00			
Project 2 - Bellaire Access Management - BW 8 to Mary Bates** <small>** Version with CoH Water/Wastewater Projects Added</small>	\$ 4,152,000.00	\$ 1,106,000.00	\$ 10,919,000.00		\$3,095,000.00	
<b>ESTIMATED TOTAL</b>						

PROJECT #1--UNIFIED PROJECT COST DETAIL	STREETSCAPE IMPROVEMENTS	SITE PREP	PAVING	STREET LIGHTING	BASE TOTAL	MOBILIZATION
Bellaire/Mary Bates/Harbor Town Intersection	\$ 635,000.00	\$ 121,000.00				
Bellaire/Pella Intersection	\$ 267,000.00	\$ 29,000.00				
Bellaire Gateway at BW 8	\$ 1,037,000.00	\$ 3,000.00				
Bellaire/Gessner Intersection	\$ 860,000.00	\$ 3,000.00				
Bellaire/Corporate Intersection	\$ 860,000.00	\$ 3,000.00				
Bellaire/Ranchester Intersection	\$ 860,000.00	\$ 3,000.00				
<small>*** Version w/o CoH Water/Wastewater Projects Added</small>		\$378,000.00	\$2,265,000.00	\$258,000.00	\$2,523,000.00	
<b>ESTIMATED TOTAL</b>						\$16,336,000.00

OTHER ZONE AREA PROJECTS	STREETSCAPE IMPROVEMENTS	CONTINGENCY	CONSTRUCTION TOTAL	AGENCY COSTS	ESTIMATED PROJECT TOTAL
Project 2 - Bellaire Drainage US 59 to Fondren	\$	\$255,000.00	\$1,531,000.00	\$174,000.00	\$1,705,000.00
Project 3 - Fondren Gateway at Westpark	\$	\$241,000.00	\$1,449,000.00	\$165,000.00	\$1,614,000.00
Project 4 - Fondren/Clarewood Intersection	\$	\$124,000.00	\$744,000.00	\$85,000.00	\$829,000.00
Project 5 - Fondren/Harwin Intersection	\$	\$122,000.00	\$733,000.00	\$83,000.00	\$816,000.00
Project 6 - Bellaire/Mail Entrance	\$	\$127,000.00	\$760,000.00	\$86,000.00	\$846,000.00
Project 7 - Minor Intersections & Transit	\$	\$756,000.00	\$4,537,000.00	\$516,000.00	\$5,053,000.00
Project 8 - Hike & Bike Paths	\$	\$157,000.00	\$943,000.00	\$107,000.00	\$1,050,000.00
Project 9 - Fondren Access Management	\$	\$67,000.00	\$464,000.00	\$45,000.00	\$509,000.00
<small>*** Version w/o CoH Water/Wastewater Projects Added</small>					
<b>ESTIMATED TOTAL</b>					\$12,422,000.00

Assumptions:

- Streetscape Improvements - Supporting documentation attached.
- Drainage Improvements - Contingency for any minor adjustments to inlets, manholes, gr...
- Traffic Control - Includes barricades, barrels and striping during construction. It does not i...
- Site Prep - Includes contractors staging area(s), Handling, Clearing and Grubbing, Tree F...
- Street Lighting - Includes coordination between Agency and Centerpoint for the replacem...
- Water & Wastewater - Contingency for any minor modifications, adjustments, repairs, etc
- Agency Costs - Includes Engineering/Architectural services (PS&E), Construction Manag...
- Priority One Project Streetscape Improvements were included in the cost of the Bellaire A

The costs shown in this estimate represent an estimate of probable costs prepared in good faith, based on current market conditions, and does not make any commitment or

