

**REINVESTMENT ZONE NUMBER TWO
CITY OF PEARLAND, TEXAS**



**ANNUAL REPORT
2017**

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COMPLIANCE

Texas Tax Code Section 311.016 (a):

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CITY OF PEARLAND, TEXAS CITY COUNCIL

2017 Council Members

Mayor	Hon. Tom Reid
Mayor Pro-Tem	Hon. Derrick Reed, Position 2
Council Member	Hon. Tony Carbone, Position 1
	Hon. Gary Moore, Position 3
	Hon. Keith Ordeneaux, Position 4
	Hon. J. David Little, Position 5
	Hon. Trent Perez, Position 6
	Hon. Woody Owens, Position 7

City Staff

City Manager	Clay Pearson
Director of Finance	Cynthia Pearson

REINVESTMENT ZONE NUMBER TWO CITY OF PEARLAND, TEXAS

BOARD OF DIRECTORS

2017 Board Members

- Position 1 Vacant
State Senator Designee
- Position 2 Thomas King
State Representative Designee
- Position 3 Herb Fain, Jr., Chair
City of Pearland Designee
- Position 4 Gary Cook, Vice Chair
City of Pearland Designee
- Position 5 Kenneth R. Phillips
City of Pearland Designee
- Position 6 Jo Knight
City of Pearland/Alvin Independent
School District Designee
- Position 7 Mike Pyburn
Alvin Independent School District Designee
- Position 8 Ali Hasanali
Fort Bend County Designee
- Position 9 Larry Loessin
Brazoria County Designee

DESCRIPTION OF ZONE

In accordance with the Tax Increment Financing Act (Chapter 311, Tax Code), Reinvestment Zone Number Two, City of Pearland, Texas (the Zone) was established by Ordinance 891 of the City Council of the City of Pearland (the City), Texas on December 21, 1998. The original Zone, also known as "Shadow Creek Ranch", consisted of 3,467 acres located in Brazoria County and Fort Bend County, Texas. In addition, the Zone is located in Alvin I.S.D. (AISD), Fort Bend I.S.D. (FBISD) and a small portion in Pearland I.S.D. (PISD). The original Zone is generally bounded by Clear Creek on the north, State Highway 288 on the east, Broadway (the extension of FM 518 west of S.H. 288) on the south and FM 521 on the west. A map illustrating the original boundaries of the Zone follows on page 15 as Exhibit 1. On August 23, 1999, by Ordinance No. 918 of the City, the Project Plan and Reinvestment Zone Financing Plan (the Project Plan) for the original TIRZ boundaries was adopted.

1st Plan Amendment

On July 10, 2006, by Ordinance 1276 of the City, the Project Plan was amended and the Zone was expanded to provide for the annexation of 457 acres of vacant land, adjacent to the Zone. 288 acres are in Brazoria County and 169 acres are in Fort Bend County.

2nd Plan Amendment

On November 13, 2006 by Ordinance 1312 of the City, the Project Plan was amended to provide for development of public improvements to serve Shadow Creek Ranch Town Center. The proposed development is within the boundaries of the original Zone and Brazoria County.

3rd Plan Amendment

On November 13, 2006 by Ordinance 1313 of the City, the Project Plan was amended and the Zone was expanded to provide for the annexation of 8± acres to facilitate the improvement and widening of Broadway from S.H. 288 to F.M. 521. The boundaries of the annexed area are within Brazoria County.

The Zone is now composed of 3,932+ acres, of which 3,125± acres are within Brazoria County and 807± acres are within Fort Bend County. A map illustrating the boundaries of the Zone as expanded follows on page 16 as Exhibit 2.

PURPOSE OF ZONE

The objective of the Zone is to facilitate quality mixed-use development with a self-sustaining tax base for the City and the other participating taxing entities.

The City Council, in adopting the ordinances creating and expanding the Zone, found that the development described in the Project Plan, and its subsequent amendments, would not likely occur, to the quality, standards and densities described in the Project Plan, but for the creation of the Zone.

The City Council further found that improvements in the Zone will significantly enhance the value of all taxable real property in the Zone and will be of general benefit to the City. The Zone will pursue its objective by acting as a financing vehicle for regional public improvements, as described in the Project Plan as amended. The methods of financing and the sources of funding available to the Zone, including the participation levels of the various participating entities, including the City, Brazoria County, Fort Bend County and Alvin ISD, are described in the Project Plan and its amendments.

STATE OF THE ZONE AND PLAN IMPLEMENTATION IN 2017

1. The information provided in this section is in accordance with § 311.016 (a) (1) of the Texas Tax Code, which requires inclusion of the amount and source of revenue in the tax increment fund established for the zone.

In addition to the City's tax increment revenue, interlocal agreements with Brazoria County, Fort Bend County and Alvin ISD provide for each taxing unit's participation in the Zone. The Project Plan also allows for the participation of Brazoria Drainage District No. 4 and Fort Bend Independent School District, though neither is currently participating. Levels of participation are detailed in the Project Plan and current levels of participation are shown in Table A. The zone is currently in its seventeenth year.

**TABLE A
Taxing Entity Participation**

Taxing Entity	Zone Years	Participation
City of Pearland	9 through 30	100% of taxes collected at current tax rate on Captured Appraised Value (1)
Brazoria County	1 through 30	100% of taxes collected at current tax rate on Captured Appraised Value up to a tax rate of \$.1359, or if rate is less than \$.1359 then 38% of actual tax rate.
Fort Bend County	11 through 20	100% of taxes collected at current tax rate on Captured Appraised Value, up to a maximum tax rate of .468075 (2)
Alvin ISD	1 through 30	100% of taxes collected at current tax rate on Captured Appraised Value (3)

(1) 64% to be repaid as an administrative cost, provided the TIRZ retain at least \$.255 / \$100.

(2) In years 21 through 30 participation drops to 100% of .31205.

(3) 75% to be used by AISD for the construction of educational facilities.

The obligations of the participating taxing jurisdictions, as defined in their respective interlocal agreements, include the timely deposit of tax increment into the City's tax increment revenue fund.

Table B illustrates the growth in appraised value from base year to tax year 2017 for each participating jurisdiction. Table C illustrates the amount of the incremental revenue, which has been transferred to the increment fund. These amounts are based upon actual taxes collected as of December 31, 2017.

TABLE B**Base Market Value by Jurisdiction (1)**

Taxing Entity	Base Year	Base Value	2017 Value (2)	Captured Value
Original Zone	1998			
City of Pearland		7,172,980	2,243,875,455	2,236,702,475
Brazoria County		4,143,160	1,840,896,784	1,836,753,624
Fort Bend County		3,029,820	431,527,610	428,497,790
Alvin ISD		4,143,160	1,765,726,384	1,761,583,224
1st Plan Amendment (3) (4)	2006			
City of Pearland		4,381,680	190,978,368	186,596,688
Brazoria County		3,354,830	118,691,461	115,336,631
Fort Bend County		1,026,850	43,737,968	42,711,118
Overall Zone				
City of Pearland			2,434,853,823	2,423,299,163
Brazoria County			1,959,588,245	1,952,090,255
Fort Bend County			475,265,578	471,208,908
Alvin ISD			1,902,527,191	1,761,583,224

(1) The information in this table was provided by the Brazoria and Fort Bend County Appraisal Districts and Assessments of the Southwest

(2) Market value (less exemptions) as of January 1, 2017.

(3) All of the land within the 2nd Plan Amendment (adopted in 2006) area is within the boundaries of the original Zone.

(4) All of the land within the 3rd Plan Amendment (adopted in 2006) area is either owned by a municipality or within dedicated ROW and thus tax exempt.

TABLE C**City of Pearland TIRZ No. 2 Tax Increment Revenue & Fund Balance by Year - Current Year and Prior Five Years (1)**

Year	2012	2013	2014	2015	2016	2017
City of Pearland Revenue	\$ 10,280,251	\$ 10,459,326	\$ 12,326,867	\$ 10,624,549	\$ 14,362,791	\$ 15,978,750
Rebate to City for Administrative Costs (2)	\$ (6,514,331)	\$ (6,677,117)	\$ (7,865,023)	\$ (6,803,968)	\$ (9,192,187)	\$ (10,226,400)
Brazoria County Revenue	\$ 1,486,826	\$ 1,499,782	\$ 1,527,826	\$ 1,674,994	\$ 1,809,824	\$ 2,089,520
Alvin ISD Revenue (3)	\$ 4,112,895	\$ 4,160,862	\$ 4,167,334	\$ 4,933,323	\$ 5,159,693	\$ 6,015,299
Other Revenue	\$ 2,532,291	\$ 1,310,196	\$ 1,348,416	\$ 1,476,931	\$ 1,663,842	\$ 1,993,467
Fort Bend County Revenue	\$ 432,546	\$ 505,394	\$ 725,795	\$ 929,041	\$ 1,339,271	\$ 1,611,047
Expenditures for Zone Administration	\$ (16,767)	\$ (24,122)	\$ (16,427)	\$ (22,208)	\$ (19,986)	\$ (37,912)
Transfers to Development Authority	\$ (12,016,051)	\$ (10,997,930)	\$ (11,494,978)	\$ (12,666,896)	\$ (14,572,487)	\$ (15,977,530)
Fund Balance (4)	\$ 2,127,904	\$ 2,332,457	\$ 2,999,404	\$ 2,510,500	\$ 3,784,026	\$ 3,863,404

(1) Source: City of Pearland, Texas. Fund balances as of 12/31 of each year.

(2) Rebate for admin costs prior to 2007 is 36%. In 2007 the rebate increased to 64%.

(3) Note that Alvin ISD revenue is reported net of the 75% rebate to Alvin ISD.

(4) In addition to fund balance, as of 12/31/17, AISD had \$2,302,819.16 in the suspense account.

2. The information provided in this section is in accordance with §311.016 (a) (2) of the Texas Tax Code, which requires inclusion of the amount and purpose of expenditures from the fund.

The Board of Directors of the Zone has been granted by City Council, in accordance with Section 311.010 of Texas Tax Code, the power to administer, manage, and operate the Zone and to implement the Project Plan. The Zone was created for the duration of 30 years, or until dissolved by the City.

The total cost of the public improvements within the Zone, as outlined in the original Project Plan, amounts to \$294,482,034. Of this amount, the City will fund \$35,471,061 worth of improvements, and the Texas Department of Transportation (TxDOT) will fund another \$10,277,050 worth of improvements. The Zone will fund the remaining improvements, which amounts to a cost of \$248,733,923, unadjusted for inflation.

1st Plan Amendment

The original list of project costs was amended with the approval of the 1st Plan Amendment, which included improvements, estimated to total \$34,724,218. These improvements address the water, wastewater, storm sewer, lakes channels, roads and landscaping costs for the 457± acre annexation.

2nd Plan Amendment

The list of project costs was amended again with the approval of the 2nd Plan Amendment, which included improvements estimated to total \$11,749,618. These improvements address major road infrastructure, detention, drainage, landscaping and the relocation of pipelines and overhead utilities. All projects associated with this annexation have been completed.

3rd Plan Amendment

The list of project costs was amended a third time with the approval of the 3rd Plan Amendment, which included improvements estimated to total \$8 million. This amendment addressed the need to fund and construct a section of Broadway. All projects associated with this annexation have been completed.

These costs are detailed in the amended Project Budget, a copy of which follows as Table D. The Zone as now enlarged is composed of 3,932± acres, of which 3,125± acres are within Brazoria County and 807± acres are within Fort Bend County. A map illustrating the boundaries of the Zone as amended follows on page 16 as Exhibit 2.

TABLE D
 Reinvestment Zone NO. 2, City of Pearland, Texas - Shadow Creek Ranch
 Budget

Item	TIRZ Budget as approved (08/23/99) (1)	1st Plan Amendment (2)	2nd Plan Amendment (2)	3rd Plan Amendment (2)	TIRZ Budget as Amended (3)
Infrastructure					
Streets					
Pavement	12,610,050	1,634,000			14,244,050
Sidewalks	1,859,400				1,859,400
Landscaping and Irrigation	9,675,350				9,675,350
Entry Monuments	735,320				735,320
Lighting		125,900			125,900
Broadway Widening and Signalization			2,831,789		2,831,789
Business Center Drive Paving			852,722		852,722
Memorial Hermann Drive Paving			383,107		383,107
Water System	3,026,863	363,000			3,389,863
Wastewater System	6,940,964	1,029,000			7,969,964
Storm Water System	10,195,776	1,649,000			11,844,776
Lakes and Channels					
Improvements	29,121,915	5,625,600			34,747,515
Land Cost	4,597,889	6,675,000			11,272,889
Detention and Drainage					
Land Cost			2,850,000		2,850,000
Beautification / Deepening / Pond Creation			200,000		200,000
Site Drainage Facilities			1,842,000		1,842,000
Parks and Recreation					
Improvements	5,155,524	5,573,025			10,728,549
Land Cost	2,383,545				2,383,545
Landscaping					
Business Center Drive			157,500		157,500
Memorial Hermann Drive			67,500		67,500
Overhead Utilities Placed Underground			1,200,000		1,200,000
Pipeline Relocation			700,000		700,000
Major Improvements					
Water Plants					
Land Cost	20,000				20,000
WWTP	340,000				340,000
Lift Station	300,000				300,000
Traffic Signals	600,000	550,000			1,150,000
McHard Road Reimbursables					
Miscellaneous	150,000				150,000
Signal	100,000				100,000
SH 288 Access Road	1,000,000				1,000,000
FM 518 Improvements		6,485,600			6,485,600
Broadway / FM 518 Improvements				7,100,000	7,100,000
Contingencies and Engineering					
Contingencies (10%)	8,181,116	1,733,620			9,914,736
Engineering (15%)	11,274,211	2,860,473	490,000	900,000	15,524,684
Master Drainage Plan Costs		70,000			70,000
Environmental Study Costs		100,000			100,000
Subtotal	108,267,923	34,474,218	11,574,618	8,000,000	162,316,759
Zone Administration / Creation					
TIRZ Administration (1-3 Years)	466,000				466,000
Reimbursable TIRZ Creation Costs	900,000				900,000
Annexation Costs		250,000			250,000
Plan Amendment Costs			175,000		175,000
Subtotal	1,366,000	250,000	175,000		1,791,000
Total	109,633,923	34,724,218	11,749,618	8,000,000	164,107,759
City Facilities					
Library					
Improvements	2,395,000				2,395,000
Land Cost	105,000				105,000
Fire / Police Station					
Improvements	2,255,000				2,255,000
Land Cost	245,000				245,000
Subtotal	5,000,000				5,000,000
Educational Facilities					
AISD Elementary School	41,600,000				41,600,000
AISD Jr. High School	21,450,000				21,450,000
AISD Fresh/Soph Campus	34,050,000				34,050,000
FBISD Elementary School	11,000,000				11,000,000
FBISD Middle School	26,000,000				26,000,000
Subtotal	134,100,000				134,100,000
Grand Total	248,733,923	34,724,218	11,749,618	8,000,000	303,207,759

(1) The original TIRZ Budget as approved in 1999 dollars has not been adjusted for inflation.

(2) The amended Budgets as approved in 2006 are shown in 2006 dollars and have not been adjusted for inflation.

(3) The Budget as amended shows budget line items as approved in their respective years without adjustment for inflation.

TIRZ-Funded Projects:

Since the creation of the Zone a series of infrastructure improvements have been funded and constructed. In 2017, Letter Financing Agreement (Project #17-10-001) was approved by the Board. The proposed improvements total \$1,091,520 (2006 dollars) for design, construction, and contingency for improvements to CR 59.

During calendar year 2017 Shadow Creek Ranch reported approximately 77 home sales and 82 closings. These additions bring the total number of homes in the Zone to 6,576 as of December 31, 2017. Several significant commercial projects also were completed in 2017.

City Funded Improvements:

- There were no City funded projects in 2017.

TxDOT Funded Improvements:

- There were no TxDOT funded projects in 2017.

3. The information provided in this section is in accordance with §311.016 (a) (3) of the Texas Tax Code, which requires inclusion of the amount of principal and interest due on outstanding bonded indebtedness.

Bond Issues

In accordance with a Tri-Party Agreement dated October 11, 2004 between the TIRZ, the City of Pearland, and the Development Authority of Pearland (DAP), the TIRZ has pledged increment to provide for the repayment of debt issued on its behalf. In this regard, the DAP sold Tax Increment Contract Revenue Bonds in 2004, 2005, 2006, 2007, 2009, 2013, 2014, 2016, and 2017. Additionally, in 2015, the DAP sold Tax Increment Contract Revenue and Refunding Bonds, which refunded the then-outstanding bonds issued prior to 2013

TABLE E

Development Authority of Pearland Outstanding Debt as of December 31, 2017

Tax increment Contract Revenue Bonds	Principal Amount Issued	Principal Amount Outstanding	Total Debt Service Outstanding
Series 2013	\$9,150,000	\$7,590,000	\$9,695,357
Series 2014	\$8,060,000	\$6,485,000	\$7,663,712
Series 2015	\$66,030,000	\$57,395,000	\$67,948,110
Series 2016	\$12,320,000	\$11,995,000	\$13,759,123
Series 2017	\$8,555,000	\$8,555,000	\$9,854,496
Total	\$104,115,000	\$92,020,000	\$108,920,798

In addition to developer reimbursements made via the sale of bonds, the DAP has also made payments from cash reserves. In 2017 the DAP made direct payments to the developer totaling \$7,923,413. Total direct payments as of the end of 2017 for the DAP is \$70,026,578, all of which are reflected within in the reimbursements outlined in Table F.

Additional LFA’s Approved for Reimbursement

The Zone Board has approved a series of Letter Financing Agreements (LFA’s) for reimbursement. Prior to Board action all project costs related to each LFA were reviewed by the Zone’s Auditor, McGrath & Co. PLLC, and summarized in a reimbursement report, which included eligible project costs plus interest.

Table F outlines Letter Financing Agreements approved through the end of 2017.

TABLE F
Letter Finance Agreements Approved for Reimbursement

Letter Finance Agreement (LFA)	LFA Date	LFA Amount (1)	Reimbursements Through 2017 (2)
Creation Costs	6/19/2000	\$ 900,000	\$ 1,235,408
LFA 99-11-001 (Entry)	11/8/1999	919,150 *	1,220,281
LFA 00-01-001 (V1P1A)	2/21/2000	6,524,629	5,243,529
LFA 00-10-002 (V1P1B)	10/9/2000	10,318,290	10,593,290
LFA 01-04-001 (V1P1B)	8/23/2001	1,967,061	805,884
LFA 03-10-004 (Kingsley Drive, Phase 3)	10/7/2003	3,529,173	2,791,877
LFA 04-07-006 (Traffic Signal Shadow Creek PKWY/Kingsley)	7/13/2004	287,788	293,578
LFA 04-07-007 (Parks and Trails Grading and Infrastructure)	7/13/2004	1,007,256	877,201
LFA 03-10-001 (Remaining Village 2, Phase 2 Improvements)	10/7/2003	7,554,654	8,493,040
LFA 04-07-002 (Fire/Police Station Land Cost)	7/13/2004	408,668	555,954
LFA 02-08-001 (Village 1 and Village 2 Phase 2 Improvements)	8/6/2002	4,727,516	6,029,532
LFA 01-11-002 (Additional Village 1 and Village 2 Improvements)	11/12/2001	24,509,430	33,055,576
LFA 03-10-002 (Village 3, Phase 1 and 2 Improvements)	10/7/2003	7,809,950	11,734,369
LFA 06-03-001 (Elementary School #2 Site)	3/27/2006	1,687,801	1,886,601
LFA 06-08-002 (Library Site)	8/28/2006	481,569	557,100
LFA 04-07-003 (Regional Nature Park)	7/13/2004	760,988	1,168,312
LFA 03-10-005 (Kingsley Drive Phase 4 Improvements)	10/07/03	4,486,342	6,811,005
LFA 03-10-006 (Village 5 Improvements)	10/07/03	7,055,177	11,274,134
LFA 04-07-005 (Village 4, Phase 1 and Refelction Bay North Improvements)	04/07/05	3,354,452	5,223,786
LFA 03-10-003 (Village 3, Phase 3 Improvements)	10/07/03	7,711,582	12,811,167
LFA 04-07-004 (Village 3, Phase 4 Improvements)	07/13/04	8,204,999	13,624,832
LFA 06-01-001 (Kingsley Drive North)	01/31/06	6,417,644	10,329,448
LFA 06-01-002 (Additional Village 4 Improvements)	01/31/06	9,392,437	14,608,001
LFA 06-08-001 (Additional Sidewalks)	08/28/06	2,356,305	2,833,779
LFA 06-01-003 (Remaining Village 4 Improvements)	01/30/06	7,120,532	8,647,692
LFA 06-08-003 (S.H. 228 Frontage Road)	08/31/06	1,276,667	1,661,235
LFA 07-03-001 (Village 7, Phase 1 Broadway Improvements)	3/12/2007	1,271,499	1,811,131
LFA 08-05-001 (Broadway to FM 521)	5/5/2008	9,482,989	1,086,636
LFA 08-05-002 (Broadway Landscape - Northside)	5/5/2008	1,158,218 *	-
LFA 10-06-001 (Discovery Bay Extension to SH288)	6/7/2010	912,908	-
LFA 10-06-002 (SCH-4 Site)	6/7/2010	2,530,620	-
LFA 10-06-003 (SCH-5 Site)	6/7/2010	4,935,370	-
LFA 13-06-001 (SCH-3 Site)	6/24/2013	2,382,379	-
LFA 06-10-001 (Road Infrastructure, Pipeline Relocation and Site Drainage; Part of 2nd Plan Amendment)	10/23/06	9,949,618	-
LFA 07-03-002 (Shadow Creek Ranch Town Center Improvements; Part of 2nd Plan Amendment)	03/12/07	1,851,598	-
LFA 08-01-001 (Broadway Improvements) City of Pearland	1/15/2008	8,449,086	-
LFA 12-06-001 (Village 7, Phase 1)	6/11/2012	10,571,086	
LFA 13-06-002 (Southlake Phase 2)	6/24/2013	9,102,286	
LFA 14-06-001 (Southlake Phase 3)	6/24/2013	3,548,252	
LFA 14-06-002 (South Grove Phase 1)	6/23/2014	7,448,692	
LFA 16-08-001 (Road to serve Reserve at Shadow Cree	8/8/2016	2,075,106	
LFA 17-10-001 (CR 59 Improvements)	10/23/2017	1,091,520	
LFA 04-07-001 (Primary Entry Costs)	7/13/2004	92,393	
		\$ 207,623,680	\$ 177,264,378

(1) LFA amounts have been adjusted for inflation per the Project and Financing Plan and related budget.

(2) Amounts reimbursed include actual interest per the Developer Reimbursement Agreement.

* Actual costs exceeded the amount of the LFA. Per the governing agreements, reimbursement is limited to the amount of the LFA

4. The information provided in this section is in accordance with §311.016 (a) (4) of the Texas Tax Code, which requires inclusion of the tax increment base and current captured appraised value retained by the zone.

In each year subsequent to the base year, the Zone will receive tax increment revenue based on ad valorem property taxes levied and collected by each participating taxing unit on the captured appraised value of the Zone. The captured appraised value of the Zone is the total appraised value of all real property located within the Zone as of January 1, less the total appraised base year (January 1, 1998) value.

As of December 31, 2017, development schedules for the original Zone remained unchanged from projections in the Project Plan. However, because the pace of development is unpredictable, and because the Project Plan provides a best estimate of captured appraised values, the actual captured appraised value in any future year may not equal the projected estimates of such value.

As of January 1, 1998, the base year for the Zone, the area encompassed by the original Zone was undeveloped land, with a total appraised value of \$7,172,980. On January 1, 2017, the area encompassed by the original Zone had a total appraised value of \$2,243,875,455. As a result, the total captured appraised value (net base year value and exemptions) on the tax roll as of January 1, 2017, was \$2,236,702,475 for the City, as illustrated in Table B.

The City of Pearland base year (2006) value for the 457± acres annexed in the 1st Plan Amendment was \$4,381,680. As of January 1, 2017, the total appraised value was \$190,978,368. As a result, the total captured appraised value on the roll as of January 1, 2017, was \$186,596,688. All lands associated with the 2nd Plan Amendment are within the boundaries of the original Zone. All lands associated with the 3rd Plan Amendment are either owned by a municipality or are dedicated right-of-way with no taxable value.

5. The information provided in this section is in accordance with §311.016 (a) (5) of the Texas Tax Code, which requires inclusion of the captured appraised value shared by the municipality and other taxing units, the total amount of tax increments received, and any additional information necessary to demonstrate compliance with the tax increment financing plan adopted by the governing body of the municipality.

As previously stated, the City, Brazoria County, Fort Bend County and Alvin ISD are the only taxing units currently participating in the Zone. As of January 1, 2017, the total captured appraised value in the TIRZ was \$2,423,299,163 for the original and annexed areas of the Zone. The total amount of tax increment revenue received is detailed in Table C.

(This report was written in accordance with the provisions of Chapter 311.016 of the Texas Tax Code)

**REINVESTMENT ZONE NUMBER TWO
CITY OF PEARLAND, TEXAS**

**2017 ANNUAL REPORT
EXHIBITS**

Exhibit I

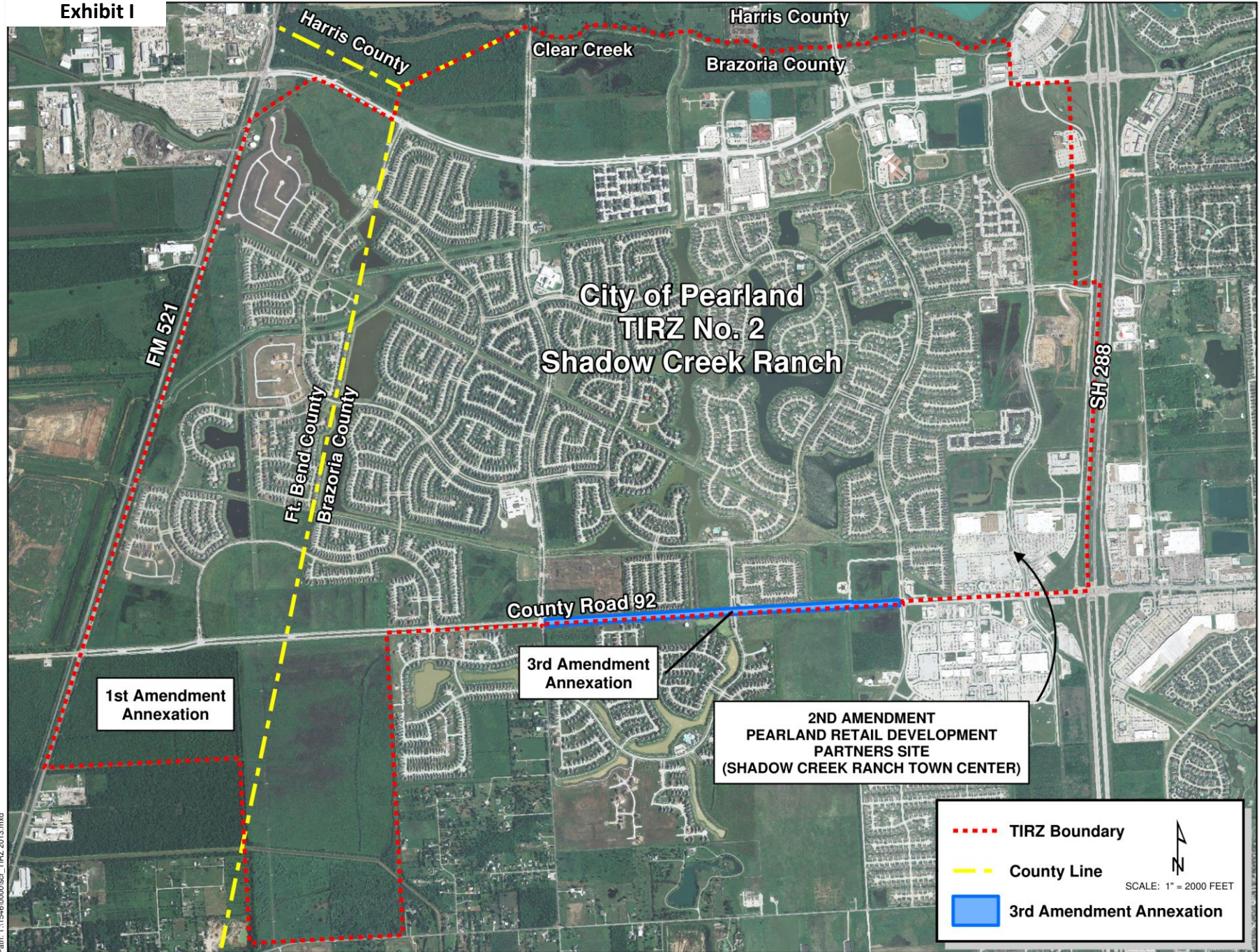




Exhibit 2

Marsh Darcy Partners, Inc.
8955 Katy Freeway, Suite 215
Houston, Texas 77024