

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



**ANNUAL REPORT  
2019**

# TABLE OF CONTENTS

City of Pearland, Texas, City Council.....	3
TIRZ Board of Directors .....	4
Description of the Zone.....	5
Purpose of the Zone .....	6
State of the Zone and Plan Implementation in 2019.....	7

## **TABLES**

TABLE A: Taxing Entity Percent Participation.....	7
TABLE B: Base Values by Jurisdiction.....	8
TABLE C: Revenue Fund Balance by Year.....	8
TABLE D: Project Plan & Reinvestment Zone Financing Plan Budget .....	10
TABLE E: Outstanding Debt as of Fiscal Year End.....	12
TABLE F: Letter Finance Agreements Approved for Reimbursement.....	13

## **APPENDICES**

Exhibit 1: Zone Boundary Map.....	16
Exhibit 2: Amended Zone Boundary Map.....	17
Exhibit 3: Development Status – 1999 vs 2019.....	18

## **COMPLIANCE**

### **Texas Tax Code Section 311.016 (a):**

(1) .....	7
(2) .....	9
(3) .....	12
(4) .....	14
(5) .....	14

# CITY OF PEARLAND, TEXAS CITY COUNCIL

## 2019 Council Members

<b>Mayor</b>	Hon. Tom Reid
<b>Mayor Pro-Tem</b>	Hon. J. David Little, Position 5
<b>Council Member</b>	Hon. Luke Orlando, Position 1
	Hon. Tony Carbone, Position 2
	Hon. Gary Moore, Position 3
	Hon. Adrian Hernandez, Position 4
	Hon. Trent Perez, Position 6
	Hon. Woody Owens, Position 7

## City Staff

<b>City Manager</b>	Clay Pearson
<b>Director of Finance</b>	Cynthia Pearson

# REINVESTMENT ZONE NUMBER TWO CITY OF PEARLAND, TEXAS

## BOARD OF DIRECTORS

### 2019 Board Members

- Position 1 Buck Stevens  
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 (resigned 10/28/19)  
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 Geoff Tonini  
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.

## **1<sup>st</sup> 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.

## **2<sup>nd</sup> 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.

## **3<sup>rd</sup> 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.

## **4<sup>th</sup> Plan Amendment**

On August 13, 2018, by Ordinance 1562 of the City, the Project Plan was amended to increase the budget amounts for various categories of improvements to fund public safety, library, parks and recreation, landscaping, and transportation projects. All proposed projects were within the previously approved Infrastructure budget category. This amendment was necessary to update cost estimates and to meet the level of service expected from current residents that could not be anticipated at the time of the original Zone creation.

## **5<sup>th</sup> Plan Amendment**

On December 9, 2019, by Ordinance 1585 of the City, the Project Plan was amended to increase the budget amounts for the infrastructure and city facility categories of improvements to fund a portion of the FM 521 improvement project and additional funds for the library project. The currently projected increment for the remaining life of the Zone is exceeding original expectations such that sufficient increment is projected to be available to fully fund this amendment.

## **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 2019

**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 twentieth year.

**TABLE A  
Taxing Entity Participation**

<b>Taxing Entity</b>	<b>Zone Years</b>	<b>Participation</b>
<b>City of Pearland</b>	9 through 30	100% of taxes collected at current tax rate on Captured Appraised Value (1)
<b>Brazoria County</b>	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.
<b>Fort Bend County</b>	11 through 20	100% of taxes collected at current tax rate on Captured Appraised Value, up to a maximum tax rate of .468075 (2)
<b>Alvin ISD</b>	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 2019 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, 2019.

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

Taxing Entity	Base Year	Base Value	2019 Value (2)	Captured Value
<b>Original Zone</b>	<b>1998</b>			
City of Pearland		7,172,980	2,382,152,160	2,374,979,180
Brazoria County		4,143,160	1,958,563,603	1,954,420,443
Fort Bend County		3,029,820	474,369,102	471,339,282
Alvin ISD		4,143,160	1,864,197,225	1,860,054,065
<b>1st Plan Amendment (3) (4) (5)</b>	<b>2006</b>			
City of Pearland		4,381,680	309,932,393	305,550,713
Brazoria County		3,354,830	172,026,048	168,671,218
Fort Bend County		1,026,850	87,125,800	86,098,950
<b>Overall Zone</b>				
City of Pearland			2,692,084,553	2,680,529,893
Brazoria County			2,130,589,651	2,123,091,661
Fort Bend County			561,494,902	557,438,232
Alvin ISD			2,072,839,085	1,860,054,065

(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, 2019.

(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.

(5) Plan Amendment 4 (adopted in 2018) and Amendment 5 (adopted in 2019) did not add any additional land to the boundary of the Zone.

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

Year	2014	2015	2016	2017	2018	2019
City of Pearland Revenue	\$ 12,326,867	\$ 10,624,549	\$ 14,362,791	\$ 15,978,750	\$ 17,760,605	18,318,960.42
Rebate to City for Administrative Costs (2)	\$ (7,865,023)	\$ (6,803,968)	\$ (9,192,187)	\$(10,226,400)	\$(11,366,788)	(10,850,347.92)
Brazoria County Revenue	\$ 1,527,826	\$ 1,674,994	\$ 1,809,824	\$ 2,089,520	\$ 2,282,782	2,370,183.34
Alvin ISD Revenue (3)	\$ 4,167,334	\$ 4,933,323	\$ 5,159,693	\$ 6,015,299	\$ 6,646,434	6,675,667.83
Other Revenue	\$ 1,348,416	\$ 1,476,931	\$ 1,663,842	\$ 1,993,467	\$ 1,999,108	1,672,034.71
Fort Bend County Revenue	\$ 725,795	\$ 929,041	\$ 1,339,271	\$ 1,611,047	\$ 1,807,656	1,877,665.61
Expenditures for Zone Administration	\$ (16,427)	\$ (22,208)	\$ (19,986)	\$ (37,912)	\$ (81,293)	(51,643.83)
Transfers to Development Authority	\$(11,494,978)	\$(12,666,896)	\$(14,572,487)	\$(15,977,530)	\$(15,609,092)	(18,642,641.00)
<b>Fund Balance (4)</b>	<b>\$ 2,999,404</b>	<b>\$ 2,510,500</b>	<b>\$ 3,784,026</b>	<b>\$ 3,863,404</b>	<b>\$ 6,241,023</b>	<b>4,779,082.99</b>

(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 12/31/18, AISD had \$9,480,934.50 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.

**4th Plan Amendment**

The list of project costs was amended a fourth time with the approval of the 4th Plan Amendment, which included improvements estimated to total \$52,324,235. This amendment addressed the need to update the cost estimates for previously approved budget categories. In 2019, the City of entered into Letter Finance Agreements to advance fund three of the eligible projects.

**5th Plan Amendment**

The list of project costs was amended a fifth time with the approval of the 5th Plan Amendment, which included improvements estimated to total \$7,729,000. This amendment added an additional infrastructure project for FM 521 and updated the cost estimate for the library project. In 2019 Fort Bend County and the City of Pearland entered into Letter Finance Agreements to advance fund three of the eligible improvements.

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, TX**  
**Budget**

Jan. 1999 ENR Index = 6000  
 Jan. 2006 ENR Index = 7600  
 Jan. 2018 ENR Index = 10878  
 Jan. 2019 ENR Index = 11206

Item	TIRZ Budget as approved <sup>(1)</sup> (08/23/99)	1st Plan Amendment <sup>(2)</sup> (03/27/06)	2nd Plan Amendment <sup>(2)</sup> (10/23/06)	3rd Plan Amendment <sup>(2)</sup> (10/23/06)	4th Plan Amendment <sup>(3)</sup> (06/18/18)	5th Plan Amendment <sup>(4)</sup> (10/28/19)	TIRZ Budget as Amended <sup>(5)</sup>
Infrastructure							
Streets							
Pavement	12,610,050	1,634,000					14,244,050
Sidewalls	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 Sysem	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
Beautificaiton/Deepening/Pond Creation			200,000				200,000
Site Drainage Facilities			1,842,000				1,842,000
Park 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 Hemann Drive			67,500				67,500
Overhead Utilities Placed Underground			1,200,000				1,200,000
Pipelng 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 Reimbrusables							
Miscellaneous	150,000						150,000
Signal	100,000						100,000
SH 288 Access Road	1,000,000						1,000,000
FM 518 Improvemens		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
Enviornmental Study Costs		100,000					100,000
Shadow Creek Ranch Park Phase II					9,720,000		9,720,000
Shadow Creek Trail - SCR Park Trail to Kirby and SCR Trail System					767,760		767,760
Shadow Creek Trail Phase II - Along Clear Creek Relief Ditch & Library Trail					1,470,000		1,470,000
Shadow Creek Parkway Landscaping, Street Lighting & Sidewalks					7,140,000		7,140,000
Intersection Improvements (BCD/SCP, BCD/Broadway, etc)					7,957,160		7,957,160
Sidewalk Extensions					1,137,701		1,137,701
FM 521 Expansion Project						2,479,000	2,479,000
Subtotal	108,267,923	34,474,218	11,574,618	8,000,000	28,192,621	2,479,000	192,988,380

(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 amended Budgets as approved in 2018 are shown in 2018 dollars and have not been adjusted for inflation.  
 (4) The amended Budgets as approved in 2019 are shown in 2019 dollars and have not been adjusted for inflation.  
 (5) The Budget as amended shows budget line items as approved in their respective years without adjustment for inflation.

**Table D (continued)**

Item	TIRZ Budget as approved <sup>(1)</sup> (08/23/99)	1st Plan Amendment <sup>(2)</sup> (03/27/06)	2nd Plan Amendment <sup>(2)</sup> (10/23/06)	3rd Plan Amendment <sup>(2)</sup> (10/23/06)	4th Plan Amendment <sup>(3)</sup> (06/18/18)	5th Plan Amendment <sup>(4)</sup> (10/28/19)	TIRZ Budget as Amended <sup>(5)</sup>
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
<b>Infrastructure Total</b>	<b>109,633,923</b>	<b>34,724,218</b>	<b>11,749,618</b>	<b>8,000,000</b>	<b>28,192,621</b>	<b>2,479,000</b>	<b>194,779,380</b>
City Facilities							
Library							
Improvements	2,395,000				14,253,174	5,250,000	21,898,174
Land Costs	105,000						105,000
Fire/Police Station							
Improvements	2,255,000				9,878,439		12,133,439
Land Costs	245,000						245,000
<b>City Facilities Total</b>	<b>5,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24,131,614</b>	<b>5,250,000</b>	<b>34,381,614</b>
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
<b>Educational Facilities Total</b>	<b>134,100,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>134,100,000</b>
<b>Grand Total</b>	<b>248,733,923</b>	<b>34,724,218</b>	<b>11,749,618</b>	<b>8,000,000</b>	<b>52,324,235</b>	<b>7,729,000</b>	<b>363,260,994</b>

(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 amended Budgets as approved in 2018 are shown in 2018 dollars and have not been adjusted for inflation.

(4) The amended Budgets as approved in 2019 are shown in 2019 dollars and have not been adjusted for inflation.

(5) 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 2019, four new Letter Financing Agreements (LFA) were approved: LFAs 19-10-001, 19-10-002, 19-10-003, and 19-10-004.

**City Funded Improvements:**

- There were no City funded projects in 2019.

**TxDOT Funded Improvements:**

- There were no TxDOT funded projects in 2019.

**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, 2017, 2018, and 2019. 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, 2019**

<b>Tax increment Contract Revenue Bonds</b>	<b>Principal Amount Issued</b>	<b>Principal Amount Outstanding</b>	<b>Total Debt Service Outstanding</b>
<b>Series 2013</b>	\$9,150,000	\$6,765,000	\$8,313,339
<b>Series 2014</b>	\$8,060,000	\$5,400,000	\$6,240,480
<b>Series 2015</b>	\$66,030,000	\$48,340,000	\$55,870,205
<b>Series 2016</b>	\$12,320,000	\$9,945,000	\$11,199,078
<b>Series 2017</b>	\$8,555,000	\$7,425,000	\$8,395,830
<b>Series 2018</b>	\$5,835,000	\$5,440,000	\$6,511,252
<b>Series 2019</b>	\$4,255,000	\$4,255,000	\$4,711,454
<b>Total</b>	\$114,205,000	\$87,570,000	\$101,241,637

In addition to developer reimbursements made via the sale of bonds, the DAP has also made payments from cash reserves. In 2019 the DAP made direct payments to the developer totaling \$8,482,349. Total direct payments as of the end of 2019 for the DAP is \$84,827,987, 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 2019.

TABLE F  
Letter Finance Agreements Approved for Reimbursement

Letter Finance Agreement (LFA)	LFA Date	LFA Amount (1)	Reimbursements Through 2019 (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	8,723,886
LFA 08-05-002 (Broadway Landscape - Northside)	5/5/2008	1,158,218 *	222,515
LFA 10-06-001 (Discovery Bay Extension to SH288)	6/7/2010	912,908	697,765
LFA 10-06-002 (SCH-4 Site)	6/7/2010	2,530,620	2,784,626
LFA 10-06-003 (SCH-5 Site)	6/7/2010	4,935,370	5,417,807
LFA 13-06-001 (SCH-3 Site)	6/24/2013	2,382,379	2,222,811
LFA 06-10-001 (Road Infrastructure, Pipeline Relocation and Site Drainage; Part of 2nd Plan Amendment)	10/23/06	9,949,618	5,829,736
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 19-10-001 (City of Pearland Fire Station #8)	10/28/2019	13,825,472	
LFA 19-10-002 (Shadow Creek Ranch Library)	10/28/2019	24,050,284	
LFA 19-10-003 (Nature Trail Connection)	10/28/2020	790,910	
LFA 19-10-004 (FM 521 Improvements)	10/28/2020	2,479,000	
		\$ 248,676,953	\$ 202,076,888

(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, 2019, the captured value of the Zone as amended had exceeded the original Project Plan projections of value at the end of the Zone. However, because the pace of development is unpredictable 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, 2019, the area encompassed by the original Zone had a total appraised value of \$2,382,152,160. As a result, the total captured appraised value (net base year value and exemptions) on the tax roll as of January 1, 2019, was \$2,374,979,180 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, 2019, the total appraised value was \$309,932,393. As a result, the total captured appraised value on the roll as of January 1, 2019, was \$305,550,713. The 2<sup>nd</sup>, 4<sup>th</sup>, and 5<sup>th</sup> Plan Amendments did not add any land to 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, 2019, the total captured appraised value in the TIRZ was \$2,680,529,893 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**

**2019 ANNUAL REPORT  
EXHIBITS**

Exhibit 1: Zone Boundary Map

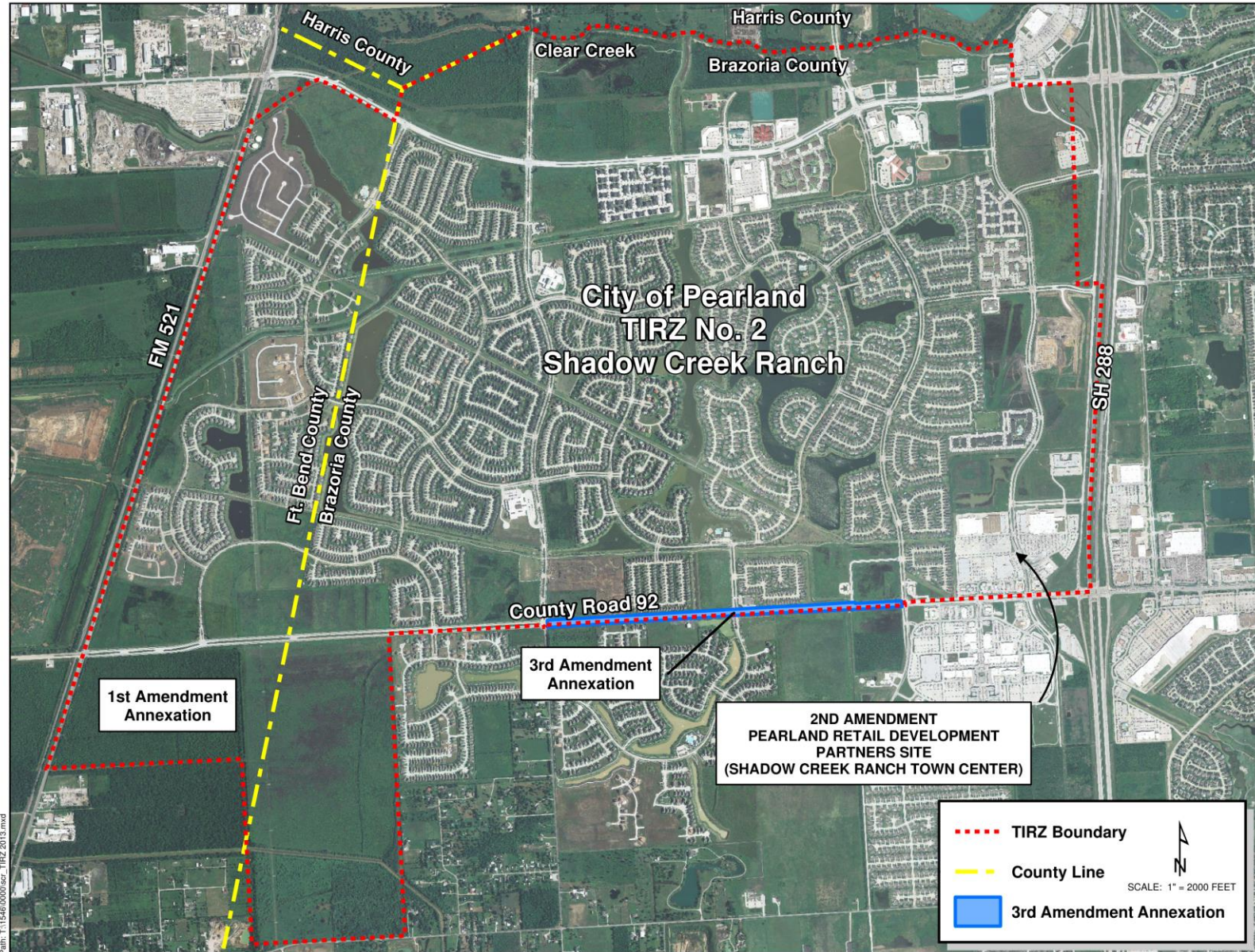




Exhibit 2: Amended Zone Boundary Map

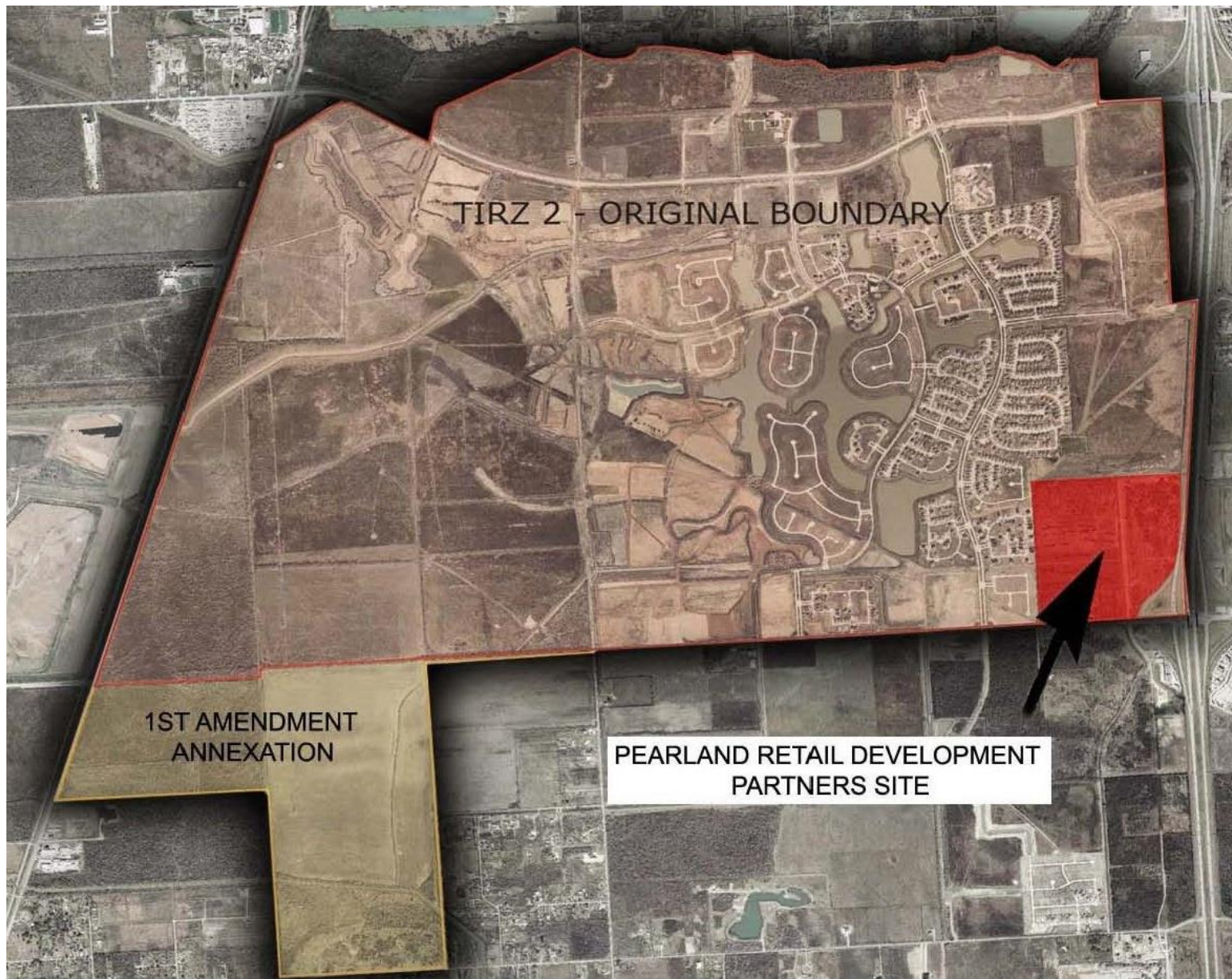


Exhibit 3: Development Status – 1999 vs 2019



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