

**MINUTES OF THE BOARD OF DIRECTORS MEETING
TAX INCREMENT REINVESTMENT ZONE NUMBER TWO / SHADOW CREEK RANCH
CITY OF PEARLAND TEXAS
OCTOBER 18, 2021 | 4:00 P.M.
CITY HALL ANNEX BUILDING, 3523 LIBERTY DRIVE, PEARLAND, TEXAS**

I. CALL TO ORDER AND ROLL CALL

Chair Phillips called the meeting to order at 4:00 p.m. and declared a quorum.

Directors, City Staff and Consultants present were:

Henry Fuertes, City of Pearland representative board member
Tommy King, representative of State Rep Ed Thompson board member
Kenneth Phillips, City of Pearland representative, board member/chair
David Selsky, City of Pearland/Alvin ISD representative board member
Michael Slevens, City of Pearland representative board member
Buck Stevens, representative of Senator Larry Taylor board member
Trent Epperson, Deputy City Manager, City of Pearland
Ron Fraser, Assistant City Manager, City of Pearland
Robert Upton, Director of Engineering for City of Pearland
Kristen Woolley, Deputy Finance Director, City of Pearland
Suewan Johnson/ABHR attorney for the TIRZ
Alan Mueller, Sue Darcy, a Jan Buehler with Marsh Darcy Partners administrators for the TIRZ

II. PUBLIC COMMENTS

There were no comments.

III. PURPOSE OF THE MEETING:

- 1. Consideration and Possible Action - Regarding the Regular Meeting Minutes of the February 4, 2021, Tax Increment Reinvestment Zone Number 2 (TIRZ No. 2) Board of Directors Meeting.**
A motion by Director Stevens to approve the Regular Meeting Minutes of February 4, 2021, as presented was seconded by Director Fuertes, and passed unanimously.
- 2. Consideration and Possible Action - Financial Report for the period ending July 31, 2021 (unaudited).**
Ms. Woolley reviewed the Income Statement through July 31, 2021, noting the TIRZ collected \$30.1 million in property tax revenue to date for the fiscal year. The report indicated that interest earnings were \$14,000, invoices approved and paid \$33,000, administrative fees paid to the City \$9.6 million, and a net gain of \$21 million. Chair Phillips advised that he and Director King, as members of the invoice review committee, authorized payment of all invoices.
A motion by Director Fuertes to approve the Financial Report as presented was seconded by Director Selsky, and passed unanimously.
- 3. Consideration and Possible Action - Investment Report for the Quarter Ending June 2021.**
Ms. Woolley presented the Quarterly Investment Report for the period ending June 30, 2021, and reported that, due to market conditions, funds were not placed in any investments other than the standard bank account, and interest earned in the quarter was \$5,221.51. Chair Phillips clarified that the funds are held in a Wells Fargo money market account as directed by the City's financial advisor.
A motion by Chair Phillips to approve the Investment Report as presented was seconded by Director Stevens and passed unanimously.

4. Consideration and Possible Action – 2020 Annual Report.

Mr. Mueller presented the report to highlight changes from the previous year and reminded that the information is based on the calendar year 2020. Chair Phillips requested clarification of the LFA amount column in Table F to which Mr. Mueller advised that the column amount indicates the original LFA amount, and that the actual reimbursement amount includes interest. He reiterated that the list is prepared by the Zone's CPA.

A motion by Director Stevens to accept the 2020 Annual Report as presented was seconded by Director Fuertes and passed unanimously.

5. Consideration and Possible Action – Ratification of invoices authorized for payment by the Invoice Review Committee and approving invoices presented for payment.

Mr. Mueller stated that the Invoice Review Committee (IRC) consists of Directors Phillips and King who review consultants' invoices on a monthly basis. Reviewing the summary list of invoices, Mr. Mueller stated that invoices 1-13 were reviewed and recommended by the IRC and paid by the City and presented to be ratified by the board. Newly-received invoices 14-22 had not been reviewed by the IRC and are presented for board approval. Discussion followed with all questions being answered satisfactorily.

A motion by Director Selsky to approve invoices 1-22 as presented was seconded by Director Fuertes and passed unanimously.

6. Consideration and Possible Action – New Letter Finance Agreements.

a. Amend LFA 20-09-001 (Project Area Map Revision)

Mr. Mueller stated that the Project Vicinity Map exhibit needed to be replaced with one illustrating an enhanced outline of the area that is eligible for improvement with no change in the authorized budget amount.

A motion by Chair Phillips to approve the amendment to the LFA 20-09-001 document as presented was seconded by Director Selsky and passed unanimously.

7. Consideration and Possible Action – Completed Letter Finance Agreements.

Mr. Mueller advised that there were no completed LFAs.

8. Consideration and Possible Action – Ratification of Development Authority of Pearland developer reimbursements from available surplus increment.

Mr. Mueller reported that the DAP had met prior to this meeting on their regular schedule to meet required deadlines. Mr. Mueller reviewed the August 15, 2021, TIRZ to DAP transfer report noting that the TIRZ Fund Balance as of August 15, 2021, was \$28,048,560.11, the holdbacks for the AISD suspense fund and administration costs were \$7,056,260.78 and \$75,000 respectively. Per the agreements between the DAP and TIRZ, the \$20,917,299.33 net available balance was transferred to the DAP soon after August 15th. The DAP uses the funds to pay the debt service on their bonds or make developer reimbursements. Mr. Mueller completed the review noting that, after the DAP expenses and reserves of \$11,040,741.25, the net available for cash reimbursements in FY 2022 was \$10,876,480.18. The McGrath & Co. report on applying Agreed-Upon Procedures for the distribution of surplus revenue was reviewed noting that \$6,899,802 was dispersed to City of Pearland and \$3,976,578 to 518 SCR. Ltd.

A motion by Director King to ratify the actions of the DAP as presented was seconded by Director Selsky and passed unanimously.

9. Discussion Item – LFA and financial projection update.

Mr. Mueller reviewed the Property Value Projections noting the January 2021 valuation had not yet been certified by the Appraisal District, so an estimated value was used in this projection. Based on this assumption, the assumed future property value growth rate of 2% annually, and the current tax rates of each jurisdiction, the projection shows that all LFAs get reimbursed, but the ending DAP balance at the end of the Zone is now only projected to be \$524,000, which is down from approximately \$8,000,000 in the prior projection. Chair Phillips asked when the bonds would be

paid off to which Mr. Mueller confirmed that would be in 2029. Ms. Darcy and Mr. Mueller pointed out that in the value projections commercial growth was not considered but could be in future projections if a specific commercial development is known to be in development.

10. Discussion Item – City of Pearland projects update.

Mr. Upton reviewed a visual presentation mapping each of the TIRZ projects and provided an update of same, to include: Pearland Library to be completed end of December under budget; fire station #8 is complete with documentation to be submitted in November to LFA for audit; phase 2 of the sports complex at Shadow Creek Regional Park to complete end of October; Shadow Creek trail is complete with documentation being prepared for submittal; further extension of the trail is currently in design phase; the landscaping, street lighting and beautification of sidewalks with Shadow Creek Parkway is in design; intersection improvements at various locations; various sidewalk extensions will be out for bid; widen FM521 from FM2234 to Highway 6 funded by TxDOT and led by Fort Bend County.

Chair Phillips asked for clarification regarding the timing of payments for developer projects and City projects to which Ms. Darcy advised that the City is treated on par with private developers for purposes of being placed in priority order for reimbursements. Mr. Mueller advised that there is only one remaining private developer LFA that has not been audited and is already placed in priority order for reimbursement. That one remaining project is completed and the paperwork is being prepared for the audit to be considered at the next meeting. There was further clarification that reimbursement payments are made in order of the date of completed audit.

11. Discussion Item – Comments by Mayor Cole, TIRZ Board members or TIRZ Consultants.

There was no discussion.

IV. ADJOURN

There being no further business, Director Selsky moved to adjourn at 4:50pm, which was seconded by Chair Phillips.

APPROVED:

Kenneth R. Phillips
Chair, Board of Directors

ATTEST:

Board of Directors

Minutes approved as submitted and/or amended on _____

PEARLAND TIRZ #2
APPROVAL OF INVOICES FOR PAYMENT
February 22, 2022

	<u>VENDOR</u>	<u>INVOICE NUMBER</u>	<u>INVOICE DATE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
<u>Approved by Invoice Review Committee</u>					
1	Marsh Darcy Partners	3467	11/1/2021	TIRZ Administration	\$ 1,841.96
2	ABHR	123823	11/9/2021	Professional Legal Services	\$ 1,924.20
3	Marsh Darcy Partners	3477	12/1/2021	TIRZ Administration	\$ 881.96
Subtotal					\$ 4,648.12
 <u>Other Invoices for Board Review</u>					
4	Marsh Darcy Partners	3486	1/1/2022	TIRZ Administration	\$ 137.50
5	Marsh Darcy Partners	3492	2/1/2022	TIRZ Administration	\$ 2,045.00
6	ABHR	124565	12/10/2021	Professional Legal Services	\$ 358.75
7	McGrath & Co.	3882	2/22/2022	AUP Reviews	\$ 3,850.00
Subtotal					\$ 6,391.25
<u>Total</u>					\$ 11,039.37

Invoices Attached

MARSH DARCY PARTNERS, INC.

8955 Katy Freeway, Suite 215
 Houston, TX 77024
 713.647.9880



BILL TO
 City of Pearland
 Tax Increment Reinvestment Zone 2
 3519 Liberty Dr.
 Pearland, TX 77581

INVOICE 3467
DATE 11/01/2021
TERMS Due on receipt

PROJECT:
 TIRZ 2

Billable Time

Sue Darcy	Conv/ Suewan Johnson re: issues related to preparation of city receipt for reimbursement payment; review and monitor various emails re: same	0:30	215.00	10/04/2021	107.50
Alan Mueller	Update consultant invoices for rescheduled Board meeting. Track execution of receipts and file same.	0:45	195.00	10/06/2021	146.25
Sue Darcy	Discuss status of board meeting preparations w/ Jan Buehler; follow up on same w/ Alan Mueller; review and monitor various emails re: same.	0:30	215.00	10/07/2021	107.50
Jan Buehler	Update agenda for 10/18 board meeting to replace cancelled 9/22; received additional agenda materials from Alan Mueller to prepare new board packet.	0:30	80.00	10/07/2021	40.00
Alan Mueller	Compile additional consultant invoice for Board agenda	0:15	195.00	10/12/2021	48.75
Jan Buehler	Emailed Agenda to post to Crystal Roan; received confirmation. PDF of 10/18 board packet finalized.	0:45	80.00	10/13/2021	60.00
Jan Buehler	Email 10.18.2021 meeting confirmation with board packet to Directors/Consultants/City Staff.	0:15	80.00	10/14/2021	20.00
Sue Darcy	Prepare for, attend, and debrief from meeting of board of directors.	1:30	215.00	10/18/2021	322.50
Jan Buehler	Email reminder to directors for meeting	2:00	80.00	10/18/2021	160.00

this date. Prepare meeting materials.
Attend meeting of the board of directors.

Alan Mueller	Prepare for, attend, and follow up to TIRZ Board meeting	2:00	195.00	10/18/2021	390.00
Jan Buehler	Board-approved 2020 Annual Report to Crystal Roan, Kristen Woolley, Amy Johnson for Council. 10/18 meeting debrief; file.	0:30	80.00	10/19/2021	40.00
Jan Buehler	Respond to request from Kristen Woolley: provided approved minutes from 09.23.2020 and 02.04.2021 meetings.	0:15	80.00	10/20/2021	20.00
Sue Darcy	Prepare Comptroller Form 50-506 based on adopted 2020 Annual report; relay same to JB for transmittal to Comptroller; update Alan Mueller re: same.	1:30	215.00	10/21/2021	322.50
Jan Buehler	Respond to request from Kristen Woolley for approved minutes of 10.28.2019 meeting.	0:15	80.00	10/22/2021	20.00
Subtotal: Billable Time					1,805.00
Billable Expenses					
	Mileage: Attend Board of Directors Mtg. City Hall, 3523 Liberty Dr., Pearland, TX			10/22/2021	36.96
Subtotal:					36.96

BALANCE DUE

\$1,841.96

ABHR

ALLEN BOONE HUMPHRIES ROBINSON LLP

Taxpayer ID 74-3091731

November 09, 2021

REINVESTMENT ZONE NO. 2, CITY OF PEARLAND, TEXAS

Ms. Jan Buehler
Marsh Darcy Partners, Inc.
8955 Katy Freeway, Suite 215
Houston, TX 77024

Client/Matter: PRZ002-01
Statement Number: 123823
Billing Attorney: Lynne B. Humphries

General

Professional Fees

Fees for services posted through October 29, 2021, as follows:

<u>Date</u>	<u>Professional</u>		<u>Hours</u>
09/29/21	Erika Smiley	Draft reimbursement receipts for City of Pearland and developer; submit to attorney for review. Transmit the same for execution	1.75
10/04/21	Lynne B. Humphries	Receive and review and respond to questions from the City of Pearland, Texas regarding the receipts payable to Perry Homes and Board action	0.25
10/04/21	Suewan Johnson	Attention to matters related to developer reimbursement and required approval of same; email exchanges with City of Pearland staff regarding same	0.50
10/11/21	Lynne B. Humphries	Work related to preparing for the next TIRZ No. 2 meeting and action items needed for agenda	0.25
10/11/21	Suewan Johnson	Attention to correspondence regarding next regular Board of Directors meeting	0.25
10/18/21	Suewan Johnson	Prepare for, review the meeting and action files, travel to and attend regular monthly Board of Directors meeting; follow up notes regarding pending Zone business and action items	3.00
10/19/21	Lynne B. Humphries	Receive and review question from Robert Upton at the City of Pearland, Texas regarding the phase 2 improvements and draft and answer question about spending funds for equipping the maintenance building at the park	0.25
Total Fees:			1,895.00

Expenses and Other Items

Expenses and Other Items posted through October 29, 2021, as follows:

10/18/21	SMJ	Mileage expense	25.20
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10/18/21	SMJ	Toll Charges	4.00
Total Expenses and Other Items:			<u>29.20</u>

RATE SUMMARY

<u>Professional</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
Lynne B. Humphries	Partner	355.00	0.75	266.25
Suewan Johnson	Senior Attorney	355.00	3.75	1,331.25
Erika Smiley	Legal Assistant	170.00	1.75	297.50

Total Fees:	\$ 1,895.00
Total Expenses and Other Items:	\$ 29.20
Total Amount Due:	\$ <u>1,924.20</u>

ALLEN BOONE HUMPHRIES ROBINSON LLP

To contact the ABHR Billing Department, please call 713-860-6400 or email at billing@abhr.com

November 09, 2021

REINVESTMENT ZONE NO. 2, CITY OF PEARLAND, TEXAS

Client/Matter: PRZ002-01
Statement Number: 123823
Billing Attorney: Lynne B. Humphries

General

REMITTANCE PAGE

Fees for services posted through October 29, 2021	1,895.00
Expenses and Other Items posted through October 29, 2021	29.20
Total Amount Due:	\$1,924.20

Please return this page with your payment to the remittance address below:

**Allen Boone Humphries Robinson LLP
PO Box 4346
Department 90
Houston, TX 77210-4346**

*Checks should be made payable to Allen Boone Humphries Robinson LLP
Please include the invoice number on your check
Total amount payable in U.S.dollars*

MARSH DARCY PARTNERS, INC.

8955 Katy Freeway, Suite 215
Houston, TX 77024
713.647.9880



BILL TO
City of Pearland
Tax Increment Reinvestment Zone 2
3519 Liberty Dr.
Pearland, TX 77581

INVOICE 3477
DATE 12/01/2021
TERMS Due on receipt

PROJECT:
TIRZ 2

Billable Time

Sue Darcy	Follow up w/ Alan Mueller re: potential meeting dates w/ Amy Johnson; coordinate meeting with Amy per same.	0:30	215.00	11/01/2021	107.50
Alan Mueller	Compile and transmit consultant invoice to committee	0:15	195.00	11/04/2021	48.75
Alan Mueller	Respond to request to locate clean copy of the TIRZ Reimbursement Process outline; obtain copy from ABHR and file.	0:15	195.00	11/05/2021	48.75
Sue Darcy	Review and respond to email from Amy Johnson re: Resolution R2020-180 council approval of plan amendment approved by Board of Directors; discuss w/ Jan Buehler transmittal of same to appropriate parties.	0:30	215.00	11/10/2021	107.50
Jan Buehler	Received from Amy Johnson/City of Pearland: Amendment to Letter financing, Agreement for Shadow Creek Ranch Park Phase II; TIRZ Project No. 20-09-001 executed at 11/8 Council meeting; forward to Erika Smiley/ABHR; filed.	0:15	80.00	11/10/2021	20.00
Alan Mueller	Compile and transmit approved invoices to city for payment	0:15	195.00	11/12/2021	48.75
Sue Darcy	Review and monitor emails re: city submittal of audit documentation for Fire Station #8 reimbursement. Prepare for, attend, and debrief from meeting w/ Amy Johnson to discuss TIRZ schedule and administrative issues for 20222, etc.	1:15	215.00	11/15/2021	268.75
Alan Mueller	2022 planning meeting with Amy Johnson and Sue Darcy	1:00	195.00	11/15/2021	195.00
Subtotal: Billable Time					845.00

Billable Expenses

Mileage: Mtg w/Amy Johnson at 3523 Liberty Dr, Pearland, TX	11/19/2021	36.96
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Subtotal:		36.96
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BALANCE DUE	\$881.96
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McGrath & Co., PLLC
2900 North Loop West Suite 880
Houston, TX 77092
crystal@mcgrath-co.com

INVOICE

BILL TO

Reinvestment Zone No. 2
c/o City of Pearland
3519 Liberty Drive
Pearland, Texas 77581

INVOICE # 3882
DATE 02/22/2022
DUE DATE 04/08/2022
TERMS Net 45

DESCRIPTION	AMOUNT
Final billing regarding agreed upon procedures report for future amounts reimbursable to 518SCR for LFA 17-10-001 (CR 59 Improvements) and the City of Pearland for LFA 19-10-001 (Fire Station #8) - 14 hours at \$275/hr.	3,850.00
BALANCE DUE	\$3,850.00

MARSH DARCY PARTNERS, INC.

8955 Katy Freeway, Suite 215
Houston, TX 77024
713.647.9880



BILL TO
City of Pearland
Tax Increment Reinvestment Zone 2
3519 Liberty Dr.
Pearland, TX 77581

INVOICE 3486
DATE 01/01/2022
TERMS Due on receipt

PROJECT:
TIRZ 2

Alan Mueller	Compile consultant invoices and forward to committee for review.	0:15	195.00	12/02/2021	48.75
Jan Buehler	Email transmittals of board approved 2020 TIRZ Annual Report to: Alvin ISD Board of Trustees; Brazoria County and Fort Bend County Commissioners Courts. Received updated contact information for Chief of Staff for Brazoria County Judge, Lacey Powell.	0:30	80.00	12/20/2021	40.00
Alan Mueller	Research and respond to question from city staff.	0:15	195.00	12/22/2021	48.75

BALANCE DUE

\$137.50

MARSH DARCY PARTNERS, INC.

8955 Katy Freeway, Suite 215
Houston, TX 77024
713.647.9880



BILL TO
City of Pearland
Tax Increment Reinvestment Zone 2
3519 Liberty Dr.
Pearland, TX 77581

INVOICE 3492
DATE 02/01/2022
TERMS Due on receipt

PROJECT:
TIRZ 2

Sue Darcy	Discuss issues related to City's LFA status and issues impacting need for next board meeting w/ Alan Mueller	0:15	215.00	01/04/2022	53.75
Alan Mueller	Compile and transmit consultant invoices to committee	0:15	195.00	01/04/2022	48.75
Alan Mueller	Preliminary coordination of items for next Board meeting	0:15	195.00	01/06/2022	48.75
Jan Buehler	Email to Megan Flowers, Crystal Roan, Kristen Woolley re 5/10/21 COP Council Res approval of LFA 21-02-001 to request final signed document; received fully executed document from Jennifer Cadmus/City Secy office Records Mgr; filed; forward to Alan Mueller per his request.	0:15	80.00	01/06/2022	20.00
Sue Darcy	Review and respond to emails re: amendment of map exhibit for LFA 21-02-001; follow up on issues related to same w/ Alan Mueller; relay instructions re: same to Jan Buehler for inclusion on next board agenda.	0:30	215.00	01/10/2022	107.50
Alan Mueller	Email correspondence regarding items for next Board meeting	0:15	195.00	01/14/2022	48.75
Alan Mueller	Work on annual update to financial projection model	2:00	195.00	01/17/2022	390.00
Sue Darcy	Discuss update to TIRZ financing/repayment model w/Alan Meuller; discuss issues discussion w/ city staff and/or agenda items for next board meeting; review and respond to various emails re: same.	0:45	215.00	01/18/2022	161.25
Alan Mueller	Work on annual update to financial projection model; prepare draft Board agenda and schedule review meeting with city staff	3:00	195.00	01/18/2022	585.00

Sue Darcy	Conf/call w/ Alan Mueller, Amy Johnson, Kristen Woolley to discuss issues and items for next board meeting.	0:30	215.00	01/20/2022	107.50
Alan Mueller	Prepare for, attend, and follow up to Board meeting agenda planning meeting with city staff	0:45	195.00	01/20/2022	146.25
Sue Darcy	Conv/ Alan Mueller re: status and issues related to City LFA's for board consideration and preparations for next board meeting.	0:15	215.00	01/24/2022	53.75
Sue Darcy	Conf/call w/ Alan Mueller and city staff re: issues related to pending city LFA's for board approval at next board meeting.	0:30	215.00	01/27/2022	107.50
Alan Mueller	Conference call with city staff regarding future LFAs. Phone call with LJA regarding LFA audit status. Correspondence with McGrath regarding agreed upon procedures reviews for next meeting	0:45	195.00	01/27/2022	146.25
Jan Buehler	Review calendars for TIRZ board meeting dates 3/1 or 3/2 3 or 4pm; hold re Sue Darcy, Alan Mueller, Jan Buehler. Email to Ken Phillips re availability for suggested dates/times.	0:15	80.00	01/31/2022	20.00

BALANCE DUE

\$2,045.00

ABHR

ALLEN BOONE HUMPHRIES ROBINSON LLP

Taxpayer ID 74-3091731

December 10, 2021

REINVESTMENT ZONE NO. 2, CITY OF PEARLAND, TEXAS

Ms. Jan Buehler
Marsh Darcy Partners, Inc.
8955 Katy Freeway, Suite 215
Houston, TX 77024

Client/Matter: PRZ002-01
Statement Number: 124565
Billing Attorney: Lynne B. Humphries

General

Professional Fees

Fees for services posted through November 19, 2021, as follows:

<u>Date</u>	<u>Professional</u>		<u>Hours</u>
11/05/21	Allison Mayer	Work on Zone files to ensure city has all documents	0.25
11/05/21	Lynne B. Humphries	Follow up related to and respond to questions about the reimbursement proceeds and tracking	0.25
11/05/21	Suewan Johnson	Attention to request from Zone administrator regarding District files	0.25
11/08/21	Allison Mayer	Work on ensuring city has all documents in the zone files.	0.25
11/09/21	Lynne B. Humphries	Follow up from the last Board of Directors meeting and respond to questions about schedule for meetings	0.25

Total Fees: 358.75

RATE SUMMARY

<u>Professional</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
Lynne B. Humphries	Partner	355.00	0.50	177.50
Suewan Johnson	Senior Attorney	355.00	0.25	88.75
Allison Mayer	Records Administrator	185.00	0.50	92.50

Total Fees:	\$	358.75
Total Expenses and Other Items:	\$	0.00
Total Amount Due:	\$	358.75

ALLEN BOONE HUMPHRIES ROBINSON LLP

To contact the ABHR Billing Department, please call 713-860-6400 or email at billing@abhr.com

December 10, 2021

REINVESTMENT ZONE NO. 2, CITY OF PEARLAND, TEXAS

General

Client/Matter: PRZ002-01
Statement Number: 124565
Billing Attorney: Lynne B. Humphries

REMITTANCE PAGE

Fees for services posted through November 19, 2021	358.75
Expenses and Other Items posted through November 19, 2021	0.00
Total Amount Due:	\$358.75

Please return this page with your payment to the remittance address below:

**Allen Boone Humphries Robinson LLP
PO Box 4346
Department 90
Houston, TX 77210-4346**

*Checks should be made payable to Allen Boone Humphries Robinson LLP
Please include the invoice number on your check
Total amount payable in U.S.dollars*

Property Value History

February 3, 2022

		City of Pearland		Brazoria County		Fort Bend County		Alvin ISD	
Based on Values as of 1/1		Value	Percentage Growth Rate	Value	Percentage Growth Rate	Value	Percentage Growth Rate	Value	Percentage Growth Rate
Certified	2017	\$ 2,351,322,240		\$ 1,718,175,086		\$ 397,100,629		\$ 1,864,497,277	
Certified	2018	\$ 2,650,588,911	12.73%	\$ 1,783,800,576	3.82%	\$ 411,652,645	3.66%	\$ 1,888,874,848	1.31%
Certified	2019	\$ 2,856,068,385	7.75%	\$ 2,031,766,271	13.90%	\$ 465,388,372	13.05%	\$ 2,231,225,328	18.12%
Certified	2020	\$ 3,015,025,304	5.57%	\$ 2,150,208,394	5.83%	\$ 493,610,141	6.06%	\$ 2,360,428,396	5.79%
Certified	2021	\$ 2,996,477,277	-0.62%	\$ 2,108,322,524	-1.95%	\$ 499,863,338	1.27%	\$ 2,326,547,853	-1.44%
Prelim. Estimate	2022	\$ 3,340,449,174	11.48%	\$ 2,453,571,750	16.38%	\$ 496,819,644	-0.61%	\$ 2,414,752,760	3.79%
Est. @ 95%	2022	\$ 3,173,426,715	5.91%	\$ 2,330,893,163	10.56%	\$ 471,978,662	-5.58%	\$ 2,294,015,122	-1.40%
Five Year Average Annual Growth (Assuming 2022 at 95%)		6.27%		6.43%		3.69%		4.48%	

Property Value Projection

February 16, 2022

Year Ending 9/30	Based on Values as of 1/1	City of Pearland					Brazoria County					Fort Bend County					Alvin ISD				
		Value w/ No New Growth	Assumed Appreciation Over Prior Year	New Residential Value	New Commercial Value	Value w/ Appreciation & Growth	Value w/ No New Growth	Assumed Appreciation Over Prior Year	New Residential Value	New Commercial Value	Value w/ Appreciation & Growth	Value w/ No New Growth	Assumed Appreciation Over Prior Year	New Residential Value	New Commercial Value	Value w/ Appreciation & Growth	Value w/ No New Growth	Assumed Appreciation Over Prior Year	New Residential Value	New Commercial Value	Value w/ Appreciation & Growth
2017	2016	\$ 2,414,495,509	NA	NA	NA	\$ 2,414,495,509	\$ 1,829,778,756	NA	NA	NA	\$ 1,829,778,756	\$ 452,423,178	NA	NA	NA	\$ 452,423,178	\$ 1,697,401,147	NA	NA	NA	\$ 1,697,401,147
2018	2017	\$ 2,351,322,240	NA	NA	NA	\$ 2,351,322,240	\$ 1,718,175,086	NA	NA	NA	\$ 1,718,175,086	\$ 397,100,629	NA	NA	NA	\$ 397,100,629	\$ 1,864,497,277	NA	NA	NA	\$ 1,864,497,277
2019	2018	\$ 2,650,588,911	NA	NA	NA	\$ 2,650,588,911	\$ 1,783,800,576	NA	NA	NA	\$ 1,783,800,576	\$ 411,652,645	NA	NA	NA	\$ 411,652,645	\$ 1,888,874,848	NA	NA	NA	\$ 1,888,874,848
2020	2019	\$ 2,856,068,385	NA	NA	NA	\$ 2,856,068,385	\$ 2,031,766,271	NA	NA	NA	\$ 2,031,766,271	\$ 465,388,372	NA	NA	NA	\$ 465,388,372	\$ 2,231,225,328	NA	NA	NA	\$ 2,231,225,328
2021	2020	\$ 3,015,025,304	NA	NA	NA	\$ 3,015,025,304	\$ 2,150,208,394	NA	NA	NA	\$ 2,150,208,394	\$ 493,610,141	NA	NA	NA	\$ 493,610,141	\$ 2,360,428,396	NA	NA	NA	\$ 2,360,428,396
2022	2021	\$ 2,996,477,277	NA	NA	NA	\$ 2,996,477,277	\$ 2,108,322,524	NA	NA	NA	\$ 2,108,322,524	\$ 499,863,338	NA	NA	NA	\$ 499,863,338	\$ 2,326,547,853	NA	NA	NA	\$ 2,326,547,853
2023	2022	\$ 3,340,449,174	NA	NA	NA	\$ 3,173,426,715	\$ 2,453,571,750	NA	NA	NA	\$ 2,330,893,163	\$ 496,819,644	NA	NA	NA	\$ 471,978,662	\$ 2,414,752,760	NA	NA	NA	\$ 2,294,015,122
2024	2023	\$ 3,173,426,715	\$ 63,468,534	\$ -	\$ -	\$ 3,236,895,250	\$ 2,330,893,163	\$ 46,617,863	\$ -	\$ -	\$ 2,377,511,026	\$ 471,978,662	\$ 9,439,573	\$ -	\$ -	\$ 481,418,235	\$ 2,294,015,122	\$ 45,880,302	\$ -	\$ -	\$ 2,339,895,424
2025	2024	\$ 3,236,895,250	\$ 64,737,905	\$ -	\$ -	\$ 3,301,633,155	\$ 2,377,511,026	\$ 47,550,221	\$ -	\$ -	\$ 2,425,061,246	\$ 481,418,235	\$ 9,628,365	\$ -	\$ -	\$ 491,046,600	\$ 2,339,895,424	\$ 46,797,908	\$ -	\$ -	\$ 2,386,693,333
2026	2025	\$ 3,301,633,155	\$ 66,032,663	\$ -	\$ -	\$ 3,367,665,818	\$ 2,425,061,246	\$ 48,501,225	\$ -	\$ -	\$ 2,473,562,471	\$ 491,046,600	\$ 9,820,932	\$ -	\$ -	\$ 500,867,532	\$ 2,386,693,333	\$ 47,733,867	\$ -	\$ -	\$ 2,434,427,200
2027	2026	\$ 3,367,665,818	\$ 67,353,316	\$ -	\$ -	\$ 3,435,019,134	\$ 2,473,562,471	\$ 49,471,249	\$ -	\$ -	\$ 2,523,033,721	\$ 500,867,532	\$ 10,017,351	\$ -	\$ -	\$ 510,884,882	\$ 2,434,427,200	\$ 48,688,544	\$ -	\$ -	\$ 2,483,115,744
2028	2027	\$ 3,435,019,134	\$ 68,700,383	\$ -	\$ -	\$ 3,503,719,517	\$ 2,523,033,721	\$ 50,460,674	\$ -	\$ -	\$ 2,573,494,395	\$ 510,884,882	\$ 10,217,698	\$ -	\$ -	\$ 521,102,580	\$ 2,483,115,744	\$ 49,662,315	\$ -	\$ -	\$ 2,532,778,058
2029	2028	\$ 3,503,719,517	\$ 70,074,390	\$ -	\$ -	\$ 3,573,793,907	\$ 2,573,494,395	\$ 51,469,888	\$ -	\$ -	\$ 2,624,964,283	\$ 521,102,580	\$ 10,422,052	\$ -	\$ -	\$ 531,524,632	\$ 2,532,778,058	\$ 50,655,561	\$ -	\$ -	\$ 2,583,433,620
		99.4%					98.1%					101.3%					98.6%				

Assessments of the Southwest certified for 1/1/2016 with calibration factor as noted

Assessments of the Southwest certified for 1/1/2017 with calibration factor as noted

Assessments of the Southwest Certified and Uncertified for 1/1/2018 (report dated 5/21/19) with calibration factor as noted

Assessments of the Southwest certified and uncertified for 1/1/19 (report dated 9/24/19) (Excludes value above senior freeze value)

Assessments of the Southwest certified 1/1/20 report dated 8/14/20

Assessments of the Southwest certified 1/1/21 report dated 11/19/21

Assessments of the Southwest Preliminary Estimate of Value 1/1/22 report dated 2/3/22

TIRZ Cash Flow Projection

February 16, 2022

Year Ending 9/30	Beginning Balance	Revenues							Total Available	Less:			Available for Transfer to DAP	Ending Fund Balance after Transfer to DAP	Reference Only - Ending Balance Components				
		City (Net)	Brazoria County	Fort Bend County	AISD	Supplemental Payment	Interest	Total Revenues		Operating Costs	AISD Suspense Fund	Admin Cost Reserve			AISD Suspense Fund	Admin Cost Reserve	Total	Check	
2020	\$ 8,402,911	\$ 7,630,511	\$ 2,808,894	\$ 1,371,017	\$ 6,746,595	\$ 2,460,429		\$ 21,017,446	\$ 29,420,357	\$ (54,220)	\$ (6,746,595)	\$ (75,000)	\$ 22,544,542	\$ 6,821,595	2020	\$ 6,746,595	\$ 75,000	\$ 6,821,595	\$ -
2021	\$ 6,879,867	\$ 7,148,280	\$ 3,103,159	\$ 1,458,175	\$ 7,056,261	\$ 2,422,462	\$ 14,250	\$ 21,202,586	\$ 28,082,453	\$ (33,893)	\$ (7,056,261)	\$ (75,000)	\$ 20,917,299	\$ 7,131,261	2021	\$ 7,056,261	\$ 75,000	\$ 7,131,261	\$ -
2022	\$ 7,104,629	\$ 7,470,271	\$ 2,802,388	\$ 1,476,761	\$ 6,954,800	\$ 1,496,000		\$ 20,200,221	\$ 27,304,850	\$ (50,000)	\$ (6,954,800)	\$ (75,000)	\$ 20,225,050	\$ 7,029,800	2022	\$ 6,954,800	\$ 75,000	\$ 7,029,800	\$ -
2023	\$ 7,029,800	\$ 7,912,468	\$ 3,098,812	\$ 1,393,878	\$ 6,857,376	\$ 1,496,000		\$ 20,758,535	\$ 27,788,335	\$ (50,000)	\$ (6,857,376)	\$ (75,000)	\$ 20,805,959	\$ 6,932,376	2023	\$ 6,857,376	\$ 75,000	\$ 6,932,376	\$ -
2024	\$ 6,932,376	\$ 8,071,076	\$ 3,160,899	\$ 1,421,936	\$ 6,994,772	\$ 1,496,000		\$ 21,144,682	\$ 28,077,058	\$ (50,000)	\$ (6,994,772)	\$ (75,000)	\$ 20,957,287	\$ 7,069,772	2024	\$ 6,994,772	\$ 75,000	\$ 7,069,772	\$ -
2025	\$ 7,069,772	\$ 8,232,856	\$ 3,224,227	\$ 1,450,555	\$ 7,134,915	\$ 1,496,000		\$ 21,538,553	\$ 28,608,325	\$ (50,000)	\$ (7,134,915)	\$ (75,000)	\$ 21,348,410	\$ 7,209,915	2025	\$ 7,134,915	\$ 75,000	\$ 7,209,915	\$ -
2026	\$ 7,209,915	\$ 8,397,872	\$ 3,288,822	\$ 1,479,746	\$ 7,277,862	\$ 1,496,000		\$ 21,940,301	\$ 29,150,217	\$ (50,000)	\$ (7,277,862)	\$ (75,000)	\$ 21,747,355	\$ 7,352,862	2026	\$ 7,277,862	\$ 75,000	\$ 7,352,862	\$ -
2027	\$ 7,352,862	\$ 8,566,188	\$ 3,354,709	\$ 1,509,521	\$ 7,423,667	\$ 1,496,000		\$ 22,350,085	\$ 29,702,946	\$ (50,000)	\$ (7,423,667)	\$ (75,000)	\$ 22,154,279	\$ 7,498,667	2027	\$ 7,423,667	\$ 75,000	\$ 7,498,667	\$ -
2028	\$ 7,498,667	\$ 8,737,870	\$ 3,421,913	\$ 1,539,892	\$ 7,572,389	\$ 1,496,000		\$ 22,768,063	\$ 30,266,730	\$ (50,000)	\$ (7,572,389)	\$ (75,000)	\$ 22,569,342	\$ 7,647,389	2028	\$ 7,572,389	\$ 75,000	\$ 7,647,389	\$ -
2029	\$ 7,647,389	\$ 8,912,986	\$ 3,490,462	\$ 1,570,870	\$ 7,724,084	\$ 1,496,000		\$ 23,194,402	\$ 30,841,790	\$ (50,000)	\$ (7,724,084)	\$ (75,000)	\$ 23,067,706	\$ 7,724,084	2029	\$ 7,724,084	\$ -	\$ 7,724,084	\$ -
Closeout	\$ 7,724,084	NA	NA	NA	\$ -	NA		\$ -	\$ 7,724,084	\$ -	\$ -	\$ -	\$ 7,724,084	\$ -	Closeout	\$ -	\$ -	\$ -	\$ -
		FY 20 to End							\$ 216,114,875					\$ 224,061,312					

TIRZ Admin Costs Reserve: \$ 75,000

Actual per 7/31/20 Income Statement Actual per 8/15/20 Transfer Calculation
 Actual per 8/18/21 Transfer Calculation Beginning Balance is Admin Reserves (\$75,000) plus prior year AISD Revnue (AISD Suspense Fund)
 TIRZ ends in calendar year 2028 with last increment based on 1/1/28 value and revenue received in FY 2029.
 Format of projection is set up to pay reimbursements in year following receipt, so last increment received in FY 2029 would be paid in FY 2030 (or could be paid late FY 2029)
 Due to the one year delay in release of AISD Suspense funds, last Suspense Fund release will be at end of FY 2029 or early FY 2030.

DAP Cash Flow Projection

February 16, 2022

Year Ending 9/30	Beginning Balance	Plus	Total Available	Less					Available Potential Direct Pay for Subsequent Year	Ending Balance	Reference Only-Ending Balance Components					
		Transfer from TIRZ		Debt Payments (thru Series 2019)	Debt Payments (Post-Series 2019)	Administrative Costs	Current Year Direct Pay Reimbursements (1)	Admin & Debt Reserve			Direct Pay to be Released after 10/1	Admin & Debt Reserve	Total	Check		
2020	\$ 7,142,644	\$ 22,544,542	\$ 29,687,186	\$ (9,906,456)	\$ -	\$ -	\$ (6,155,148)	\$ (1,010,000)	\$ 12,615,582	\$ 13,625,582	2020	\$ 12,615,582	\$ 1,010,000	\$ 13,625,582	\$ -	
2021	\$ 13,625,504	\$ 20,917,299	\$ 34,542,804	\$ (10,030,741)	\$ -	\$ (10,000)	\$ (12,615,582)	\$ (1,010,000)	\$ 10,876,480.18	\$ 11,886,480	2021	\$ 10,876,480	\$ 1,010,000	\$ 11,886,480	\$ -	
2022	\$ 11,883,788	\$ 20,225,050	\$ 32,108,838	\$ (10,026,635)	\$ -	\$ (10,000)	\$ (10,876,480)	\$ (1,010,000)	\$ 10,185,723	\$ 11,195,723	2022	\$ 10,185,723	\$ 1,010,000	\$ 11,195,723	\$ -	
2023	\$ 11,195,723	\$ 20,805,959	\$ 32,001,682	\$ (10,026,128)	\$ -	\$ (10,000)	\$ (10,185,723)	\$ (1,010,000)	\$ 10,769,831	\$ 11,779,831	2023	\$ 10,769,831	\$ 1,010,000	\$ 11,779,831	\$ -	
2024	\$ 11,779,831	\$ 20,957,287	\$ 32,737,118	\$ (10,020,204)	\$ -	\$ (10,000)	\$ (10,769,831)	\$ (1,010,000)	\$ 10,927,083	\$ 11,937,083	2024	\$ 10,927,083	\$ 1,010,000	\$ 11,937,083	\$ -	
2025	\$ 11,937,083	\$ 21,348,410	\$ 33,285,493	\$ (10,017,555)	\$ -	\$ (10,000)	\$ (10,927,083)	\$ (1,010,000)	\$ 11,320,855	\$ 12,330,855	2025	\$ 11,320,855	\$ 1,010,000	\$ 12,330,855	\$ -	
2026	\$ 12,330,855	\$ 21,747,355	\$ 34,078,210	\$ (10,012,981)	\$ -	\$ (10,000)	\$ (11,320,855)	\$ (1,010,000)	\$ 11,724,374	\$ 12,734,374	2026	\$ 11,724,374	\$ 1,010,000	\$ 12,734,374	\$ -	
2027	\$ 12,734,374	\$ 22,154,279	\$ 34,888,653	\$ (10,011,238)	\$ -	\$ (10,000)	\$ (11,724,374)	\$ (1,010,000)	\$ 12,133,041	\$ 13,143,041	2027	\$ 12,133,041	\$ 1,010,000	\$ 13,143,041	\$ -	
2028	\$ 13,143,041	\$ 22,569,342	\$ 35,712,383	\$ (10,007,106)	\$ -	\$ (10,000)	\$ (12,133,041)	\$ (1,010,000)	\$ 12,552,236	\$ 13,562,236	2028	\$ 12,552,236	\$ 1,010,000	\$ 13,562,236	\$ -	
2029	\$ 13,562,236	\$ 23,067,706	\$ 36,629,942	\$ (10,005,338)	\$ -	\$ (10,000)	\$ (12,552,236)	\$ (1,010,000)	\$ 14,062,368	\$ 14,062,368	2029	\$ 14,062,368	\$ -	\$ 14,062,368	\$ -	
Closeout	\$ 14,062,368	\$ 7,724,084	\$ 21,786,453				\$ (21,786,453)		\$ -	\$ -	Closeout	\$ -	\$ -	\$ -	\$ -	
		\$ 224,061,312	\$ 357,458,761	\$ (100,064,380)	\$ -	\$ (90,000)	\$ (131,046,807)	\$ (9,090,000)	\$ 117,167,575							
							\$ (124,891,659)									

DAP Cash Release Calculation Reserve Amount:	\$ 1,000,000
DAP Admin Costs Reserve:	\$ 10,000

\$ 5,561,054	<<<Reference: Total Unreimbursed LFA Amount
6.5%	<<<Reference: Future LFA Interest Rate

(1) Lesser of "Potential Direct Pay" from prior year and amount eligible per the LFA Summary tab.

TIRZ ends in calendar year 2028 with last increment based on 1/1/28 value and revenue received in FY 2029.

Format of projection is set up to pay reimbursements in year following receipt, so last increment received in FY 2029 would be paid in FY 2030 (or could be paid late FY 2029)

Due to the one year delay in release of AISD Suspense funds, last Suspense Fund release will be at end of FY 2029 or early FY 2030.

Potential for Direct Pay in Closeout year is FY 2029 Potential Direct Pay plus Closeout AISD Suspense Fund Release

Actual Actual per 8/15/20 Transfer Calculation Actual per 8/18/21 Transfer Calculation

FY 2020 Based on 8/19/20 DAP Balance plus actual cash release in November 2019

LFA Reimbursement Projection Summary

Legend:

COP City of Pearland	KB KB Home Lone Star Inc	FBC Fort Bend County
518SCR 518 SCR Ltd (Perry)	CCAC CCAC Reserve Holdings LLC	

Projected Reimbursement per LFA by Year (Principal & Interest)
February 16, 2022

LFA 22-02-001 LFA 22-02-002 LFA 22-02-003

Year Ending 9/30	Completed LFAs					LFAs Not Completed							Future LFAs			Total
	12-06-001	13-06-002	14-06-001	14-06-002	16-08-001	17-10-001	19-10-001	19-10-002	19-10-003	19-10-004	LFA 20-09-001	LFA 21-02-001	4	5	8	
P&I Due 10/1/21 (2):	\$ 1,559,563	\$ 4,588,993	\$ 1,546,271	\$ 3,211,903	\$ 2,492,808	\$ 1,200,672	\$ 15,208,019	\$ 25,493,301	\$ 838,365	\$ 2,627,740	\$ 10,790,040	\$ 1,289,109	\$ 1,798,498	\$ 8,735,561	\$ 9,735,329	
Developer:	518SCR	518SCR	518SCR	KB	CCAC	518SCR	COP	COP	COP	FBC	COP	COP	COP	COP	COP	
2023	\$ 1,559,563	\$ 4,738,135	\$ 1,596,525	\$ 2,291,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,185,723
2024	\$ -	\$ -	\$ -	\$ 1,058,096	\$ 2,717,068	\$ 1,310,643	\$ 5,684,025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,769,831
2025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,927,083	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,927,083
2026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 355,828	\$ 10,965,028	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,320,855
2027	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,724,374	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,724,374
2028	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,973,752	\$ 1,071,248	\$ 2,088,041	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,133,041
2029	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,269,640	\$ 11,282,596	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,552,236
Closeout	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,504,734	\$ 1,647,202	\$ -	\$ 2,298,090	\$ 11,162,151	\$ 4,174,275	\$ 21,786,453
Interest Ends	2020	2023	2023	2025	2026	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	\$ 101,399,597

Total Bonds	Total Direct Pay
\$ -	\$ 10,185,723
\$ -	\$ 10,769,831
\$ -	\$ 10,927,083
\$ -	\$ 11,320,855
\$ -	\$ 11,724,374
\$ -	\$ 12,133,041
\$ -	\$ 12,552,236
\$ -	\$ 21,786,453
\$ -	\$ 101,399,597

(1) Note: Reimbursements assumed October of noted Fiscal Year; i.e. FYE 2019 payment made October 2018

(2) For LFAs Not Completed, LFA budget is used plus interest at 6.5%; For Future LFAs, budget estimate plus interest is used (6.5%)

Unreimbursed (COP)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,561,054	\$ 5,561,054
Unreimbursed FBC										\$ -						
															Total City LFA Principal Amount Estimate	\$ 69,184,154
															Total Reimbursements of Future City LFAs	\$ 82,770,385

Reimbursement Projection by Developer

Year Ending 9/30	City of Pearland	518 SCR Ltd (Perry)	KB Home Lone Star Inc	Crosswell	Fort Bend County	Total
	COP	518SCR	KB	CCAC	FBC	
2023	\$ -	\$ 7,894,223	\$ 2,291,500	\$ -	\$ -	\$ 10,185,723
2024	\$ 5,684,025	\$ 1,310,643	\$ 1,058,096	\$ 2,717,068	\$ -	\$ 10,769,831
2025	\$ 10,927,083	\$ -	\$ -	\$ -	\$ -	\$ 10,927,083
2026	\$ 11,320,855	\$ -	\$ -	\$ -	\$ -	\$ 11,320,855
2027	\$ 11,724,374	\$ -	\$ -	\$ -	\$ -	\$ 11,724,374
2028	\$ 10,045,000	\$ -	\$ -	\$ -	\$ 2,088,041	\$ 12,133,041
2029	\$ 11,282,596	\$ -	\$ -	\$ -	\$ 1,269,640	\$ 12,552,236
Closeout	\$ 21,786,453	\$ -	\$ -	\$ -	\$ -	\$ 21,786,453
Total	\$ 82,770,385	\$ 9,204,866	\$ 3,349,596	\$ 2,717,068	\$ 3,357,682	\$ 101,399,597

REINVESTMENT ZONE NUMBER TWO, CITY OF PEARLAND, TEXAS

March 2, 2022

The Honorable Kevin Cole
City of Pearland
3519 Liberty Drive
Pearland, Texas 77581

Re: Financing for TIRZ Improvements: Shadow Creek Ranch Trails
Phase II; TIRZ Project No. 22-02-001

Dear Mayor Cole:

The City of Pearland, Texas (the "City") and Reinvestment Zone Number Two, City of Pearland, Texas (the "Zone") have determined to proceed with the following TIRZ Improvements, as contemplated by the Fourth Amendment to Project Plan and Reinvestment Zone Financing Plan:

Shadow Creek Ranch Trails Phase II; TIRZ Project No. 22-02-001

Attached to this letter agreement is a map showing the area which is benefited by the TIRZ Improvements over which the available Tax Increment will be applied for purposes of determining when reimbursement is made. The City has agreed to pre-finance the design and construction of the TIRZ Improvements and the Zone agrees to reimburse the City pursuant to the terms of the TIRZ Project Implementation and Reimbursement Process.

The Zone hereby gives its approval of the above described TIRZ Improvements. All applicable procedures set forth in the document entitled TIRZ Project Implementation and Reimbursement Process must be followed.

The Zone's Engineer has determined that the budget (using 2022 dollars) established in the Zone's Fourth Amendment to Project Plan and Reinvestment Zone Financing Plan for the above described TIRZ Improvements is \$1,696,696 which includes construction cost, design cost, and contingency. The Zone is not obligated to reimburse the City for any amount in excess of that budgeted amount.

This letter agreement was duly authorized at a meeting of the Board of Directors of the Reinvestment Zone Number Two, City of Pearland, Texas held on the 2nd day of March, 2022.

Very truly yours,

REINVESTMENT ZONE NUMBER
TWO, CITY OF PEARLAND, TEXAS

ATTEST:

By: _____
Chairman, Board of Directors

By: _____
Secretary, Board of Directors

PASSED AND APPROVED this _____ day of _____, 2022.

CITY OF PEARLAND, TEXAS

Kevin Cole
Mayor

ATTEST:

Crystal Roan
City Secretary



3600 W Sam Houston Pkwy S, Suite 600, Houston, Texas 77042
t 713.953.5200 LJA.com TBPE F-1386 TBPLS 10110501

February 16, 2022

Board of Directors
Reinvestment Zone No. 2, City of Pearland, Texas
City of Pearland, Texas
3519 Liberty Drive
Pearland, Texas 77581

Re: Project # 22-02-001, Shadow Creek Ranch Trails Ph II
Reinvestment Zone No. 2, City of Pearland, Texas
LJA Project No. 1546-0000 (2.0)

Dear Board of Directors:

We have determined that the referenced project, as proposed, is included in the adopted TIRZ Project Plan. The budget for the proposed improvements totals \$1,696,696, which includes construction cost, design cost, and contingency for the Shadow Creek Ranch Trails Ph II as shown on the attached exhibits.

Attached is a budget status report that illustrates the remaining balances within the 4th amendment of the TIRZ budget and shows the proposed budget for the above referenced project.

If you have any questions or concerns regarding this matter, please contact our office.

Sincerely,

A handwritten signature in blue ink, appearing to read 'E. Deao'.

Everett Deao, PE
Engineer for Reinvestment Zone No. 2

ED/pa

Attachments

Copy: Ms. Lynne B. Humphries – Allen Boone Humphries Robinson LLP
Mr. Clay Pearson – City of Pearland, Texas

Reinvestment Zone No. 2, City of Pearland, Texas
Shadow Creek Ranch

Jan. 2018 ENR Index = 10878
Jan. 2022 ENR Index = 12555.55
Adjustment = 15.42%

Letter Finance Agreement 22-02-001 Shadow Creek Ranch Trails Ph II
Proposed Budget from 4th Amendment

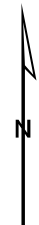
Item	4th Plan Amendment (2018 Dollars)	4th Amendment Funds Available for Future TIRZ Projects (2018 Dollars)	4th Amendment Funds Available for Future TIRZ Projects (2022 Dollars)	LFA 22-02-001	4th Amendment Funds Available for Future TIRZ Projects (2022 Dollars)
				Shadow Creek Ranch Trails Ph II Recommended for Approval (2022 Dollars)	
Infrastructure					
Streets					
Pavement					
Sidewalls					
Landscaping and Irrigation					
Entry Monuments					
Lighting					
Broadway Widening and Signalization					
Business Center Drive Paving					
Memorial Hermann Drive Paving					
Water System					
Wastewater System					
Storm Water System					
Lakes and Channels					
Improvements					
Land Cost					
Detention and Drainage					
Land Cost					
Beautification/Deepening/Pond Creation					
Site Drainage Facilities					
Park and Recreation					
Improvements					
Land Cost					
Landscaping					
Business Center Drive					
Memorial Hermann Drive					
Overhead Utilities Placed Underground					
Pipelining Relocation					
Major Improvements					
Water Plants					
Land Cost					
WWTP					
Lift Station					
Traffic Signals					
McHard Road Reimburseables					
Miscellaneous					
Signal					
SH 288 Access Road					
FM 518 Improvements					
Broadway /FM 518 Improvements					
Contingencies and Engineering					
Contingencies (10%)					
Engineering (15%)					
Master Drainage Plan Costs					
Environmental Study Costs					
Shadow Creek Ranch Park Phase II	\$9,720,000	\$0	\$0		\$0
Shadow Creek Trail - SCR Park Trail to Kirby and SCR Trail System	\$767,760	\$0	\$0		\$0
Shadow Creek Trail Phase II - Along Clear Creek Relief Ditch & Library Trail	\$1,470,000	\$1,470,000	\$1,696,696	\$1,696,696	\$0
Shadow Creek Parkway Landscaping, Street Lighting & Sidewalks	\$7,140,000	\$7,140,000	\$8,241,095		\$8,241,095
Intersection Improvements (BCD/SCP, BCD/Broadway, etc)	\$7,957,160	\$7,957,160	\$9,184,273		\$9,184,273
Sidewalk Extensions	\$1,137,701	\$0	\$0		\$0
Subtotal	\$28,192,621	\$16,567,160	\$19,122,063	\$1,696,696	\$17,425,367
Zone Administration/Creation					
TIRZ Administration (1-3 Years)					
Reimbursable TIRZ Creation Costs					
Annexation Costs					
Plan Amendment Costs					
Subtotal					
Infrastructure Total	\$28,192,621	\$16,567,160	\$19,122,063	\$1,696,696	\$17,425,367
City Facilities					
Library					
Improvements	\$14,253,174	\$0	\$0		\$0
Land Costs					
Fire/Police Station					
Improvements	\$9,878,439	\$0	\$0		\$0
Land Costs					
City Facilities Total	\$24,131,613	\$0	\$0	\$0	\$0
Educational Facilities					
AISD Elementary School					
AISD Jr. High School					
AISD Fresh/Soph Campus					
FBISD Elementary School					
FBISD Middle School					
Educational Facilities Total	\$0	\$0	\$0	\$0	\$0
Grand Total	\$52,324,234	\$16,567,160	\$19,122,063	\$1,696,696	\$17,425,367



CITY OF PEARLAND

Shadow Creek Ranch Phase II Along Clear Creek Relief Ditch & Library Trail

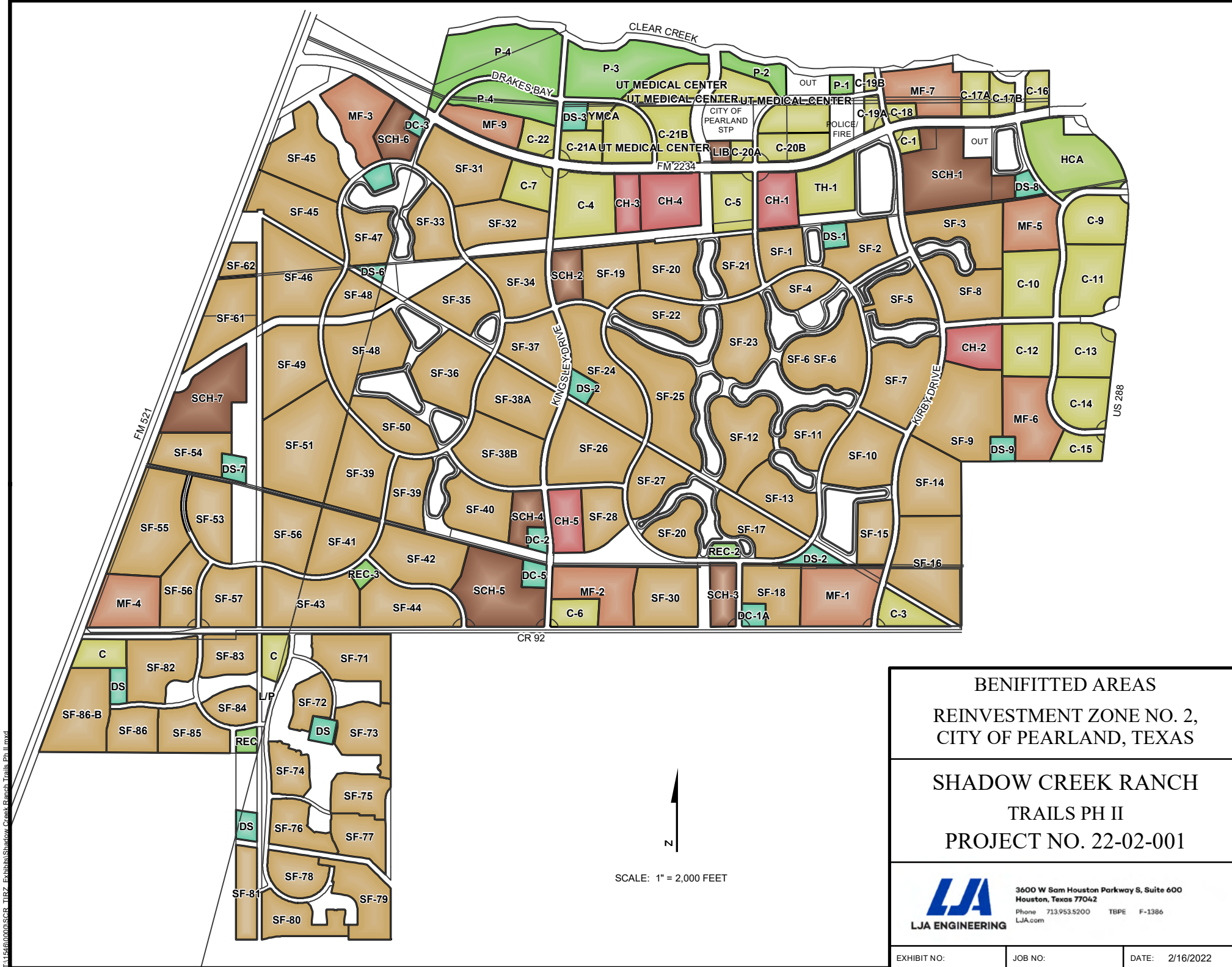
- 10-ft Trail Limits
- SCR Trail Library Connection



This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

MAP PREPARED: FEBRUARY 2022
CITY OF PEARLAND IT-GIS DEPARTMENT

Maxar, Microsoft



BENEFITTED AREAS
 REINVESTMENT ZONE NO. 2,
 CITY OF PEARLAND, TEXAS

SHADOW CREEK RANCH
 TRAILS PH II
 PROJECT NO. 22-02-001

LJA
LJA ENGINEERING

3600 W Sam Houston Parkway S, Suite 600
 Houston, Texas 77042
 Phone 713.953.5200 TBPE F-1386
 LJA.com

T:\11456\0000\SCR_TBZ_Exhibits\Shadow_Creek_Ranch_Trails_Ph_II.mxd

REINVESTMENT ZONE NUMBER TWO, CITY OF PEARLAND, TEXAS

March 2, 2022

The Honorable Kevin Cole
City of Pearland
3519 Liberty Drive
Pearland, Texas 77581

Re: Financing for TIRZ Improvements: Shadow Creek Parkway
Landscaping, Street Lighting, and Sidewalks; TIRZ Project No. 22-
02-002

Dear Mayor Cole:

The City of Pearland, Texas (the "City") and Reinvestment Zone Number Two, City of Pearland, Texas (the "Zone") have determined to proceed with the following TIRZ Improvements, as contemplated by the Fourth Amendment to Project Plan and Reinvestment Zone Financing Plan:

Shadow Creek Parkway Landscaping, Street Lighting, and Sidewalks;
TIRZ Project No. 22-02-002

Attached to this letter agreement is a map showing the area which is benefited by the TIRZ Improvements over which the available Tax Increment will be applied for purposes of determining when reimbursement is made. The City has agreed to pre-finance the design and construction of the TIRZ Improvements and the Zone agrees to reimburse the City pursuant to the terms of the TIRZ Project Implementation and Reimbursement Process.

The Zone hereby gives its approval of the above described TIRZ Improvements. All applicable procedures set forth in the document entitled TIRZ Project Implementation and Reimbursement Process must be followed.

The Zone's Engineer has determined that the budget (using 2022 dollars) established in the Zone's Fourth Amendment to Project Plan and Reinvestment Zone Financing Plan for the above described TIRZ Improvements is \$8,241,095 which includes construction cost, design cost, and contingency. The Zone is not obligated to reimburse the City for any amount in excess of that budgeted amount.

This letter agreement was duly authorized at a meeting of the Board of Directors of the Reinvestment Zone Number Two, City of Pearland, Texas held on the 2nd day of March, 2022.

Very truly yours,

REINVESTMENT ZONE NUMBER
TWO, CITY OF PEARLAND, TEXAS

ATTEST:

By: _____
Chairman, Board of Directors

By: _____
Secretary, Board of Directors

PASSED AND APPROVED this _____ day of _____, 2022.

CITY OF PEARLAND, TEXAS

Kevin Cole
Mayor

ATTEST:

Crystal Roan
City Secretary

February 16, 2022

Board of Directors
Reinvestment Zone No. 2, City of Pearland, Texas
City of Pearland, Texas
3519 Liberty Drive
Pearland, Texas 77581

Re: Project # 22-02-002, Shadow Creek Parkway Landscaping, Street Lighting, and Sidewalks
Reinvestment Zone No. 2, City of Pearland, Texas
LJA Project No. 1546-0000 (2.0)

Dear Board of Directors:

We have determined that the referenced project, as proposed, is included in the adopted TIRZ Project Plan. The budget for the proposed improvements totals \$8,241,095, which includes construction cost, design cost, and contingency for the Shadow Creek Parkway Landscaping, Street Lighting, and Sidewalks as shown on the attached exhibits.

Attached is a budget status report that illustrates the remaining balances within the 4th amendment of the TIRZ budget and shows the proposed budget for the above referenced project.

If you have any questions or concerns regarding this matter, please contact our office.

Sincerely,



Everett Deao, PE
Engineer for Reinvestment Zone No. 2

ED/pa

Attachments

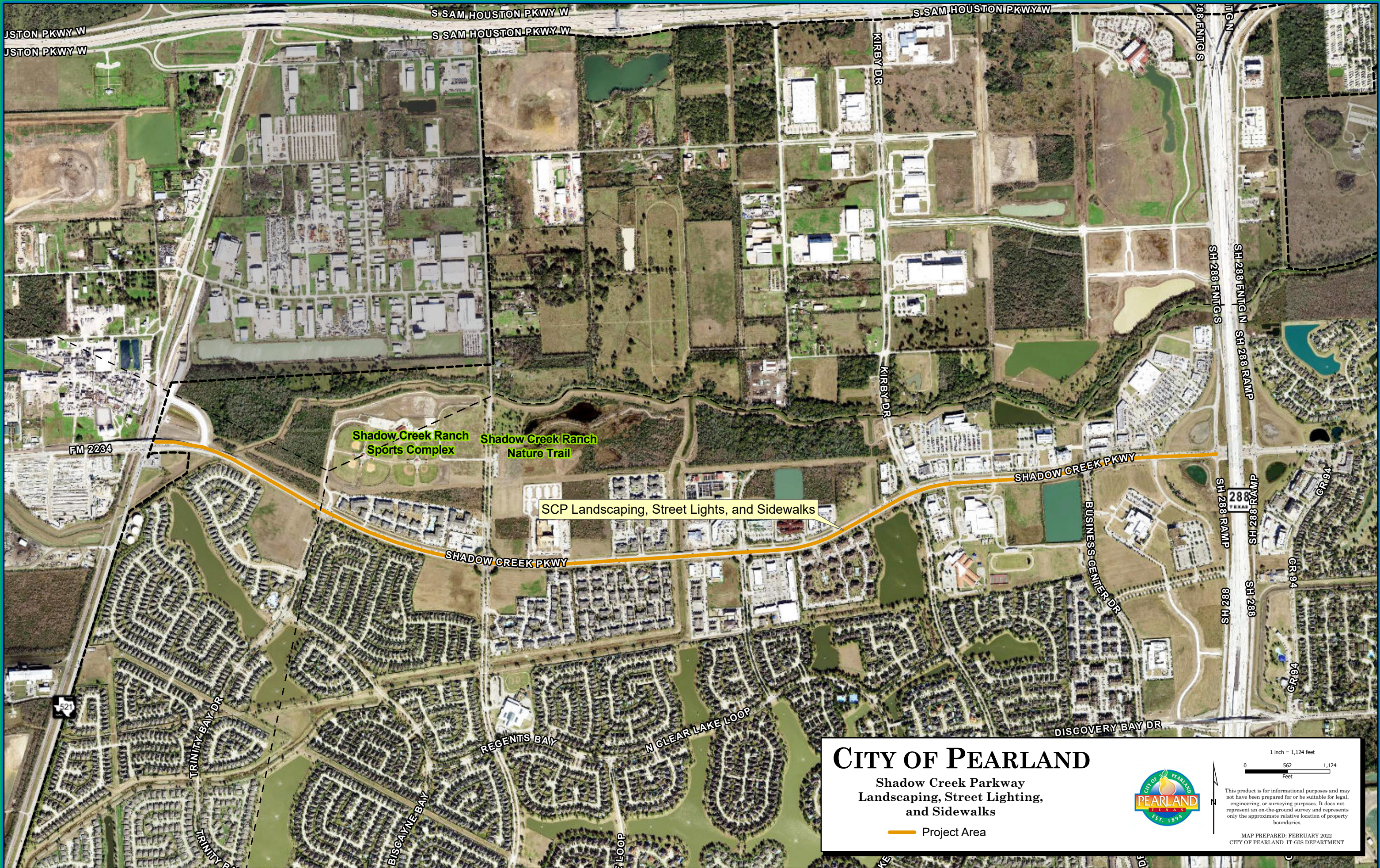
Copy: Ms. Lynne B. Humphries – Allen Boone Humphries Robinson LLP
Mr. Clay Pearson – City of Pearland, Texas

Reinvestment Zone No. 2, City of Pearland, Texas
Shadow Creek Ranch

Jan. 2018 ENR Index = 10878
Jan. 2022 ENR Index = 12555.55
Adjustment = 15.42%

Letter Finance Agreement 22-02-002 Shadow Creek Parkway Landscaping, Street Lighting and Sidewalks
Proposed Budget from 4th Amendment

Item	4th Plan Amendment (2018 Dollars)	4th Amendment Funds Available for Future TIRZ Projects (2018 Dollars)	4th Amendment Funds Available for Future TIRZ Projects (2022 Dollars)	LFA 22-02-002 Shadow Creek Parkway Landscaping, Street Lighting and Sidewalks Recommended for Approval (2022 Dollars)	4th Amendment Funds Available for Future TIRZ Projects (2022 Dollars)
Infrastructure					
Streets					
Pavement					
Sidewalls					
Landscaping and Irrigation					
Entry Monuments					
Lighting					
Broadway Widening and Signalization					
Business Center Drive Paving					
Memorial Hermann Drive Paving					
Water System					
Wastewater System					
Storm Water System					
Lakes and Channels					
Improvements					
Land Cost					
Detention and Drainage					
Land Cost					
Beautification/Deepening/Pond Creation					
Site Drainage Facilities					
Park and Recreation					
Improvements					
Land Cost					
Landscaping					
Business Center Drive					
Memorial Hemann Drive					
Overhead Utilities Placed Underground					
Pipelining Relocation					
Major Improvements					
Water Plants					
Land Cost					
WWTP					
Lift Station					
Traffic Signals					
MCHard Road Reimburseables					
Miscellaneous					
Signal					
SH 288 Access Road					
FM 518 Improvemens					
Broadway /FM 518 Improvements					
Contingencies and Engineering					
Contingencies (10%)					
Engineering (15%)					
Master Drainage Plan Costs					
Enviornmental Study Costs					
Shadow Creek Ranch Park Phase II	\$9,720,000	\$0	\$0	\$0	\$0
Shadow Creek Trail - SCR Park Trail to Kirby and SCR Trail System	\$767,760	\$0	\$0	\$0	\$0
Shadow Creek Trail Phase II - Along Clear Creek	\$1,470,000	\$1,470,000	\$1,696,696	\$1,696,696	\$1,696,696
Relief Ditch & Library Trail	\$7,140,000	\$7,140,000	\$8,241,095	\$8,241,095	\$0
Shadow Creek Parkway Landscaping, Street Lighting & Sidewalks	\$7,957,160	\$7,957,160	\$9,184,273	\$9,184,273	\$9,184,273
Intersection Improvements (BCD/SCP, BCD/Broadway, etc)	\$1,137,701	\$0	\$0	\$0	\$0
Sidewalk Extensions					
Subtotal	\$28,192,621	\$16,567,160	\$19,122,063	\$8,241,095	\$10,880,969
Zone Administration/Creation					
TIRZ Administration (1-3 Years)					
Reimbursable TIRZ Creation Costs					
Annexation Costs					
Plan Amendment Costs					
Subtotal					
Infrastructure Total	\$28,192,621	\$16,567,160	\$19,122,063	\$8,241,095	\$10,880,969
City Facilities					
Library					
Improvements	\$14,253,174	\$0	\$0	\$0	\$0
Land Costs					
Fire/Police Station					
Improvements	\$9,878,439	\$0	\$0	\$0	\$0
Land Costs					
City Facilities Total	\$24,131,613	\$0	\$0	\$0	\$0
Educational Facilities					
AISD Elementary School					
AISD Jr. High School					
AISD Fresh/Soph Campus					
FBISD Elementary School					
FBISD Middle School					
Educational Facilities Total	\$0	\$0	\$0	\$0	\$0
Grand Total	\$52,324,234	\$16,567,160	\$19,122,063	\$8,241,095	\$10,880,969



CITY OF PEARLAND

Shadow Creek Parkway
Landscaping, Street Lighting,
and Sidewalks

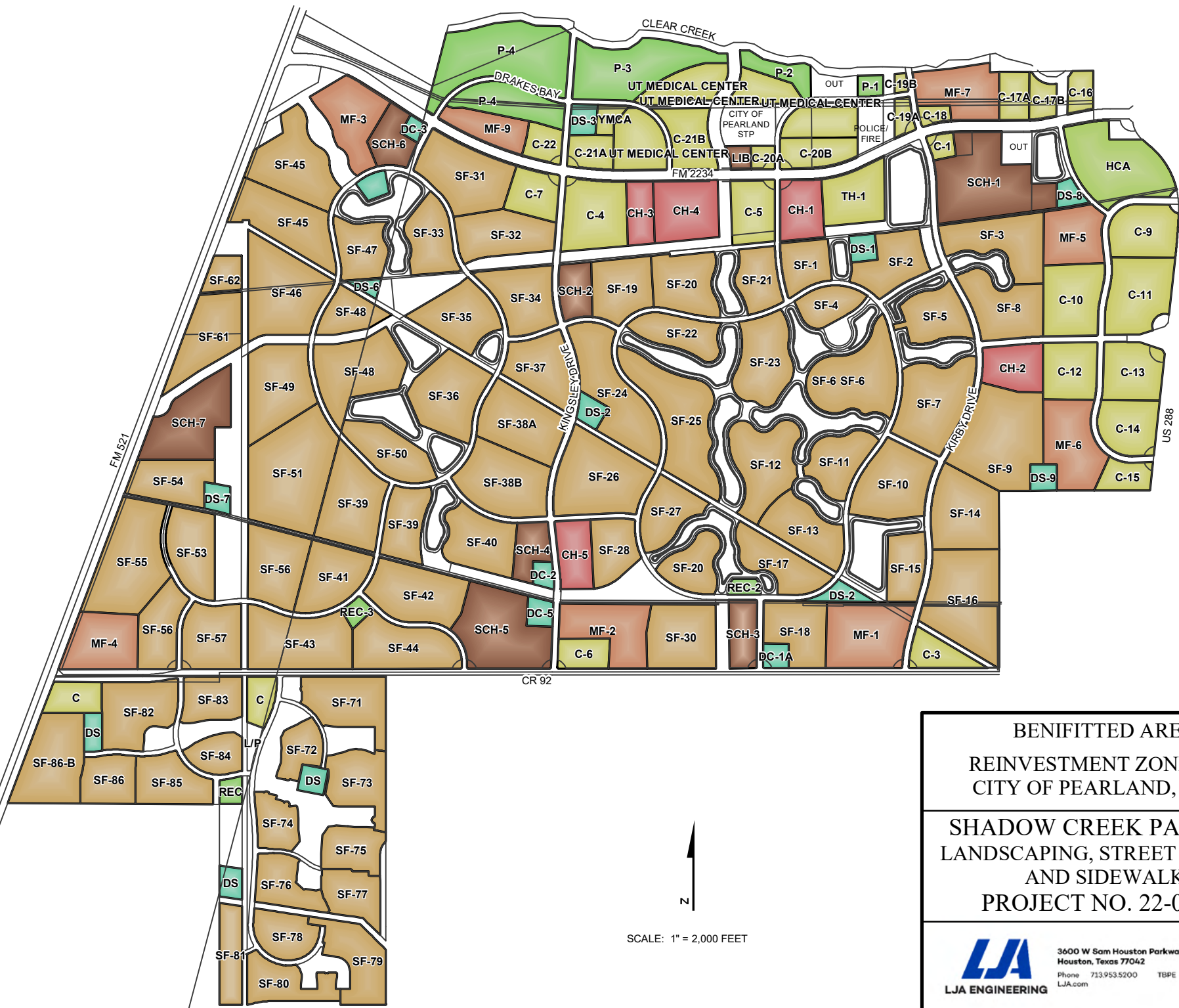
— Project Area

1 inch = 1,124 feet


This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

MAP PREPARED: FEBRUARY 2022
CITY OF PEARLAND IT-GIS DEPARTMENT

T:\1546\000\SCR_TBZ_Exhibits\Shadow_Creek_Parkway_Landscaping_Street_Lighting_and_Sidewalks.mxd



SCALE: 1" = 2,000 FEET

<p>BENEFITTED AREAS</p> <p>REINVESTMENT ZONE NO. 2, CITY OF PEARLAND, TEXAS</p>		
<p>SHADOW CREEK PARKWAY</p> <p>LANDSCAPING, STREET LIGHTING AND SIDEWALKS</p> <p>PROJECT NO. 22-02-002</p>		
		<p>3600 W Sam Houston Parkway S, Suite 600 Houston, Texas 77042 Phone 713.953.5200 TBPE F-1386 LJA.com</p>
EXHIBIT NO:	JOB NO:	DATE: 2/16/2022

REINVESTMENT ZONE NUMBER TWO, CITY OF PEARLAND, TEXAS

March 2, 2022

The Honorable Kevin Cole
City of Pearland
3519 Liberty Drive
Pearland, Texas 77581

Re: Financing for TIRZ Improvements: Shadow Creek Ranch
Intersection Improvements; TIRZ Project No. 22-02-003

Dear Mayor Cole:

The City of Pearland, Texas (the "City") and Reinvestment Zone Number Two, City of Pearland, Texas (the "Zone") have determined to proceed with the following TIRZ Improvements, as contemplated by the Fourth Amendment to Project Plan and Reinvestment Zone Financing Plan:

Shadow Creek Ranch Intersection Improvements; TIRZ Project No. 22-02-003

Attached to this letter agreement is a map showing the area which is benefited by the TIRZ Improvements over which the available Tax Increment will be applied for purposes of determining when reimbursement is made. The City has agreed to pre-finance the design and construction of the TIRZ Improvements and the Zone agrees to reimburse the City pursuant to the terms of the TIRZ Project Implementation and Reimbursement Process.

The Zone hereby gives its approval of the above described TIRZ Improvements. All applicable procedures set forth in the document entitled TIRZ Project Implementation and Reimbursement Process must be followed.

The Zone's Engineer has determined that the budget (using 2022 dollars) established in the Zone's Fourth Amendment to Project Plan and Reinvestment Zone Financing Plan for the above described TIRZ Improvements is \$9,184,273 which includes construction cost, design cost, and contingency. The Zone is not obligated to reimburse the City for any amount in excess of that budgeted amount.

This letter agreement was duly authorized at a meeting of the Board of Directors of the Reinvestment Zone Number Two, City of Pearland, Texas held on the 2nd day of March, 2022.

Very truly yours,

REINVESTMENT ZONE NUMBER
TWO, CITY OF PEARLAND, TEXAS

ATTEST:

By: _____
Chairman, Board of Directors

By: _____
Secretary, Board of Directors

PASSED AND APPROVED this _____ day of _____, 2022.

CITY OF PEARLAND, TEXAS

Kevin Cole
Mayor

ATTEST:

Crystal Roan
City Secretary



3600 W Sam Houston Pkwy S, Suite 600, Houston, Texas 77042
t 713.953.5200 LJA.com TBPE F-1386 TBPLS 10110501

February 16, 2022

Board of Directors
Reinvestment Zone No. 2, City of Pearland, Texas
City of Pearland, Texas
3519 Liberty Drive
Pearland, Texas 77581

Re: Project # 22-02-003, Shadow Creek Ranch Intersection Improvements
Reinvestment Zone No. 2, City of Pearland, Texas
LJA Project No. 1546-0000 (2.0)

Dear Board of Directors:

We have determined that the referenced project, as proposed, is included in the adopted TIRZ Project Plan. The budget for the proposed improvements totals \$9,184,273, which includes construction cost, design cost, and contingency for the Shadow Creek Ranch Intersection Improvements as shown on the attached exhibits.

Attached is a budget status report that illustrates the remaining balances within the 4th amendment of the TIRZ budget and shows the proposed budget for the above referenced project.

If you have any questions or concerns regarding this matter, please contact our office.

Sincerely,

A handwritten signature in blue ink, appearing to read 'E. Deao'.

Everett Deao, PE
Engineer for Reinvestment Zone No. 2

ED/pa

Attachments

Copy: Ms. Lynne B. Humphries – Allen Boone Humphries Robinson LLP
Mr. Clay Pearson – City of Pearland, Texas

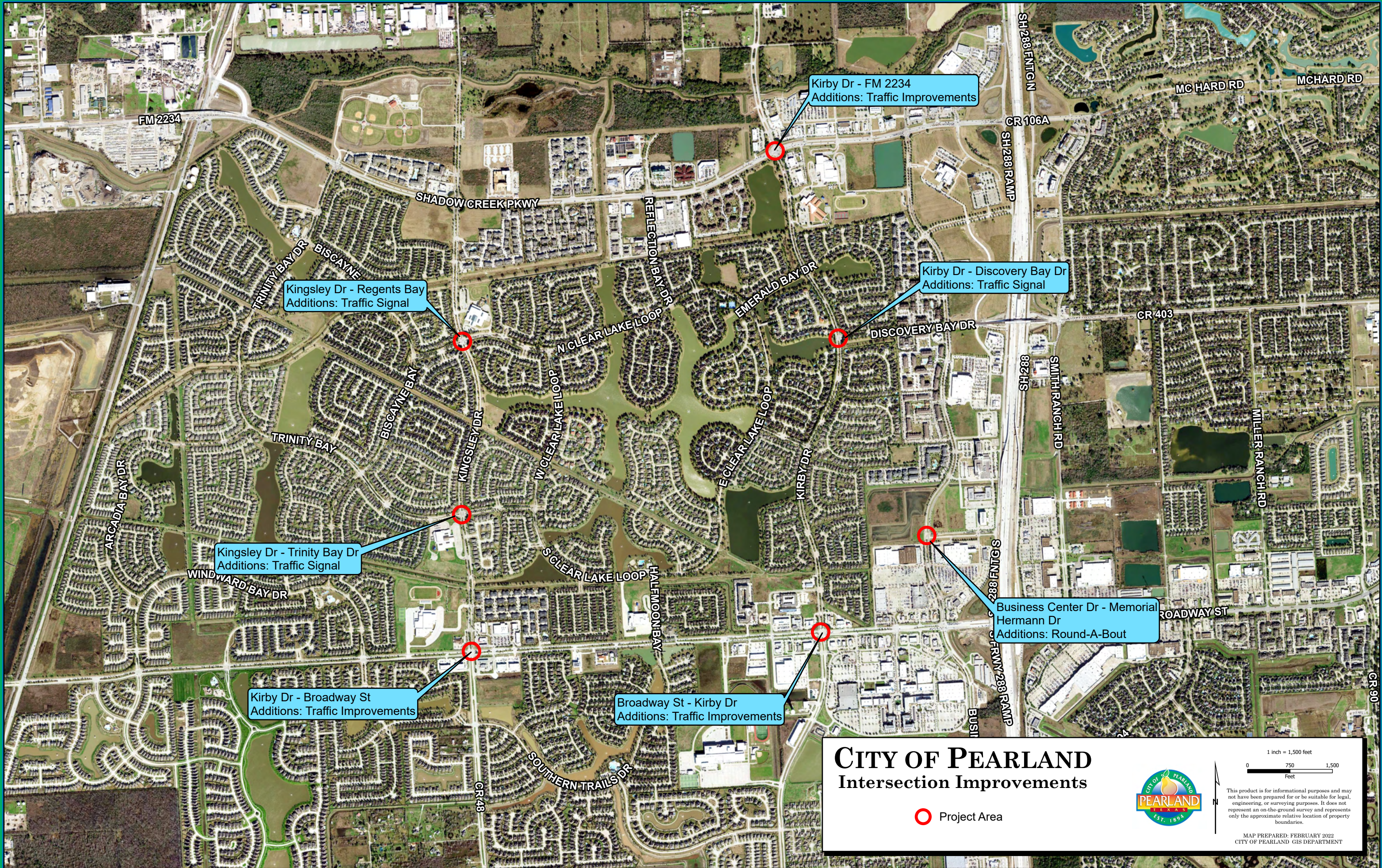
Reinvestment Zone No. 2, City of Pearland, Texas
Shadow Creek Ranch

Jan. 2018 ENR Index = 10878
Jan. 2022 ENR Index = 12555.55
Adjustment = 15.42%

Letter Finance Agreement 22-02-003 Shadow Creek Ranch Landscaping, Street Lighting and Sidewalks
Proposed Budget from 4th Amendment

LFA 22-02-003
Shadow Creek Ranch
Intersection
Improvements

Item	4th Plan Amendment (2018 Dollars)	4th Amendment Funds Available for Future TIRZ Projects (2018 Dollars)	4th Amendment Funds Available for Future TIRZ Projects (2022 Dollars)	Recommended for Approval (2022 Dollars)	4th Amendment Funds Available for Future TIRZ Projects (2022 Dollars)
Infrastructure					
Streets					
Pavement					
Sidewalls					
Landscaping and Irrigation					
Entry Monuments					
Lighting					
Broadway Widening and Signalization					
Business Center Drive Paving					
Memorial Hermann Drive Paving					
Water System					
Wastewater System					
Storm Water System					
Lakes and Channels					
Improvements					
Land Cost					
Detention and Drainage					
Land Cost					
Beautification/Deepening/Pond Creation					
Site Drainage Facilities					
Park and Recreation					
Improvements					
Land Cost					
Landscaping					
Business Center Drive					
Memorial Hemann Drive					
Overhead Utilities Placed Underground					
Pipelng Relocation					
Major Improvements					
Water Plants					
Land Cost					
WWTP					
Lift Station					
Traffic Signals					
McHard Road Reimbrusables					
Miscellaneous					
Signal					
SH 288 Access Road					
FM 518 Improvemens					
Broadway /FM 518 Improvements					
Contingencies and Engineering					
Contingencies (10%)					
Engineering (15%)					
Master Drainage Plan Costs					
Enviornmental Study Costs					
Shadow Creek Ranch Park Phase II	\$9,720,000	\$0	\$0		\$0
Shadow Creek Trail - SCR Park Trail to Kirby and SCR Trail System	\$767,760	\$0	\$0		\$0
Shadow Creek Trail Phase II - Along Clear Creek Relief Ditch & Library Trail	\$1,470,000	\$1,470,000	\$1,696,696		\$1,696,696
Shadow Creek Parkway Landscaping, Street Lighting & Sidewalks	\$7,140,000	\$7,140,000	\$8,241,095		\$8,241,095
Intersection Improvements (BCD/SCP, BCD/Broadway, etc)	\$7,957,160	\$7,957,160	\$9,184,273	\$9,184,273	\$0
Sidewalk Extensions	\$1,137,701	\$0	\$0		\$0
Subtotal	\$28,192,621	\$16,567,160	\$19,122,063	\$9,184,273	\$9,937,791
Zone Administration/Creation					
TIRZ Administration (1-3 Years)					
Reimbursable TIRZ Creation Costs					
Annexation Costs					
Plan Amendment Costs					
Subtotal					
Infrastructure Total	\$28,192,621	\$16,567,160	\$19,122,063	\$9,184,273	\$9,937,791
City Facilities					
Library					
Improvements	\$14,253,174	\$0	\$0		\$0
Land Costs					
Fire/Police Station					
Improvements	\$9,878,439	\$0	\$0		\$0
Land Costs					
City Facilities Total	\$24,131,613	\$0	\$0	\$0	\$0
Educational Facilities					
AISD Elementary School					
AISD Jr. High School					
AISD Fresh/Soph Campus					
FBISD Elementary School					
FBISD Middle School					
Educational Facilities Total	\$0	\$0	\$0	\$0	\$0
Grand Total	\$52,324,234	\$16,567,160	\$19,122,063	\$9,184,273	\$9,937,791



Kirby Dr - FM 2234
Additions: Traffic Improvements

Kirby Dr - Discovery Bay Dr
Additions: Traffic Signal

Kingsley Dr - Regents Bay
Additions: Traffic Signal

Kingsley Dr - Trinity Bay Dr
Additions: Traffic Signal

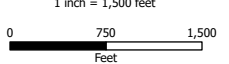
Business Center Dr - Memorial
Hermann Dr
Additions: Round-A-Bout

Kirby Dr - Broadway St
Additions: Traffic Improvements

Broadway St - Kirby Dr
Additions: Traffic Improvements

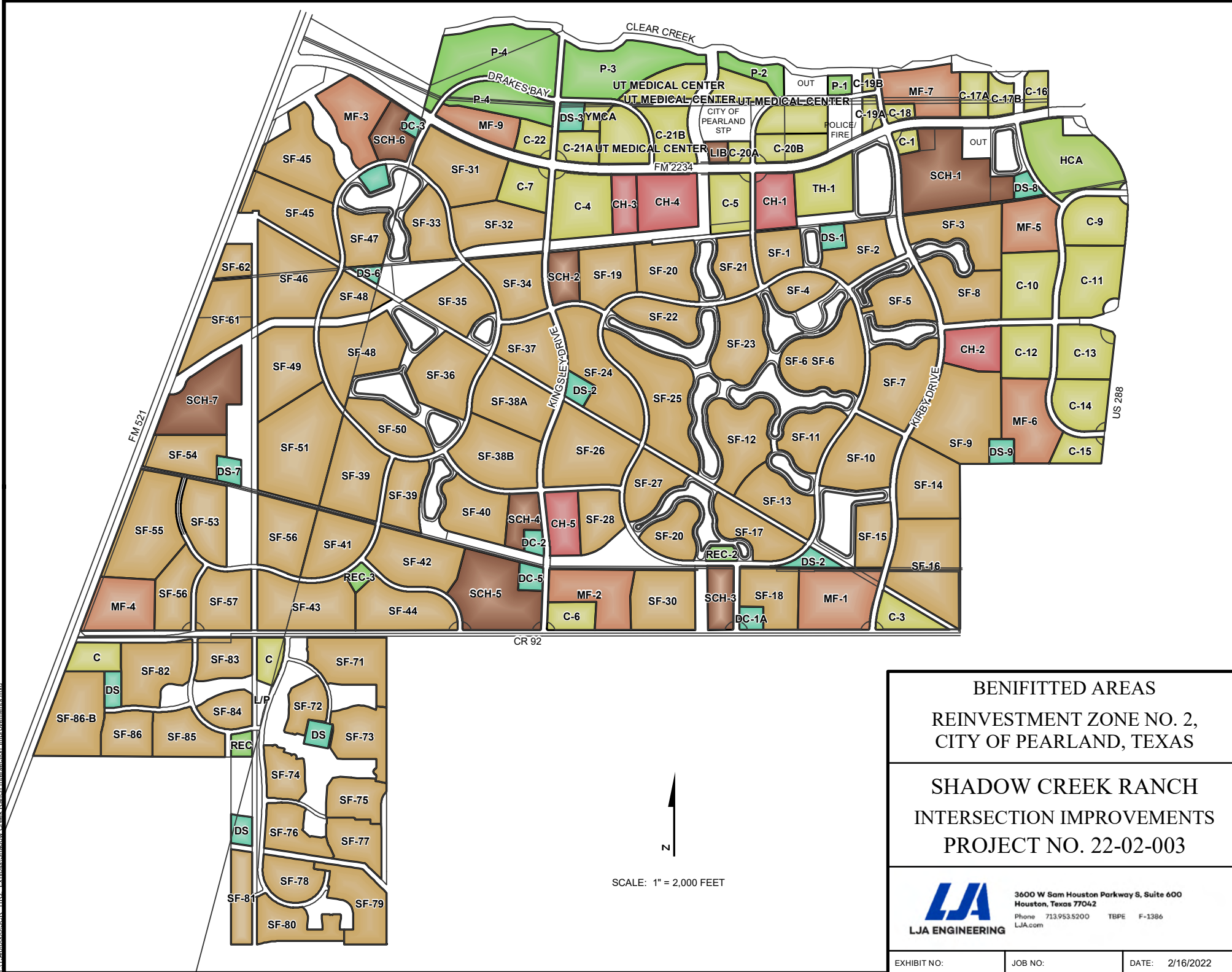
CITY OF PEARLAND Intersection Improvements

Project Area



This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

MAP PREPARED: FEBRUARY 2022
CITY OF PEARLAND GIS DEPARTMENT



BENEFITTED AREAS
 REINVESTMENT ZONE NO. 2,
 CITY OF PEARLAND, TEXAS

SHADOW CREEK RANCH
 INTERSECTION IMPROVEMENTS
 PROJECT NO. 22-02-003

LJA ENGINEERING
 3600 W Sam Houston Parkway S, Suite 600
 Houston, Texas 77042
 Phone 713.953.5200 TBPE F-1386
 LJA.com

T:\1146\0000\SCR_TIBZ_Exhibits\Shadow_Creek_Ranch_Intersection_Improvements.mxd

**REINVESTMENT ZONE NO. TWO
CITY OF PEARLAND, TEXAS**

Independent Accountant's Report on Application of
Agreed-Upon Procedures of Costs Reimbursable to
518SCR, Ltd., for LFA 17-10-001 and
City of Pearland, Texas for LFA 19-10-001 from
Future Available Funds

March 2, 2022

Draft

McGrath & Co., PLLC

Certified Public Accountants

2900 North Loop West, Suite 880

Houston, Texas 77092

713-493-2620

Independent Accountant's Report on Applying Agreed-Upon Procedures

Chairman and Board of Directors
Reinvestment Zone No. Two
City of Pearland, Texas

We have performed the procedures enumerated below, which were agreed to by Reinvestment Zone No. Two (also known as Shadow Creek Ranch), City of Pearland, Texas (the "Zone") on the amounts reimbursable to 518SCR, Ltd. ("518SCR"), and the City of Pearland, Texas, (the "City") for costs incurred on behalf of the Zone from future available resources. The Zone is responsible for determining amounts reimbursable to 518SCR and the City.

The procedures performed are to assist the Zone in determining that the costs to be reimbursed are appropriate and in accordance with commitments or policies of the Zone, subject to such limitations as may apply. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and any associated findings are as follows:

1. We read the Master Developer Reimbursement Agreement between the Zone, the City of Pearland, Texas, and Shadow Creek Ranch Development Company, L.P., and any relevant Sub-Developer Reimbursement Agreements for particular items that may affect the projected reimbursement.
2. We read the letter financing agreement ("LFA") No. 17-10-001 recommended for approval on October 23, 2017, between the Zone and 518SCR for the financing of County Road 59 Improvements. We read the LFA No. 19-10-001 recommended for approval on October 28, 2019, between the Zone and the City for the financing of City of Pearland Fire Station #8.
3. Information pertaining to the costs paid by 518SCR and the City on behalf of the Zone was obtained from the Zone's engineer. We inspected all documentation provided by 518SCR, the City, and engineer supporting items, amounts, and proof of payment for which reimbursement is requested.
4. We calculated developer interest at an interest rate of 6.50% through March 2, 2022, in accordance with Section 5.1(g)(iii)(C) of the Development Agreement between the City of Pearland, Texas, and Shadow Creek Ranch Development Company, L.P., dated September 13, 1999. Actual interest will be calculated through the date of reimbursement.

Board of Directors
Reinvestment Zone No. Two
City of Pearland, Texas

5. Schedule A-1 summarizes amounts reimbursable to 518SCR for costs related to County Road 59 Improvements pursuant to the Sub-Developer Reimbursement Agreement dated November 14, 2011. Schedule A-2 is a comparison of amounts approved in the LFA with actual costs incurred.
6. Schedule B-1 summarizes amounts reimbursable to the City for costs related to City of Pearland Fire Station #8. Schedule B-2 is a comparison of amounts approved in the LFA with actual costs incurred.
7. A draft of this report and schedules referenced above was provided to the Zone's attorney, engineer, 518SCR, and the City for review.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on amounts reimbursable to 518SCR and the City. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties, and is not intended to be, and should not be, used by anyone other than the specified parties. However, this report is a matter of public record and its distribution is not limited. This report should not be associated with the presentation of any financial data of the Zone except to comply with filing requirements as specified by the City.

We appreciate the opportunity to be of service to the Zone and the courtesy and cooperation extended to us by the 518SCR, the City and the Zone's personnel and consultants during the course of our engagement. Please feel free to contact us regarding any of the items referred to above or any other matters of concern.

Sincerely,

Houston, Texas
March 2, 2022

SCHEDULE A - 1
REINVESTMENT ZONE NO. 2, CITY OF PEARLAND, TEXAS
 RECAPITULATION OF AMOUNTS DUE TO
 518SCR, LTD.
 For Costs Incurred Related to LFA 17-10-001
 As of March 2, 2022

Payee	Description	Eligible Costs CR 59 Improvements	
		Total Cost Incurred	Interest at 6.50%
Wadecon, LLC	Construction	\$ 456,207.00	\$ 63,310.30
LJA Engineering, Inc.	Engineering	42,059.76	8,179.15
Terracon Consultants, Inc.	Construction Materials Testing	19,368.75	2,963.57
Stormwater Solutions, LP	Storm Water Compliance	3,025.00	422.95
		<u>\$ 520,660.51</u>	<u>\$ 74,875.97</u>
TOTAL AMOUNT REIMBURSABLE TO 518SCR, LTD.			
FOR CR 59 IMPROVEMENTS (LFA 17-10-001) AS OF MARCH 2, 2022			<u><u>\$ 595,536.48</u></u>

SCHEDULE A - 2
REINVESTMENT ZONE NO. 2, CITY OF PEARLAND, TEXAS
 COMPARISON OF ACTUAL COSTS INCURRED WITH
 LETTER FINANCING AGREEMENT 17-10-001
 As of March 2, 2022

	Letter Financing Agreement *		Actual Costs Incurred	Difference Under (Over)
	Amount Approved	Adjusted per ENR Index		
CR 59 Improvements				
Streets				
Pavement	\$ 520,000	\$ 714,966	\$ 456,207	\$ 258,759
Sidewalks	20,000	27,499		27,499
Storm Sewer System	248,000	340,984		340,984
Landscaping	100,000	137,493		137,493
Contingencies & Engineering				
Contingencies (10%)	76,800	105,595		105,595
Engineering and Testing (15%)	126,720	174,232	64,454	109,778
Totals	\$ 1,091,520	\$ 1,500,769	\$ 520,661	\$ 980,108

* LFA 17-10-001 was recommended for approval on October 23, 2017 using 2006 dollars. ENR index adjustment from January 2006 (7660) to January 2017 (10532) is 37.49%.

SCHEDULE B - 1
REINVESTMENT ZONE NO. 2, CITY OF PEARLAND, TEXAS
 RECAPITULATION OF AMOUNTS DUE TO
 CITY OF PEARLAND, TEXAS
 For Costs Incurred Related to LFA 19-10-001
 As of March 2, 2022

Payee	Description	Eligible Costs	
		Total Cost Incurred	Interest at 6.50%
Advanced Media Technologies, Inc.	Technology	\$ 2,990.00	\$ 338.65
Amazon Capital Services, Inc.	Fire Apparatus & Equipment	1,139.30	113.41
Apple	Fire Apparatus & Equipment	5,495.00	488.35
Berg-Oliver	Environmental Sciences	2,750.00	695.41
Bound Tree Medical	Fire Apparatus & Equipment	3,054.24	437.30
Boundary One	Topographic Survey	3,550.00	388.80
Casco Industries, Inc.	Fire Apparatus & Equipment	720.40	67.22
CenterPoint Energy	Lighting	116,663.00	15,270.34
Chastang Enterprise	Fire Apparatus & Equipment	93,816.00	4,778.19
Chiron Communication Services	Fiber Optics	9,976.84	1,067.80
Daisy Ashford Plaza	Land Easement Fees	1,000.00	90.82
Dell Marketing	Technology	5,863.41	612.93
Delta	Fire Apparatus & Equipment	3,864.37	431.62
Dooley Tackaberry, Inc.	Fire Apparatus & Equipment	25,652.05	3,238.18
DreamSeats, LLC	Furniture, Fixtures & Equipment	11,017.67	1,179.19
Durotech, Inc.	Construction	7,642,531.38	993,901.66
Emergency Communication Services	Fire Apparatus & Equipment	1,957.38	134.55
Galls Parent Holdings, Inc.	Fire Apparatus & Equipment	6,300.00	744.95
Houston Mac Haik Dodge Chrysler Jeep Ram LTD	Fire Apparatus & Equipment	242,247.27	40,422.11
International Paint & Body	Fire Apparatus & Equipment	1,000.00	145.67
Itec Mfg LLC	Fire Apparatus & Equipment	4,790.00	441.01
Joiner Architects	Architect Services	582,824.59	109,788.70
KM Stoops Services, LLC	Design Criteria Review	500.00	9.26
Knox Company	Fire Apparatus & Equipment	3,009.00	382.06
Mattress Firm	Furniture, Fixtures & Equipment	7,995.00	736.09
Metro Fire Apparatus Specialists, Inc.	Fire Apparatus & Equipment	191,664.00	21,365.05
Motorla Solutions	Fire Apparatus & Equipment	81,231.87	10,164.20
Multivista	Construction Photographic Services	7,515.00	992.95
Municipal Emergency Services, Inc.	Fire Apparatus & Equipment	77,714.49	13,407.92
NAFECO	Fire Apparatus & Equipment	33,055.70	3,767.88
Plastix Plus	Fire Apparatus & Equipment	14,380.40	1,337.08
Promaxima Manufacturing	Furniture, Fixtures & Equipment	25,306.32	2,235.28
Sequel Data Systems, Inc.	Technology	90,192.93	8,420.14
Siddons Martin Emergency Group, LLC	Fire Apparatus & Equipment	2,310,487.26	404,132.88
Southern Computer Warehouse	Technology	4,211.40	426.60
Stryker Medical	Fire Apparatus & Equipment	36,491.96	4,791.38
Terracon Consultants, Inc.	Construction Materials Testing	38,733.25	5,448.60
The Luck Company	Furniture, Fixtures & Equipment	56,707.17	5,291.63
Title Houston Holdings	Land Easement Fees	271.00	19.82
W.S. Darley & Co.	Fire Apparatus & Equipment	22,411.03	2,664.95
WatchGuard Video	Fire Apparatus & Equipment	14,610.00	1,509.03
Zoll Medical Corporation	Fire Apparatus & Equipment	47,162.50	6,399.89
		<u>\$ 11,832,853.18</u>	<u>\$ 1,668,279.55</u>

TOTAL AMOUNT REIMBURSABLE TO CITY OF PEARLAND, TEXAS
FOR CITY OF PEARLAND FIRE STATION #8 (LFA 19-10-001) AS OF MARCH 2, 2022

\$ 13,501,132.73

SCHEDULE B - 2
REINVESTMENT ZONE NO. 2, CITY OF PEARLAND, TEXAS
 COMPARISON OF ACTUAL COSTS INCURRED WITH
 LETTER FINANCING AGREEMENT 19-10-001
 As of March 2, 2022

<u>City of Pearland Fire Station No. 8</u>	<u>Amount Approved *</u>	<u>Actual Costs Incurred</u>	<u>Under (Over)</u>
Fire/Police Station Improvements	\$ 13,825,472	\$ 11,832,853	\$ 1,992,619
Totals	<u>\$ 13,825,472</u>	<u>\$ 11,832,853</u>	<u>\$ 1,992,619</u>

* The Fourth and Fifth Amendments of LFA 19-10-001 was recommended for approval on October 28, 2019 using 2019 dollars. No ENR index adjustment necessary.

<u>Summary by Category</u>	<u>Actual Costs Incurred</u>	<u>Estimated Interest at 6.5%</u>	<u>Grand Totals</u>
Architect Services	\$ 582,824.59	\$ 109,788.70	\$ 692,613.29
Construction	7,642,531.38	993,901.66	8,636,433.04
Construction Materials Testing	38,733.25	5,448.60	44,181.85
Construction Photographic Services	7,515.00	992.95	8,507.95
Design Criteria Review	500.00	9.26	509.26
Environmental Sciences	2,750.00	695.41	3,445.41
Fiber Optics	9,976.84	1,067.80	11,044.64
Fire Apparatus & Equipment	3,222,254.22	521,364.88	3,743,619.10
Furniture, Fixtures & Equipment	101,026.16	9,442.19	110,468.35
Land Easement Fees	1,271.00	110.64	1,381.64
Lighting	116,663.00	15,270.34	131,933.34
Technology	103,257.74	9,798.32	113,056.06
Topographic Survey	3,550.00	388.80	3,938.80
	<u>\$ 11,832,853.18</u>	<u>\$ 1,668,279.55</u>	<u>\$ 13,501,132.73</u>