


**AGENDA FOR MEETING OF THE BOARD OF DIRECTORS  
OF  
REINVESTMENT ZONE NUMBER TWENTY-SEVEN, CITY OF HOUSTON, TEXAS  
AND  
MONTROSE REDEVELOPMENT AUTHORITY, CITY OF HOUSTON, TEXAS**

Notice is hereby given that the Board of Directors of Reinvestment Zone Number Twenty-Seven, City of Houston, Texas (the "Zone"), and along with the Board of Directors of the Montrose Redevelopment Authority, City of Houston, Texas (the "Authority"), will hold a regular meeting on **Monday, September 18, 2023, at 6:30 p.m., at St. Stephens Episcopal Church, 1800 Sul Ross Street, Pecore Hall, Houston, Texas**, to consider, discuss and adopt such orders, resolutions or motions, and take direct or indirect actions as may be necessary, convenient, or desirable with respect to the following matters:

1. Establish quorum and call to order.
2. Receive public comment.  
(A statement of no more than 3 minutes may be made of items of general relevance. There will be no yielding of time to another person. State law prohibits the Board Chair or members of the Board from commenting on any statement or engagement in dialogue without an appropriate agenda item being posted in accordance with the Texas Open Meetings Act. Comments should be directed to the entire board, not individual members. Engaging in verbal attacks or comments intended to insult, abuse, malign, or slander any individual shall be cause for termination of time privileges.)
3. Minutes.
4. Montrose Boulevard Public Meeting.
5. Projects and Planning:
  - a. Projects and Planning Committee report;
  - b. report from Gauge Engineering, including:
    - i. update on Hawthorne Street and Woodhead Street Neighborhood Safe Street, including consider Pay Application and closing out the project;
    - ii. update on sidewalk improvements along West Gray, including consider Pay Application; and
    - iii. update on sidewalk improvements around Wharton Dual Language Academy, including consider Approve Interlocal Agreement.
6. Receive update from The Goodman Corp.
7. Public Engagement matters, including Public Engagement Committee Report and receive update from Hollaway.
8. Montrose Arts project, including authorize appropriate action.
9. Consider proposal from SPARK for Baker Montessori.

Persons with disabilities who plan to attend this meeting and would like to request auxiliary aids or services are requested to contact the Zone's attorney at (713) 860-6400 at least three business days prior to the meeting so that appropriate arrangements can be made.

10. Affordable Housing, including Affordable Housing Committee report and take appropriate action regarding Development Agreement Policy.
11. Financial matters, including report from Finance Committee, report from bookkeeper, review financial information, and authorize payment of invoices.
12. Approve audit for fiscal year end June 30, 2023, and authorize submittal of same to the City of Houston.
13. Report from Zone administrator.
14. Announcements regarding workshops, seminars, and presentations relating to Zone and Authority matters.
15. Discuss meeting schedule and proposed agenda items for upcoming Board meeting(s).
16. Receive public comment.  
(A statement of no more than 3 minutes may be made of items of general relevance. There will be no yielding of time to another person. State law prohibits the Board Chair or members of the Board from commenting on any statement or engagement in dialogue without an appropriate agenda item being posted in accordance with the Texas Open Meetings Act. Comments should be directed to the entire board, not individual members. Engaging in verbal attacks or comments intended to insult, abuse, malign, or slander any individual shall be cause for termination of time privileges.)



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Attorney for the Zone

Tax Increment Reinvestment Zone (TIRZ) #27 – Montrose  
**Committee Report Form**

**Committee Name:** Projects and Planning Committee **Date of Meeting:** 9/6/2023

**Chairperson:** Joe Webb

**Attendees:**

<u>Joe Webb</u>	<u>Abby Noebels</u>
<u>Ray Valdez</u>	<u>Muhammad Ali</u>
<u>Sanjay Bapat</u>	<u>Jim Webb</u>
<u>Kristi Miller</u>	<u>Patti Joiner</u>
<u>Walter Morris</u>	<u></u>
<u></u>	<u></u>

**Meeting Report**

**Agenda**

- Project Status Presentation from Gauge Engineering
- Bond and Grant update from the Goodman Corporation
- Discussion with Hollaway regarding Montrose TIRZ Public Meeting
- Discussion regarding RCN NAE Letter of Support
- Discussion regarding Bike Houston Proposal and Letter of Support

**Notes**

- Sarah Wetmore from TEI presented the Montrose Boulevard Improvements Presentation
- Muhammad presented the Gauge Status Report
- Kristi Miller presented the Goodman Corporation Status Report
- Joe discussed the letters of support requested from the Board

**PROGRESS REPORT**  
**SEPTEMBER 2023**  
MONTROSE/TIRZ 27



**HAWTHORNE/WOODHEAD**

- Project completed and accepted by City.
- Final Completion Certificate executed.
- Final PayApp (\$142,753.25) submitted. (\$29,268.17 below budget)
- Final reconciliation change order submitted.

**MONTROSE BOULEVARD IMPROVEMENTS**

- Addressing City comments.
- Prepared for public meeting.
- Working towards 90% Plans.
- Ongoing coordination with Ismaili Center.
- Began designing the Allen Parkway Bridge.

**WEST GRAY**

- See separate Progress Report
- Sent PayApp (\$114,231.80) and progress report to P&P Committee – 9/5

**DALLAS AND MANDELL IMPROVEMENTS**

- N/A



August 10, 2023

Muhammad Ali, P.E.  
Gauge Engineers  
11750 Katy Freeway, Suite 400  
Houston, Texas 77079

**Re: Acceptance Letter for TIRZ 27, HAWTHORNE AND WOODHEAD STREETS  
Project ID# WBS# N-T27000-0002-7**

Dear Mr. Muhammad Ali:

We have reviewed the punch list items for the referenced project. The punch list items have been corrected to the City's satisfaction. The City hereby accepts the work on the referenced project.

If you need any additional information, please contact Shapoor Golshan at 832 395-2444.

Sincerely,

DocuSigned by:

*Patricia Campbell*

DD9FE6D20EFB440...

Patricia Campbell, P. E.  
Managing Engineering  
Transportation & Drainage Operations

JVG

c: Michael T. Wahl, P.E., PTOE

Document 00641

CONTRACTOR'S CERTIFICATION OF FINAL COMPLETION

CERTIFICATE OF FINAL COMPLETION OF: Hawthorne St. & Woodhead St. Neighborhood Safe Street Improvements

Project No.: WBS No. N-T27000-0002-7

Contract Dated: 02/02/2022

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Adrian Fleites who, being by me duly sworn, on his oath says that he or she represents R. Miranda Trucking and Construction, LLC (Miranda), the Contractor who has performed a contract with the City of Houston/TIRZ 27 for the construction of the Work described above, and is duly authorized to make this affidavit; that he or she has personally examined the Work described above as required by the Contract documents; that said Work and all items thereof have been completed and all known defects made good; that all surplus material, refuse, dirt and rubbish have been cleaned up and removed or disposed of as directed by the City Engineer; that all parts of Work are in a neat, tidy, finished condition and ready in all respects for acceptance by the City; that all gravel or shell roadway surfaces removed during the course of the Work have been replaced in accordance with the Specifications, that rates of pay for all labor employed on said Work have not been below the minimum set out in "Labor Classification and Minimum Wage Scale" in the Contract documents and that within the knowledge of affiant all just bills for labor and material and for the rental or use of any equipment or apparatus, used in, on, or in connection with the Work have been paid in full by the Contractor.

[Signature]

Affiant's Signature

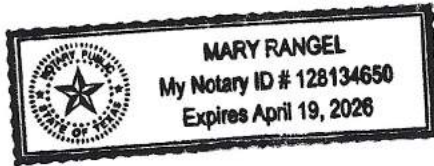
SWORN AND SUBSCRIBED before me on

9-1-2023

Date

[Signature]

Notary Public in and for the State of TEXAS



Mary Rangel

Print or type name

My Commission Expires:

4-19-2026

Expiration Date

THIS IS TO CERTIFY that I have thoroughly inspected the Work performed by the above named Contractor on the above described Contract and find all things in accordance with the Contract documents governing this Work.

[Signature]

09/01/2023

David Wager – Gauge Inspector

[Signature]

09/01/2023

Karam Qaddo – Gauge Construction Manger

Approved:

Document 00650

CERTIFICATE OF FINAL COMPLETION

PROJECT: Hawthorne St. & Woodhead St. Neighborhood Safe Street Improvements

CONTRACT No.: N/A

PROJECT No.: WBS No. N-T27000-0002-7

TO: R. Miranda Trucking and Construction, LLC (Miranda)  
Contractor and 6326 Perch Creek Dr.  
Address for Written Notice Houston, TX 77049

1.01 DATE OF FINAL COMPLETION

The Work performed under the Contract was inspected on June 14, 2023 and found to be complete. The date of final completion of the Work is hereby established as June 14, 2023.

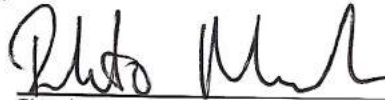
1.02 PUNCH LIST

Contractor certified in Document 00641 – Contractor’s Certification of Final Completion that all Punch List items indicated on Attachment 1 and City of Houston list were completed or corrected. Failure to identify incomplete work items or requirements of the Contract prior to issuance of this Certificate does not alter the responsibility of Contractor to comply with all provisions of the Contract.

1.03 ACCEPTANCE OF THE WORK


Based on inspection and to the best of our knowledge, information and belief, the Work has been completed in accordance with the terms and conditions of the Contract and we recommend acceptance of the Work by TIRZ 27.

Roberto Miranda  
Contractor – R. Miranda Trucking and Construction LLC

  
Signature

9-12-23  
Date

Karam Qaddo, P.E.  
Construction Manager – Gauge Engineering

  
Signature

09/03/2023  
Date

David Wager  
Inspector – Gauge Engineering

  
Signature

09/03/2023  
Date

Muhammad Ali, P.E.  
Project Manager – Gauge Engineering

  
Signature

09/03/2023  
Date

TIRZ 27  
Signature

Signature

Date

END OF DOCUMENT

ATTACHMENT 1

**TIRZ 27**

FINAL COMPLETION INSPECTION  
LIST OF INCOMPLETE OR INCORRECT WORK

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**Project:** Hawthorne St. & Woodhead St. Neighborhood Safe Street Improvements

**Owner:** TIRZ 27                      **Council District:**                      **Key Map:**

**Contractor:** R. Miranda Trucking and Construction, LLC (Miranda)

**WBS No.:** N-T27000-0002-7                      **File No.:**                      **Contract No.:**

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Item	Required Submittals
1	None.

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Date Completed	Listing of Incomplete or Incorrect Work
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All completed                      See attached Substantial Completion Inspection Report for list of items.



## Substantial Completion Punchlist – Final Walk Through 06-05-23

### Woodhead Street

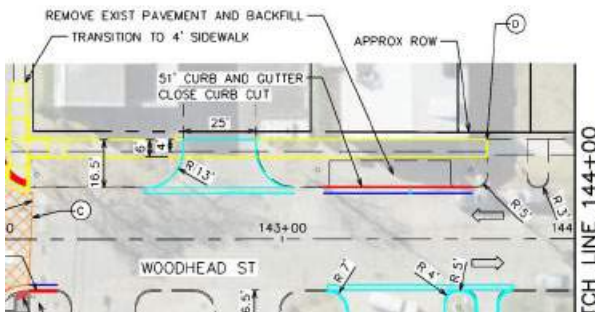
22. ~~Sta 100+20 L Replace Sidewalk from Bridge to first driveway~~ ~~Completed Incorrectly, reconstruct existing sidewalk to help minimize grade differences in infrastructure in sidewalk, per plans~~ **DONE**



32. ~~Sta 108+00 L Replace ped ramp, landing and sidewalk connections and replace curb and gutter~~ ~~Need to determine course of action based on construction on opposite side of street~~ ~~Please provide update, not complete~~ **DONE**
36. ~~Sta 111+00 Add NB and SB "NO THRU TRUCKS" signs, repair sidewalk around pull boxes (see sheet 143 of 246)~~ ~~Not Complete~~ **DONE**
40. ~~Sta 117+30 R Correct Landing over 2%~~ ~~In progress~~ **DONE**
43. ~~Sta 134+70 L Remove existing school speed zone sign, add missing Plaque "End School Zone"~~ ~~Incomplete~~ **DONE**
48. ~~Sta 136+25 R Add missing All-Way Plaques (confirm on all intersection approaches)~~ ~~Incomplete~~ **DONE**
51. ~~Sta 138+50 R Add missing anchor bolts to trench drain and correct landing over 2%~~ ~~Landing incomplete~~ **DONE**



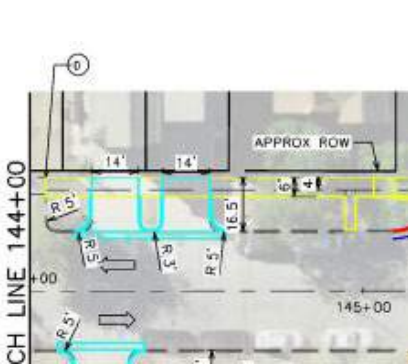
- 53. Sta 142+00 R ~~Note to check with COH on cabinet removal~~ ~~Need to contact COH~~
- 56. Sta 143+10 L ~~Replace sidewalk and remove curb cut and replace gutter~~ ~~Curb being constructed, sidewalk incomplete~~ ~~if sidewalk is not finished then dirt and trash will get trapped between existing and new curb which is no good~~



This section we agreed to leave it like that, just replace the curb and gutter and fix the cross slope on the paver area to < or = 2.0%

Driveways to remain in place per Sarah/ Karam Instructions.

- 57. Sta 144+00 L ~~Replace Driveways, SW and fix concrete sidewalk~~ ~~at minimum fix ponding in front of driveways~~



- 58. Sta 145+00 R and Sta 146+70 L ~~Add missing hatch on Woodhead approaches~~ ~~Incomplete~~ **DONE**
- 59. Sta 145+05 R ~~Add missing "End School Zone" sign~~ ~~Incomplete~~ **DONE**
- 70. Sta 155+90 L ~~Relocated "Speed Hump and Speed Limit" signs at 156+40 L~~ ~~Incomplete~~ **DONE**



73. Sta 161+50 Intersection of Welch — ~~Ponding issue remains, transition issue on SW corner~~ **DONE**
- a. ~~Complete curb and gutter replacement (161+90 L)~~ **DONE**
  - b. ~~Correct ponding at base of ramps~~ **DONE**
  - c. ~~Repair transition~~ **DONE**



74. Sta 163+60 L — ~~Complete curb and gutter replacement~~ ~~Incomplete~~ **DONE**



79. Sta 179+90 R ~~Adjust water valve to be flush with pavement; confirm manhole cover has been installed~~ ~~Incomplete~~ **DONE**



81. Sta 184+30 ~~Intersection of Bell St - Add missing hatch, install DWS on West ramp and directional island, correct landing over 2% on NE and NW corners, provide top landing on SE corner~~ ~~In progress~~ **DONE**



83. Sta 186+90 R ~~Correct landing over 2%~~ ~~Incomplete~~ **DONE**

90. Install Directional Island on Intersection corners at the following locations: **DONE**

h. Peden - NW Corner - add DWS and fix transition ~~Incomplete, missing directional island~~ **DONE**

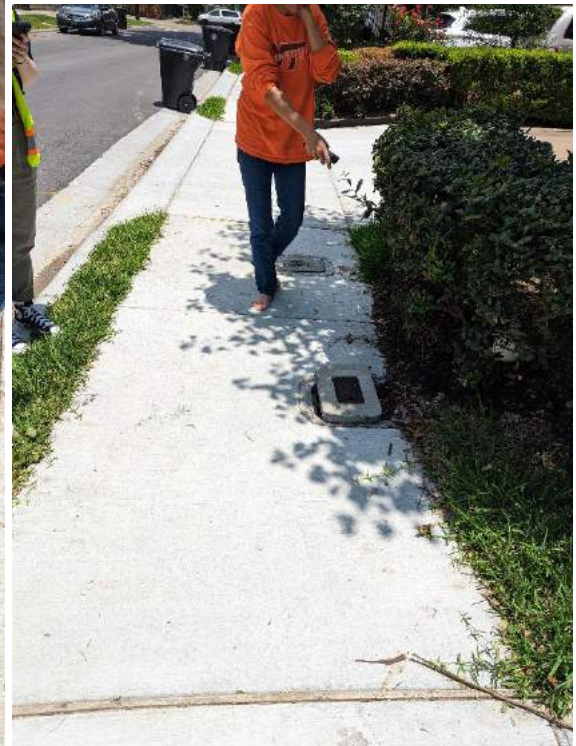
91. Confirm all concrete to asphalt transitions are smooth **DONE**

a. Peden ~~Incomplete~~ **DONE**



**NEW:**

- ~~Dunlavy crosswalk and stop bar~~ ~~Incomplete~~ **DONE**
- ~~Meter box issue on W Clay~~ **DONE**
  - ~~Just west of Dunlavy~~ ~~meter box lip that holds lid is broken (picture #1)~~ **DONE**
  - ~~Meter box installed incorrectly where lid can not close (picture #2)~~ **DONE**



# PROGRESS REPORT—SEPTEMBER 2023

## METRO 5310 PROGRAM WEST GRAY STREET SIDEWALK IMPROVEMENTS

WBS No. N-T27000-0004-7



**MONTROSE**  
TAX INCREMENT REINVESTMENT ZONE 27

### PROJECT LOCATION

The project is located in west central Houston, Texas, just north of the US 59 highway.

The project limits are from Woodhead St to Montrose Blvd

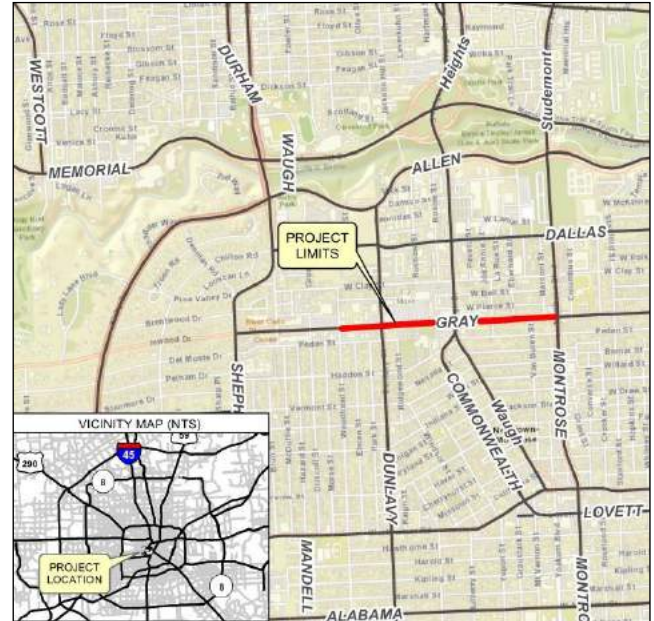
### FUNDING

- *Design and Construction Oversight Costs*
  - ◇ Montrose Redevelopment Authority/TIRZ 27
- *Construction Costs*
  - ◇ Montrose Redevelopment Authority/TIRZ 27
  - ◇ METRO 5310 Program

### PROJECT DESCRIPTION

#### ● **Improve Pedestrian Facilities:**

Promote a pedestrian-friendly environment by incorporating 6-FT wide, continuous, uninterrupted and safe sidewalks accompanied by City compliant curb ramps along the project corridors, within public right-of-way. The sidewalks are only reduced at specific spots to accommodate mature trees. The corridor were physically walked with an Urban Forester to assist with the sidewalk design around any mature trees.



### PROJECT STATUS

- Completed demolition of existing sidewalk and driveways, forming, and installation of new sidewalks and driveways for the following:
  - ◇ South side of W Gray Street from Woodhead Street to Montrose Blvd.
- Installation of Traffic Control and Tree Protection along W Gray Street from just west of Waugh Dr up to Montrose Blvd.

### NEXT STEPS

- Finishing construction the south side of W Gray Street. Begin construction on the north side of W Gray, from Montrose Blvd heading west.

# PROGRESS REPORT—SEPTEMBER 2023

## METRO 5310 PROGRAM WEST GRAY STREET SIDEWALK IMPROVEMENTS

WBS No. N-T27000-0004-7



**MONTROSE**  
TAX INCREMENT REINVESTMENT ZONE 27

### CONSTRUCTION TIME

- Original Contract Time: 6 Months
- Notice to Proceed Date: June 19, 2023

### CONTACT INFORMATION

#### **Construction Manager:**

Gauge Engineering  
11750 Katy Freeway, Suite 400  
Houston, TX 77079



#### **Contractor:**

R. Miranda Trucking & Construction  
6326 Perch Creek Dr.  
Houston, TX 77049

### PROGRESS PHOTOS

### PAYMENT ESTIMATES

Original Contract Amount	\$813,243.50
Change Order Amount to Date	-
Current Contract Amount	\$813,243.50
Previous Payments	\$178,085.10
Current Payment (s) Due	\$114,231.80
Contract Completion Date	12/16/2023
Balance Remaining	\$505,541.50



Dieback Tree Removal



Driveway Replacement



Traffic Control



Curb Wall Concrete Pour

## INFRASTRUCTURE REIMBURSEMENT AGREEMENT

**THIS INFRASTRUCTURE REIMBURSEMENT AGREEMENT** (“Agreement”) is entered into as of the date of the City’s countersignature below (“Effective Date”), between the **CITY OF HOUSTON, TEXAS** (“City”), a Texas home-rule city principally situated in Harris County, and the **MONTROSE REDEVELOPMENT AUTHORITY** (“Authority”), a local government corporation created pursuant to Chapter 431, Subchapter C, Texas Transportation Code; and **REINVESTMENT ZONE NUMBER TWENTY-SEVEN, CITY OF HOUSTON, TEXAS** (“Zone”) a tax increment reinvestment zone created by the City pursuant to Chapter 311, Texas Tax Code.

1. This Agreement is being executed in connection with City’s contribution of funds for a project to improve pedestrian safety near Wharton Dual Language Elementary School (“Project”), undertaken pursuant to and in accordance with the Project Plan and Reinvestment Zone Financing Plan for the Zone approved by the City Council of the City by Ordinance No. 2020-1071, passed and adopted on December 9, 2020. The Authority shall be responsible for hiring a contractor to undertake the Project in accordance with the following Scope of Work:
  - Improve pedestrian safety near Wharton Dual Language Elementary School; and
2. Upon completion of the Project, the City shall reimburse the Authority for a portion of the total Project cost in an amount not to exceed **\$25,000.00** on the basis of Project invoices submitted by the Authority and approved by the Houston Public Works Director or their designee (“Director”), showing the work performed on the Project and corresponding itemized actual costs or expenses of that work. The City shall submit reimbursement to the Authority at its address for notices within 30 days of receipt of an approved invoice.
3. The total amount paid by the City to the Authority for the City’s portion of the total Project cost under this Agreement shall not exceed the total cumulative amount of **\$25,000.00**, and City shall have no obligation to pay more than such amount. The Authority recognizes that, under Sections 19 and 19a of the City’s Charter and Article XI, Section 5 of the Texas Constitution, the City may not obligate itself by contract to pay more money than the amount the City Council appropriates; and the Authority further recognizes that the City Council has appropriated and allocated only **\$25,000.00** to the Authority for a portion of the total Project cost under this Agreement. The City’s obligation to the Authority under this Agreement shall not exceed **\$25,000.00**, unless both of the following events occur: (a) the City Council makes further appropriations for this Agreement, and (b) the City issues a duly authorized amendment to this Agreement prior to its termination.



4. Addresses for notice shall be as follows:

**City:**

Houston Public Works Director  
City of Houston, Texas  
P.O. Box 1562  
Houston, Texas 77002

**Authority:**

Montrose Redevelopment Authority  
c/o Allen Boone Humphries Robinson LLP  
Attention: Alia Vinson  
3200 Southwest Freeway, Suite 2600  
Houston, Texas 77027

5. **THE AUTHORITY SHALL (AND SHALL CAUSE ITS CONTRACTOR TO) AGREE TO AND RELEASE THE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY THE “CITY”) FROM ALL LIABILITY FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS AGREEMENT, EVEN IF THE INJURY, DEATH, DAMAGE, OR LOSS IS CAUSED BY THE CITY’S SOLE OR CONCURRENT NEGLIGENCE AND/OR THE CITY’S STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY. THE AUTHORITY HEREBY COVENANTS AND AGREES NOT TO SUE THE CITY FOR ANY CLAIMS, DEMANDS, OR CAUSES OF ACTION DIRECTLY OR INDIRECTLY RELATED TO ITS RELEASE UNDER THIS SECTION. FOR THE AVOIDANCE OF DOUBT, THIS COVENANT NOT TO SUE DOES NOT APPLY TO CLAIMS FOR BREACH OF THIS AGREEMENT.**
6. The requirements and terms of the City of Houston’s Zero Tolerance Policy for Human Trafficking and Related Activities, as set forth in Executive Order 1-56, as revised from time to time, are incorporated into this Agreement for all purposes. The Authority has reviewed Executive Order 1-56, as revised, and shall comply with its terms and conditions as they are set out at the time of this Agreement’s effective date. The Authority shall notify the City’s Chief Procurement Officer, City Attorney, and the CDO of any information regarding possible violation by the Authority or its contractors or subcontractors providing services or goods under this Agreement within 7 days of the Authority becoming aware of or having a reasonable belief that such violations may have occurred, have occurred, or are reasonably likely to occur.
7. The CDO may terminate this Agreement at any time upon thirty (30) days’ notice in writing to Authority.

8. This Agreement shall expire on December 31, 2026, or when terminated by the CDO, whichever comes first.
9. This Agreement, as well as any written specifications, statement of work, work write-up, other project plan, or any mutually agreed written amendments hereto contain all the agreements between the Parties relating to the subject matter hereof and are the full and final expression of the agreement between the parties.
10. This Agreement may be executed in multiple copies, each of which shall be an original.

[The rest of this page left blank intentionally.]

**APPROVED:**

**BOARD OF DIRECTORS OF  
REINVESTMENT ZONE NUMBER  
TWENTY-SEVEN, CITY OF HOUSTON,  
TEXAS**

**BOARD OF DIRECTORS OF  
MONTROSE REDEVELOPMENT  
AUTHORITY**

\_\_\_\_\_  
Chair  
Reinvestment Zone Number Twenty-Seven, City  
of Houston  
Date: \_\_\_\_\_, 2023

\_\_\_\_\_  
Chair  
Montrose Redevelopment Authority  
Date: \_\_\_\_\_, 2023

**ATTEST:**

**ATTEST:**

\_\_\_\_\_  
Secretary  
Reinvestment Zone Number Twenty-Seven, City  
of Houston  
Date: \_\_\_\_\_, 2023

\_\_\_\_\_  
Secretary  
Montrose Redevelopment Authority  
Date: \_\_\_\_\_, 2023

**APPROVED:**

**CITY OF HOUSTON**

\_\_\_\_\_  
Sylvester Turner  
Mayor of the City of Houston

**ATTEST:**

\_\_\_\_\_  
Pat Jefferson Daniel  
City Secretary

**APPROVED AND RECOMMENDED:**

\_\_\_\_\_  
Carol Ellinger Haddock, P.E.  
Director, Houston Public Works

**COUNTERSIGNED BY:**

\_\_\_\_\_  
Chris Brown  
City Controller

**APPROVED AS TO FORM:**

**DATE COUNTERSIGNED:**

\_\_\_\_\_  
Assistant City Attorney

\_\_\_\_\_

L.D. File No. \_\_\_\_\_

Tax Increment Reinvestment Zone (TIRZ) #27 – Montrose

**Committee Report Form**

**Committee Name:** Public Engagement Committee      **Date of Meeting:** 8/17/2023  
Meeting \_\_\_\_\_

**Chairperson:** Lisa Hunt

**Attendees:**

<u>Lisa Hunt</u>	<u>Eureka Gilkey</u>
<u>Amanda Flores</u>	<u>Connor Stokes</u>
<u>Rosaura Martinez</u>	<u>Patti Joiner</u>
<u>Walter Morris</u>	_____
_____	_____
_____	_____

**Meeting Report**

**Agenda**

- Discussion regarding Hollaway’s Activities
  - Montrose Blvd Public Meeting
  - August 21<sup>st</sup> Board Meeting
- Discussion with January Advisors regarding updated PowerPoint Presentation
- Discussion on next steps after August 21<sup>st</sup> Board Meeting regarding public meeting timelines

**Notes**

- The Committee reviewed actionable items for following public meetings



## **Progress Report: Montrose TIRZ Regular Meeting – Sept. 18, 2023**

Hollaway Environmental + Communications Services

### **Activities completed or in-progress this period:**

- Participation in scheduled Projects and Planning Committee and Public Engagement Committee meetings.
- Planning activities and materials development for the Sept. 18, 2023, Montrose Boulevard Improvement Project public engagement meeting, in coordination with Gauge Engineering.
- Development of a draft Communications and Outreach Plan for the Montrose TIRZ.
- Development of draft branding guidelines and standard templates e.g., letterhead, memo, news release, MS PowerPoint presentation, etc.) for the Montrose TIRZ.
- Development of draft standard messaging for the Montrose TIRZ.

### **Activities expected to be complete next period:**

- Participation in scheduled Projects and Planning Committee and Public Engagement Committee meetings.
- Submittal of a draft Communications and Outreach Plan for the Montrose TIRZ for review and consideration by the Public Engagement Committee.
- Submittal of proposed updates to the Montrose TIRZ website and subsequent implementation of website updates pending approval by the Public Engagement Committee.
- Submittal of draft branding guidelines and standard templates (e.g., letterhead, memo, news release, MS PowerPoint presentation, etc.) for review and consideration by the Public Engagement Committee.
- Development of draft standard messaging for the Montrose TIRZ for review by the Public Engagement Committee.

Established 1983

**BOARD OF DIRECTORS**

Mark Lee, *President*  
Susan Sample, *Vice President*  
Michele Fraga, *Secretary*  
Thomas Horton, *Treasurer*  
Adeia Armendariz  
Evans Attwell  
Massoud Dioun  
Chris Gonzalez  
Anne Sung  
Carla Wyatt

**Executive Director:**

Kathleen Ownby

**Assistant Director:**

Elizabeth Howley

**SPARK Schools:**

**Houston I.S.D.**

Alameda, Anderson, Arabic Immersion, Ashford, Baker Montessori, Belfort E.C.C., Berry, Braeburn, Briscoe, Browning, Carrillo, Chavez H.S., Clifton M.S., Condit, Cornelius, Daily, Davila, Deady M.S., Edison M.S., Emerson, Field, Fleming M.S., Franklin, Garden Oaks, Garden Villas, Golfcrest, Hamilton M.S., Hartsfield, Helms, J. P. Henderson, Herrera, Hobby, Hogg M.S., Holland M.S., Houston International Academy, Jane Long Academy, Jefferson, Kashmere Gardens, Ketelsen, Lockhart, Looscan, Lyons, Mading, Mandarin Immersion Magnet, McGowen, McReynolds M.S., Memorial, Milne, Montgomery, Moreno, Osborne, Park Place, Parker, Petersen, Piney Point, Poe, Port Houston, Billy Reagan K-8, Revere M.S., Reynolds, River Oaks, Roberts, Robinson, Rodriguez, School at St. George Place, Sinclair, Stevens, Stevenson M.S., Sutton, Tijerina, Tinsley, Travis, Twain, Walnut Bend, Westbury H.S., W. University, Wharton K-8, Whidby, E. White

**Aldine I.S.D.**

Cerraway, Carroll, Dunn, Harris Academy, Marcella, Stovall M.S.

**Alief I.S.D.**

Alexander, Best, Bush, Chambers, Collins, Cummings, Hearne, Horn, Kennedy, Landis, Liestman, Mahanay, Cutley, Smith, Sneed, Alief Community Garden

**Channelview I.S.D.**

Crenshaw, Hamblen, Harvey Brown

**Clear Creek I.S.D.**

McWhirter, Wedgewood

**Crosby I.S.D.**

Drew Elem.

**Fort Bend I.S.D.**

Blue Ridge, Briargate, Mission West, Ridgemont

**Galena Park I.S.D.**

Cimarron, Pyburn

**Goose Creek C.I.S.D.**

Harlem Elem.

**Huffman I.S.D.**

Huffman Elem.

**Humble I.S.D.**

Fall Creek Elem., Lakeshore

**Katy I.S.D.**

Franz, Memorial Parkway, Winborn

**Klein I.S.D.**

Kaiser Elem.

**Pasadena I.S.D.**

Bailey, Freeman, Garfield, Hancock, Jensen, Jessup, Kruse, Mathys, Meador, Parks, South Shaver

**Sheldon I.S.D.**

Carroll, Royalwood

**Spring Branch I.S.D.**

Bendwood, Cedar Brock, Buffalo Creek, Hollibrook, Meadow Wood, Nottingham, Northbrook M.S., Pine Shadows, Ridgecrest, Shadow Oaks, Sherwood, Spring Forest M.S., Spring Shadows, Spring Woods M.S., Terrace, Treasure Forest, Valley Oaks, Woodview

**Charter Schools**

The Lawson Academy, YES Prep-East End, YES Prep-Gulfton, Yzaguirre Schools for Success



July 19, 2023

Mr. Sanjay Bapat  
Montrose TIRZ  
C/O ABHR LLP  
3200 SW Freeway, Ste. 2600  
Houston, TX 77027

Dear Mr. Bapat,

For 40 years, the SPARK School Park Program has created park space in Houston by turning school playgrounds into neighborhood parks. SPARK is currently working on a reSPARK project at Baker Montessori, 2100 Yupon St., Houston, TX 77006 in the Montrose neighborhood. We appreciate this opportunity to present this proposal to the Board of the Montrose TIRZ for funding consideration.

Included in this packet are the following:

- Letter from Principal Eden Bass requesting a reSPARK
- Neighborhood demographic information from Trust for Public Land
- Baker Montessori SPARK Park Budgetary Concept Plan
- Proposed Budget

This SPARK Park was first dedicated in 1996 and then it was "reSPARK'ed" in 2012 as the "Wilson Wonderground" (the school was Wilson Montessori at the time). The school has approximately 600 students from PreK – 8<sup>th</sup>, and serves many students with different abilities, including approximately 35 students with hearing loss. We know you have many funding priorities, thank you for your consideration of this request.

Cordially,

*Elizabeth Howley for Kathleen Ownby*  
Assistant Director

Kathleen Ownby  
Executive Director

KO/eh



## Project budget for Baker Montessori SPARK Park

### INCOME

Kinder/Houston Endowment/Brown Foundation (park deserts)	\$175,000
School & Community (fundraising efforts)	\$ 5,000
Citizens of Montrose (restaurant fundraiser)	\$ 2,000
Councilmember Abbie Kamin, District C	\$ 5,000
In-kind Trees for Houston	
In-kind Design Services (value of \$8,000)	
<b>Additional funding needed</b>	<b>\$206,000</b>

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Total	\$398,000
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### EXPENSES

Landscape Architect, Design Workshop	\$ 15,000
Castle (created by artist B. Davenport)	\$ 24,000
Soccer Field & Irrigation	\$ 30,000
Permanent Goals & Striping Tool	\$ 5,000
2-5 Playground	\$ 83,000
5-12 Playground	\$170,000
Swing set	\$ 15,000
Spinners	\$ 10,000
Gaga Ball Pit	\$ 12,000
Chess Tables	\$ 5,000
Benches	\$ 24,000
Low fence (around 2-5 equipment)	\$ 5,000
In-kind Trees (Trees for Houston)	
In-kind Design Services (value of \$8,000)	

---

Total	\$398,000
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# Ella J. Baker Montessori

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## Re-SPARK Inquiry for Baker Montessori

February 10, 2023

To Whom It May Concern at SPARK:

I am writing to inquire about the possibility of partnering with SPARK to pursue renovations to our existing SPARK park at Baker Montessori (formerly Wilson Montessori). Baker Montessori was very fortunate to work with SPARK to bring our Wilson Wunderground dreams to fruition. Our first SPARK park was dedicated in 1996 and we re-SPARKed the park on November 9, 2012. We are eager to build upon this work to continue to provide an inspiring playspace for our students and our community.

Our Wunderground park currently serves 600 students in PK - 8th grade during the school day and continues to be open to the wider community when school is not in session. On any given day, we see the park is widely enjoyed for early morning walks, intramural sports, and afternoon catch. We cannot wait to see our beloved park get the updates it needs so that we can make memories for decades to come.

We have committed community stakeholders ready to propel this project forward. We would be incredibly grateful for your continued support. Please reach out if you need any additional information to strengthen our application.

Sincerely,

Eden Bass

Principal, Baker Montessori

[ebass2@houstonisd.org](mailto:ebass2@houstonisd.org) | 713-942-1470



Newly Planted Trees Donated

Benches (8 total) \$24,000

Spinners \$10,000

5-12 Playground \$170,000

Soccer Field + Irrigation \$30,000

Permanent Soccer Goals + Striping \$5,000

Swingset \$15,000

Windsor Street

Yupon Street

Gaga Ball Pit \$12,000

Four Square Pad by Parents

Chess Tables \$5,000

2-5 Playground \$83,000

Low Fence \$5,000

Fairview Street

# BAKER-MONTESORRI SPARK PARK BUDGETARY CONCEPT PLAN



BOBBLE RIDER



2-5 PLAYGROUND

AGES 2-5



OBSTACLE COURSE

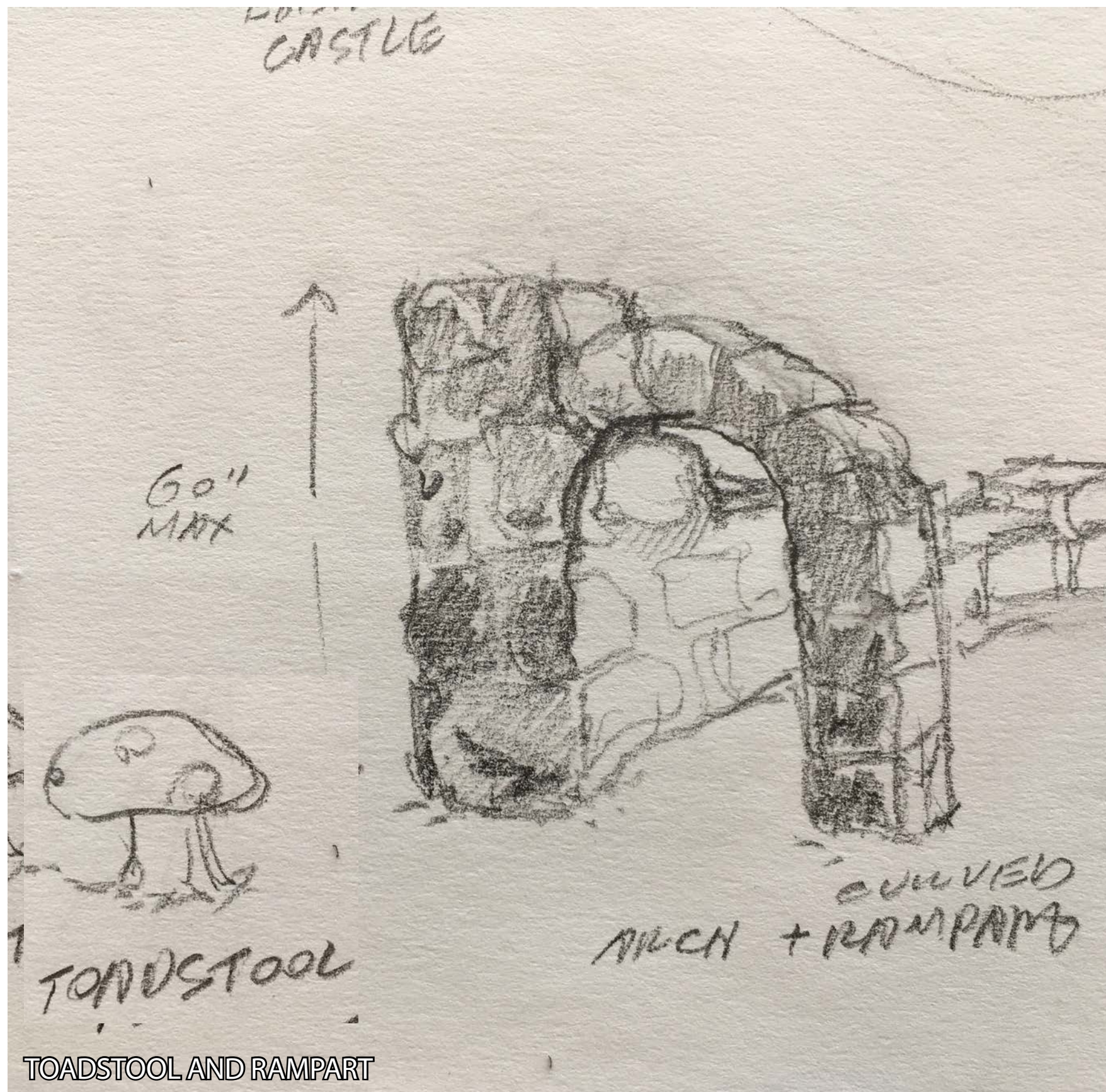


5-12 PLAYGROUND



WOBBLE PODS

AGES 5-12



TOADSTOOL AND RAMPART



CLIMBING LOG

FORTRESS



FOUR SQUARE PAD



GAGA BALL PIT



SWING SET



SPINNERS

VARIOUS AGES



BENCHES

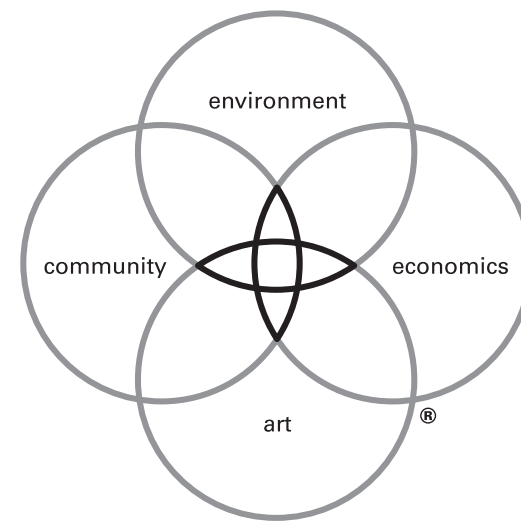


CHESS TABLES

ELEMENT	AGE RANGE	COST
Soccer Field + Irrigation	All	\$30,000
Permanent Goals + Striping Tool	All	\$5,000
2-5 Playground	2-5	\$83,000
5-12 Playground	5-12	\$170,000
Swing Set	5-12	\$15,000
Spinners	5-12	\$10,000
Four Square Pad	5-12	-
Gaga Ball Pit	5-12	\$12,000
Chess Tables	All	\$5,000
Benches	All	\$24,000
Low Fence	-	\$5,000
Trees	-	-
<b>TOTAL</b>		<b>\$359,000</b>

## BUDGET SUMMARY





## DW LEGACY DESIGN®

Legacy Design is the defining element of our practice. It is our commitment to an elevated level of design inquiry to arrive at the optimal solutions for clients. The process ensures that our projects reflect the critical issues facing the built environment and that they deliver measurable benefit to clients and communities. It is the foundation of the firm's workshop culture and guides all projects.

# Impacts of Projects

The Trust for Public Land

January 19, 2023

Page 1 of 2



## Project Areas

Baker Montessori

### Area Statistics

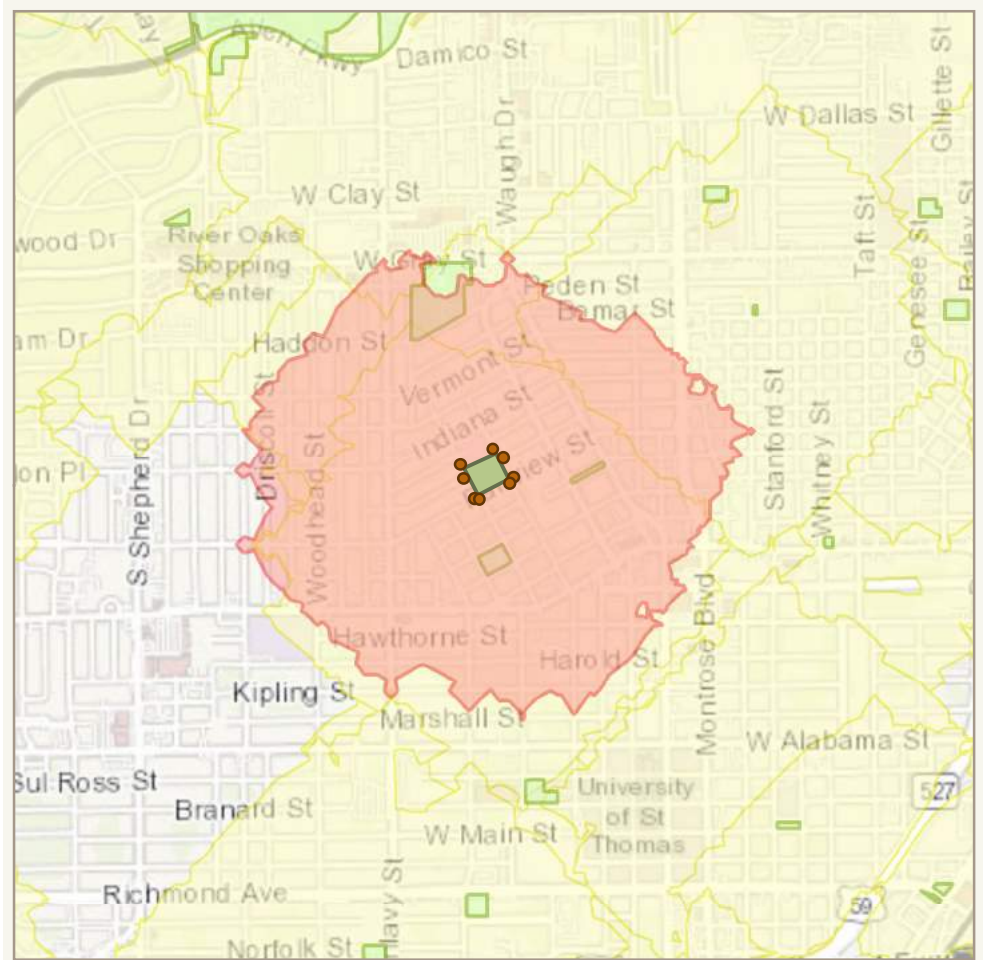
### Value

Project Area Count	1.00
Project Acres	2.82
Service Area Acres	388.00
New Service Area Acres	8.00

All statistical results are aggregated for the listed project areas and their service areas. Service areas are based on 10 minute (1/2 mile) walk times from project access points defined for each project area and based upon the walkable network. Existing parks and service areas are from the ParkServe database.

## Legend

- New Access Points
- New Project Areas
- New Service Areas
- ParkServe Parks
- ParkServe Service Areas



This report was created on January 19, 2023 using the Project Impact or Project Summary interactive mapping site. It is for informational purposes only. The providers of this report disclaim any and all warranties, express or implied, including fitness for a particular purpose or merchantability, and make no representation that the report is complete, accurate, or error free. Use and reliance on this report is at the sole risk of the party using same.

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**\$24,000**  
**Benches**

**\$10,000**  
**Spinners**

**Option 1:**  
**Repair field**  
**- \$50,000**  
**Option 2:**  
**Fine grade,**  
**sod and**  
**irrigate field**  
**\$100,000**

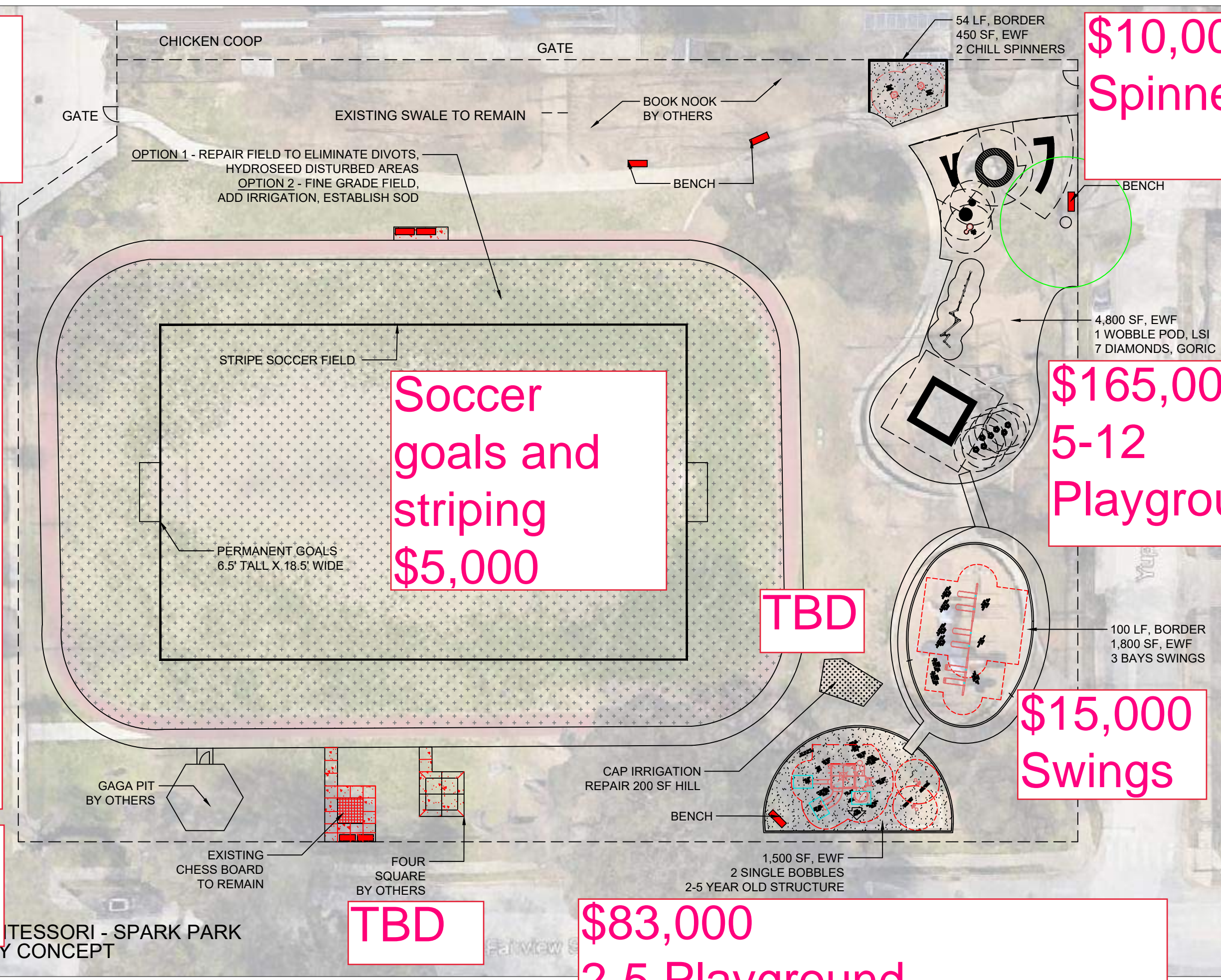
**Soccer**  
**goals and**  
**striping**  
**\$5,000**

**\$165,000**  
**5-12**  
**Playground**

**\$15,000**  
**Swings**

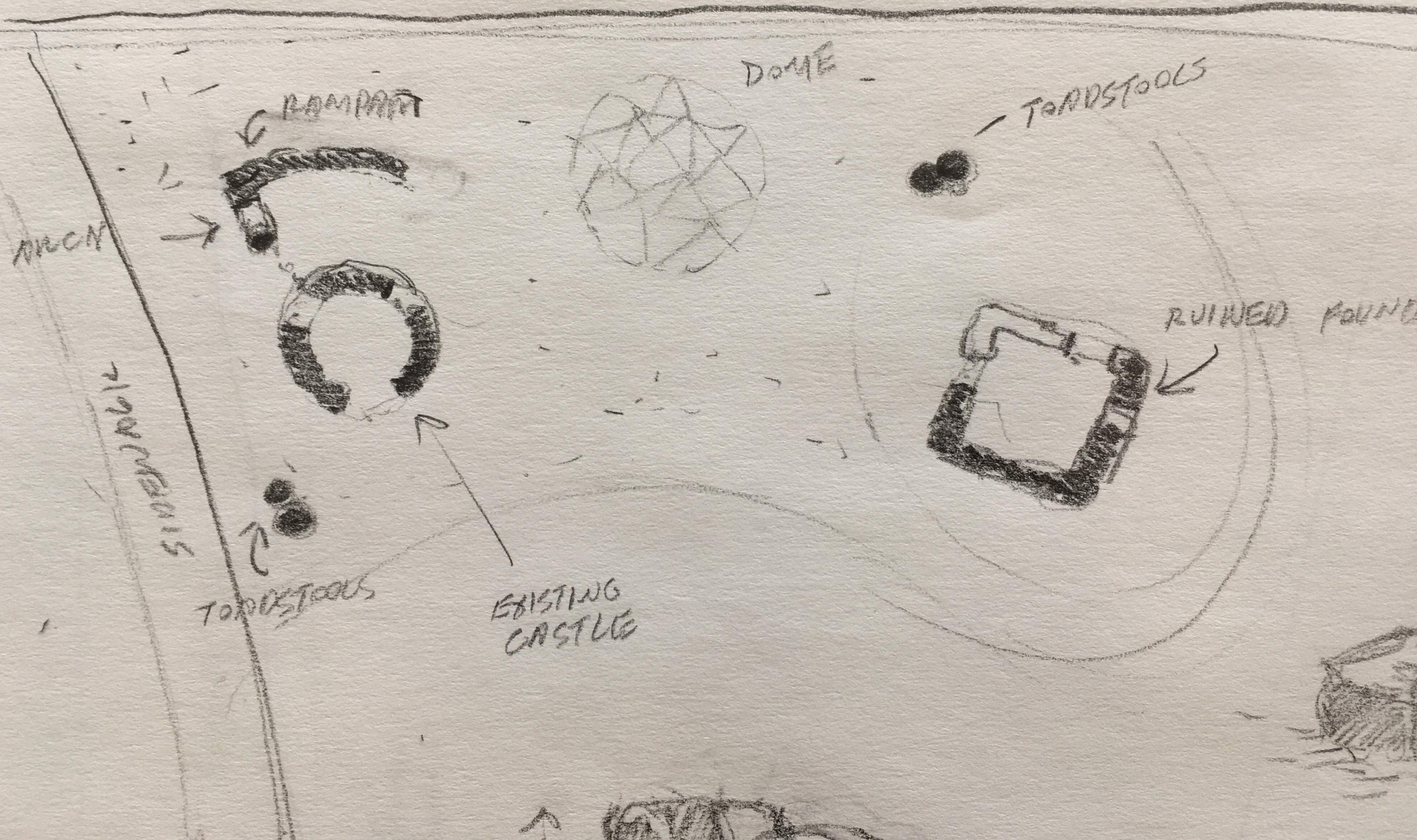
**\$12,000**  
**GAGA PIT**

**\$83,000**  
**2-5 Playground**



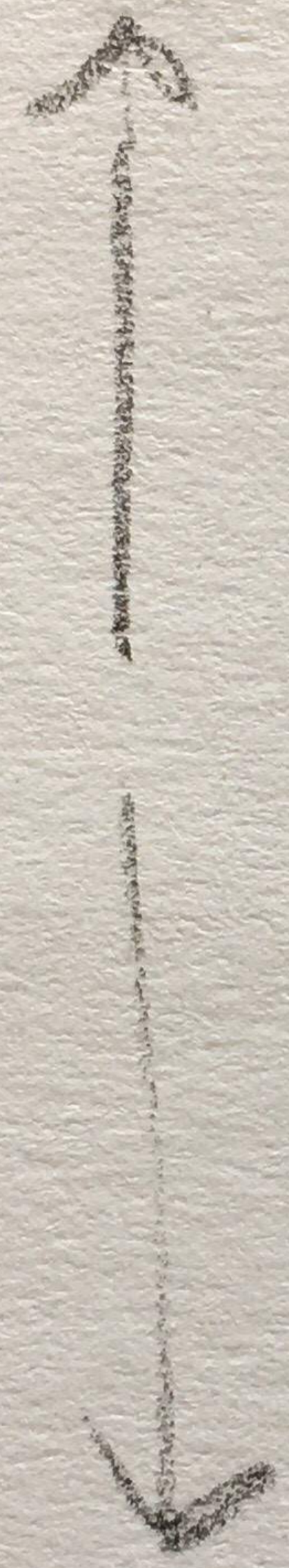
STREET

MONTES  
CASTLE



CASTLE

60"  
MAX



CURVED  
ARCH + RAMPART



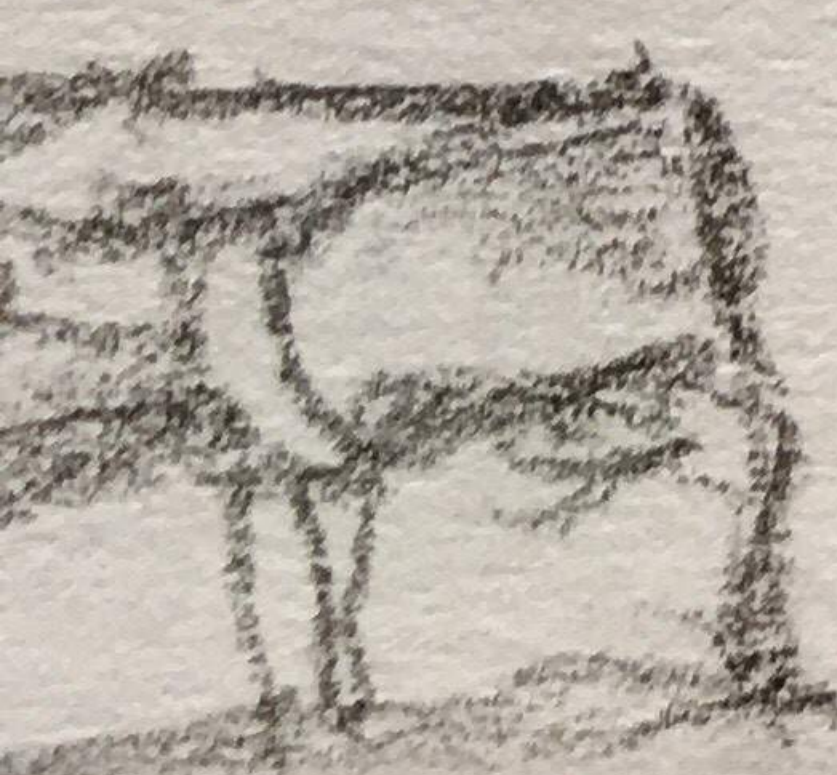
TOADSTOOL

1 1/2"



FOUNDATION

6-18"



2-5 years old  
(Cochlear friendly slides)



5-12 years old  
(Cochlear friendly  
slides)





Chill Spinner



Swings (3 bays)





Wobble Pod



# Impacts of Projects

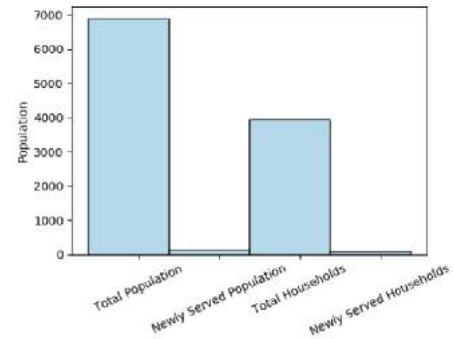
Trust for Public Land

January 19, 2023

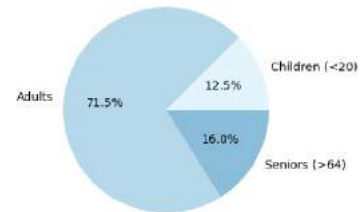
Page 2 of 2



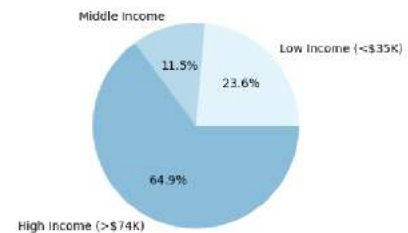
Population	Served	Newly Served
Total Population	6,888	142
Households	3,952	82



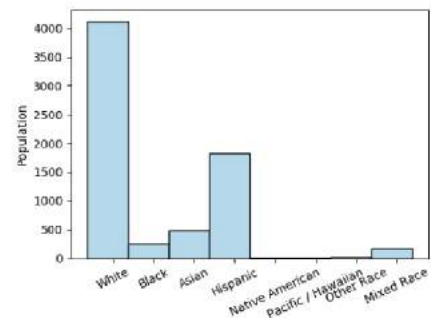
Age	Served	Percent	New	Percent
Children (< age 20)	860	12.49	15	10.56
Adults (age 20 to 64)	4,920	71.43	102	71.83
Seniors (> age 64)	1,105	16.04	25	17.61



Income	Served	Percent	New	Percent
Low (< \$35K)	933	23.61	13	15.85
Middle (\$35K to \$75K)	454	11.49	7	8.54
High (> \$75K)	2,564	64.88	63	76.83



Race/Ethnicity *	Served	Percent	New	Percent
White	4,114	59.73	88	61.97
Black	251	3.64	5	3.52
Asian	482	7.00	8	5.63
Native American	9	0.13	0	0.00
Pacific / Hawaiian	2	0.03	0	0.00
Other Race	23	0.33	0	0.00
Mixed Race	175	2.54	4	2.82
Hispanic	1,828	26.54	34	23.94



\* Hispanic origin separated from race

Demographic Information is derived from ESRI 2021 Demographic Forecast Block Groups data.

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Tax Increment Reinvestment Zone (TIRZ) #27 – Montrose  
**Committee Report Form**

**Committee Name:** Affordable Housing Committee      **Date of Meeting:** 9/14/2023

**Chairperson:** Lisa Hunt

**Attendees:**

<u>Lisa Hunt</u>	<u>Eureka Gilkey</u>
<u>Amanda Flores</u>	<u>Patti Joiner</u>
<u>Walter Morris</u>	
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

**Meeting Report**

**Agenda**

- Discussion with Hollaway
  - Status of Communications Plan
  - Review of Montrose Blvd. Exhibits
  - Discussion regarding Montrose Blvd. Public Meeting
- Discussion with Committee regarding legal policy framework
- Discussion with Jeff Reichman regarding January Advisor Updates (if any)

**Notes**

- Hollaway discussed the upcoming Board Meeting
- Lisa discussed the short-term rental convening
- Lisa discussed mentioning a date to the public for the short-term rental convening meeting
- The Committee discussed broadening the scope of future public meetings regarding affordable housing.
- The Committee discussed the structure of the next public meeting

# Montrose Redevelopment Authority / TIRZ No. 27

## Cash Management Report

August 31, 2023

ETI BOOKKEEPING SERVICES

17111 ROLLING CREEK DRIVE SUITE 108

HOUSTON TX 77090

TELEPHONE 281 444 3384 FAX 281 440 8304

Fiscal Year End: June 30, 2024

### Summary

<u>Current Activity</u>	<u>General Operating Fund</u>	<u>Capital Project Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Beginning Balance	11,604,656.43	14,197,012.66	429,979.29	26,231,648.38
Revenue	228,795.28	63,963.21	0.00	292,758.49
Expenditures	774,719.79	0.00	0.00	774,719.79
Ending Balance	11,058,731.92	14,260,975.87	429,979.29	25,749,687.08

### NOTES:

August 31, 2023

## General Operating Fund

**BEGINNING BALANCE:** **11,604,656.43**

**REVENUE:**

Stellar Bank Interest		30.24	
TexPool Interest		50,907.91	
Voided Check (s)	2200	177,857.13	
<b>Total Revenue:</b>			<b>228,795.28</b>

**DISBURSEMENTS:**

Checks Presented At Last Meeting		774,719.79	
Checks Written at/after Last Meeting		0.00	
Bank Charges		0.00	
<b>Total Expenditures</b>			<b>774,719.79</b>

**Ending Balance:** **11,058,731.92**

**Location of Assets:**

Institution	Investment Number	Interest Rate	
Stellar Bank	*5200	0.1000	9,842.08
TexPool	*0001	5.3047	11,048,889.84
		<b>Total</b>	<b>11,058,731.92</b>



**TIRZ 27 - Montrose RA**  
**Checks Presented**  
September 18, 2023

<b>Num</b>	<b>Name</b>	<b>Description</b>	<b>Amount</b>
2214	Allen, Boone, Humphries, Robinson LLP	Legal Fees	-10,266.79
2215	Equi-Tax Inc.	Tax Roll Management	-638.10
2216	ETI Bookkeeping Services	Bookkeeping Fee	-4,053.40
2217	Gauge Engineering, LLC	Engineering Fees	-139,455.71
2218	Hollaway Environmental & Communications	Public Engagement Expenses	-13,578.75
2219	Knudson, LP	Professional Consultant	-6,015.25
2220	McCall Gibson Swedlund Barfoot PLLC	Auditing Fee	-10,000.00
2221	R. Miranda Trucking & Construction, LLC	Safe Streets / Safe Sidewalks	-256,985.05
2222	St. Stephen's Episcopal Church	Meeting Room Rental	-125.00
2223	The Goodman Corporation	Planning Consultant	-9,049.50
<b>Total</b>			<b>-450,167.55</b>

## Capital Projects Fund

<b>BEGINNING BALANCE</b>		<b>14,197,012.66</b>
 <b>REVENUE</b>		
TexPool Interest	63,963.21	
Voided Check(s)	0.00	
<b>Total Revenue</b>		<b>63,963.21</b>
 <b>EXPENDITURES</b>		
Checks Presented at Last Meeting	0.00	
Checks Written at/after Last Meeting	0.00	
Due to GOF	0.00	
<b>Total Expenditures</b>		<b>0.00</b>
 <b>ENDING BALANCE</b>		 <b>14,260,975.87</b>

**Location of Assets:**

Institution	Investment Number	Interest Rate	Current Balance
TexPool	*0004	5.3047	14,260,975.87
		<b>Total</b>	<b>14,260,975.87</b>

**Montrose Redevelopment Authority/ TIRZ 27**  
**\$14,965,000 Tax Increment Contract Revenue Bonds Series 2023**  
**Use and Distribution**

	<b>Amount Approved</b>	<b>Distribution</b>	<b>Variance</b>
	<hr/>		
<b><u>Approved Bond Project</u></b>			
Montrose Blvd Phase 1	14,172,870	0	14,172,870
<b>Total Bond Project Cost</b>	<b>14,172,870</b>	<b>0</b>	<b>14,172,870</b>
<b><u>Non-construction costs</u></b>			
Interest Due to Debt Service	429,979	429,979	0
Bond Insurance	264,603	264,603	0
Surety Policy	36,320	36,320	0
Financial Advisor	107,395	107,395	0
Bond Counsel	274,688	274,688	0
Underwriter's Discount	85,306	85,306	0
Texas Attorney General	9,500	9,500	0
Rating Agency	23,250	23,250	0
Underwriter's Counsel	68,000	68,000	0
Printing Cost	2,299	2,299	0
Trustee Counsel/ Fee	13,500	13,500	0
<b>Total Nonconstruction Costs:</b>	<b>1,314,840</b>	<b>1,314,840</b>	<b>0</b>
<b>Total Bond Issuance Requirement*</b>	<b>15,487,710</b>	<b>1,314,840</b>	<b>14,172,870</b>
Interest Earned			88,106
Ending Bank Balance			<u><u>14,260,976</u></u>

\*Balance of \$15,487,710 comprised of \$14,965,000 Issuance plus \$522,710 Net Premium

## Debt Service Fund

<b>BEGINNING BALANCE</b>		<b>429,979.29</b>
<b>REVENUE</b>		
Bond Proceeds	0.00	
Regions Bank Interest	0.00	
Voided Check (s)	0.00	
<b>Total Revenue</b>		<b>0.00</b>
<b>EXPENDITURES</b>		
Debt Service Interest Payment	0.00	
Debt Service Principal Payment	0.00	
Trustee Fee	0.00	
<b>Total Expenditures</b>		<b>0.00</b>
<b>ENDING BALANCE</b>		<b>429,979.29</b>

**Location of Assets:**

Institution	Investment Number	Interest Rate	Current Balance
Regions Bank	*4347		429,979.29
		<b>Total</b>	<b>429,979.29</b>

**Montrose Redevelopment Authority / TIRZ 27**  
**Investment Report**  
**August 31, 2023**

**SCHEDULE OF INVESTMENTS**

Investment Pools

Fund	Location Of Assets	Interest Rate	Beginning Balance		Market	Deposits or (Withdrawals)	Ending Balance	
			N.A.V.	Book			Market	N.A.V.
GOF	TexPool	5.3047	11,579,970.35	11,582,981.93	11,046,017.13	(585,000.00)	0.99974	11,048,889.84
CPF	TexPool	5.3047	14,193,321.44	14,197,012.66	14,257,268.02	0.00	0.99974	14,260,975.87

Debt Service Account held by Regions

Fund	Location Of Assets	Interest Rate	Purchase Date	Beginning Balance	Interest Earned	Deposits or (Withdrawals)	Ending Balance
DSF	Regions Bank	0.00	7/20/2023	429,979.29	0.00	0.00	429,979.29

Demand Accounts

Fund	Location Of Assets	Interest Rate	Purchase Date	Beginning Balance	Interest Earned	Deposits or (Withdrawals)	Ending Balance
GOF	Stellar Bank	0.10	8/1/2021	21,674.50	30.24	(11,862.66)	9,842.08

Collateral Pledged in Addition to FDIC

Depository Institution	Total Funds On Deposit	Custodial Institution	Securities Pledged	Collateral Description	Par Value	Market Value
Stellar Bank	9,842.08	FHLB-Dallas	1,000,000	LOC	1,000,000	1,000,000
Regions Bank	429,979.29	FDIC	250,000	FDIC	250,000	250,000

Certification:

The District's investments are in compliance with the investment strategy as expressed in the District's Investment Policy and the Public Funds Investment Act. I hereby certify that pursuant to the Senate Bill 253 and in connection with the preparation of this investment report, I have reviewed the divestment lists prepared and maintained by the Texas Comptroller of Public Accounts, and the District does not own direct or indirect holdings in any companies identified on such lists.

Bookkeeper \_\_\_\_\_

Investment Officer \_\_\_\_\_

Investment Officer Kenneth Byrd	Date Assumed Office 1/13/2020	Training Completed 10/15/2022
------------------------------------	----------------------------------	----------------------------------

**TIRZ 27 - Montrose RA**  
**Profit & Loss Budget vs. Actual**  
**August 2023**

	August			Year to Date ( 2 Months )			Annual
	Actual	Budget	Variance	Actual	Budget	Variance	Budget
<b>Income</b>							
6-4320 · Increment Collections	0	0	0	5,476,913	6,279,270	-802,357	6,279,270
6-4330 · Interest	114,901	4,167	110,734	182,841	8,333	174,508	50,000
6-4336 · Grants	0	1,314,167	-1,314,167	0	2,628,333	-2,628,333	15,770,000
6-4340 · Bond Proceeds	0	0	0	14,602,849	0	14,602,849	0
6-4452 · Joint Project Reimbursement	267,500	0	267,500	267,500	0	267,500	0
<b>Total Income</b>	<b>382,401</b>	<b>1,318,334</b>	<b>-935,933</b>	<b>20,530,103</b>	<b>8,915,936</b>	<b>11,614,167</b>	<b>22,099,270</b>
<b>Expense</b>							
6-6300 · Salaries and Benefits	6,015	6,000	15	6,015	12,000	-5,985	72,000
6-6320 · Legal Fees	10,267	10,000	267	13,744	20,000	-6,256	120,000
6-6321 · Auditing Fees	10,000	10,000	0	10,000	10,000	0	10,000
6-6322 · Engineering Fees	0	4,167	-4,167	530	8,333	-7,803	50,000
6-6323 · Planning Consultants	9,050	4,167	4,883	31,010	8,333	22,677	50,000
6-6324 · Affordable Housing Consultant	0	5,833	-5,833	0	11,667	-11,667	70,000
6-6333 · Accounting	2,104	1,583	521	3,654	3,167	487	19,000
6-6334 · Tax Roll Management	638	667	-29	1,276	1,333	-57	8,000
6-6353 · Insurance / Bonds	0	0	0	0	0	0	5,000
6-6370 · Board Meeting Expense	125	0	125	250	0	250	0
6-6410 · Montrose Collective Reimburse	0	0	0	158,598	0	158,598	0
6-6420 · City of Houston Admin Fee	0	0	0	273,846	313,964	-40,118	313,964
6-6430 · COH Municipal Services	0	0	0	183,610	196,546	-12,936	196,546
6-6450 · Public Engagement Expenses	13,579	5,000	8,579	21,684	10,000	11,684	60,000
6-6460 · Board Development	0	417	-417	0	833	-833	5,000
<b>6-7000 · Capital Expenditure</b>							
6-7206 · Workforce/Affordable Housing	0	62,500	-62,500	0	125,000	-125,000	750,000
6-7212 · Hawthorne Safe Street	71,894	0	71,894	125,748	0	125,748	0
6-7213 · Woodhead Safe Street	71,894	0	71,894	125,748	0	125,748	0
6-7214 · Dallas Bikeway	0	36,167	-36,167	0	72,333	-72,333	434,000
6-7217 · Sidewalk Program/ Safe	0	29,167	-29,167	0	58,333	-58,333	350,000
6-7218 · Montrose Blvd - Reconstruction	99,259	617,500	-518,241	211,062	1,235,000	-1,023,938	7,410,000
6-7219 · Welch Safe Street	0	10,417	-10,417	0	20,833	-20,833	125,000
6-7220 · Stanford Safe Street	0	10,417	-10,417	0	20,833	-20,833	125,000
6-7221 · Mandell Bikeway	0	36,167	-36,167	0	72,333	-72,333	434,000
6-7222 · Safe Route to School Sidewalk	114,232	0	114,232	258,735	0	258,735	0
6-7223 · W Alabama Street	0	62,500	-62,500	0	125,000	-125,000	750,000
6-7224 · West Gray - Dallas to Allen Pky	30,369	0	30,369	65,280	0	65,280	0
6-7225 · W. Gray Street Sidewalk Improve	4,543	0	4,543	6,943	0	6,943	
6-7226 · W Gray from Woodhead to Montros	0	110,833	-110,833	0	221,667	-221,667	1,330,000
6-7227 · Westheimer Corridor Study	0	20,833	-20,833	0	41,667	-41,667	250,000
6-7000 · Capital Expenditure - Other	4,250	0	4,250	4,250	0	4,250	
<b>Total 6-7000 · Capital Expenditure</b>	<b>396,441</b>	<b>996,501</b>	<b>-600,060</b>	<b>797,766</b>	<b>1,992,999</b>	<b>-1,195,233</b>	<b>11,958,000</b>
<b>Total Expense</b>	<b>448,219</b>	<b>1,044,335</b>	<b>-596,116</b>	<b>1,501,983</b>	<b>2,589,175</b>	<b>-1,087,192</b>	<b>12,937,510</b>
<b>Net Income</b>	<b>-65,818</b>	<b>273,999</b>	<b>-339,817</b>	<b>19,028,120</b>	<b>6,326,761</b>	<b>12,701,359</b>	<b>9,161,760</b>

**MONTROSE REDEVELOPMENT AUTHORITY**

**CITY OF HOUSTON, TEXAS**

**ANNUAL FINANCIAL REPORT**

**JUNE 30, 2023**

DRAFT SUBJECT TO CHANGE

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INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Montrose Redevelopment Authority  
City of Houston, Texas

**Opinions**

We have audited the accompanying financial statements of the governmental activities and major fund of Montrose Redevelopment Authority (the "Authority"), **a component unit of the City of Houston, Texas**, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Authority as of June 30, 2023 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently know information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Board of Directors  
Montrose Redevelopment  
Authority

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information required by the City of Houston, Texas and other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McCall Gibson Swedlund Barfoot PLLC  
Certified Public Accountants  
Houston, Texas

September 18, 2023

DRAFT SUBJECT TO CHANGE

**MONTROSE REDEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

Management's discussion and analysis of Montrose Redevelopment Authority's (the "Authority") financial performance provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the Authority's financial statements.

**Financial Highlights**

- The Authority's assets exceeded its liabilities by \$7,921,019 (net position) as of June 30, 2023. This compares to the previous year when assets exceeded liabilities by \$8,886,324, showing a decrease of \$965,305 during the current fiscal year.
- The Authority's governmental funds reported a total ending fund balance of \$11,510,029 this year. This compares to the prior year fund balance of \$12,594,183 showing a decrease of \$1,084,154.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The basic financial statements include: (1) combined fund financial statements and government-wide financial statements and (2) notes to the financial statements. The combined fund financial statements and government-wide financial statements combine both: (1) the Statement of Net Position and Governmental Fund Balance Sheet and (2) the Statement of Activities and Governmental Fund Statement of Revenue, Expenditures, and Changes in Fund Balance. This report also includes other supplementary information in addition to the basic financial statements.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The Authority's annual report includes two financial statements combining the government-wide financial statements and the fund financial statements. The government-wide portion of these statements provides both long-term and short-term information about the Authority's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

**MONTROSE REDEVELOPMENT AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS (Continued)**

The Statement of Net Position is the government-wide statement of its financial position presenting information that includes all of the Authority's assets, liabilities, and, if applicable, deferred inflows and outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority as a whole is improving or deteriorating. Evaluation of the overall financial health of the Authority would extend to other non-financial factors.

The Statement of Activities reports how the Authority's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

**FUND FINANCIAL STATEMENTS**

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority has one governmental fund type. The General Fund is the operating fund of the Authority and accounts for all operating activities of the Authority.

Governmental funds are reported in each of the financial statements. The focus in the fund statements provides a distinctive view of the Authority's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of the Authority and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The adjustments columns, the Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

**MONTROSE REDEVELOPMENT AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**NOTES TO THE FINANCIAL STATEMENTS**

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

**OTHER INFORMATION**

In addition to the financial statements and the accompanying notes, this report also presents certain required supplementary information ("RSI"). A budgetary comparison schedule is included as RSI for the General Fund.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as useful indicator of the Authority's financial position. In the case of the Authority, assets exceeded its liabilities by \$7,921,019 as of June 30, 2023.

The following table provides a summary of changes in the Authority's Statement of Net Position as of June 30, 2023, and June 30, 2022:

	Summary of Changes in the Statement of Net Position		
	2023	2022	Change Positive (Negative)
Current and Other Assets	\$ 12,052,232	\$ 13,143,655	\$ (1,091,423)
Due to Developer	\$ 3,589,010	\$ 3,707,859	\$ 118,849
Other Liabilities	542,203	549,472	7,269
Total Liabilities	\$ 4,131,213	\$ 4,257,331	\$ 126,118
Net Position:			
Restricted for Authorized Construction	\$	\$ 2,096,751	\$ (2,096,751)
Unrestricted	7,921,019	6,789,573	1,131,446
Total Net Position	\$ 7,921,019	\$ 8,886,324	\$ (965,305)

**MONTROSE REDEVELOPMENT AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

The following table provides a summary of changes in the Authority's Statement of Activities for the fiscal years ending June 30, 2023, and June 30, 2022:

	Summary of Changes in the Statement of Activities		
	2023	2022	Change Positive (Negative)
Revenues:			
Tax Increment Revenue	\$ 5,203,067	\$ 4,480,128	\$ 722,939
Harris County Joint Project		2,284,056	(2,284,056)
Interest Revenue	342,433	17,972	324,461
Total Revenues	<u>\$ 5,545,500</u>	<u>\$ 6,782,156</u>	<u>\$ (1,236,656)</u>
Expenses:			
Professional Services	\$ 172,396	\$ 148,916	\$ (23,480)
Contract Services	323,796	139,153	(184,643)
Developer Reimbursement		3,707,859	3,707,859
Capital Outlay	5,822,875	4,718,569	(1,104,306)
Municipal Services	189,746	196,546	6,800
Other	1,992	1,091	(901)
Expenses for Services	<u>6,510,805</u>	<u>8,912,134</u>	<u>2,401,329</u>
Change in Net Position	\$ (965,305)	\$ (2,129,978)	\$ 1,164,673
Net Position, Beginning of Year	<u>8,886,324</u>	<u>11,016,302</u>	<u>(2,129,978)</u>
Net Position, End of Year	<u>\$ 7,921,019</u>	<u>\$ 8,886,324</u>	<u>\$ (965,305)</u>

**FINANCIAL ANALYSIS OF THE AUTHORITY'S GOVERNMENTAL FUND**

The Authority's governmental fund is the General Fund. As previously discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. The General fund reported an ending fund balance of \$11,510,029 of which \$11,510,029 is unassigned. This is a \$1,084,154 decrease compared to the prior year fund balance of \$12,594,183.

**MONTROSE REDEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Board of the Authority did not amend the budget for the current fiscal year. Actual net change in fund balances was \$39,824,010 less than budgeted primarily due to not receiving bank loan proceeds.

**CAPITAL ASSETS**

In the current fiscal year, the Authority recorded \$5,822,875 in capital expenditures on behalf of the City of Houston. The capital expenditures of the Authority are related to public works improvements. In accordance with Section VIII of the Tri-Party Agreement between the City of Houston, Reinvestment Zone Number Twenty-Seven and the Authority, it states: "all utilities, drainage facilities, public street improvements, sidewalks and light fixtures shall be conveyed to the City." Therefore, these assets are not recorded as capital assets of the Authority even though the Authority records the expenditures for the assets conveyed to the City.

**LONG-TERM DEBT ACTIVITY**

At the end of the current fiscal year, the Authority has recorded due to developers in the amount of \$3,589,010. During the current fiscal year, on August 17, 2022, the Authority paid \$118,849 to the Developer.

**CONTACTING THE AUTHORITY'S MANAGEMENT**

This financial report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Montrose Redevelopment Authority, c/o Knudson, LP, Zone Administrator, 8588 Katy Freeway, Suite 441, Houston, TX 77024.



**MONTROSE REDEVELOPMENT AUTHORITY**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUND BALANCE SHEET**  
**JUNE 30, 2023**

	General Fund	Adjustments	Statement of Net Position
<b>ASSETS</b>			
Cash	\$ 9,895	\$	\$ 9,895
Investments	6,839,270		6,839,270
Due from City of Houston	5,203,067		5,203,067
<b>TOTAL ASSETS</b>	<b>\$ 12,052,232</b>	<b>\$ - 0 -</b>	<b>\$ 12,052,232</b>
 <b>LIABILITIES</b>			
Accounts Payable	\$ 542,203	\$	\$ 542,203
Due to Developers		3,589,010	3,589,010
<b>TOTAL LIABILITIES</b>	<b>\$ 542,203</b>	<b>\$ 3,589,010</b>	<b>\$ 4,131,213</b>
 <b>FUND BALANCE</b>			
Unassigned	\$ 11,510,029	\$ (11,510,029)	\$ - 0 -
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 12,052,232</b>		
 <b>NET POSITION</b>			
Unrestricted		\$ 7,921,019	\$ 7,921,019

The accompanying notes to the financial statements are an integral part of this report.

**MONTROSE REDEVELOPMENT AUTHORITY**  
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

Total Fund Balance - Governmental Fund \$ 11,510,029

Amounts reported for governmental activities in the Statement of Net Position are different because:

Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:

Due to Developers	<u>(3,589,010)</u>
Total Net Position - Governmental Activities	<u>\$ 7,921,019</u>

DRAFT SUBJECT TO CHANGE

The accompanying notes to the financial statements are an integral part of this report.

**MONTROSE REDEVELOPMENT AUTHORITY**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>REVENUES</b>			
Tax Increment Revenue (Net of Retention for Administrative Costs of \$273,846)	\$ 5,203,067	\$	\$ 5,203,067
Investment Revenues	<u>342,433</u>		<u>342,433</u>
<b>TOTAL REVENUES</b>	<u>\$ 5,545,500</u>	<u>\$ - 0 -</u>	<u>\$ 5,545,500</u>
<b>EXPENDITURES/EXPENSES</b>			
Service Operations:			
Professional Fees	\$ 172,396	\$	\$ 172,396
Contracted Services	323,796		323,796
Insurance	868		868
Other	1,124		1,124
Municipal Services	189,746		189,746
Capital Outlay	5,822,875		5,822,875
Developer Reimbursement	<u>118,849</u>	<u>(118,849)</u>	<u></u>
<b>TOTAL EXPENDITURES/EXPENSES</b>	<u>\$ 6,629,654</u>	<u>\$ (118,849)</u>	<u>\$ 6,510,805</u>
<b>NET CHANGE IN FUND BALANCE</b>	\$ (1,084,154)	\$ 1,084,154	\$
<b>CHANGE IN NET POSITION</b>		(965,305)	(965,305)
<b>FUND BALANCE/NET POSITION - JULY 1, 2022</b>	<u>12,594,183</u>	<u>(3,707,859)</u>	<u>8,886,324</u>
<b>FUND BALANCE/NET POSITION - JUNE 30, 2023</b>	<u>\$ 11,510,029</u>	<u>\$ (3,589,010)</u>	<u>\$ 7,921,019</u>

The accompanying notes to the financial  
statements are an integral part of this report.

**MONTROSE REDEVELOPMENT AUTHORITY**  
**RECONCILIATION OF THE GOVERNMENTAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

Net Change in Fund Balance - Governmental Fund \$ (1,084,154)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report developer reimbursements as expenditures. However, in the Statement of Net Position, developer payments are reported as a decrease in Due to Developer.

118,849

Change in Net Position - Governmental Activities

\$ (965,305)

DRAFT SUBJECT TO CHANGE

The accompanying notes to the financial statements are an integral part of this report.

**MONTROSE REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1. CREATION OF CORPORATION**

The City of Houston, Texas (the “City”) authorized the creation of the Montrose Redevelopment Authority (the “Authority”) by the Resolution No. 2019-28 passed on August 14, 2019. The Authority was set up as a local government corporation pursuant to provisions of Chapter 431 of the Texas Transportation Code and Chapter 394 of the Texas Local Government Code. The Authority is organized as a public non-profit corporation for the purpose of aiding, assisting, and acting on behalf of the City in the performance of its governmental function to promote the common good and general welfare of Reinvestment Zone Number Twenty-Seven (the “Zone”) and neighboring areas and to promote, develop, encourage and maintain housing, educational facilities, employment, commerce and economic development in the City. The Authority may issue bonds with consent of City Council. The Authority is managed by a Board of Directors consisting of seven members who are appointed by the Mayor with the approval of City Council.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

The accompanying basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (“GASB”).

The GASB has established the criteria for determining whether or not a given entity is a component unit. The criteria are: (1) is the potential component unit a legally separate entity, (2) does the primary government appoint a voting majority of the potential component unit’s board, (3) is the primary government able to impose its will on the potential component unit, (4) is there a financial benefit or burden relationship. The Authority was created as an instrumentality of the City of Houston (the “City”). The Authority does meet the criteria for inclusion as a component unit of the City. Copies of the financial statements for the City may be obtained from the City Secretary’s office.

Financial Statement Presentation

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting (“GASB Codification”).

The GASB Codification sets forth standards for external financial reporting for all state and local government entities, which includes a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net Investment in Capital Assets; Restricted; and Unrestricted. These classifications are defined as follows:

**MONTROSE REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial Statement Presentation (Continued)

- \* Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- \* Restricted Net Position – This component of net position consists of constraints placed on the use of assets through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- \* Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

When both restricted and unrestricted resources are available for use, generally it is the Authority's policy to use restricted resources first.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Authority as a whole. The Authority's Statement of Net Position and Statement of Activities are combined with the governmental fund financial statements. The Authority is viewed as a special purpose government and has the option of combining these financial statements.

The Statement of Net Position is reported by adjusting the governmental fund types to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Any amounts recorded as due to and due from other funds are eliminated in the Statement of Net Position.

The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds, if any, are eliminated by adjustment to obtain net total revenue and expense in the government-wide Statement of Activities.

Fund Financial Statements

As discussed above, the Authority's fund financial statements are combined with the government-wide financial statements. The fund financial statements include a Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances.

**MONTROSE REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Governmental Funds

The Authority has one governmental fund and considers it to be a major fund.

General Fund – to account for the operating activities of the Authority.

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both “measurable and available.” Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The Authority considers revenues reported in the governmental funds to be available if they are collectable within 60 days after year-end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due.

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis.

Budgeting

In compliance with the Tri-Party Agreement (See Note 4), the Authority’s board members adopted an unappropriated budget for the governmental funds of the Authority. The budget was not amended during the current fiscal year.

**MONTROSE REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are reported using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with the activities are reported, regardless of the timing of related cash flows. Fund equity is classified as net position.

Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the balance sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources. Fund balances in governmental funds are classified using the following hierarchy:

*Nonspendable*: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The Authority does not have any nonspendable fund balances.

*Restricted*: amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation, or because of constraints that are imposed externally. The Authority does not have any restricted fund balances.

*Committed*: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the Authority. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The Authority does not have any committed fund balances.

*Assigned*: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The Authority has not adopted a formal policy regarding the assignment of fund balances. The Authority does not have any assigned fund balances.

*Unassigned*: all other spendable amounts in the General Fund.

When expenditures are incurred for which restricted, committed, assigned, or unassigned fund balances are available, the Authority considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds.



**MONTROSE REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**NOTE 3. DEPOSITS AND INVESTMENTS**

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Authority's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes.

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the Authority of securities eligible under the laws of Texas to secure the funds of the Authority, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At June 30, 2023, none of the Authority's bank balances were exposed to custodial credit risk.

The carrying values of the deposits are included in the Governmental Fund Balance Sheet and the Statement of Net Position at June 30, 2023, as listed below:

	Cash
GENERAL FUND	\$ 9,895

Investments

Under Texas statute, the Authority is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all Authority funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the Authority's financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if

**MONTROSE REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 3. DEPOSITS AND INVESTMENTS (Continued)**

Investments (Continued)

the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth. Authority’s investments must be made “with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived”. No person may invest Authority funds without express written authority from the Board of Directors.

Texas statutes include specifications for and limitations applicable to the Authority and its authority to purchase investments as defined in the Public Funds Investment Act. The Authority has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually. The Authority’s investment policy may be more restrictive than the Public Funds Investment Act.

The District invests in TexPool, an external investment pool that is not SEC-registered. The Texas Comptroller of Public Accounts has oversight of the pool. Federated Investors, Inc. manages the daily operations of the pool under a contract with the Comptroller. TexPool measures all its portfolio assets at amortized cost. As a result, the District also measures its investments in TexPool at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from TexPool.

As of June 30, 2023, the Authority had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities in Years			
		Less Than 1	1-5	6-10	More Than 10
<u>GENERAL FUND</u>					
TexPool	<u>\$ 6,839,270</u>	<u>\$ 6,839,270</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2023, the Authority’s investment in TexPool, an external investment pool, was rated AAAM by Standard & Poor’s.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investment in TexPool to have a maturity of less than one year due to the fact the share position can usually be redeemed each day at the discretion of the Authority, unless there has been a significant change in value.

**MONTROSE REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 4. TRI-PARTY AGREEMENT**

The City of Houston, Reinvestment Zone Number Twenty-Seven, and the Authority entered into the Tri-Party Agreement on September 11, 2019, pursuant to Ordinance No. 2019-0665. The Tri-Party Agreement states in detail the scope of services to be provided to the Zone by the Authority. The services include management and administrative service for the Zone, as requested by the Zone Board, services with respect to the Project Plan and Reinvestment Zone Financing Plan (the “Plan”), including implementation and updating, and services with respect to the tax rolls pertaining to the Zone, including analysis and coordination with taxing units. The Authority is also required to assist the Zone Board in establishing a program to increase the level of safety within the Zone, preparing development plans, establishing a marketing and public relations program, planning and design and construction of infrastructure improvements and land acquisition.

The Tri-Party Agreement also allows the Authority to pledge the Contract Tax Increments allowing the Authority to issue bonds and notes, enter into obligations with developers or builders, and enter into contracts with consultants, in each case, to be paid from Contract Tax Increments. All bonds must be approved by the City Council and agreements must be approved by the City of Houston’s Chief Development Officer or their designee.

This Agreement shall end upon termination of the Zone.

Pursuant to the Agreement, the City and the Zone have agreed to pay the Authority not later than the first business day of each July in which a current approved budget is in effect for the Authority, all monies available in the Tax Increment Fund, less a reserve of up to five percent of the monies then available in the Tax Increment Fund for administrative costs of the City. Notwithstanding the above, in the event the Authority’s budget is not approved by the thirtieth (30<sup>th</sup>) day before the date of a principal and interest payment on the Authority’s bonds or notes, the City shall pay from available funds sufficient monies to the Authority to allow for meeting the Authority’s debt service obligations.

**MONTROSE REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 5. TAX INCREMENTS**

The City of Houston has agreed to deposit their tax increments into the Tax Increment Fund established by the Zone (See Note 6).

The amount of the tax increment for a year is the amount of property taxes levied and collected by the City for that year on the Captured Appraised Value of real property taxable by the City and located in the Zone. The Captured Appraised Value of real property taxable by the City for a year is the total appraised value of all real property taxable by the City and located in the Zone for that year less the Tax Increment Base, which is the total appraised value of all real property taxable by the City and located in the Zone on January 1 of the year in which the Zone was designated as such pursuant of Chapter 311 of the Texas Tax Code (the "TIRZ Act"). In the event property is annexed into the Zone by ordinance of the City, the Tax Increment Base for annexed property is the value of all real property taxable by the City and located in the annexed area on January 1 of the year of annexation. The City is not required to deposit tax increments derived from property annexed into the Zone unless the City has agreed to do so.

The City is required to collect taxes on property located with the Zone in the same manner as other taxes are collected. The City is required to pay into the tax increment fund the collected tax increments by no later than the 90<sup>th</sup> day after the delinquency date for the City's property taxes.

**NOTE 6. CITY OF HOUSTON TAX INCREMENTS**

Pursuant to City Ordinance No. 99-1331, the City and the Zone have established the Tax Increment Fund, a separate fund in the City Treasury into which tax increments have and will be deposited.

During the current fiscal year, tax increments of \$5,476,913 were collected by the City of Houston of which \$273,846 was withheld to cover administrative costs.

**NOTE 7. CAPITAL EXPENDITURES**

During the current fiscal year, the Authority recorded \$5,822,875 for capital improvements on behalf of the City of Houston. These expenditures are related to capital improvements made by the Authority to City of Houston facilities. The Authority finances these facilities for the benefit of the City. Any capital assets the Authority purchases related to public improvements and facilities have been conveyed to the City of Houston. See pages 27 and 28 for information on current year capital improvement expenditures.

**MONTROSE REDEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 8. DEVELOPMENT AGREEMENT**

On April 20, 2020, the Authority, Reinvestment Zone Number Twenty-Seven (the “Zone”) and Montrose Collective Owner, LP (the “Developer”) entered into the Development Agreement. The Developer has acquired plans and plans to develop, a mixed-use project, including office and retail, which includes an underground parking garage. The Developer is authorized by the Zone and Authority to design and construct these public improvements as described in this agreement. Upon completion of the public improvements, the Developer shall provide the auditor an accounting of all costs within six months after the final completion. The Authority will review and approve for reimbursement to the Developer each eligible cost. Once each year after completion, the Authority shall apply the property increment received from the public improvements to the amount reimbursable to the Developer up to the maximum reimbursement of \$3,707,859. As of June 30, 2023, \$3,589,010 has been recorded as due to developers in the Statement of Net Position in relation to this agreement. On August 17, 2022, the Authority paid \$118,849 to the Developer.

**NOTE 9. RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Authority participates in the Texas Municipal League’s Intergovernmental Risk Pool (“TML”) to provide general liability, errors and omission and automobile liability. The Authority, along with other participating entities, contributes annual amounts determined by TML’s management. As claims arise they are submitted and paid by TML. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

**NOTE 10. BOND SALE**

Subsequent to year end, on July 20, 2023, the Authority closed on the sale of its \$14,965,000 Tax Increment Contract Revenue Bonds, Series 2023. The proceeds of the bond sale will be used to fund project costs in accordance with the Amended Project and Financing Plan; make a deposit to the Debt Service Reserve Fund; and to cover issuance costs of the bonds.

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**MONTROSE REDEVELOPMENT AUTHORITY**

**REQUIRED SUPPLEMENTARY INFORMATION**

**JUNE 30, 2023**

DRAFT SUBJECT TO CHANGE

**MONTROSE REDEVELOPMENT AUTHORITY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE – BUDGET AND ACTUAL –GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Tax Increment Revenue	\$ 5,162,921	\$ 5,203,067	\$ 40,146
Grant Proceeds	3,670,000		(3,670,000)
Interest Income		342,433	342,433
Miscellaneous Revenues	50,000		(50,000)
<b>TOTAL REVENUES</b>	<u>\$ 8,882,921</u>	<u>\$ 5,545,500</u>	<u>\$ (3,337,421)</u>
<b>EXPENDITURES</b>			
Maintenance and Operations	\$ 424,000	\$ 498,184	\$ (74,184)
Municipal Services	196,546	189,746	6,800
Capital Improvements	9,522,519	5,822,875	3,699,644
Developer Reimbursement		118,849	(118,849)
<b>TOTAL EXPENDITURES</b>	<u>\$ 10,143,065</u>	<u>\$ 6,629,654</u>	<u>\$ 3,513,411</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ (1,260,144)</u>	<u>\$ (1,084,154)</u>	<u>\$ 175,990</u>
<b>OTHER FINANCING SOURCES(USES)</b>			
Long-Term Debt Issued	\$ 40,000,000	\$ - 0 -	\$ (40,000,000)
<b>NET CHANGE IN FUND BALANCE</b>	\$ 38,739,856	\$ (1,084,154)	\$ (39,824,010)
<b>FUND BALANCE - JULY 1, 2022</b>	<u>12,594,183</u>	<u>12,594,183</u>	
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ 51,334,039</u>	<u>\$ 11,510,029</u>	<u>\$ (39,824,010)</u>



**MONTROSE REDEVELOPMENT AUTHORITY**

**SUPPLEMENTARY INFORMATION**

**REQUIRED BY CITY OF HOUSTON**

**JUNE 30, 2023**

DRAFT SUBJECT TO CHANGE

**MONTROSE REDEVELOPMENT AUTHORITY  
OPERATING EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2023**

Category	Vendor	Budget
<b>ADMINISTRATION AND OVERHEAD</b>		
Administration Consultant	Knudson, LP	\$ 72,000
Insurance	TML Intergovernmental Risk Pool	5,000
Bookkeeping	ETI Bookkeeping Services	19,000
Board Development		5,000
Auditor	MGSB PLLC/Burton Accounting	10,000
Tax Roll Management	Equi-Tax Inc.	8,000
Office Expenses		
<b>SUBTOTAL</b>		<u>\$ 119,000</u>
<b>PROGRAM AND PROJECT CONSULTANTS</b>		
Engineering Consultants	Gauge Engineering	\$ 50,000
Affordable Housing Consultants		70,000
Legal-General Counsel	Allen Boone Humphries Robinson LLP	120,000
Planning Consultants	The Goodman Corp.	50,000
Public Engagement Expenses	Elsquared Media Group	<u>15,000</u>
<b>SUBTOTAL</b>		<u>\$ 305,000</u>
<b>TOTAL MANAGEMENT CONSULTING SERVICES</b>		
		<u>\$ 424,000</u>
Municipal Services Charge	City of Houston	<u>\$ 196,546</u>
<b>TOTAL OPERATING EXPENDITURES</b>		<u>\$ 620,546</u>
<b>DEVELOPER/PROJECT REIMBURSEMENTS</b>		<u>\$ - 0 -</u>

<u>Actual Expenditure</u>	<u>Variance Positive (Negative)</u>
\$ 74,590	\$ (2,590)
868	4,132
20,657	(1,657)
	5,000
16,000	(6,000)
7,630	370
<u>1,124</u>	<u>(1,124)</u>
<u>\$ 120,869</u>	<u>\$ (1,869)</u>
\$ 32,257	\$ 17,743
	70,000
124,139	(4,139)
211,343	(161,343)
<u>9,576</u>	<u>5,424</u>
<u>\$ 377,315</u>	<u>\$ (72,315)</u>
<u>\$ 498,184</u>	<u>\$ (74,184)</u>
<u>\$ 189,746</u>	<u>\$ (6,800)</u>
<u>\$ 687,930</u>	<u>\$ (80,984)</u>
<u>\$ 118,849</u>	<u>\$ (118,849)</u>

DRAFT SUBJECT TO CHANGE

**MONTROSE REDEVELOPMENT AUTHORITY**  
**CAPITAL EXPENDITURES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

Category	Vendor	Budget
Project T-2702 Waugh/Commonwealth/Yoakum Project Planning and Design Construction	Gauge Engineering Reytec Construction Resources/ Trees for Houston	\$ 60,000 3,325,000
Project T-2703 Localized Micro-Improvement Project Construction		180,209
Project T-2705 Walk/Bike Montrose Planning		29,000
Project T-2706 Partnership with METRO for Montrose Blvd Design	Gauge Engineering	1,170,000
Project T-2707 Hawthorne Neighborhood Safe Street Planning and Design Construction	Gauge Engineering R. Miranda Trucking & Construction	135,000 1,300,000
Project T-2708 Woodhead Neighborhood Safe Street Planning and Design Construction	Gauge Engineering R. Miranda Trucking & Construction	195,000 1,200,000
Project T-2709 Dallas Bikeway Planning and Acquisition Construction	Gauge Engineering	50,000 100,000
Project T-2712 Mandell Bikeway Planning and Design	Gauge Engineering	
Project T-2714 BCycle Construction		135,000
Project T-2715 Affordable Housing Projects Planning		500,000
Project T-2716 Safe Route to School Sidewalk Program Design Construction	Gauge Engineering R. Miranda Trucking & Construction	250,000
Project T-2717 W Alabama Street Design Construction	Gauge Engineering	293,310
Project T-2718 West Gray from Woodhead to Montrose Blvd. Design	Gauge Engineering	
Project T-2799 Safe Sidewalk Program Design Construction	Gauge Engineering	100,000 500,000
		<u>\$ 9,522,519</u>

<u>Actual Expenditure</u>	<u>Variance Positive (Negative)</u>
\$ 23,567	\$ 60,000 3,301,433
	180,209
	29,000
1,030,055	139,945
191,681	(56,681)
1,900,013	(600,013)
191,681	3,319
1,900,013	(700,013)
52,423	(2,423)
	100,000
114,767	(114,767)
	135,000
	500,000
56,317	193,683
35,350	(35,350)
169,801	(169,801)
	293,310
154,697	(154,697)
2,510	97,490
	500,000
<u>\$ 5,822,875</u>	<u>\$ 3,699,644</u>

**MONTROSE REDEVELOPMENT AUTHORITY**  
**PROJECT PLAN RECONCILIATION**  
**AS OF THE YEAR ENDED JUNE 30, 2023**

	Project Plan Estimated Amount	Cumulative Expenditures as of the Fiscal Year Ended 2023	Variance Positive (Negative)
<b>Project Costs</b>			
Capital Costs:			
Corridor Improvements	\$ 108,594,133	\$ 12,396,053	\$ 96,198,080
Workforce/Affordable Housing	39,600,000		39,600,000
Parking Enhancements	4,830,000		4,830,000
Parks, Recreational Facilities, Cultural Ammenities	8,000,000		8,000,000
Zone Administration/Professional Services	<u>6,000,000</u>	<u>3,359,285</u>	<u>2,640,715</u>
<b>Total Project Costs</b>	<u>167,024,133</u>	<u>15,755,338</u>	<u>151,268,795</u>

DRAFT SUBJECT TO CHANGE

**MONTROSE REDEVELOPMENT AUTHORITY**

**OTHER SUPPLEMENTARY INFORMATION**

**JUNE 30, 2023**

DRAFT SUBJECT TO CHANGE

**MONTROSE REDEVELOPMENT AUTHORITY**  
**BOARD MEMBERS AND CONSULTANTS**  
**JUNE 30, 2023**

District Mailing Address - Montrose Redevelopment Authority  
8588 Katy Freeway, Suite 441  
Houston, TX 77024

District Telephone Number - (713) 463-8200

**Board Members**

**Position**

Lisa Hunt 1 – Secretary

Abby Noebels 2

Joe Douglas Webb 3 – Chair

Eureka Gilkey 4

Amanda Flores 5

Jeffery Watters 6 – Vice  
Chair

Ray Valdez 7

**Zone Administrator**

Knudson, LP  
8588 Katy Freeway, Suite 441  
Houston, TX 77024

See accompanying independent auditor's report.



**McCALL GIBSON SWEDLUND BARFOOT PLLC**  
*Certified Public Accountants*

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Houston, Texas 77065-5610  
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September 18, 2023

Board of Directors  
Montrose Redevelopment Authority  
City of Houston, Texas

We have audited the financial statements of the governmental activities and each major fund of Montrose Redevelopment Authority (the "Authority") for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated June 26, 2023. Professional standards also require that we communicate to you the following information related to our audit. For the purposes of this letter, the term "management" refers to the Board of Directors and/or Authority consultants.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. Significant accounting policies used by the Authority, including new accounting policies, if any, that have been adopted and implemented during the current fiscal year, are discussed in Note 2. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period. The financial statement disclosures are neutral, consistent, and clear.

Accounting estimates are an integral part of the financial statements and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. If applicable, we evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The Authority's bookkeeper and Board of Directors will be provided with any such adjustments.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated September 18, 2023.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to perform the following non-attest services for the Authority: (1) preparation of financial statements and related notes in conformity with accounting principles generally accepted in the United States of America. These services were performed based on information provided by you. We performed these services in accordance with applicable professional standards. The non-attest services we performed are limited to those specifically defined and did not result in assuming management responsibilities.

We applied certain limited procedures to the Management's Discussion and Analysis and the budgetary comparison schedule for all combined funds, which are required supplementary information ("RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary information required by the City of Houston, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Directors of the Authority and is not intended to be, and should not be, used by anyone other than the specified party.

Sincerely,

McCall Gibson Swedlund Barfoot PLLC  
Certified Public Accountants  
Houston, Texas

## Montrose TIRZ 27 Board Meeting September 18th, 2023: Knudson Report

Knudson Activity with the Montrose TIRZ:

### General Board:

- Checked the City of Houston Plat Report for new plats within the TIRZ boundaries
- Took meeting minutes and created agendas for all Committee meetings;
- Helped with information sharing between the Montrose TIRZ and the City of Houston;
- Assisted in technical help to the Directors;
- Efforts to make updates to the Montrose TIRZ website with the help of the Webmaster;
- Updated and populated the Montrose TIRZ #27 Shared Folder use for simplified information sharing;
- Managed the Montrose info email;
- Provided Knudson reports for the TIRZ Board Book.

### Affordable Housing Committee:

- Attended 1 Committee Meeting;

### Projects and Planning Committee:

- Attended 1 Committee meeting;

### Finance Committee:

- No Board Action needed

### Public Engagement Committee:

- Attended 1 Committee meeting;
- Managed the Montrose info email;
- Worked with Hollaway and Guage in preparation for September Public Meeting