

REINVESTMENT ZONE NO. TWO, CITY OF PEARLAND, TEXAS

October 28, 2019

Fort Bend County
301 Jackson Street, Suite 101
Richmond, TX 77469
Attn: Judge K.P. George

Re: Financing for TIRZ Improvements: FM 521 Improvements: FM 2234
(McHard) to SH 6 (TxDOT CSJ 0111-03-059)

Dear Judge George:

In reference to the letter dated June 21, 2019, a copy of which is attached, the City of Pearland, Texas (the "City") and Reinvestment Zone No. Two, City of Pearland, Texas (the "Zone") have determined to proceed with the following TIRZ Improvements, as contemplated by the Fifth Amendment to Project Plan and Reinvestment Zone Financing Plan:

FM 521 Improvements from FM 2234 (McHard) to SH 6 (TxDOT CSJ 0111-03-059)

Attached to this letter is a map showing the area which is benefited by the TIRZ Improvements over which the available Tax Increment will be applied for purposes of determining when reimbursement is made. Fort Bend County (the "County") has agreed to pre-finance the local participation cost of this TxDOT project, which is a TIRZ Improvement, to be reimbursed by the Zone process, a copy of which is attached.

The Zone hereby gives its approval of the above described TIRZ Improvements. All procedures set forth in the document entitled "TIRZ Project Implementation and Reimbursement Process" must be followed. A copy of this process is attached.

The Zone's Engineer has determined that the budget established in the Zone's fourth Amendment to Project Plan and Reinvestment Zone Financing Plan for the above described TIRZ Improvements is \$2,479,000. The Zone is not obligated to reimburse the County for any amount in excess of that budgeted amount.

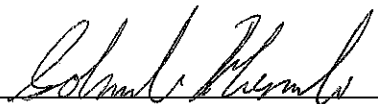
This agreement was duly authorized at a meeting of the Board of Directors of the Zone held on the 28th day of October 2019.

Very truly yours,

REINVESTMENT ZONE NO. 2,
CITY OF PEARLAND, TEXAS
(SHADOW CREEK RANCH)

ATTEST:

By: 
Chairman, Board of Directors

By: 
Secretary, Board of Directors

CC (by email): Mr. J. Stacy Slawinski, County Engineer
Mr. Roy L. Cordes Jr., County Attorney
Ms. Laura Richard, County Clerk
Commissioner Vincent M. Morales Jr., Precinct One
Dwayne Grigar, Precinct One Commissioner's Office

PASSED AND APPROVED this _____ day of _____, 2019.

Fort Bend County, Texas

K.P. George, County Judge

ATTEST:

Laura Richard, County Clerk



Fort Bend County Engineering
FORT BEND COUNTY, TEXAS

J. Stacy Slawinski, P.E.
County Engineer

June 21, 2019

City of Pearland
Trent Epperson
Assistant City Manager - Administration
3519 Liberty Drive
Pearland, TX 77581

(sent via email to tepperson@pearlandtx.gov)

**SUBJECT: FM 521 from FM 2234 (McHard) to SH 6 (TxDOT CSJ 0111-03-059)
Tax Increment Reinvestment Zone Number 2 (TIRZ)**

Mr. Epperson,

Fort Bend County (FBC) kindly requests the City of Pearland include the FM 521 (North) Project in the Tax Increment Reinvestment Zone Number 2 (TIRZ2) capital plan. FBC is working closely with TxDOT to fund the construction cost and 90% of the right-of-way and utility relocations, limiting the local participation costs to:

Engineering Design	\$5,355,000
Right of Way (10%)	\$300,000
Utility Relocations (10%)	\$30,000
<u>Total</u>	<u>\$5,685,000</u>

Engineering Design cost is based on the actual Dannenbaum Engineering Corporation contract plus 10% to cover unforeseen scope changes. An advanced funding agreement (AFA) with TxDOT will limit the right-of-way and utility relocations to the typical 10% local match.

We recommend the TIRZ2 participation be based on the frontage of the project adjacent to the TIRZ, divided by the length of the entire project:

TIRZ frontage	12,500 LF
<u>Total frontage</u>	<u>28,700 LF</u>
TIRZ percentage	43.6%

Therefore, the requested participation amount is \$2,479,000.

The project benefits and traffic projections are summarized as follows:

Project Benefits

The purpose of the project is to accommodate current and projected growth and to enhance safety of the traveling public. The project is needed to address increased traffic congestion from current and anticipated growth in the project area and reduce safety risks due to increased traffic in the project area. The proposed project also provides general drainage improvements along the project corridor, including roadside ditches, storm sewer and detention ponds.

The following conditions demonstrate the need for the proposed project:

- Current and future traffic demands exceed capacity
- Increased congestion due to population and economic growth

Design features of the proposed facility:

- Reconstruct and widen FM 521 to a four-lane divided roadway with a raised median
- Intersection improvements at Broadway Street, including a grade separation over FM 521 and UPRR
- Sidewalk along east side of roadway for increased pedestrian access and safety
- Dedicated turn lanes for increased safety and mobility

Traffic Projections

In the project vicinity from FM 2234 to SH 6, the annual average daily traffic (ADT) on FM 521 from FM 2234 to SH 6 is estimated to increase from approximately 17,400 vehicles per day (vpd) in 2016 to approximately 25,250 vpd in 2036, and to approximately 26,500 vpd in 2040. Table 1 presents the current and predicted range of traffic volumes for the ADT. The traffic projections from TxDOT's Transportation Planning and Programming (TP&P) Division can be provided, if needed.

Table 1: FM 521 from FM 2234 to SH 6 Project Growth of Traffic

Description	Number of Vehicles*		
	Current Year (2016)	Design Year (2036)	Design Year 2040
ADT	17,400	25,250	26,500

* Source: TxDOT-TP&P, 2016

Benefits to the City of Pearland

Examining the projected population growth during the twenty-year period between 2016 and 2036, it is expected that the population of Fort Bend County will increase 172 percent and the population of the City of Pearland will increase by 121 percent. This new growth affects travel patterns within the study area and further contributes to the increasing congestion levels. Growth Trends are shown in Table 2.

Table 2: FM 521 from FM 2234 to SH 6

Description	Population by Year*	
	2016	2036
City of Pearland	126,559	153,212
Fort Bend County	453,999	782,791

* Source: H-GAC, 2018

We look forward to working with the City of Pearland to see this project completed in the coming years. Feel free to contact me at 281-633-7508 if there are any questions or additional information is required.

Sincerely,


J. Stacy Slawinski, P.E.
County Engineer

Cc: Commissioner Vincent M. Morales, Jr., Precinct One
Dwayne Grigar, Precinct One Commissioner's Office

A Zone Map Prepared By the
Zone Engineer Will Follow

**CITY OF PEARLAND
REINVESTMENT ZONE NUMBER TWO**

CITY OF PEARLAND, TEXAS

**TIRZ PROJECT IMPLEMENTATION
AND
REIMBURSEMENT PROCESS**

June 30, 1999



**SHADOW
CREEK
RANCH**

TIRZ Project Implementation and Reimbursement Process

To begin the process of planning, design, construction and reimbursement under the TIRZ Plan, the TIRZ and the Developer/Sub-developer will sign a reimbursement agreement that establishes the extent of TIRZ Improvements (the "Project") and the terms and conditions under which the Project will be eligible for reimbursement. The reimbursement agreement, once executed, shall constitute the approval by the TIRZ for the Developer/Sub-developer to proceed with construction of the Project.

The reimbursement agreement will establish: (1) the quantitative and qualitative aspects and character of the Project, (2) the maximum costs to be reimbursed for the Project, (3) a checklist of requirements for implementing and completing the Project for reimbursement, and (4) the procedures for the review of the Project for the purposes of the TIRZ approving reimbursement of the Project costs once construction is completed (5) the incremental assessed valuation criteria which must be achieved before reimbursements may commence.

The maximum costs to be reimbursed to the Developer/Sub-developer for the Project shall be established in the reimbursement agreement, based on the TIRZ Engineer's determination of the scope of TIRZ capital improvements that are consistent with the TIRZ Plan in the development of the Developer/Sub-developer's development area.

The quantitative and qualitative aspects and character of the Project shall be as depicted in the Project and Financing Plan, the PUD, the Development Agreement, Shadow Creek Ranch Design Guidelines and other, related documents made available to the Developer/Sub-developer. These shall establish the over-all intent of the development for Shadow Creek Ranch TIRZ, including those portions of the master plan improvements constituting the Project to be undertaken by the Developer/Sub-developer under the reimbursement agreement.

The procedures for the design and construction of the Project shall be as follows:

1. Prior to commencing construction, the Developer/Sub-developer shall prepare all necessary plans and specifications which shall be approved by all regulatory authorities having jurisdiction;
2. Developer/Sub-developer shall bid all contracts in accordance with Texas competitive bidding laws for public improvements and in accordance with any requirement of the City and in full compliance with the rules and regulations of any local, regional, state or federal agencies having jurisdiction, and shall comply with all policies of the City as they may be in effect from time to time;
3. Developer/Sub-developer shall construct the project in accordance with all local and state law for construction of public improvements;

4. Developer/Sub-developer shall obtain inspections and approvals in accordance with all of the City of Pearland's processes and procedures, and with the processes and procedures of any authority or agency having jurisdiction; the Developer/ Sub-developer shall be responsible for any City of Pearland or other agency review and/or inspection fees.
5. Developer/Sub-developer shall obtain inspections and approvals from Shadow Creek Ranch Maintenance Association (SCRMA); and
6. Developer/Sub-developer shall submit documentation demonstrating that the Project was completed in accordance with the terms of the reimbursement agreement as substantially set out in the check list specified below.

The checklist of requirements for TIRZ reimbursement and completing the Project include but are not limited to the following:

- Recorded Plat
- Approved Plans and Specifications
- City of Pearland-approved form of Contract for Construction
- Bid Notice/Bid Advertisement Affidavits
- Bid Tabulation
- Recommendation of Award
- Payment, Performance and Maintenance Bonds
- Insurance Certificates
- Executed Contract for Construction
- Notice To Proceed
- Testing and Inspection Reports
- Certified Pay Applications
- Approved Change Orders
- Certificates of Completion
- Letters of Acceptance (incl. City of Pearland)
- Consent of Surety for Final Payment
- Contractors' Unconditional Release of Liens
- Signed Record Drawings

For all TIRZ Improvements included in the Plan, the completed documentation shall be submitted to the TIRZ Administrator and shall be reviewed for compliance with the reimbursement agreement by the TIRZ Engineer and the TIRZ Auditor (the "TIRZ Consultants"). The TIRZ Auditor will confirm with any Municipal Utility District ("MUD") in which a Project is located that the Developer/Sub-Developer is not being reimbursed for the Project by the MUD. All TIRZ Consultants' costs associated with the review of the Developer/ Sub-developer reimbursement review documentation shall be paid by the Developer/Sub-developer upon the

submittal of the reimbursement package. The TIRZ Consultants will review the documentation to verify that the costs for the Project are eligible for TIRZ reimbursement under the terms and conditions specified in the reimbursement agreement.

Once the review of the submitted package is complete, the TIRZ Consultants shall make a recommendation to the TIRZ Board in conformance with the reimbursement agreement. When approved, the Project reimbursement costs will be logged for priority of reimbursement as established by the reimbursement approval date and the Project and Financing Plan. If appropriate, the TIRZ Board will recommend to the City to reimburse the Developer/Sub-developer when increment from the Project becomes available.