

ORDINANCE NO. 2779

AN ORDINANCE EXPANDING THE BOUNDARIES AND APPROVING THE FOURTH AMENDED PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN FOR REINVESTMENT ZONE NUMBER ONE, CITY OF KATY, TEXAS; AND AUTHORIZING THE CITY SECRETARY TO DISTRIBUTE SUCH PLANS; AND CONTAINING VARIOUS PROVISIONS RELATED TO THE FOREGOING SUBJECT.

WHEREAS, by the City of Katy, Texas, Ordinance No. 1198, adopted December 22, 1997, the City created Reinvestment Zone Number One, City of Katy, Texas (the "TIRZ") for the purpose of assisting the development of the area in the TIRZ; and

WHEREAS, the Board of Directors of the TIRZ passed and adopted a Project Plan and Reinvestment Zone Plan (the "Plan") for the development of the TIRZ of the February 15, 1999; and

WHEREAS, by the City of Katy, Texas, Ordinance No. 2052, adopted February 22, 1999, the City approved of the Plan; and

WHEREAS, the Board of Directors of the TIRZ passed and adopted the Amended Project Plan and Reinvestment Zone Financing Plan (the "Amended Plan") for the development of the TIRZ on April 12, 1999; and

WHEREAS, by the City of Katy, Texas, Ordinance No. 2059, adopted April 12, 1999, the City approved the Amended Plan; and

WHEREAS, the Board of Directors of the TIRZ passed and adopted the Second Amended Project Plan and Reinvestment Zone Financing Plan (the "Second Amended Plan") for the development of the TIRZ on August 30, 1999; and

WHEREAS, by the City of Katy, Texas Ordinance No. 2081, adopted August 30, 1999, the City approved the Second Amended Plan; and

WHEREAS, the Board of Directors of the TIRZ passed and adopted the Third Amended Project Plan and Reinvestment Zone Financing Plan (the "Third Amended Plan") for the development of the TIRZ on January 26, 2015; and

WHEREAS, by the City of Katy, Texas Ordinance No. 2677, adopted January 26, 2015, the City approved the Third Amended Plan; and

WHEREAS, on August 9, 2016, the City received a Petition for Inclusion from Buc-ee's, Ltd. ("Buc-ee's") requesting inclusion of certain additional property (owned in its entirety by Buc-ee's) into the TIRZ's boundaries described as follows: Reserve "M", West Ten Business Park Commercial Reserve "M", according to the map or plat thereof, recorded in Document No. 2016060760 (the "Additional Property") **Exhibit "1"**; and

WHEREAS, less than 30 percent of the property in the proposed zone, excluding property that is publicly owned, is used for residential purposes; or the total appraised value of taxable real property in the proposed zone and in existing reinvestment zones do not exceed 50 percent of the total appraised value of taxable real property in the City.

WHEREAS, the Board of Directors of the TIRZ passed and adopted the Fourth Amended Project Plan and Reinvestment Zone Financing Plan (the "Fourth Amended Plan") for the development of the TIRZ on November 21, 2016, also allowing for the addition and inclusion of the Additional Property in the Fourth Amended Plan; and

WHEREAS, in accordance with the provisions of Chapter 311, Texas Tax Code, the City of Katy, Texas published written notice of the City's intent to conduct a public hearing on December 12, 2016, regarding the proposed TIRZ boundary extension and Fourth Amended Plan; and

WHEREAS, the City Council desires to enlarge the boundaries of the TIRZ and approve the Fourth Amended Plan; now therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KATY, TEXAS:

Section 1. That the findings contained in the preamble of this Ordinance are declared to be true and correct and are hereby adopted and incorporated into this Ordinance.

Section 2. That the TIRZ's boundaries are hereby enlarged to include the Additional Property, with the TIRZ's boundaries to now include the entirety of the property described in the metes and bounds description and reflected in the boundary map attached hereto as **Exhibit "A."**

Section 3. That the Fourth Amended Plan attached hereto as **Exhibit "B"** for the TIRZ is hereby approved and determined to be feasible and conform to the City's Comprehensive Plan.

Section 4. That the City Secretary is directed to provide copies of the Fourth Amended Plan to each taxing unit participating in the TIRZ.


Section 5. That the City Council officially finds, determines, recites and declares a sufficient written notice of the date, hour, place, and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this ordinance and the subject matter thereof has been discussed, considered, and formally acted upon. The City Council further ratifies, approves, and confirms such written notice and the contents and posting thereof.

PASSED AND APPROVED in Katy, Texas this 12th day of December, 2016.

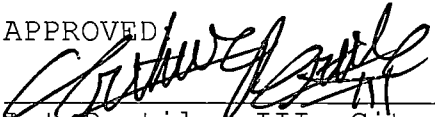
CITY OF KATY, TEXAS



Fabol Hughes, Mayor

ATTEST:


Melissa A. Bunch, City Secretary

APPROVED


Art Fertile, III, City Attorney

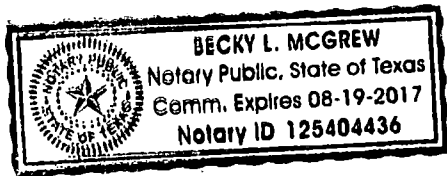
ACKNOWLEDGEMENT

CITY OF KATY, TEXAS

Fabool Hughes
By: Fabool Hughes, Mayor

STATE OF TEXAS
COUNTY OF WALLER

This instrument was acknowledged before me on the 12th day of December, 2016 by Fabool Hughes, the Mayor of the City of Katy, Texas.



Becky L. McGrew
Notary Public, State of Texas
Becky L. McGrew
Notary's Printed Name

Commission Expires: 08-19-2017

Please Return Recorded Copy to:
Melissa A. Bunch, City Secretary
901 Avenue C
Katy, Texas 77493

EXHIBIT "1"
PETITION FOR EXPANSION OF BOUNDARY

STATE OF TEXAS §
 § PETITION FOR INCLUSION
COUNTY OF FORT BEND §

WHEREAS, the undersigned petitioner (the "Petitioner") is the owner of all of the property described on Exhibit A attached hereto (the "Tract"); and

WHEREAS, pursuant to Section 311.007 of the Texas Tax Code (the "Code"), the City of Katy, Texas (the "City") may enlarge the boundaries of the Reinvestment Zone Number One, City of Katy, Texas (the "Zone") to include an area described in a petition requesting that the area be included in the Zone if the petition is submitted to the City by owners of the property constituting at least fifty percent (50%) of the appraised value of the property in the area according to the most recent certified appraisal roll for the county in which the area is located; and

WHEREAS, in accordance with the provisions the Code, Petitioner wishes to petition the City for the enlargement of the boundaries of the Zone to include the entirety of the Tract.

NOW, THEREFORE, Petitioner, as owner of the Tract, herby petitions the City Council of the City of Katy, Texas, as follows:

Section 1. The recitals set forth in this Petition are hereby found and determined to be true and correct.

Section 2. The Petitioner hereby requests that the Tract be added into the boundaries of the Zone in accordance with applicable law, at such time the Tract will become a part of the Zone for all lawful purposes set forth in the Code until the expiration of the term of the Zone, as may be amended from time to time. Petitioner understands that the current Zone expiration date is scheduled for December 31, 2038.

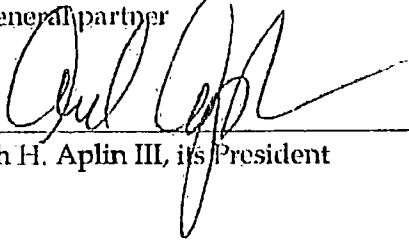
Section 3. The Petitioner submits this Petition with the understanding that Fort Bend County, Texas and the City may contribute a portion of the tax increment generated by the Tract to be used for all projects and associated eligible costs contained in the Amended Project Plan and Reinvestment Zone Financing Plan in the form adopted by the City on April 12, 1999, and the Third Amended Project Plan and Reinvestment Zone Financing Plan adopted by the City on January 26, 2015, or any subsequent plan amendments duly approved by the City. Fort Bend-Waller Counties Municipal Utility District No. 2 does not intend to contribute any portion of its tax increment generated by the Tract.

Section 4. A legally sufficient description of the Tract is attached hereto as **Exhibit A.**

EXECUTED, effective as of August 9, 2016.

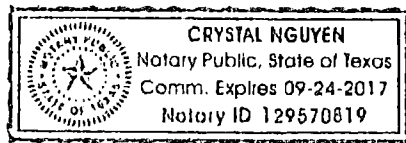
BUC-EE'S, LTD.,
a Texas limited partnership

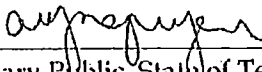
By: Buc-ee's Management, LLC,
a Texas limited liability company,
its general partner

By: 
Arch H. Aplin III, its President

THE STATE OF TEXAS §
 §
COUNTY OF BRAZORIA §

This instrument was acknowledged before me this 9th day of August, 2016 by Arch H. Aplin III in his capacity as President of Buc-ee's, Management, LLC, a Texas limited liability company, general partner of Buc-ee's, Ltd., a Texas limited partnership, on behalf of said limited liability company and limited partnership.

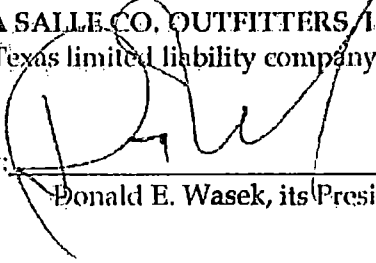



Notary Public, State of Texas

[Notary Seal]

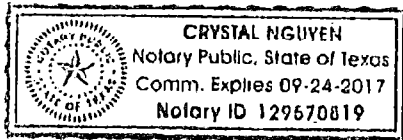
Lienholder:

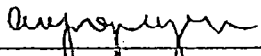
LA SALLE CO. OUTFITTERS L.L.C.,
a Texas limited liability company

By: 
Donald E. Wasek, its President

THE STATE OF TEXAS §
 §
COUNTY OF BRAZORIA §

This instrument was acknowledged before me on the 9th day of August, 2016, by Donald E. Wasek, in his capacity as President of La Salle Co. Outfitters, L.L.C., a Texas limited liability company, on behalf of said limited liability company.




Notary Public, State of Texas

[Notary Seal]

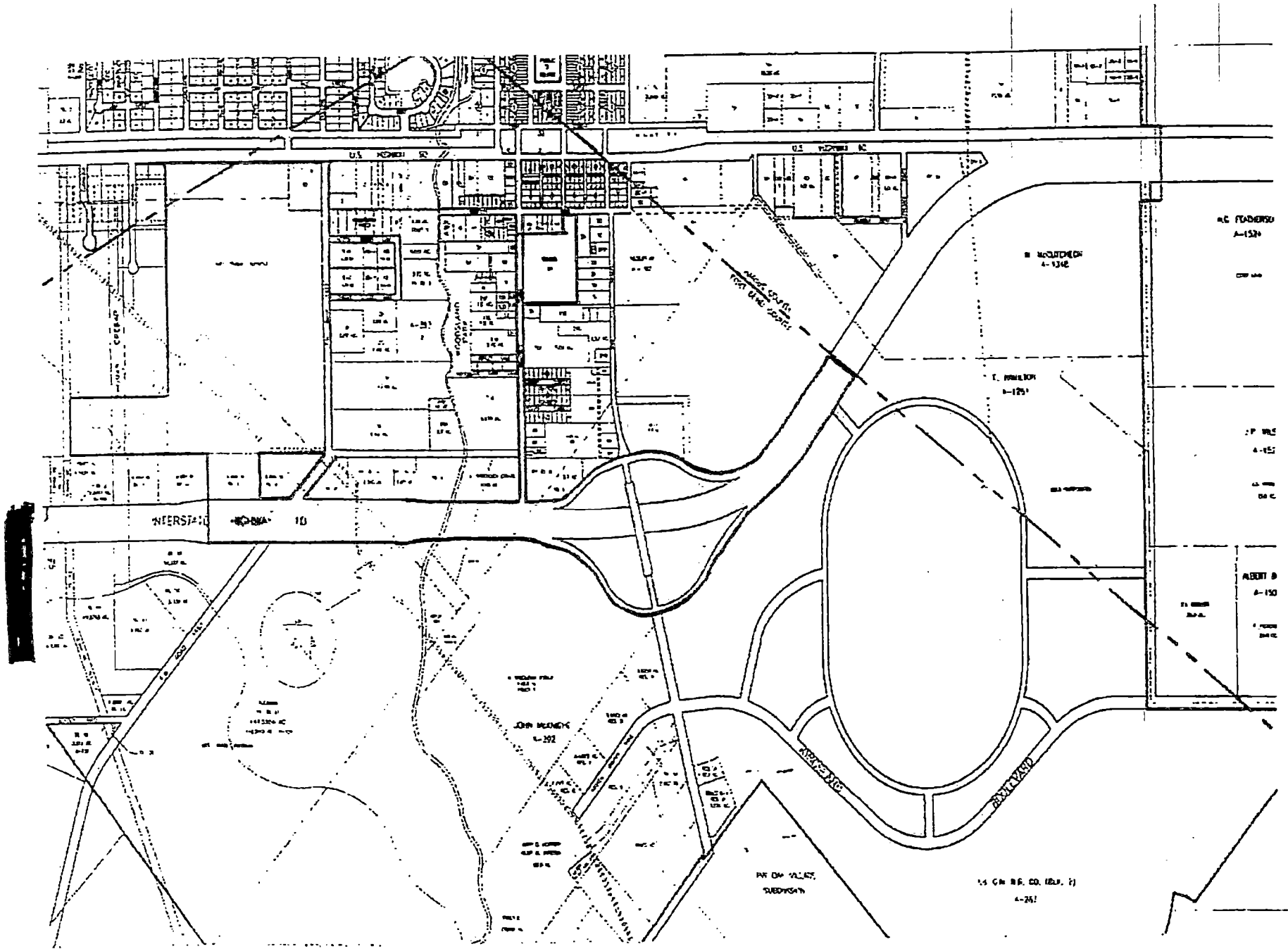
EXHIBIT "A"

**METES AND BOUNDS DESCRIPTION
AND
BOUNDARY MAP**

Exhibit A

The Tract

**Reserve "M", WEST TEN BUSINESS PARK COMMERCIAL RESERVE "M",
according to the map or plat thereof, recorded in Document No. 2016060760, Plat
Records, Fort Bend County, Texas.**



AC TRADING
A-1524

M. MCDONNELL
A-1346

E. WILSON
A-1291

J.P. WELLS
A-1551

A. W. WOOD
DA C.

ALBERT B
A-150

F. W. WOOD
DA C.

JOHN MONROE
A-292

PR. DR. VALLEY
SUBDIVISION

1/4 CH. B.S. CO. (B.P. 2)
A-262

WINTERSTADT
10



EXHIBIT "B"
FOURTH AMENDED PLAN

**REINVESTMENT ZONE NUMBER ONE,
CITY OF KATY, TEXAS**

**FOURTH AMENDED
PROJECT PLAN
AND
REINVESTMENT ZONE FINANCING PLAN**

**Effective as of
December 12, 2016**

**REINVESTMENT ZONE NUMBER ONE
CITY OF KATY, TEXAS
ADMINISTRATION**

CITY OF KATY COUNCIL

Hon. Fabol R. Hughes	Mayor
Hon. J. Gary Jones	Councilmember, Ward A
Hon. Charles A. Brawner	Councilmember, Ward A
Hon. Durran C. Dowdle	Councilmember, Ward B
Hon. James C. Mendez, Jr.	Councilmember, Ward B
Hon. Steve Pierson	Councilmember At Large

FORT BEND COUNTY COMMISSIONERS

Hon. Robert E. Hebert	County Judge
Hon. Richard Morrison	Precinct 1
Hon. Grady Prestage	Precinct 2
Hon. Andy Meyers	Precinct 3
Hon. James Patterson	Precinct 4

REINVESTMENT ZONE NUMBER ONE, CITY OF KATY BOARD OF DIRECTORS

Glen Bliss	Position 1
Michael B. O'Connell, Secretary	Position 2
Melody Hess	Position 3
David Minze	Position 4
Mildred "Lee" Kosina	Position 5
Christopher Harris	Position 6
Tommy Brooks Bolin	Position 7
Jonas W. Conner, President	Position 8
B. Stanley Thompson	Position 9

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TABLE OF EXHIBITS

Exhibit A	Expanded Zone Boundary Maps
Exhibit B	Maps Showing Existing Zone Uses and Conditions
Exhibit C	Maps Showing Proposed Improvements and Uses
Exhibit D	Economic Feasibility Study
Exhibit E	Debt Service and Cash Flow Projections
Exhibit F	Value Projections

I. INTRODUCTION

This Fourth Amended Project Plan and Reinvestment Zone Financing Plan (the "Fourth Amended Plan") is being adopted and approved by the City of Katy, Texas (the "City") to address necessary changes to Reinvestment Zone Number One, City of Katy, Texas (the "Zone"), including a) extending the boundaries of the Zone; b) supplementing the projects to be included in the project list of allowable public improvements within the Zone; and c) detailing the financing plan for completion of the projects. The Amended Project Plan and Reinvestment Zone Financing Plan adopted and approved by the City on April 12, 1999 (the "Amended Plan"), the Second Amended Project Plan and Reinvestment Zone Financing Plan adopted and approved by the City on August 30, 1999 (the "Second Amended Plan"), and the Third Amended Project Plan and Reinvestment Zone Financing Plan adopted and approved by the City on January 26, 2015 (the "Third Amended Plan"), all remain in full force and effect and are incorporated into this Fourth Amended Plan for all purposes. Copies of the Amended Plan, the Second Amended Plan, and the Third Amended Plan are on file with the City and available upon request. This Fourth Amended Plan shall not become effective until approval by the City, and controls over the Amended Plan, the Second Amended Plan, and the Third Amended Plan in the case of any inconsistencies between such plans. All capitalized terms not defined herein shall have the meanings as defined in Chapter 311, Texas Tax Code, as amended (the "Act").

II. EXECUTIVE SUMMARY

1. The Zone is a tax increment reinvestment zone, created by the City under the authority of the Tax Increment Financing Act, as codified in the Act. The Zone was created by the City of Katy, Texas (the "City") by Ordinance Number 1198, dated December 22, 1997. The Zone was designated with approximately 479 acres exclusively in Fort Bend County (the "County"). Concurrently therewith, the City authorized creation of the Katy Development Authority (the "Authority"), a local government corporation created and organized under the provisions of the Texas Transportation Corporation Act, Chapter 431, Transportation Code, to aid, assist, and act on behalf of the City in the performance of the City's governmental and proprietary function with respect to the Zone.
2. On February 15, 1999, the Board of Directors of the Zone adopted a Project Plan and Reinvestment Zone Financing Plan. On April 12, 1999, the Board of Directors of the Zone adopted an Amended Project Plan and Reinvestment Zone Financing Plan (the "Amended Project Plan") to include the participation of Katy Independent School District, to extend the boundaries of the Zone, and to extend the term of the Zone. On August 30, 1999, the Board of Directors of the Zone adopted a Second Amended Project Plan and Reinvestment Zone

Financing Plan (the "Second Amended Plan") extending the term of the Zone to December 31, 2025. On January 26, 2015, the Board of Directors of the Zone adopted a Third Amended Project Plan and Reinvestment Zone Financing Plan (the "Third Amended Plan") extending the term of the Zone to December 31, 2038, supplementing the list of allowable public improvements/projects for completion within the Zone, and detailing the financing plan for funding of the Project Costs associated therewith.

3. As noted above, the Second Amended Plan extended the term of the Zone until December 31, 2025. The related Participation Agreement between Katy Independent School District ("Katy ISD") and the City provided for Katy ISD participation in the Zone through the extended expiration date of December 31, 2025. As it relates to the Second Amended Plan, the City and the County did not agree to participate in the extended term.
4. As noted above, the Third Amended Plan extended the term of the Zone further until December 31, 2038. The related Interlocal Agreement between the City and the County was amended via that certain First Amendment to Interlocal Agreement providing for both the City and the County's continued participation in the Zone through the extended expiration date of December 31, 2038, with the City and County continuing their tax increment participation through such expiration in an amount equal to 100% and 50%, respectively. Katy ISD's participation in the Zone was not further extended and remains solely through December 31, 2025.
5. On August 9, 2016, the City received a Petition for Inclusion from Buc-ee's, Ltd. ("Buc-ee's") requesting inclusion of certain additional property (owned in its entirety by Buc-ee's) into the Zone's boundaries described as follows: Reserve "M", West Ten Business Park Commercial Reserve "M", according to the map or plat thereof, recorded in Document No. 2016060760 (the "Additional Property"). **Exhibit A** contains boundary maps reflecting the expanded Zone boundaries including the Additional Property.
6. This Fourth Amended Project Plan and Reinvestment Zone Financing Plan is being adopted by the Board of Directors of the Zone to expand the Zone boundaries to include the Additional Property, supplement the project list, and detail the financing plan for funding of the Project Costs associated therewith. The Amended Plan, the Second Amended Plan, and the Third Amended Plan remain in full force and effect, except to the extent that such plans conflict with this Fourth Amended Plan.

7. Additional public improvements scheduled for the Zone will include the construction of new roadways, upgrading existing roads, signalization of intersections, extension of water, sanitary sewer, and storm sewer facilities, landscaping and hardscaping within public rights-of-way and easements, the construction of a parking garage and convention/conference center facility, public plaza facilities, boardwalk reserve and boardwalk district improvements, installing the necessary power supply facilities, and other related necessary public improvements. The public improvements to be constructed in or adjacent to the Zone, which constitute eligible Project Costs, as defined in Section 311.002 of the Texas Tax Code, are estimated to total \$78,500,000. The Project Costs also include economic development grants authorized pursuant to Section 311.010(h) of the Texas Tax Code.

III. REINVESTMENT ZONE NUMBER ONE PROJECT PLAN

A. Zone Boundary Extension

Consistent with the requirements of Section 311.007 of the Texas Tax Code, upon adoption of an ordinance by the City expanding the Zone's boundaries and adopting this Fourth Amended Plan, the Zone's boundaries shall be extended to include the Additional Property, and this Fourth Amended Plan shall apply to the entirety of the expanded Zone. The maps reflecting the expanded Zone boundaries are included as **Exhibit A** to this Fourth Amended Plan.

B. Existing Uses and Conditions (311.011(b)(1))

Attached as **Exhibit B** are maps showing existing uses and conditions of the real property included in the Zone as of November 21, 2016. Attached as **Exhibit C** are maps showing the proposed improvements to and proposed uses of the property included in the Zone, as expanded, contemplating the new eligible projects added within this Fourth Project Plan.

C. Municipal Ordinances and Agreements (311.011(b)(2))

In order to expand the Zone's boundaries, as well as implement financing and complete the additional projects being added to the Zone, the City must hold a public hearing on and adopt an ordinance to expand the Zone's boundaries to include the Additional Property, as well as to adopt and approve this Fourth Amended Plan including the expanded Zone boundaries, the additional projects, and the plan of financing related thereto. This ordinance shall supplement the previously adopted ordinances adopted by the City related to the Zone's financing plans, including but not limited to the following:

- i. Ordinance No. 2052, adopted February 22, 1999, approving the Zone's initial Project Plan and Reinvestment Zone Plan;
- ii. Ordinance No. 2059, adopted April 12, 1999, approving the Amended Plan;
- iii. Ordinance No. 2081, adopted August 30, 1999, approving the Second Amended Plan; and
- iv. Ordinance NO. 2677, adopted January 26, 2015, approving the Third Amended Plan.

D. Zone Non-Project Costs (311.011(b)(3))

Non-Project Costs represent costs and expenditures, estimated by the Developer to complete the development as contemplated, exclusive of eligible Project Costs as defined in Section 311.002(l) of the Texas Tax Code which may be reimbursed. Eligible Project Costs total \$78,500,000. There are no additional Non-Project Costs added to the Zone as a result of the additional projects.

E. Relocation (311.011(b)(4))

No relocation will be required as a result of implementing this Fourth Amended Plan.

IV. REINVESTMENT ZONE FINANCING PLAN

A. Project Cost Description (311.011(c)(1))

The following Project Costs are added as part of the Fourth Amended Plan and will be funded as set forth herein. These Project Costs are in addition to all previously funded Project Costs contained in the Amended Plan, the Second Amended Plan, and the Third Amended Plan. These facilities are anticipated to be constructed within the Zone before 2038. The Project Costs set forth below supplement the Project Costs contained in the Amended Plan, the Second Amended Plan, and the Third Amended Plan. To the extent such Project Costs are economically feasible, the Project Costs contained in the Amended Plan, the Second Amended Plan, and the Third Amended Plan also remain as eligible Project Costs. To the extent the Project Costs allocated to a particular project or project category in the Amended Plan, the Second Amended Plan, the Third Amended Plan, or this Fourth Amended Plan are not used for that specific project or project category, the funds allocated to that project may be used for any other eligible project contained within any of the plans.

Project Costs

Category	Eligible Project Costs
Water, Sewer, and Drainage Projects	\$2,000,000
Economic Development	\$35,000,000
Road Projects and Associated Streetscapes	\$8,000,000
Boardwalk District Improvements and Public Facilities	\$33,500,000
Total	\$78,500,000

B. Location of Proposed Public Improvements (311.011(c)(2))

The site plan indicating the kind, number, and approximate location of the proposed public improvements, as required to be demonstrated by Chapter 311.011(c)(2), is shown on **Exhibit C**.

C. Economic Feasibility (311.011(c)(3))

The Zone's Board of Directors commissioned an update to the economic feasibility studies previously performed in conjunction with the Zone's financing plans. Dated November 2, 2016, the study, performed by Deal Sikes & Associates and titled Ad Valorem Real Property Tax Valuation Analysis for City of Katy Tax Increment Zone No. 1, Fort Bend County, Texas (the "Study"), the Study evaluated the total economic impact of the entire development over the course of the Zone's duration for the entirety of the Zone, including the Additional Property. The Study states that over the life of the Zone increases in taxable value will result not only from an overall increase in underlying real estate values borne by a continuation of the existing growth cycle and anticipated increasing demand, but also specific increases in ad valorem values introduced by planned major real estate developments within the boundaries of the Zone. Based on the foregoing factors, the Study anticipates a growth in future tax values of \$742,373,527 between January 1, 2016 (utilizing the captured certified taxable assessed value of the Zone), and January 1, 2038 (utilizing the estimated captured appraised value of the Zone). Together with the additional sources of revenue to fund the eligible Project Costs as detailed below, the Study (attached as **Exhibit D** to this Fourth Amended Plan) validates the feasibility and viability of the eligible projects included in this Fourth Amended Plan.

D. Estimate of Bonded Indebtedness To be Incurred, Time of Incurring Monetary Obligations, Method of Financing and Special District Combination Financing (311.011(c)(4), (5), and (6))

This Plan will be funded through 2038. The Authority currently plans to issue approximately \$27,010,000 in bonded indebtedness. Principal and interest on Bonds issued will be supported by the following revenue sources: 100% of the City of Katy's tax rate on the incremental value in the Zone; 50% of Fort Bend County's tax rate on the incremental value in the Zone; and other City revenues legally available to support such bonded indebtedness. Total Indebtedness includes project costs, debt service reserve, capitalized interest, developer interest, and costs of issuance. The repayment term on the bonds to be issued is estimated at 22 years (or less). No Bonds will be sold with maturities past the expiration of the Zone. Debt service and cash flow projections, as prepared by RBC Capital Markets, financial advisors to the City, are illustrated in Exhibit E. In the event that the incremental value of the Zone exceeds the growth expectations set forth in the Study thereby generating a greater revenue source for the Zone, the Authority may issue additional bonds to finance Project Costs for eligible projects as set forth herein.

In addition to the foregoing, the Zone will utilize other various sources of revenue to fund eligible projects. Certain eligible road, streetscape, and related utility projects will be funded with monies received from the City from the Metropolitan Transit Authority of Harris County, Texas ("Metro") pursuant to the Second Amended and Restated Congestion Mitigation/Traffic Management Agreement, effective as of October 1, 2014 (the "Metro Agreement") between the City and Metro. The Metro Agreement has been assigned to the Authority and obligates Metro to pay to the Authority one-half of all Metro sales and use taxes collected in the City through December 31, 2025. The Authority will utilize funds received via the Metro Agreement to, as appropriate, either fund projects from reserves accumulated from such payments or issue Metro Contract Revenue Bonds to be secured by a pledge of the payments received.

The City has also committed to contribute at least \$500,000 of the sales tax collections generated within the Zone to the Authority each year, subject to annual appropriation by the City Council of the City. Such amounts may be utilized to fund projects and/or secure bonds issued, as contemplated herein. In addition thereto, the City has committed to contribute at least \$600,000 of hotel occupancy tax funds received by the City to the Authority each year, subject to annual appropriation by the City Council of the City, for uses as set

forth in Subchapter B of Chapter 351, Texas Tax Code. The Authority may utilize such funds to either fund projects from reserves accumulated from such payments or issue bonds to be secured partially or fully by a pledge of the payments received.

Based on the foregoing sources of funds together with the forecast provided in the Study, RBC Capital Markets, financial advisors to the City, have determined that in their reasonable judgment, the Project Costs in the amount of \$78,500,000 set forth in this Fourth Amended Plan are economically feasible.

E. Current Appraised Value/Captured Appraised Value (311.011(c)(7) and (8))

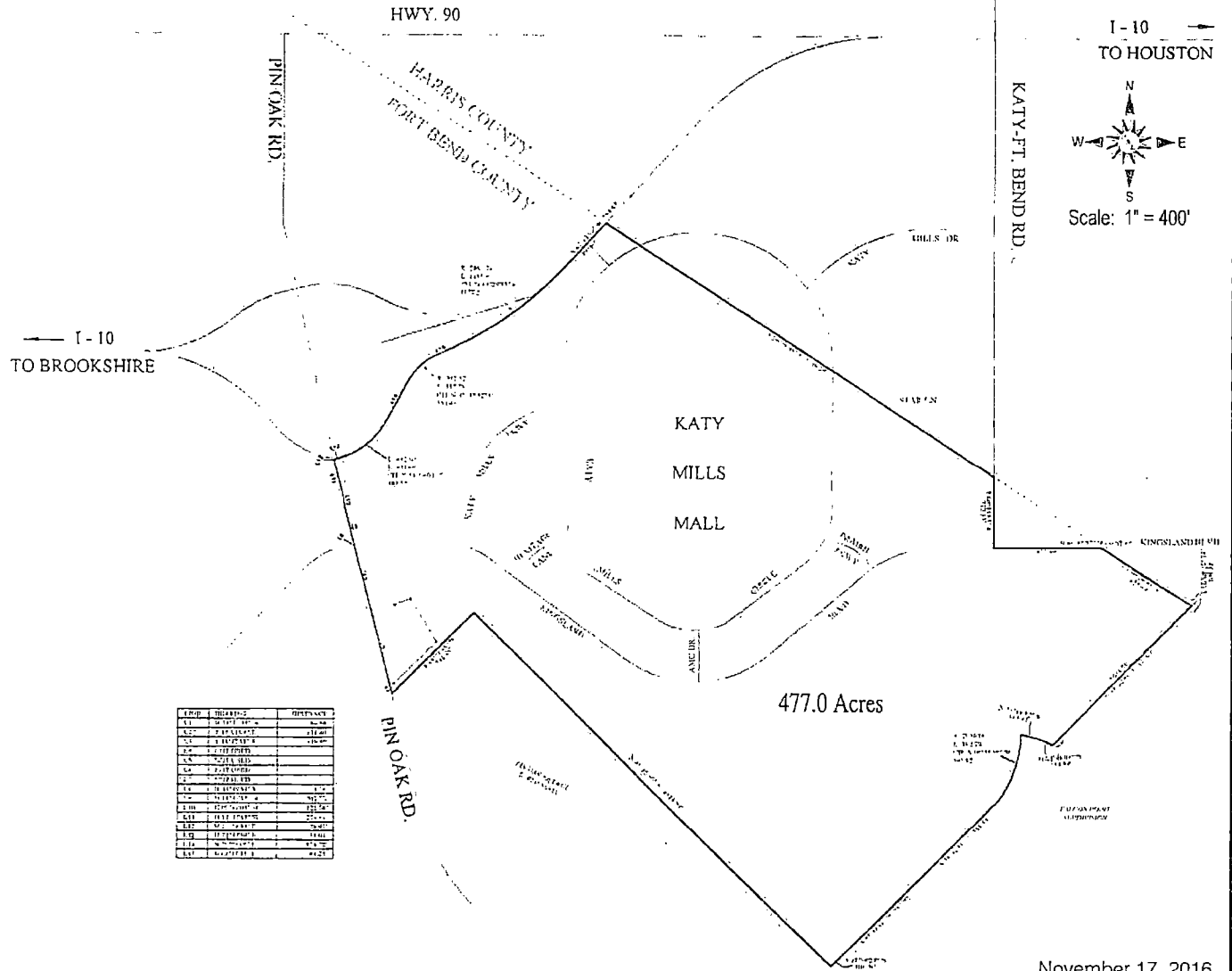
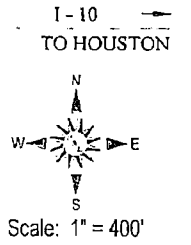
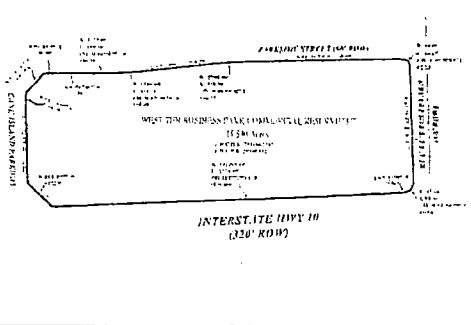
As indicated in the Amended Plan dated April 12, 1999, the base values for the Zone are \$3,177,940 as it relates to the City and \$3,095,380 as it relates to the County. The projected captured appraised value for each year of the remaining duration of the Zone, as extended, are illustrated on Exhibit F. The current captured appraised value within the Zone as of January 1, 2016, is \$219,241,166. The projections in Exhibit F anticipate an ultimate captured appraised value within the Zone as of January 1, 2038 of \$961,614,693.

F. Duration of the Zone (311.011(c)(9))

The Zone was initially designated by the City to terminate on December 31, 2018. On August 30, 1999, the life of the Zone was extended through December 31, 2025. On January 26, 2015, the life of the Zone was extended through December 31, 2038. This Fourth Amended Plan does not extend the duration of the Zone past the current expiration date of December 31, 2038.

EXHIBIT A
EXPANDED ZONE BOUNDARY MAPS

Scale: 1" = 200'



CRIP	DESCRIPTION	REFERENCE
1.1	1.1.1.1	1.1.1.1
1.2	1.2.1.1	1.2.1.1
1.3	1.3.1.1	1.3.1.1
1.4	1.4.1.1	1.4.1.1
1.5	1.5.1.1	1.5.1.1
1.6	1.6.1.1	1.6.1.1
1.7	1.7.1.1	1.7.1.1
1.8	1.8.1.1	1.8.1.1
1.9	1.9.1.1	1.9.1.1
1.10	1.10.1.1	1.10.1.1
1.11	1.11.1.1	1.11.1.1
1.12	1.12.1.1	1.12.1.1
1.13	1.13.1.1	1.13.1.1
1.14	1.14.1.1	1.14.1.1
1.15	1.15.1.1	1.15.1.1
1.16	1.16.1.1	1.16.1.1
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477.0 Acres

November 17, 2016

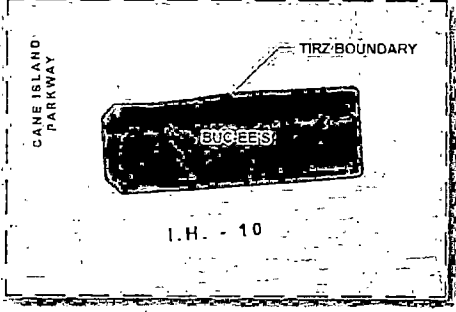
Clay & Leyendecker, Inc.
 Consulting Engineers & Surveyors
 Firm Registration No. 2309
 Katy, Texas

**REINVESTMENT ZONE NUMBER ONE
 CITY OF KATY, TEXAS
 BOUNDARY MAP**

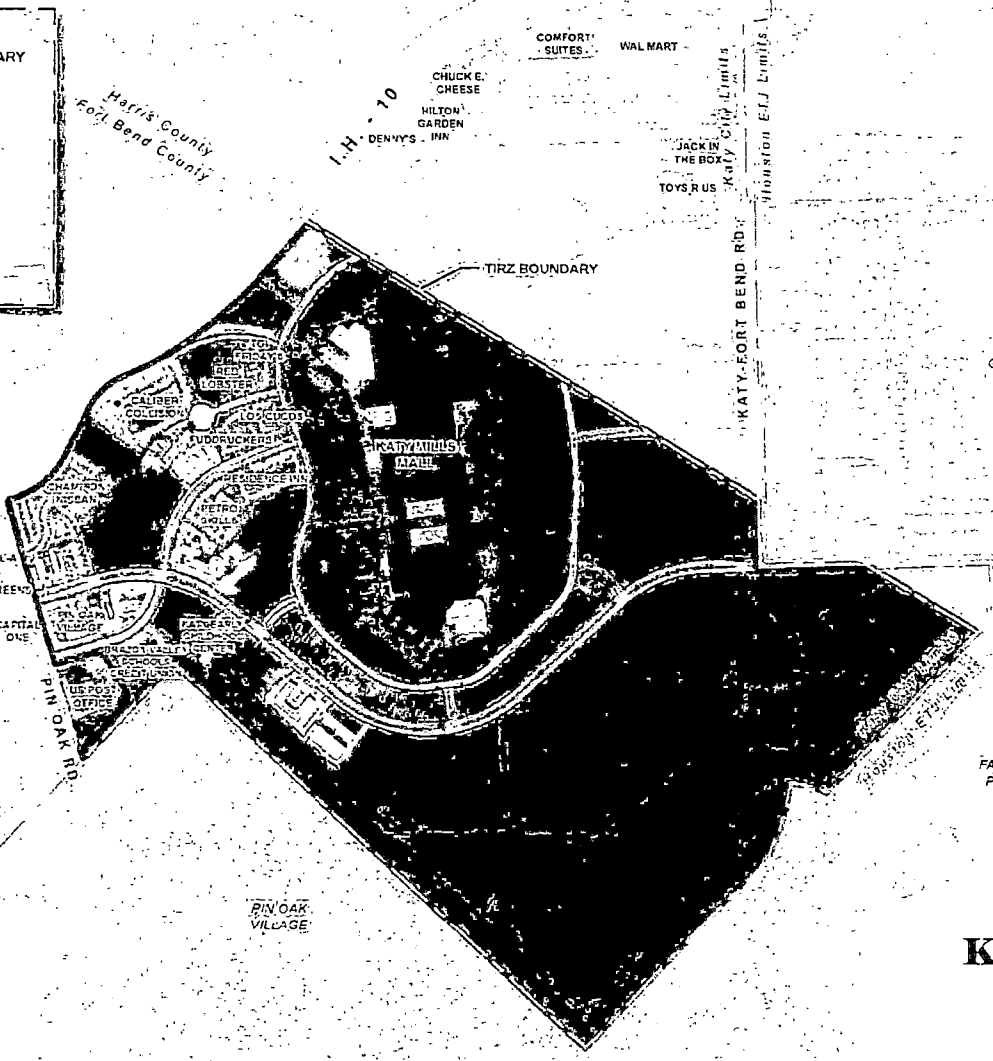
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Drawn By	DK
Issue	09-12-16
Sheet Number	01 of 01

EXHIBIT B

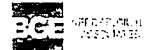
MAPS SHOWING EXISTING ZONE USES AND CONDITIONS



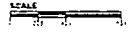
±1 MILE TO BUC-EE'S



an existing uses exhibit for
KATY MILLS
TIRZ



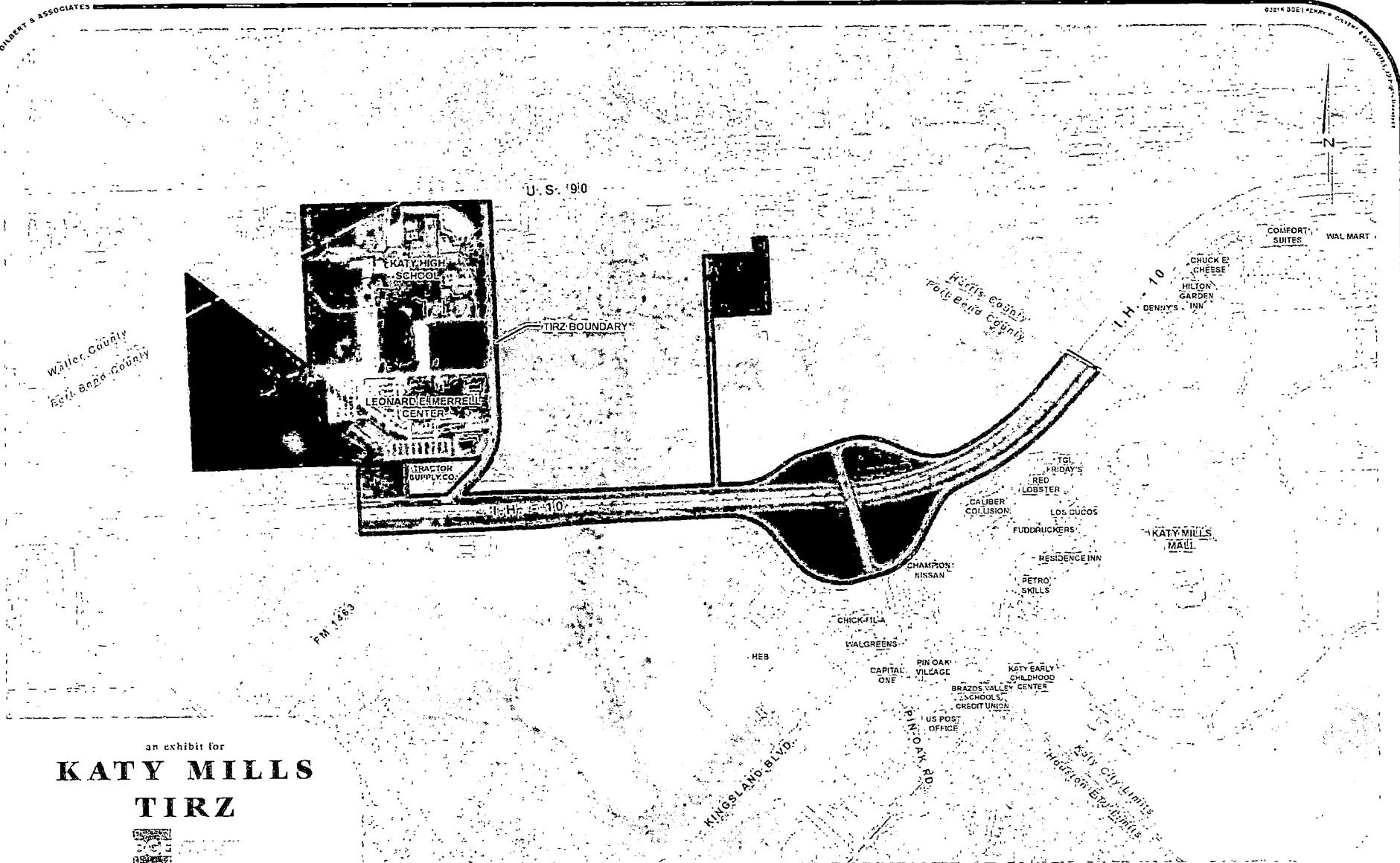
— Land Planning Consultants —
 23501 Cinco Ranch Blvd., Suite A-250
 Katy, Texas 77494
 Tel 281-579-0340



NOVEMBER 15, 2018
 KGA #0335-TIRZ

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an exhibit for
KATY MILLS
TIRZ



— Land Planning Consultants —
 12021 Once Upon Blvd. Suite A-202
 Katy, Texas 77454
 Tel: 281-273-0330

SCALE

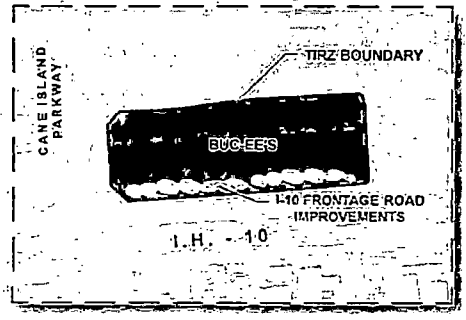
DECEMBER 01, 2016
 KGA #1315-TIRZ

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EXHIBIT C

MAPS SHOWING PROPOSED IMPROVEMENTS AND USES



±1 MILE TO BUC-EE'S

I-10 FRONTAGE ROAD IMPROVEMENTS

PIN OAK ROAD IMPROVEMENTS

KINGSLAND BLVD. IMPROVEMENTS (PIN OAK TO KATY-FT. BEND ROAD)

KINGSLAND BLVD.

Katy City Limits
Houston ETJ Limits

Harris County
Fort Bend County

I.H. - 10

TIRZ BOUNDARY

Katy City Limits
Houston ETJ Limits

KATY-FT. BEND ROAD IMPROVEMENTS

TRAFFIC SIGNAL

PHASE 4: KATY-FT. BEND EXTENSION

TRAFFIC SIGNAL

TRAFFIC SIGNAL

TRAFFIC SIGNAL

KINGSLAND BLVD.

PHASE 1: KATY-FT. BEND EXTENSION

CONVENTION CENTER

FARMING GARAGE

Houston ETJ Limits

Harris County
Fort Bend County

PHASE 3: KATY-FT. BEND EXTENSION

PHASE 2: KATY-FT. BEND EXTENSION

PHASE 5: KATY-FT. BEND EXTENSION

BOARDWALK

a phasing exhibit for

KATY MILLS TIRZ



— Land Planning Consultants —
 23201 Conco Ranch Blvd., Suite A-250
 Katy, Texas 77424
 Tel: 281-579-0340

NOVEMBER 15, 2016
 HOA #135-TIRZ

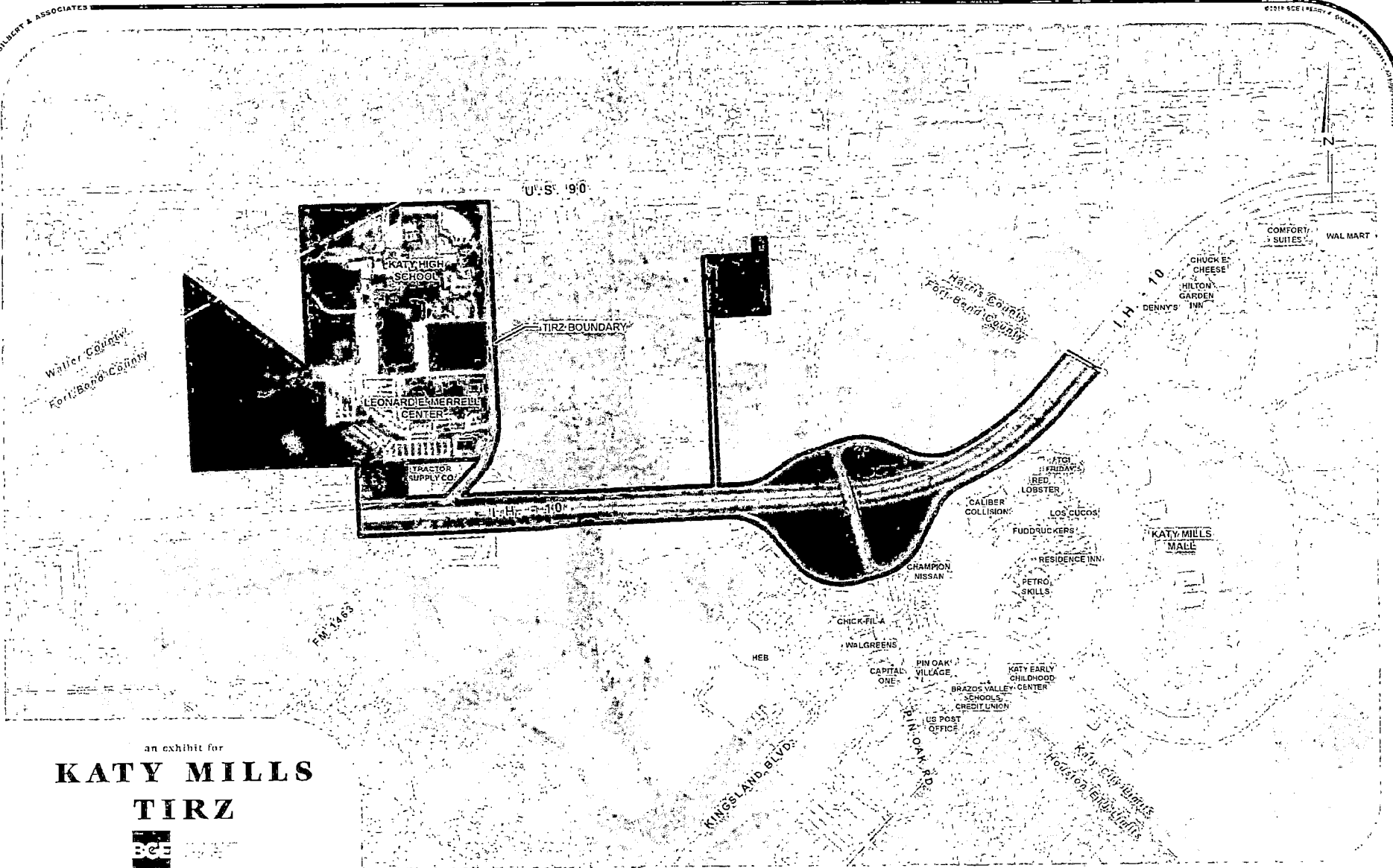
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LEGEND

ENTRY MONUMENT



SCALE
 1" = 20'



an exhibit for
KATY MILLS
TIRZ



— Land Planning Consultants —
 22501 Once Ranch Blvd, Suite A-250
 Katy, Texas 77704
 Tel: 281-570-2600

SCALE

DECEMBER 01, 2014
 KGA #1007-TRC

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EXHIBIT D
ECONOMIC FEASIBILITY STUDY

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REAL ESTATE VALUATION & COUNSELING

MATTHEW C. DEAL, CRE
MARK O. SIKES

1000 North Post Oak Road, Suite 200 • Houston, Texas 77055
office 713.662.3500 • fax 888.662.2955
www.dealsikes.com

DEAL • SIKES
& a s s o c i a t e s
REAL ESTATE VALUATION & COUNSELING

November 2, 2016

Byron Hebert
City Administrator
City of Katy, Texas
901 Avenue C
P.O. Box 617
Katy, Texas 77493

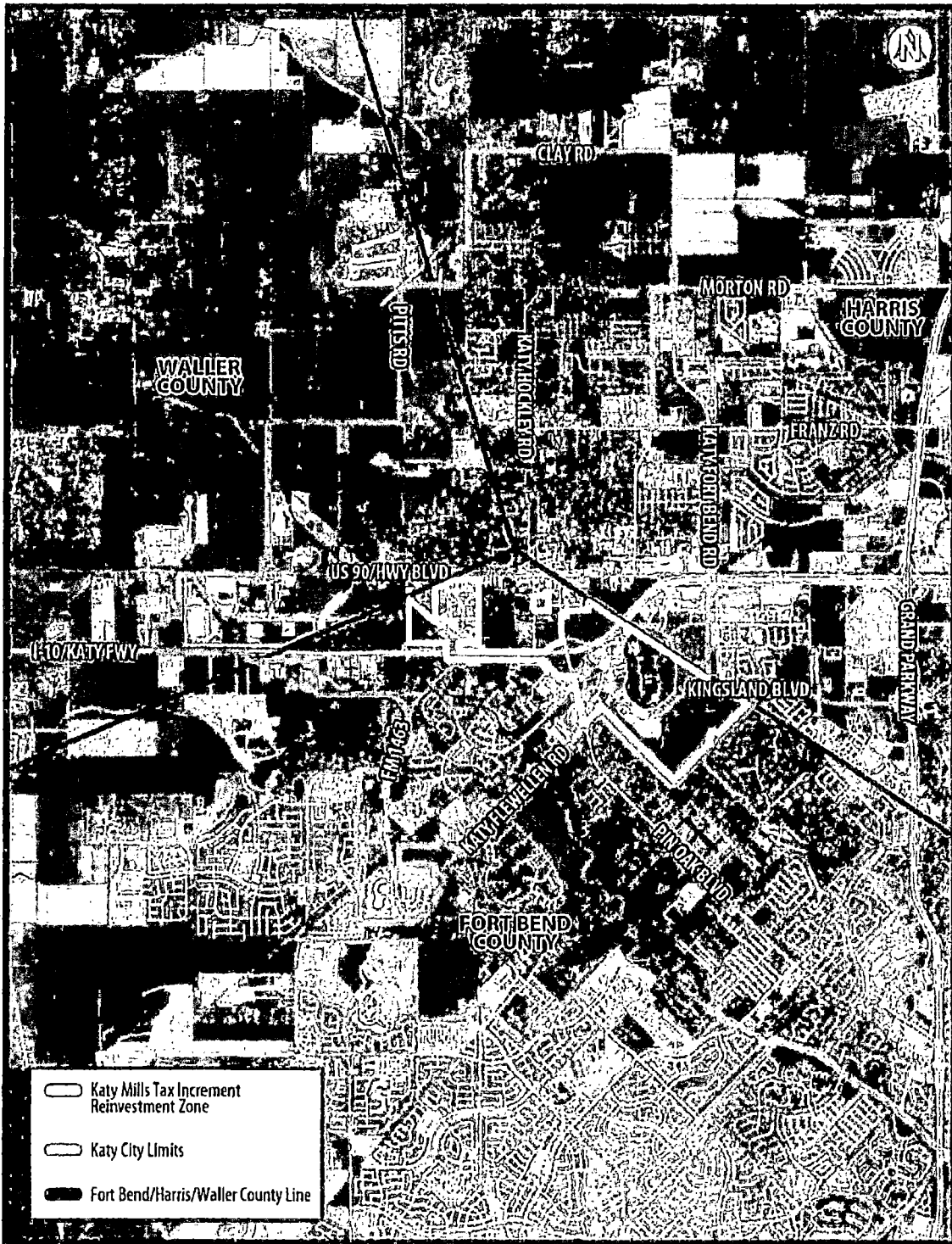
**Re: Ad Valorem Real Property Tax Valuation Analysis for City of Katy Tax Increment
Reinvestment Zone No. 1 (Katy Mills), Fort Bend County, Texas**

Dear Mr. Hebert:

This letter has been prepared to summarize our opinions relating to future ad valorem real property values within the Fort Bend County, Katy Tax Increment Reinvestment Zone No. 1 (Katy Mills), herein referred to as the "Katy TIRZ". We have performed a market analysis of properties within and outside the Katy TIRZ to develop an opinion of anticipated future ad valorem tax values for January 1, 2016 through 2038. Our research included a thorough physical inspection of the Katy TIRZ, analysis of demographics and economic metrics, interviews with knowledgeable individuals active in the market area, and confirmation of ad valorem values inside and outside the Katy TIRZ.

The Katy TIRZ is located within the City of Katy, Fort Bend County, and is part of the Houston Primary Metropolitan Statistical Areas (PMSA). At approximately 6,000 square miles, the Houston PMSA is the largest in Texas and includes Chambers, Fort Bend, Harris, Liberty, Montgomery and Waller counties. With over 5.6 million in population, it is the 6th largest in the nation and fourth fastest growing area of the top 20 PMSAs in the country. Houston is the most populous city in the state, and fourth in the nation. The Houston PMSA is part of a large 10 county Metropolitan Statistical Area (MSA) that includes Austin, Brazoria, Galveston, and Washington counties. The area has consistently ranked in the top 5 MSA's in employment and employment growth due to the diverse economy which serves as a financial, trade, manufacturing and petrochemical center. An aerial delineating the Katy TIRZ and Katy city limits is presented on the following page.

Aerial of the Katy TIRZ and City of Katy



Home to approximately 600,000 residents, Fort Bend County is a major employment and economic center within the Greater Houston market. In recent years, like all of the Houston PMSA, Fort Bend County has experienced a significant growth cycle. We analyzed demographic trends within a 1, 3, 5, and 10-mile radius from the core of the Katy TIRZ, and compared these figures to those of Fort Bend County and Harris County. Since 2010, there has been an approximately 24% increase in population within a 5-mile radius of the subject area, which is expected to increase to 65% by 2020. Additionally, the number of households within 5 miles surrounding the Katy Mills Mall is expected to grow from 45,255, in 2010, to 73,029, in 2020, a 61% increase from 2010-2020. For the year 2015, the average household annual income within a 1 mile radius of the subject area was \$146,874. This annual income statistic greatly exceeds Fort Bend and Harris County, and is expected to grow by 12% through 2020.

Fueled by growth in jobs and resulting population increases, real property values and development activity have been on the rise. We anticipate this trend will continue in the foreseeable future. The following two tables set forth historical ad valorem real property tax values within the Katy TIRZ, and demographic research used in our analysis.

Katy TIRZ						
Year/% Change	1-Mile Radius	3-Mile Radius	5-Mile Radius	10-Mile Radius	Fort Bend County	Harris County
Population						
2010	2,829	50,562	138,223	366,152	585,375	4,092,459
2015	4,585	66,320	184,226	448,602	687,188	4,402,046
2020	5,883	82,406	227,841	534,526	803,956	4,769,662
% Change 2010-15	62.07%	31.17%	33.28%	22.52%	17.39%	7.56%
% Change 2015-20	28.31%	24.26%	23.67%	19.15%	16.99%	8.35%
% Change 2010-20	107.95%	62.98%	64.84%	45.98%	37.34%	16.55%
Number of Households						
2010	1,019	16,278	45,255	116,429	187,384	1,435,155
2015	1,595	21,156	59,437	141,897	221,819	1,536,289
2020	2,056	26,208	73,029	168,785	260,223	1,663,919
% Change 2010-15	56.53%	29.97%	31.34%	21.87%	18.38%	7.05%
% Change 2015-20	28.90%	23.88%	22.87%	18.95%	17.31%	8.31%
% Change 2010-20	101.77%	61.00%	61.37%	44.97%	38.87%	15.94%
Median Household Income						
2015	\$105,604	\$96,974	\$102,746	\$90,302	\$92,949	\$55,207
2020	\$122,974	\$109,000	\$114,517	\$101,713	\$104,310	\$64,104
% Change 2015-20	16.45%	12.40%	11.46%	12.64%	12.22%	16.12%
Per Capita Income						
2015	\$47,626	\$38,337	\$40,967	\$36,338	\$38,592	\$27,882
2020	\$52,843	\$43,920	\$46,360	\$40,919	\$43,707	\$31,498
% Change 2015-20	10.95%	14.56%	13.16%	12.61%	13.25%	12.97%
Average Household Income						
2015	\$146,874	\$121,630	\$126,924	\$114,881	\$119,178	\$79,379
2020	\$165,089	\$140,236	\$144,569	\$129,626	\$134,703	\$89,808
% Change 2015-20	12.40%	15.30%	13.90%	12.84%	13.03%	13.14%

The following table summarizes historical ad valorem property tax values within the Katy TIRZ over the last six years.

Year	Katy TIRZ Historical Ad Valorem Property Tax Values	Percentage Increase
2010	\$144,915,080	-
2011	\$153,834,270	6.15%
2012	\$169,660,350	10.29%
2013	\$180,928,140	6.64%
2014	\$193,117,543	6.74%
2015	\$195,847,884	1.41%

As previously mentioned, the purpose of our analysis is to project future ad valorem real property tax values as of the beginning of 2016 through the year 2038. We expect future increases in these values will result from two sources.

- I. An overall increase in underlying real estate values born by a continuation of the existing growth cycle and anticipated increasing demand; and,
- II. Specific increases in ad valorem values introduced by planned major real estate developments within the boundaries of the Katy TIRZ.

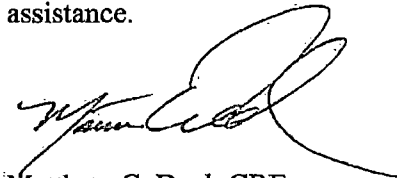
Mr. Byron Hebert
November 2, 2016
Page 5 of 5

Based upon our market research, the following table reflects the estimated future ad valorem real property values within the Katy TIRZ throughout the study period.

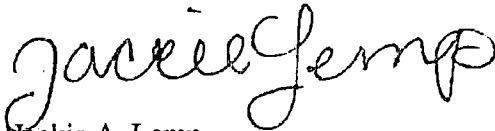
Year	Katy TIRZ Anticipated Ad Valorem Property Tax Values
2016	\$219,808,469
2017	\$268,322,493
2018	\$295,177,962
2019	\$323,752,552
2020	\$354,140,825
2021	\$386,442,156
2022	\$420,760,968
2023	\$457,206,977
2024	\$495,895,449
2025	\$536,947,468
2026	\$580,490,216
2027	\$626,657,268

Year	Katy TIRZ Anticipated Ad Valorem Property Tax Values
2028	\$651,723,559
2029	\$677,792,501
2030	\$704,904,201
2031	\$733,100,369
2032	\$762,424,384
2033	\$792,921,359
2034	\$824,638,214
2035	\$857,623,742
2036	\$891,928,692
2037	\$927,605,839
2038	\$964,710,073

In the attached report we set forth market support for these estimates. We appreciate the opportunity to be of service. Please don't hesitate to contact us if you require additional assistance.



Matthew C. Deal, CRE
State Certified TX-1324906-G



Jackie A. Lemp
State Licensed TX-1340267-T

TABLE OF CONTENTS

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OVERALL INCREASE IN UNDERLYING REAL ESTATE VALUES

The average annual growth in ad valorem tax values over the past six years, within the Katy TIRZ, has been approximately 6.25% per year, while 2014-2015 annual growth was only 1.41%. As previously mentioned, population growth, unemployment rate, job creation, and household construction growth will all positively affect the market area in the foreseeable future. Thus, we anticipate overall ad valorem real property tax values will remain relatively consistent throughout the study period.

Based upon current district demographics, local economic trends, and other relevant external factors, we consider an annual increase in overall taxable value of 4.0% to be reasonably supported for January 2016 through January 2020. In view of the fact that existing demographic trends are on the rise, and considering economic uncertainty past the first five years of our analysis, we believe annual increase in overall property taxable value to remain 4% per year for the remaining eighteen years of our analysis—January 2021 through January 2038.

SPECIFIC INCREASES FROM PROPOSED MAJOR DEVELOPMENTS

In recent years, and continuing through the date of our analysis, the subject market has experienced a sustained growth cycle. Vacant tracts of land surrounding the Katy Mills Mall are being purchased for development. One particular major development, Katy Boardwalk, will be located southeast of the Katy Mills Mall and is planned to begin construction near the beginning of 2017. In the following paragraphs we set forth our estimate for future ad valorem tax values for both Katy Boardwalk and other developments soon to come to the Katy TIRZ.

KATY BOARDWALK

In 1998 the Katy Mills Mall was developed within the city of Katy on the south side of I-10. Other development were slow to follow the Katy Mills Mall. However, with residential growth approaching the subject area from all directions, the need for future expansion and multi-use developments are more prevalent within Fort Bend County, the city of Katy, and the Katy TIRZ. The Katy Boardwalk, an upscale, major mixed-use project, is planned within the Katy TIRZ just southeast of the Katy Mills Mall on the south side of Kingsland Blvd. According to a representative of Sueba USA (part of the Katy Boardwalk development team), current plans for the proposed Katy Boardwalk indicate two multi-family developments, a mixed-use retail development, a mixed-use office development, a 250-room hotel/conference center, and an office-condominium business park. Additionally, there are three garages currently planned for the entire development, primarily to serve the apartment buildings and office and retail spaces. Construction of the proposed development is anticipated to commence first quarter 2017, with phased completion of these various uses over the subsequent ten years. The following table sets forth the anticipated building size for each of these uses.

Katy Boardwalk Planned Development		
Proposed Use	Building Size	
Multi-Family	642	Units
Hotel/Conference Center	277,000	Square Feet
Office-Condo	69,300	Square Feet
Mixed Use	206,000	Square Feet

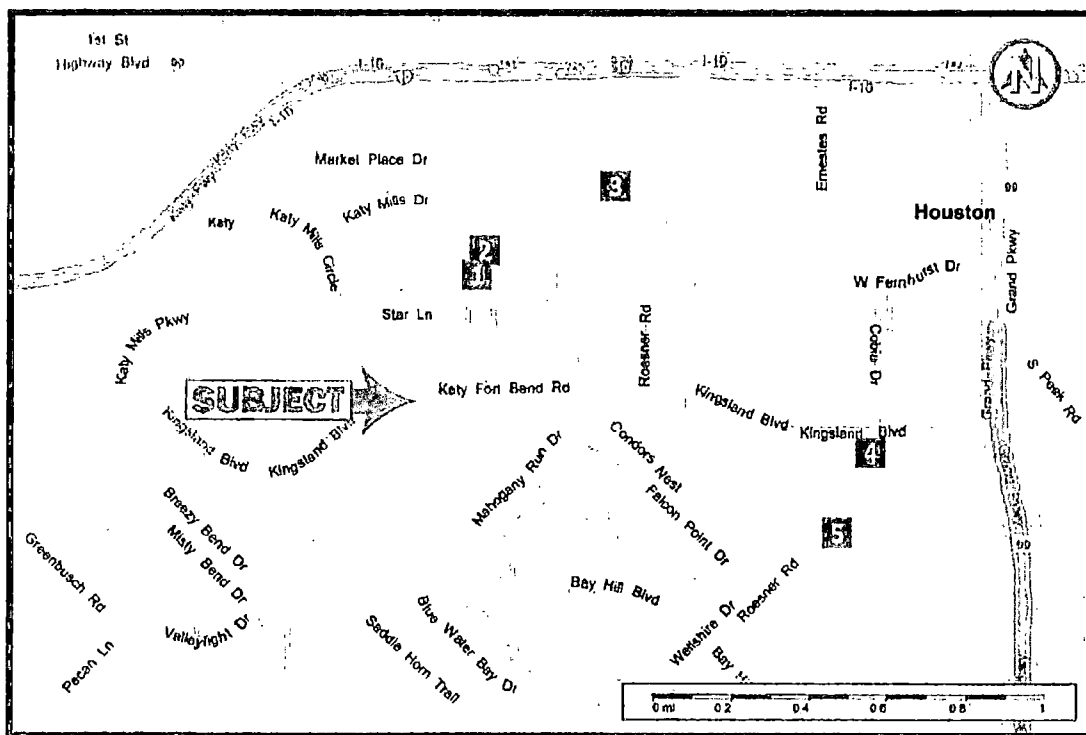
To estimate the anticipated ad valorem tax values for each of these land uses, we researched the Katy TIRZ, Fort Bend County, and the Greater Houston market area for comparable developments and analyzed the ad valorem tax values for each of these similar developments. In the following pages we set forth the varying land uses and ad valorem tax values for competitive properties of the Katy Boardwalk, and we estimate the future ad valorem tax values for these varying land uses within the Katy TIRZ. Due to the uncertainty of completion dates for the various phases of construction, we estimate the assessed value of the entire Katy Boardwalk development as of 2018, when the first year of construction is complete, and distribute the value over the remaining construction term (10 years).

Multi-Family

The multi-family phase of Katy Boardwalk will be developed on the northeast corner of the development site. Sueba USA's currently plans to develop the multi-family segment in two phases. The first phase will commence in the first quarter of 2017, and will include 319 units. The second phase will include 323 units, and is scheduled to break-ground in the second quarter of 2018. Once complete, there will be a total of 642 multi-family units, of varying sizes and floor plans (in 2015 the multi-family component totaled only 200 units). The initial multi-family phase will also be the first phase of the Katy Boardwalk to start construction, with the remaining phases to follow suit. In calculating the total ad valorem value for the multi-family phase, we researched the most recent taxable values for five competing properties. We analyzed these presented multi-family comparable properties bases upon their location, year of construction, number of units and quality of construction. The following table sets forth pertinent information.

Multi-Family Comparable					
No.	Name	Address	YOC	No. of Units	2015 Assessed Value/Unit
1	Camden Grand Harbor	24757 Grand Harbor Dr.	2007	300	\$95,231
2	Dolce Living Grand Harbor	24758 Grand Harbor Dr.	2012	324	\$101,894
3	Echo at Katy Ranch	24929 Katy Ranch Rd	2012	260	\$132,357
4	Verona at the Reserve	700 Cobia Dr.	2010	356	\$87,442
5	Grand Villas Apartments	1550 Katy Fort Bend Rd	2010	384	\$113,870
Subject-		-	-	642	-

Multi-Family Map



Comparables 1 and 2 are located within close proximity to the subject and will directly compete with the subject's future tenants. We consider comparable 2 to be very similar to the subject development due to the number of units and the age of the building complex. Our research indicates that a reasonable estimated 2015 ad valorem tax value for the multi-family portion of Katy Boardwalk to be \$101,000 per unit.

For the purpose of this analysis, we have calculated the 2018 ad valorem tax value by adjusting the estimated 2015 ad valorem tax value by a 4% increase per year. After applying the 4% annual increase to the estimated 2015 value of \$101,000 per unit, we estimate that the 2018 ad valorem tax value for the multi-family phase would be \$113,610 per unit. Following is our calculation of the 2018 taxable value of the multi-family portion within Katy Boardwalk.

Taxable Value Estimate – Multi-Family

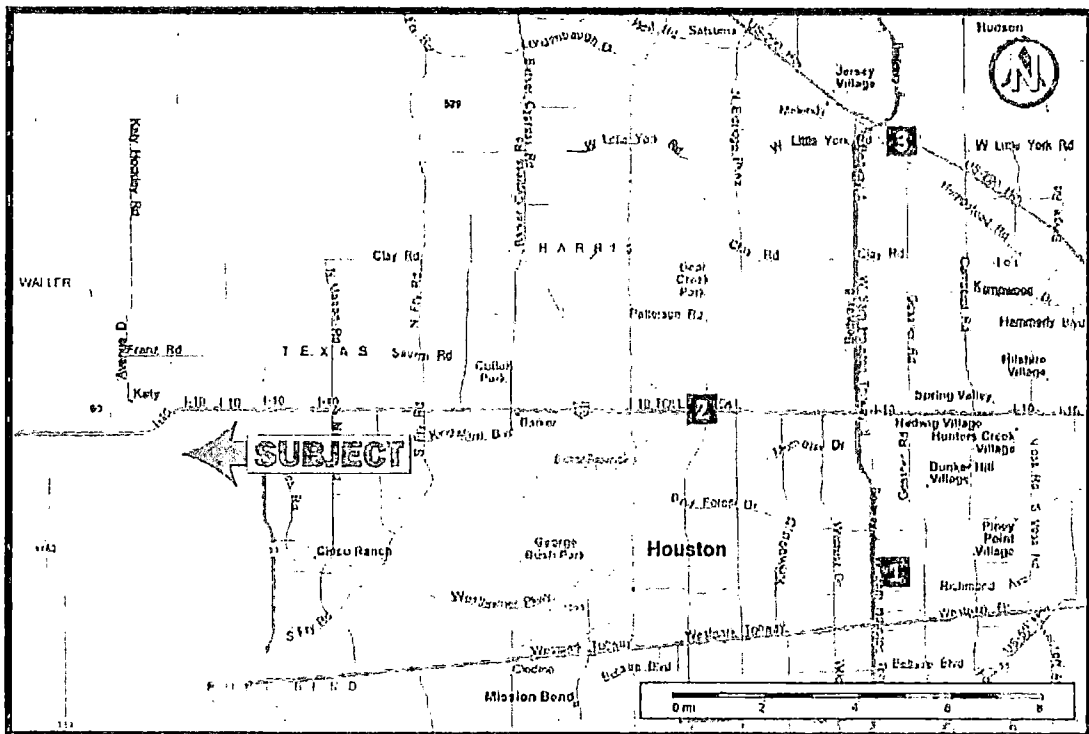
No. of Units		642
Taxable Value Estimate Per Unit	x	\$113,610
Taxable Value Estimate		\$72,937,620

Hotel/Conference

There are plans to develop a 250-room full service hotel, with ground-floor retail, and an attached conference center within the Katy Boardwalk, totaling approximately 277,000 square feet. This hotel/conference center is planned to be located on the southeast side of the development. The full service hotel, with ground-level retail, is planned to be 204,000 square feet. No specific brand name hotels have been established. Attached to the hotel will be a conference center consisting of 55,000 square feet of meeting space and 18,000 square feet of additional parking. To estimate the anticipated future ad valorem tax value of the subject hotel/conference center space, we researched the most recent taxable values for three competing properties. We analyzed these presented hotel/conference center comparable properties based on location, year of construction, improvement size, and quality of construction. The following table sets forth the pertinent information.

Hotel/Conference Center						
No.	Name	Address	YOC	Building Size (SF)	No. of Units	Assessed Value/SF
1	Houston Marriot Westchase	2900 Briarpark Dr.	2008	438,562	600	\$124
2	Omni	13210 Katy Fwy	1983	310,083	400	\$131
3	Hilton Garden Inn	14919 Northwest Fwy	2011	117,599	172	\$132
Subject-		-	-	277,000	-	-

Hotel/Conference Center Map



Although we prefer comparable properties within close proximity to the subject, we expanded our parameters in search of full service hotels with large conference centers located in comparable market areas and with similar physical characteristics. Normally we like to value hotels on a price per room basis, but considering that the name brand and room count for this hotel are not known, we have calculated the ad valorem tax value for the hotel/conference center on a per square foot basis. Our research indicates that a reasonable estimated 2015 ad valorem tax value for the hotel/conference center portion of Katy Boardwalk to be \$125 per square foot.

As previously stated, we have calculated the 2018 ad valorem tax value by adjusting the estimated 2015 ad valorem tax value by a 4% increase per year. After applying the 4% annual increase to the estimated 2015 value of \$125 per square foot, we estimate that the 2018 ad valorem tax value for the hotel/conference center phase would be \$140 per square foot. Following is our calculation of the 2018 taxable value of the retail portion within Katy Boardwalk.

Taxable Value Estimate – Hotel/Conference Center

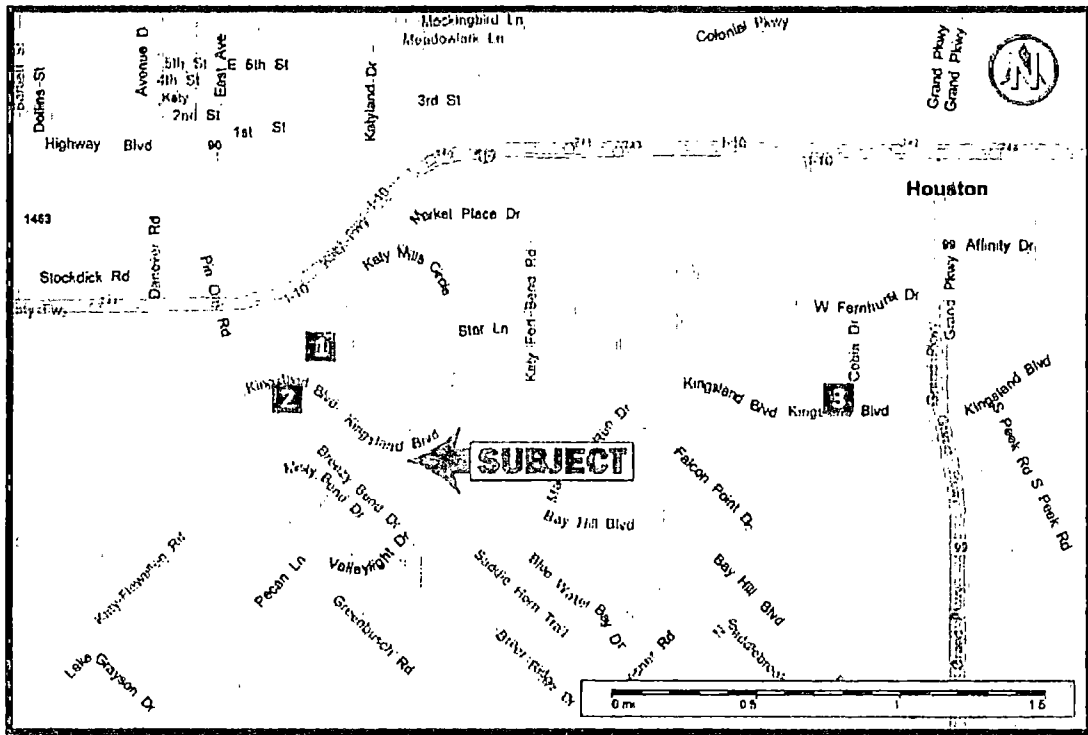
Improvement Size in Square Feet	277,000
Taxable Value Estimate PSF	x <u> \$140</u>
Taxable Value Estimate	\$38,780,000

Office-Condominium

According to a conceptual development plan prepared for Terragon Developers (over the development of the office-condominium component), the office-condominium phase will be located on the western end of the Katy Boardwalk development site and include 14 buildings, total approximately 69,300 square feet (in 2015 the office component totaled 500,000 square feet). To estimate the anticipated future ad valorem tax value of the subject’s office space sector, we researched the most recent taxable values for five competing properties. We analyzed these presented office space comparable properties based on location, improvement size, and year of construction. The following table sets forth pertinent information.

Office Comparable						
No.	Name	Address	YOC	Land Size (Ac.)	Building Size (SF)	Assessed Value/SF
1	Petro Skills	25403 Katy Mills Pkwy	2008	3.50	31,555	\$126
2	BVSCU	25525 Katy Mills Pkwy	2012	3.50	31,678	\$207
3	Katy Medical Plaza	23510 Kingsland Blvd	2012	2.73	48,366	\$204
	Subject	-	-	-	700,000	-

Office Map



All of the listed comparable properties are located within close proximity to the subject property. With regards to year of construction, comparable properties 1, 2, and 3 are very similar to the subject. We consider Comparable 2 to be the most commensurate due to its age and proximity to the proposed development project. Based upon our analysis, a reasonable estimated 2015 ad valorem tax value for the office space portion of Katy Boardwalk is \$210 per square foot.

As previously stated, we have calculated the 2018 ad valorem tax value by adjusting the estimated 2015 ad valorem tax value by a 4% increase per year. After applying the 4% annual increase to the estimated 2015 value of \$210 per square foot, we estimate that the 2018 ad valorem tax value for the office space sector would be \$235 per square foot. Following is our calculation of the 2018 taxable value of the office space portion within Katy Boardwalk.

Taxable Value Estimate – Office

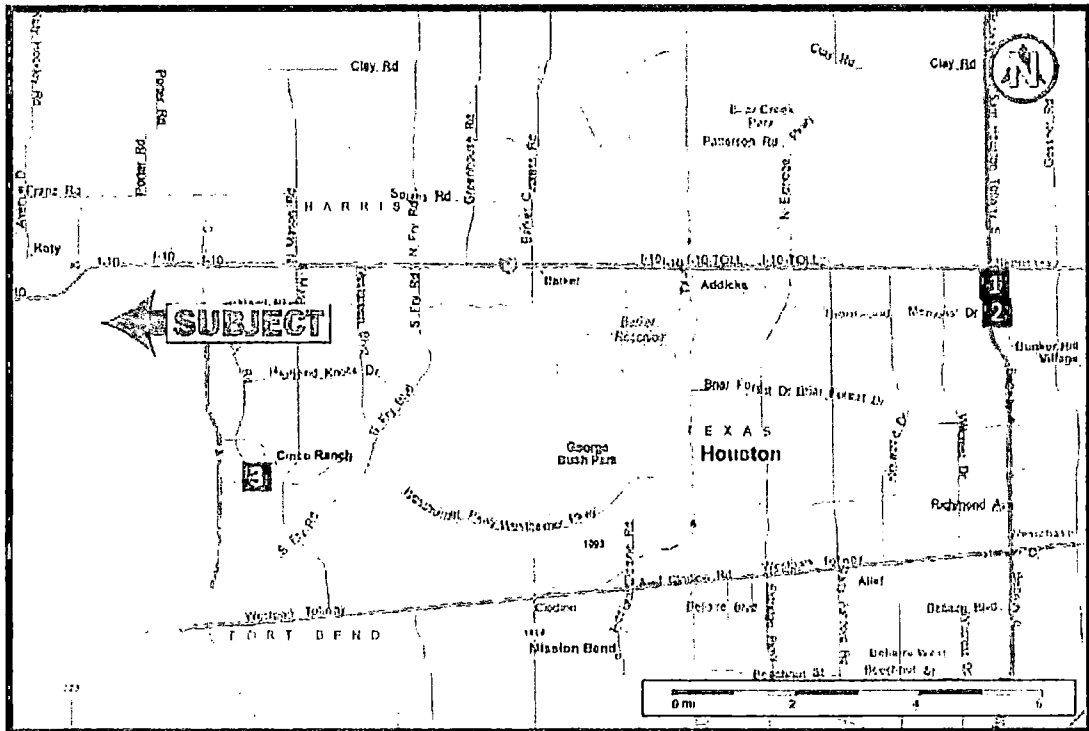
Improvement Size in Square Feet	69,300
Taxable Value Estimate PSF	x <u> \$235</u>
Taxable Value Estimate	\$16,285,500

Mixed Use

The mixed-use component will be developed in two phases and total 206,000 square feet. The first phase is scheduled to commence third quarter 2017, and will include 60,000 square feet of mixed-use retail space. The second phase is planned to break ground fourth quarter 2018 and will include 146,000 square feet of mixed-use office space. Mixed-use buildings can be anything from retail/office, office/residential, retail/residential, or anything of the sort. The following comparable properties fit the criteria listed above, and we believe give us an appropriate view of ad valorem tax values for mixed-use space within the subject's market area. The following table sets forth pertinent information.

Mixed Use:						
No.	Name	Address	YOC	Land Size (Ac.)	Building Size (SF)	Assessed Value/SF
1	CityCentre	12888 W Queensbury Ln	2008	1.40	142,524	\$178
2	Town & Country Village	780 W Sam Houston Pky N	2007	2.08	84,368	\$152
3	Villas of Villagio	22764 Westheimer Pkwy	2006	8.00	125,367	\$181
Subject		-	-	-	206,000	-

Mixed-Use Map



Although we prefer comparable properties within close proximity to the subject, we expanded our parameters in search of mixed-use developments located in comparable market areas and with similar physical characteristics. Based upon the subject development's mixed-use portion criteria and comparable property analysis, our research indicates that a reasonable estimated 2015 ad valorem tax value for the mixed-use portion of Katy Boardwalk to be \$160 per square foot.

As previously done for the other phases of development, we have calculated the 2018 ad valorem tax value by adjusting the estimated 2015 ad valorem tax value by a 4% increase per year. After applying the 4% annual increase to the estimated 2015 value of \$160 per square foot, we estimate that the 2018 ad valorem tax value for the mixed-use sector would be \$180 per square foot. Following is our calculation of the 2018 taxable value of the mixed use space portion within Katy Boardwalk.

Taxable Value Estimate – Mixed Use	
Improvement Size in Square Feet	206,000
Taxable Value Estimate PSF	x <u>\$180</u>
Taxable Value Estimate	\$37,080,000

Katy Boardwalk Valuation Summary

The following is a summary of all ad valorem real property tax values associated with the development known as Katy Boardwalk as of the year 2018.

2018 Taxable Value Estimate – Katy Boardwalk	
Multi-Family	\$ \$72,937,620
Hotel/Conference Center	\$ 38,780,000,
Office-Condominium	\$ 16,285,500
Mixed-Use	+ \$ <u>37,080,000</u>
2018 Taxable Value	\$ 165,083,120

Estimated Net Increases From Katy Boardwalk

To appropriately estimate the net increases from the development Katy Boardwalk, we must deduct the 2018 ad valorem values of the properties as vacant. After researching current land records for the future site of Katy Boardwalk, the total 2018 ad valorem value of the proposed development, as vacant, is \$3,857,429. As previously set forth, we estimate the ad valorem tax value of Katy Boardwalk will be \$165,083,120. After deducting this current value, the net increase from the development Katy Boardwalk, as if completed in 2018, will be \$161,225,691.

As previously discussed, planned completion of the Katy Boardwalk development is anticipated to occur over a maximum ten year period. For the purpose of this analysis, we have distributed the net increase for Katy Boardwalk of \$161,225,691, as of 2018, over the 10 year construction period. As previously outlined, we estimate existing overall property values will continue to increase annually by 4%. On the following page is our incremental calculation of the foreseeable taxable value for the development Katy Boardwalk over the 10 years following 2017.

Added Value Over Construction Period		
Year	Yearly Added Tax Value	% Change
2018	\$16,122,569	-
2019	\$16,767,472	4.00%
2020	\$17,438,171	4.00%
2021	\$18,135,698	4.00%
2022	\$18,861,126	4.00%
2023	\$19,615,571	4.00%
2024	\$20,400,193	4.00%
2025	\$21,216,201	4.00%
2026	\$22,064,849	4.00%
2027	\$22,947,443	4.00%

ADDITIONAL KATY TIRZ DEVELOPMENTS

In addition to the Katy Boardwalk there are several other developments anticipated within the boundaries of the Katy TIRZ around the Katy Mills Mall. Two hotel recently completed construction, and there are plans to build two hotels, two fast-food restaurants, a dentist office, medical facility, an indoor climbing facility, a car wash, and a three-building auto-repair/retail development. Additionally, a proposed Buc-ee's Travel Center is to be constructed at the corner of IH-10 and Cane Island Parkway. While the property is not currently within the Katy TIRZ, it is to be annex once construction is complete.

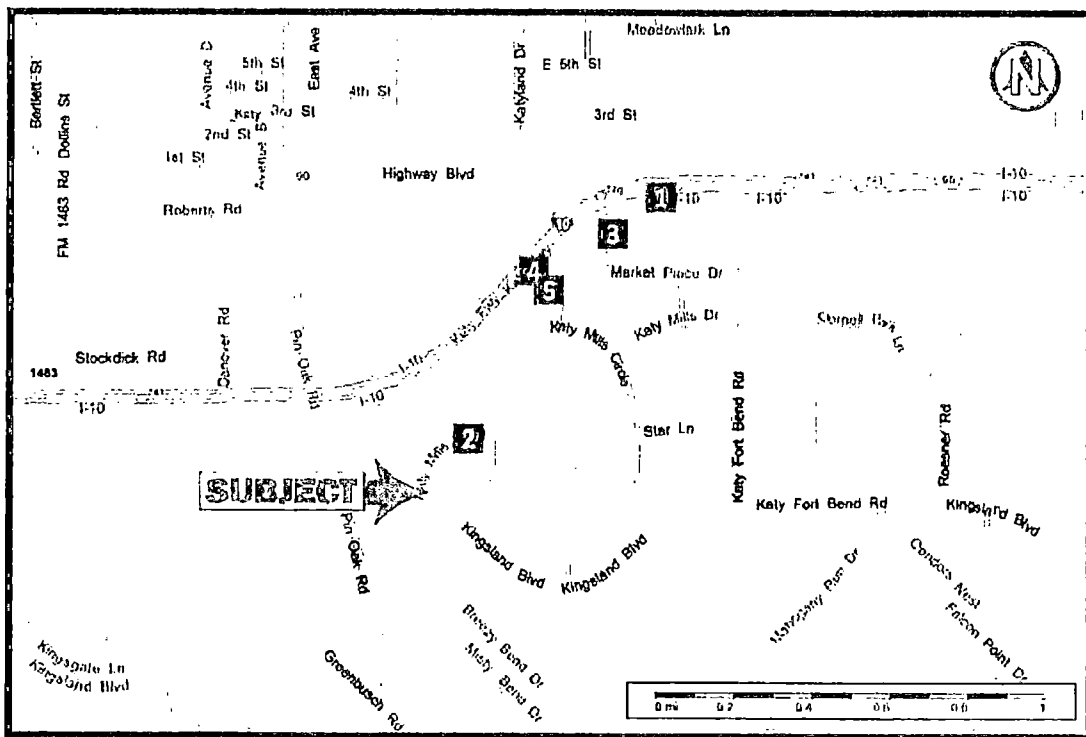
Some of these developments have broken ground on the site, and others are still in the planning phase. After speaking with professionals related to each development, we are confident when each development will begin and will be complete. In the following pages we set forth the varying developments and taxable values for competitive properties, and we estimate the future ad valorem taxable values for each individual development with known size and completion dates.

Hotels

Developers plan to build two new hotels within the Katy TIRZ over the next two years, a Holiday Inn Express and Four Points by Sheraton. The Holiday Inn Express and the Four Points by Sheraton are all scheduled to finalized construction in the year 2016. Additionally, two new hotels within the TIRZ, Courtyard Marriott and Homewood Suites, finalize construction in 2015. All four hotels are going to house approximately 120 rooms per hotel. In calculating the total ad valorem value for the four hotels, we researched the most recent taxable values for five competing properties. We analyzed these presented hotel comparable properties bases upon their location, year of construction, number of units and quality of construction. The following table sets forth pertinent information.

Hotel Comparables					
No.	Name	Address	YOC	No. of Rooms	Assessed Value/Room
1	Comfort Suites	25115 Katy Freeway	2011	88	\$76,864
2	Marriot Residence Inn	25401 Katy Mills Pkwy	2009	126	\$102,158
3	Best Western	2006 Katy Mills Blvd	2008	78	\$82,258
4	Hilton Garden Inn	2409 Texmati Dr.	2008	101	\$98,634
5	Spring Hill Suites	2501 Texmati Dr.	2004	69	\$85,471

Hotel Map



All five comparable properties are reasonably similar to the proposed subject hotels as each was built within the last ten years. With comparable 2 being located on the same street as all five subjects and containing the appropriate room count, we consider comparable 2 to be the most similar. Our research indicates that a reasonable estimated 2015 ad valorem tax value for the hotel developments in the area to be \$93,000 per room. When considering different name brands of hotels and quality of development and construction, we believe the Courtyard Marriot and Holiday Inn Express to have a 2015 ad valorem value of \$98,500 per room.

Below is a chart summarizing the ad valorem value per room of each hotel for each year going forward. Here you will see that we increased each year's ad valorem value by 4%. Applying this 4% increase each year holds consistent with our estimated annual ad valorem property value increase of 4% for the study period.

Hotel	Year	Value/Room	% Increase
Courtyard Marriot	2015	\$98,500	-
	2016	\$102,440	4.00%
Holiday Inn Express	2015	\$98,500	-
	2016	\$102,440	4.00%
	2017	\$106,538	4.00%
Homewood Suites	2015	\$93,000	-
	2016	\$96,720	4.00%
Four Points Sheraton	2015	\$93,000	-
	2016	\$96,720	4.00%
	2017	\$100,589	4.00%

After consulting with other professionals on the matter, we have calculated ad valorem tax value for these hotels on a percent complete yearly basis. The chart below illustrates, by year, the ad valorem tax value these five hotels will bring to the Katy TIRZ as they are completed. To appropriately estimate the net increases from these hotels, we must deduct the current land ad valorem values to avoid a miscalculation of the future ad valorem tax values. Please note that the Courtyard Marriot and the Homewood Suites are currently complete, and 50% of their ad valorem value was realized in 2015. As such, our analysis only includes the remaining 50% of their ad valorem value realized for the year 2016. Again, with Holiday Inn Express and Four Points by Sheraton planned to complete construction in the year 2016, their ad valorem tax value will not be realized until the year 2017.

Year/Hotel	Rooms	Value/Room	Assessed Value As Improved	Less: Existing Value	Added Value
2016					
Courtyard Marriott	120	\$102,440	\$12,292,800	\$4,953,159	\$7,339,644
Homewood Suites	120	\$96,720	\$11,606,400	\$3,896,859	\$7,709,541
				Year Total	\$16,126,670
2017					
Holiday Inn Express	120	\$106,540	\$12,784,800	\$1,131,181	\$11,653,619
Four Points Sheraton	120	\$100,590	\$12,070,800	\$525,917	\$11,544,883
				Year Total	\$24,467,685

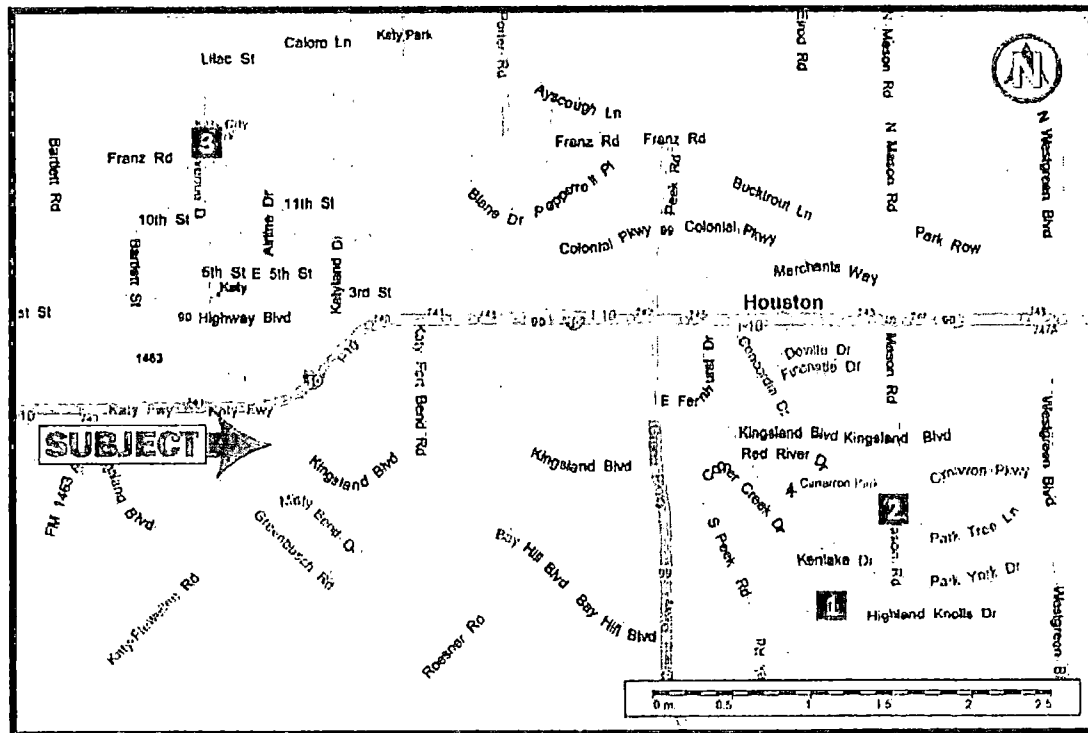
* 50% of the Courtyard Marriott and Homewood Suites values were realized in 2015. The remaining 50% is realized in year 2016.

Blue Wave Express Car Wash

There are plans for a new Blue Wave Express Car Wash to be built within the market area. The car wash is planned to be located at the northeast corner of Kingsland Boulevard and Pin Oak Road. The structure will be approximately 6,000 square feet. Construction is planned to begin and end in the year 2015, so the car wash's ad valorem tax value will be realized for the year 2016. To estimate the anticipated future ad valorem tax value of the Blue Wave Express Car Wash, we researched the most recent taxable values for three competing properties. We analyzed these presented car wash comparable properties based on location, improvement size, and year of construction. The following table sets forth pertinent information.

Car Wash Comparables						
No.	Name	Address	YOC	Land Size (Ac.)	Building Size (SF)	Assessed Value/SF
1	Car Wash Super Tech	22230 Highland Knolls Dr.	2001	0.69	3,496	\$109
2	Wash N' Go	910 S Mason Road	1989	1.01	6,562	\$147
3	Super Lube & Tune	5811 Franz Road	2005	1.79	13,095	\$154

Car Wash Map



Although we prefer comparable properties within close proximity to the subject, we expanded our parameters in search of car washes located in comparable market areas and with similar physical characteristics. Comparable property 2 favors the subject in regards to improvement size. Comparable properties 1 and 3 favor the subject in regards to year of construction. Our research indicates that comparable 3 is the most similar to the subject car wash, and we estimate a reasonable 2015 ad valorem tax value to be \$155.

For the purpose of this analysis, we have calculated a 2016 ad valorem tax value by adjusting the estimated 2015 ad valorem tax value by a 4% increase per year. After applying the 4% annual increase to the estimated 2015 value of \$155 per square foot, we estimate that the 2016 ad valorem tax value for the Blue Wave Express Car Wash would be \$160 per square foot. On the page following is our calculation of the 2016 taxable value of the specified car wash.

Taxable Value Estimate – Blue Wave Express Car Wash

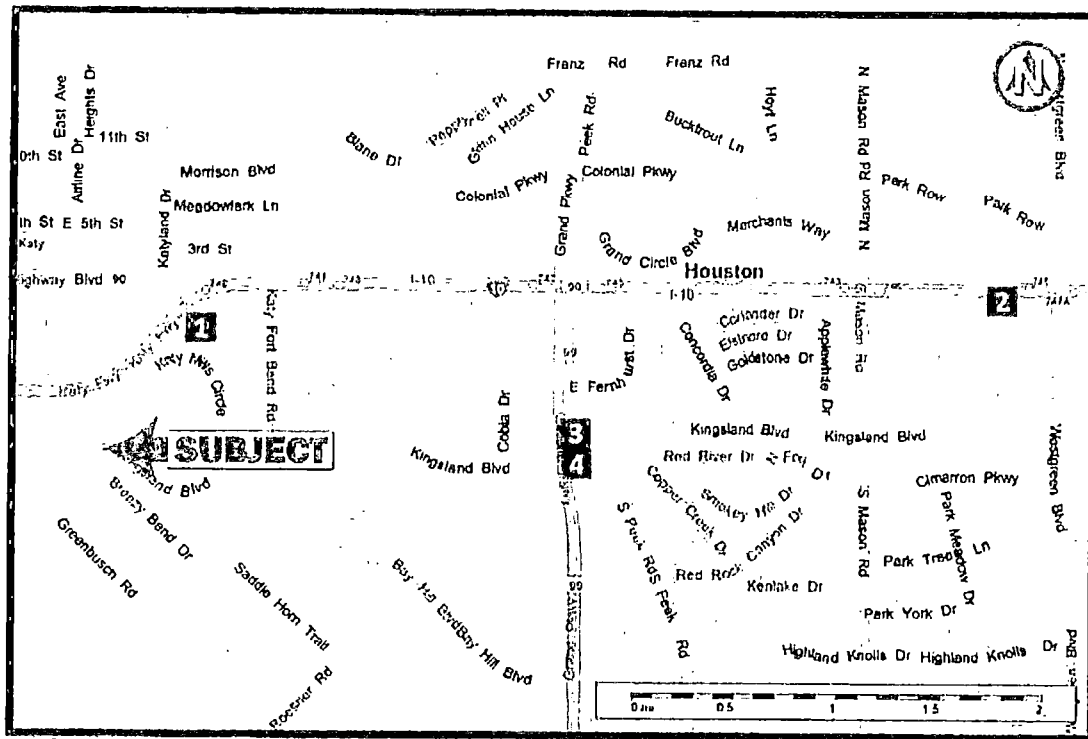
Improvement Size in Square Feet	6,000
Taxable Value Estimate PSF	x <u>\$160</u>
Taxable Value Estimate	\$960,000

Auto Check

An Auto Check auto mechanic shop was constructed at the Southwest corner of Kingsland Boulevard and Katy Mills Parkway. Construction was completed in 2015, so the Auto Check's ad valorem tax value will be realized for the year 2016. Auto Check's structure is approximately 6,500 square feet. To estimate the anticipated future ad valorem tax value for the Auto Check, we researched the most recent taxable values for four competing properties. We analyzed these presented automobile repair retail comparable properties based on location, improvement size, and year of construction. The following table sets forth pertinent information.

Auto Mechanic/Retail Comparables						
No.	Name	Address	YOC	Land Size (Ac.)	Building Size (SF)	Assessed Value/SF
1	Discount Tire Co.	25214 Market Place Dr.	2001	1.36	7,800	\$157
2	Service King	21333 Katy Fwy	2010	6.73	28,074	\$221
3	Brake Check	502 W Grand Pky S	2002	0.64	4,704	\$120
4	Grand Parkway Tire & Auto	535 W Grand Pky S	2000	0.59	6,464	\$102

Auto Mechanic Retail Map



With regards to improvement size, comparable properties 1, 3, and 4 are all very similar to the subject. Concerning the year of construction, comparable 2 favors the subject having been built only four years ago. Comparable property 2 however has an inferior building size compared to the subject. Based upon our analysis, comparable property 1 most heavily favors the subject. We consider a reasonable 2015 ad valorem tax value estimate for the proposed Auto Check located on Kingsland Blvd would be \$130 per square foot.

As previously stated, we have calculated a 2016 ad valorem tax value by adjusting the estimated 2015 ad valorem tax value by a 4% increase per year. After applying the 4% annual increase to the estimated 2015 value of \$130 per square foot, we estimate that the 2016 ad valorem tax value for Auto Check would be \$135 per square foot. Following is our calculation of the 2016 taxable value for Auto Check.

Taxable Value Estimate – Auto Check

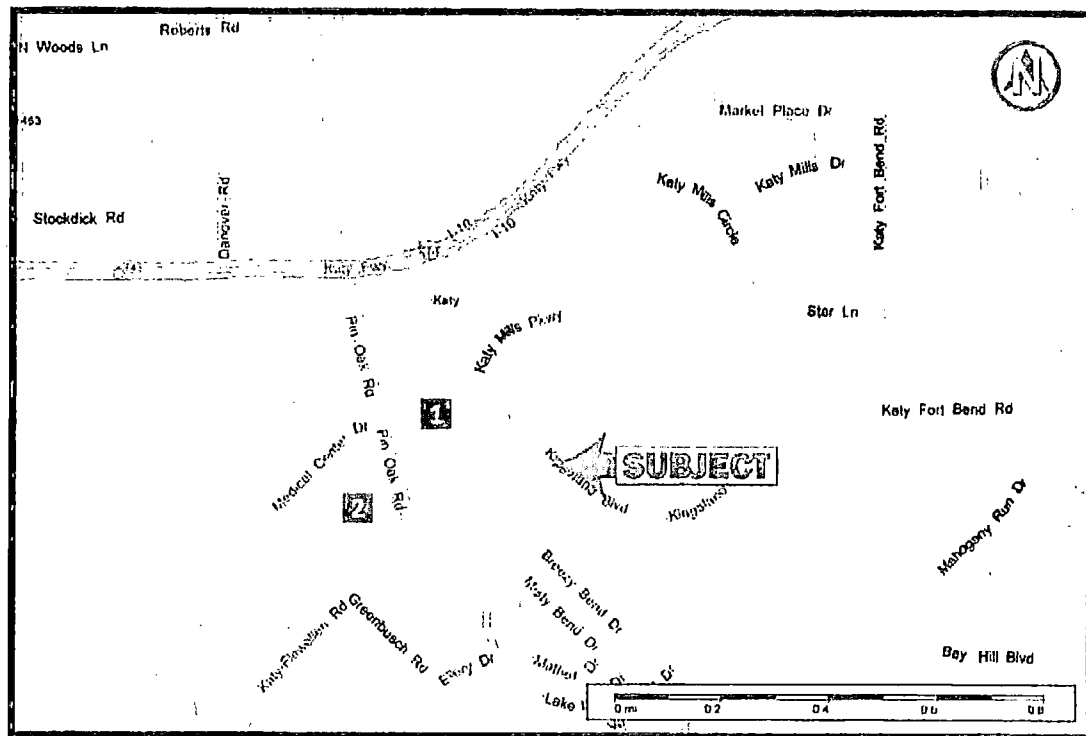
Improvement Size in Square Feet	6,500
Taxable Value Estimate PSF	x \$135
Taxable Value Estimate	\$877,500

Retail

Two proposed multi-tenant retail buildings, totaling 14,279 square feet, are currently under construction on the same parcel as the Auto Check development. Construction is underway and is expected to be complete in 2016. As such, the ad valorem tax value for these improvements will be realized for the year 2017. To estimate the anticipated future ad valorem tax value of the proposed retail space, we researched the most recent taxable values for two competing properties. We analyzed these presented office space comparable properties based on location, improvement size, and year of construction. The following table sets forth pertinent information.

Retail Comparables						
No.	Name	Address	YOC	Land Size (Ac.)	Building Size (SF)	Assessed Value/SF
1	Pin Oak Shops	1251 Pin Oak Road	2008	4.00	36,470	\$115
2	Pin Oak Crossing	1344 Pin Oak Road	1995	2.90	32,988	\$79

Retail Map



We consider Comparable 1 to be most similar to the subject, as it is the adjacent retail development to the subject and the improvements are less than 10 years. Based upon our analysis, we estimate a reasonable 2015 ad valorem tax value for the retail space to be \$115 per square foot.

As previously stated, we have calculated a 2017 ad valorem tax value by adjusting the estimated 2015 ad valorem tax value by a 4% increase per year. After applying the 4% annual increase to the estimated 2015 value of \$115 per square foot, we estimate that the 2017 ad valorem tax value the proposed retail improvements would be \$125 per square foot. Following is our calculation of the 2017 taxable value for proposed retail development.

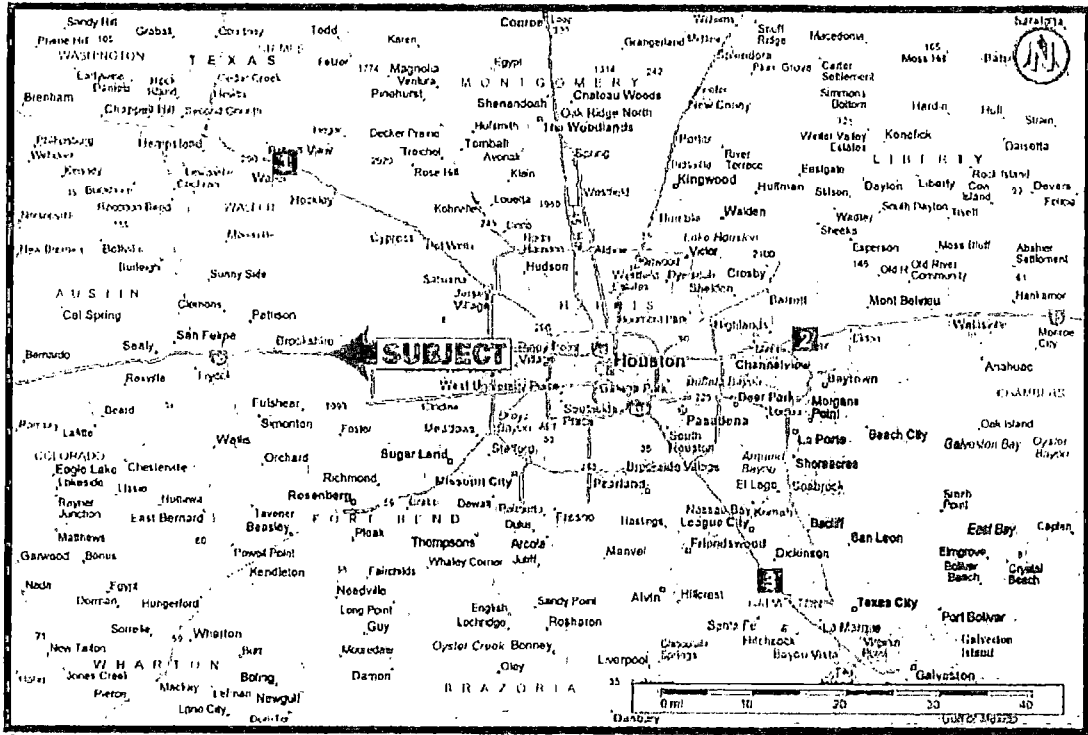
Taxable Value Estimate – Retail	
Improvement Size in Square Feet	14,279
Taxable Value Estimate PSF	x <u> \$125</u>
Taxable Value Estimate	\$1,784,875

Buc-ee’s Travel Center

A proposed Buc-ee’s Travel Center is to be constructed at the northeast corner of I-10 and Cain Island Parkway. As previously stated, while the property is not currently within the Katy TIRZ, it is to be annex once construction is complete. Buc-ee’s travel centers include a large food and beverage sales area, retail/gift store, restroom facilities, and gasoline dispensers. According to the Buc-ee’s engineer, the travel will be approximately 52,600 square feet and will take approximately 9 months, from the time the land is acquired, to complete. As such, the ad valorem tax value for these improvements will be realized for the year 2017. To estimate the anticipated future ad valorem tax value of the proposed retail space, we researched the most recent taxable values for two competing properties. We analyzed these presented office space comparable properties based on location, improvement size, and year of construction. The following table sets forth pertinent information.

Buc-ee’s Travel Center Comparables					
No.	Address	YOC	Land Size (Ac.)	Building Size (SF)	Assessed Value/SF
1	40900 US Hwy 290	2013	16.54	62,566	\$131.56
2	4080 East Freeway	2014	17.89	61,472	\$225.43
3	6201 Gulf Freeway	2013	17.89	60,400	\$268.38

Buc-ee's Travel Center Map



Although we prefer comparable properties within close proximity to the subject, we expanded our parameters in search of Buc-ee's Travel Center's located in the greater Houston market area and to utilize in our analysis. We consider Comparable 1 to be most similar to the subject, as it is closest in size to the property. Based upon our analysis, we estimate a reasonable 2015 ad valorem tax value for the retail space to be \$270 per square foot.

As previously stated, we have calculated a 2017 ad valorem tax value by adjusting the estimated 2015 ad valorem tax value by a 4% increase per year. After applying the 4% annual increase to the estimated 2015 value of \$270 per square foot, we estimate that the 2017 ad valorem tax value the proposed retail improvements would be \$290 per square foot. Following is our calculation of the 2017 taxable value for proposed retail development.

Taxable Value Estimate – Retail	
Improvement Size in Square Feet	52,600
Taxable Value Estimate PSF	x \$290
Taxable Value Estimate	\$15,254,000

Additional Katy TIRZ Development Valuation Summary

The following is a summary of all ad valorem real property tax values associated with the additional development coming to the Katy TIRZ through the year 2017. Similar to the chart shown above for the hotel developments, the chart below illustrates, by year, the ad valorem tax value these various developments will bring to the Katy TIRZ as they are completed. To appropriately estimate the net increases from these developments, we must deduct the existing land ad valorem values to avoid a miscalculation of the future ad valorem tax value.

Project	Imp. Size (Rooms/SF)	Unit Value	Assessed Value As Improved	Existing Value	Added Value
2016					
Courtyard Marriott	120	\$102,440	\$12,292,800	\$4,953,156	\$7,339,644
Homewood Suites	120	\$96,720	\$11,606,400	\$3,896,859	\$7,709,541
Blue Wave Car Wash	6,000	\$160	\$960,000	\$512,086	\$447,914
Auto Check	6,500	\$135	\$877,500	\$247,929	\$629,571
				Year Total	\$16,126,670
2017					
Retail	14,279	\$125	\$1,784,875	\$515,692	\$1,269,183
Holiday Inn Express	120	\$106,540	\$12,784,800	\$1,131,181	\$11,653,619
Four Points Sheraton	120	\$100,590	\$12,070,800	\$525,917	\$11,544,883
Buc-ee's Travel Center*	52,600	\$290	\$15,254,000	-	\$15,254,000
				Year Total	\$39,721,685

*To be annexed into the Katy TIRZ upon completion.

CONCLUSION

The following summary outlines the estimated future ad valorem real property values attributable to the overall increase in underlying real estate values and proposed major developments within the Katy TIRZ. Again, our study period was for the years 2016-2038, and below we have constructed a summary reflecting this twenty-three year time frame. In the summary we compounded annual property values within the Katy TIRZ by 4% annually. Additionally we inserted each development's incremental value in to the appropriate year of the summary.

Year	Anticipated Future Tax Values based upon Overall Increase in Underlying Real Estate Values	Added Value From Proposed Future Development				Katy TIRZ Anticipated Ad Valorem Property Tax Values	% Change
		Katy Boardwalk by Sueba*	Other Katy Mills/Boardwalk	Buc-ee's	Total		
2010	\$144,915,080	-	-	-	-	\$144,915,080	
2011	\$153,834,270	-	-	-	-	\$153,834,270	6.15%
2012	\$169,660,350	-	-	-	-	\$169,660,350	10.29%
2013	\$180,928,140	-	-	-	-	\$180,928,140	6.64%
2014	\$193,117,543	-	-	-	-	\$193,117,543	6.74%
2015	\$195,847,884	-	-	-	-	\$195,847,884	1.41%
2016	\$203,681,799	\$0	\$16,126,670	\$0	\$16,126,670	\$219,808,469	12.23%
2017	\$228,600,808	\$0	\$24,467,685	\$15,254,000	\$39,721,685	\$268,322,493	22.07%
2018	\$279,055,393	\$10,802,121	\$5,320,448	\$0	\$16,122,569	\$295,177,962	10.01%
2019	\$306,985,080	\$11,234,206	\$5,533,266	\$0	\$16,767,472	\$323,752,552	9.68%
2020	\$336,702,654	\$11,683,574	\$5,754,596	\$0	\$17,438,171	\$354,140,825	9.39%
2021	\$368,306,458	\$12,150,917	\$5,984,780	\$0	\$18,135,698	\$386,442,156	9.12%
2022	\$401,899,842	\$12,636,954	\$6,224,171	\$0	\$18,861,126	\$420,760,968	8.88%
2023	\$437,591,406	\$13,142,432	\$6,473,138	\$0	\$19,615,571	\$457,206,977	8.66%
2024	\$475,495,256	\$13,668,130	\$6,732,064	\$0	\$20,400,193	\$495,895,449	8.46%
2025	\$515,731,267	\$14,214,855	\$7,001,346	\$0	\$21,216,201	\$536,947,468	8.28%
2026	\$558,425,367	\$14,783,449	\$7,281,400	\$0	\$22,064,849	\$580,490,216	8.11%
2027	\$603,709,825	\$15,374,787	\$7,572,656	\$0	\$22,947,443	\$626,657,268	7.95%
2028	\$651,723,559	\$0	\$0		\$0	\$651,723,559	4.00%
2029	\$677,792,501	\$0	\$0		\$0	\$677,792,501	4.00%
2030	\$704,904,201	\$0	\$0		\$0	\$704,904,201	4.00%
2031	\$733,100,369	\$0	\$0		\$0	\$733,100,369	4.00%
2032	\$762,424,384	\$0	\$0		\$0	\$762,424,384	4.00%
2033	\$792,921,359	\$0	\$0		\$0	\$792,921,359	4.00%
2034	\$824,638,214	\$0	\$0		\$0	\$824,638,214	4.00%
2035	\$857,623,742	\$0	\$0		\$0	\$857,623,742	4.00%
2036	\$891,928,692	\$0	\$0		\$0	\$891,928,692	4.00%
2037	\$927,605,839	\$0	\$0		\$0	\$927,605,839	4.00%
2038	\$964,710,073	\$0	\$0		\$0	\$964,710,073	4.00%

*Added value from Katy Boardwalk projects to be built by Sueba is calculated as a percentage of the estimated added value of the overall Katy Boardwalk projected over the 10-year project timeline. Based upon our 2018 assessed value estimates, we allocate 68% of the total added value from the Katy Boardwalk to the portion to be developed by Sueba.

MULTI FAMILY IMPROVED COMPARABLE NO. 1



General Data

Property Type	Multi-Family
City, County, State	Katy, Harris, Texas
Address	24757 Grand Harbor Drive
Location	S of Grand Harbor Drive, E of Katy Fort Bend Road

Recording Data

Tax ID No.	129-597-001-0001
2015 Assessed Value	\$28,569,322
No. of Units	300
2015 Assessed Value/Unit	\$95,231

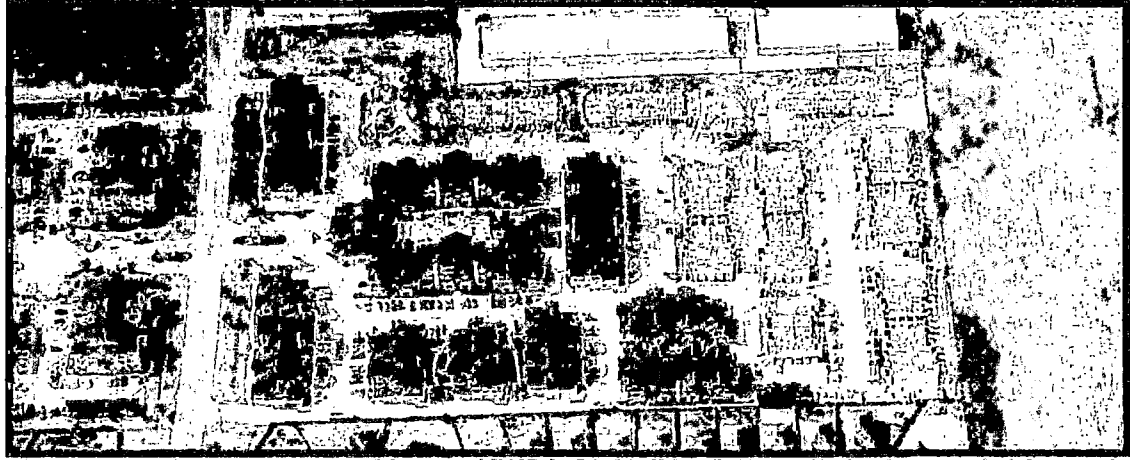
Land Data

Size (Ac.)	11.880
Size (SF)	517,606

Improvement Data

Building Size (SF)	296,130
Year Constructed	2007

MULTI FAMILY IMPROVED COMPARABLE NO. 2



General Data

Property Type	Multi-Family
City, County, State	Katy, Harris, Texas
Address	24758 Grand Harbor Drive
Location	N of Grand Harbor Drive, E of Katy Fort Bend Road

Recording Data

Tax ID No.	134-320-001-0001
2015 Assessed Value	\$33,013,815
No. of Units	324
2015 Assessed Value/Units	\$101,894

Land Data

Size (Ac.)	13.780
Size (SF)	600,257

Improvement Data

Building Size (SF)	173,512
Year Constructed	2012

MULTI FAMILY IMPROVED COMPARABLE NO. 3



General Data

Property Type	Multi-Family
City, County, State	Katy, Harris, Texas
Address	24929 Katy Ranch Road
Location	SE/C of Katy Ranch Road and Water Rose

Recording Data

Tax ID No.	132-873-003-0001
2015 Assessed Value	\$34,412,736
No. of Units	260
2015 Assessed Value/Unit	\$132,357

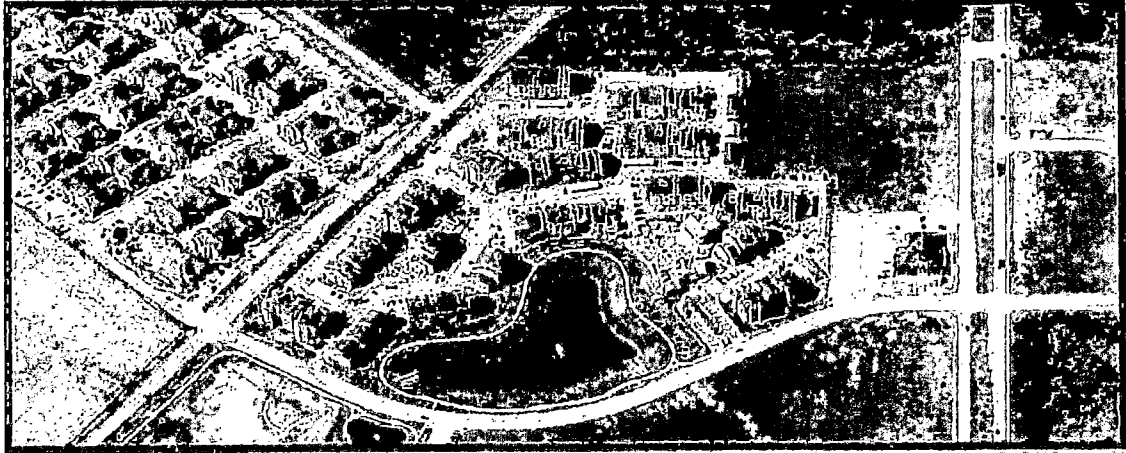
Land Data

Size (Ac.)	14.720
Size (SF)	641,290

Improvement Data

Building Size (SF)	285,065
Year Constructed	2012

MULTI FAMILY IMPROVED COMPARABLE NO. 4



General Data

Property Type	Multi-Family
City, County, State	Katy, Harris, Texas
Address	700 Cobia Drive
Location	NW/C of Katy Gap Road and Cobia Drive

Recording Data

Tax ID No.	131-342-003-0007
2015 Assessed Value	\$31,129,195
No. of Units	356
2015 Assessed Value/Unit	\$87,442

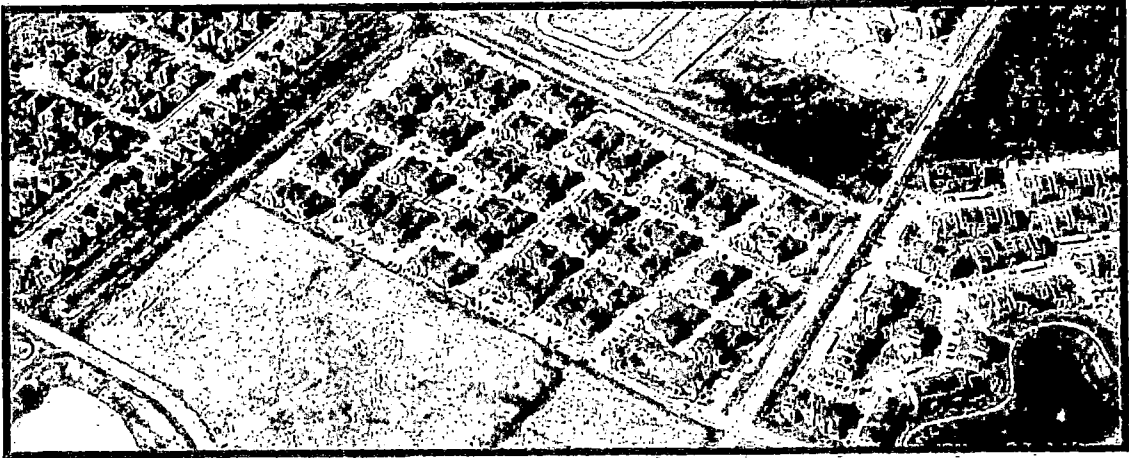
Land Data

Size (Ac.)	16.690
Size (SF)	727,103

Improvement Data

Building Size (SF)	348,199
Year Constructed	2010

MULTI FAMILY IMPROVED COMPARABLE NO. 5



General Data

Property Type	Multi-Family
City, County, State	Katy, Harris, Texas
Address	1550 Katy Fort Bend Road
Location	SE/C of Roesner Road and Katy Gap Road

Recording Data

Tax ID No.	132-014-001-0001
2015 Assessed Value	\$43,726,135
No. of Units	384
2015 Assessed Value/Unit	\$113,870

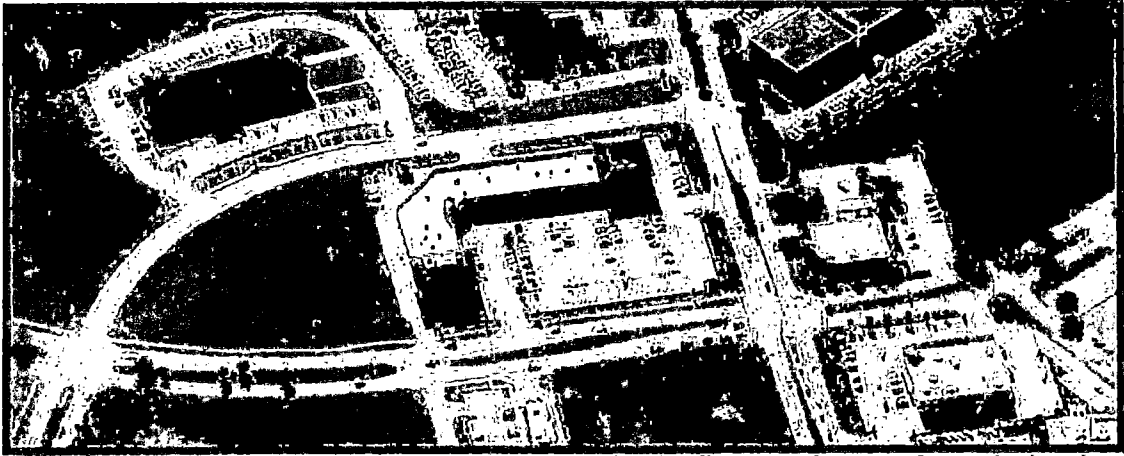
Land Data

Size (Ac.)	23.660
Size (SF)	1,030,812

Improvement Data

Building Size (SF)	419,370
Year Constructed	2010

RETAIL IMPROVED COMPARABLE NO. 1



General Data

Property Type	Retail
City, County, State	Katy, Fort Bend, Texas
Address	1251 Pin Oak Road
Location	SE/C Pin Oak Road and Kingsland Boulevard

Recording Data

Tax ID No.	R364380
2015 Assessed Value	\$4,487,460
2015 Assessed Value/SF	\$123

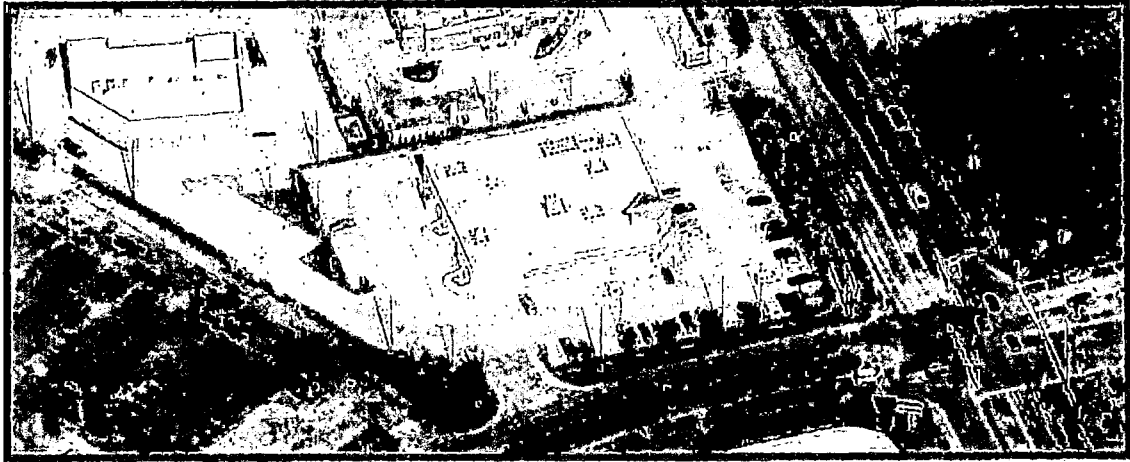
Land Data

Size (Ac.)	4.000
Size (SF)	172,240

Improvement Data

Building Size (SF)	36,470
Year Constructed	2008

RETAIL IMPROVED COMPARABLE NO. 2



General Data

Property Type	Retail
City, County, State	Katy, Fort Bend, Texas
Address	25620 Kingsland Blvd
Location	NW/C of Pin Oak Road and Kingsland Boulevard

Recording Data

Tax ID No.	R383177
2015 Assessed Value	\$2,204,800
2015 Assessed Value/SF	\$152

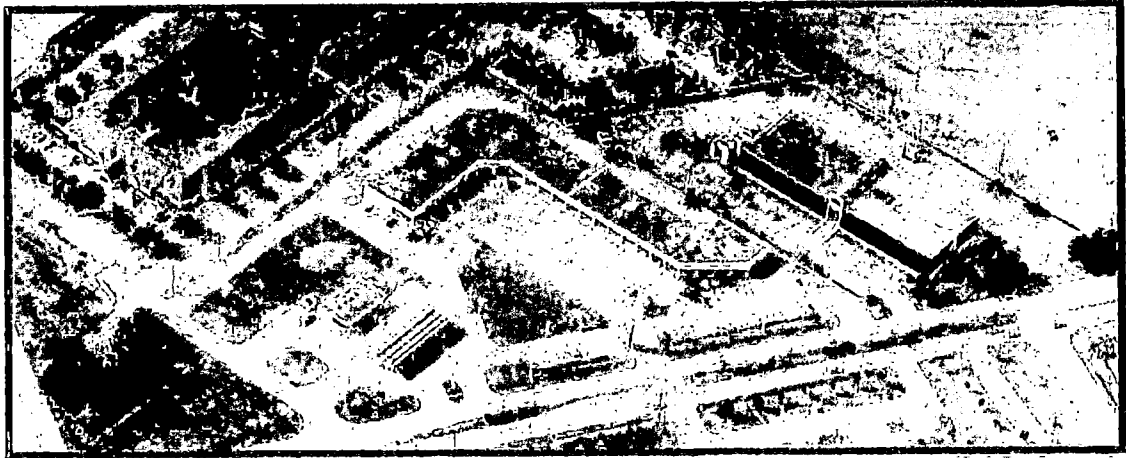
Land Data

Size (Ac.)	1.600
Size (SF)	69,696

Improvement Data

Building Size (SF)	14,521
Year Constructed	2009

RETAIL IMPROVED COMPARABLE NO. 3



General Data

Property Type	Retail
City, County, State	Katy, Fort Bend, Texas
Address	1344 Pin Oak Road
Location	NW of Katy Flewellen Road, W of Pin Oak Road

Recording Data

Tax ID No.	R174648
2015 Assessed Value	\$3,277,890
2015 Assessed Value/SF	\$99

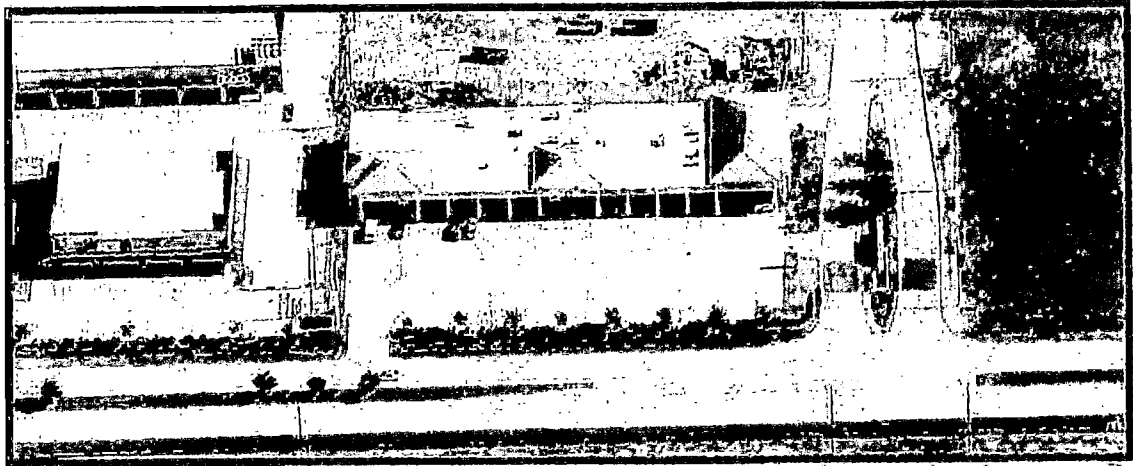
Land Data

Size (Ac.)	2.900
Size (SF)	128,937

Improvement Data

Building Size (SF)	32,988
Year Constructed	1995

RETAIL IMPROVED COMPARABLE NO. 4



General Data

Property Type	Retail
City, County, State	Katy, Harris, Texas
Address	550 Katy Fort Bend Road
Location	NW/C of Grand Harbor Drive and Katy Fort Bend Road

Recording Data

Tax ID No.	048-059-000-0012
2015 Assessed Value	\$1,687,621
2015 Assessed Value/SF	\$93

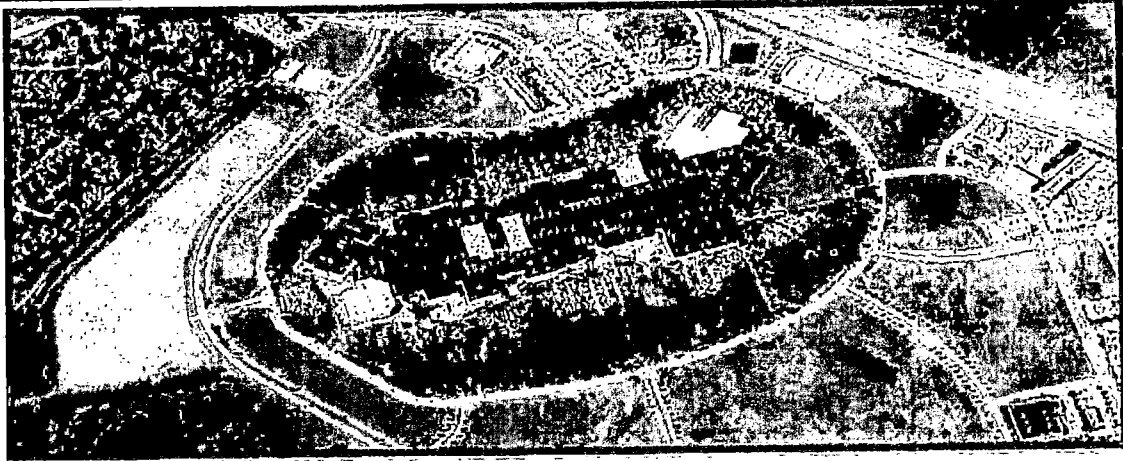
Land Data

Size (Ac.)	1.26
Size (SF)	54,886

Improvement Data

Building Size (SF)	18,200
Year Constructed	2007

RETAIL IMPROVED COMPARABLE NO. 5



General Data

Property Type	Retail
City, County, State	Katy, Fort Bend, Texas
Address	5000 Katy Mills Circle
Location	S of I-10, E of Pin Oak Road

Recording Data

Tax ID No.	R227109
2015 Assessed Value	\$121,200,900
2015 Assessed Value/SF	\$79

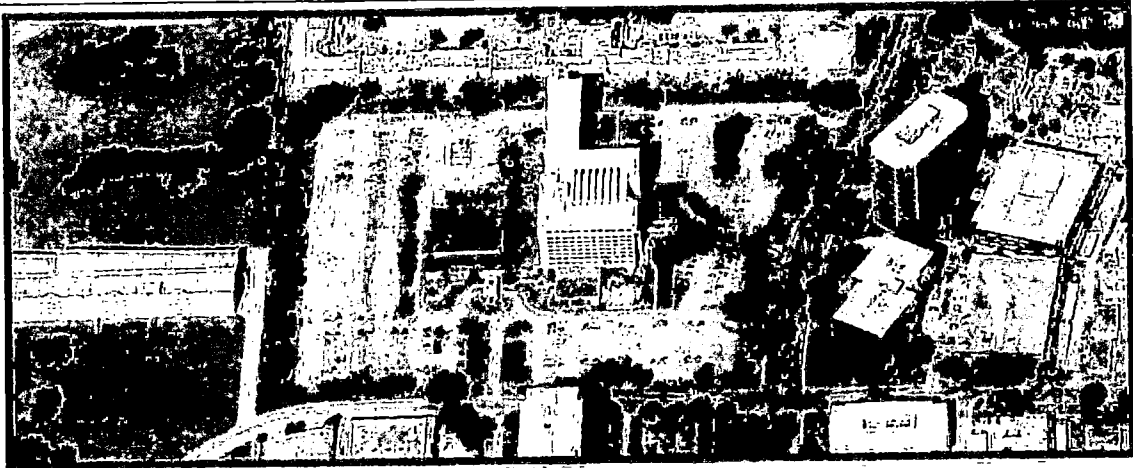
Land Data

Size (Ac.)	121.400
Size (SF)	5,288,184

Improvement Data

Building Size (SF)	1,543,773
Year Constructed	1998

HOTEL/CONFERENCE CENTER IMPROVED COMPARABLE NO. 1



General Data

Property Type	Hotel/Conference Center
City, County, State	Houston, Harris, Texas
Address	2900 Briarpark Drive
Location	NW/C of Briarpark Drive and Meadowglen Lane

Recording Data

Tax ID No.	110-862-000-0002
2015 Assessed Value	\$54,416,397
No. of Rooms	600
2015 Assessed Value/Room	\$90,694

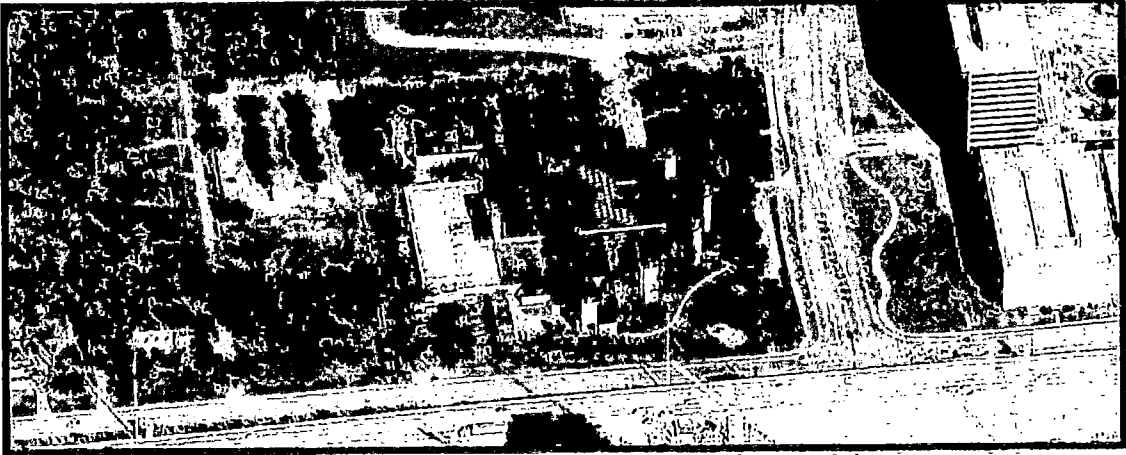
Land Data

Size (Ac.)	17.560
Size (SF)	764,914

Improvement Data

Building Size (SF)	438,562
2015 Assessed Value/SF	\$124
Year Constructed	2008

HOTEL/CONFERENCE CENTER IMPROVED COMPARABLE NO. 2



General Data

Property Type	Hotel/Conference Center
City, County, State	Houston, Harris, Texas
Address	13210 Katy Freeway
Location	NW/C of Katy Freeway and North Eldridge Parkway

Recording Data

Tax ID No.	115-719-000-0001
2015 Assessed Value	\$40,565,170
No. of Rooms	400
2015 Assessed Value/Room	\$101,413

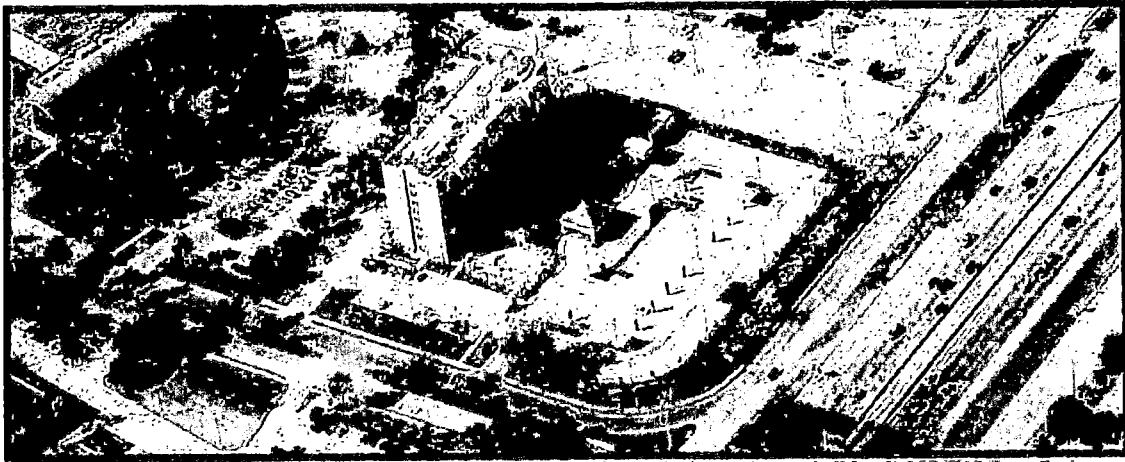
Land Data

Size (Ac.)	9.980
Size (SF)	434,728

Improvement Data

Building Size (SF)	310,083
2015 Assessed Value/SF	\$131
Year Constructed	1983

HOTEL/CONFERENCE CENTER IMPROVED COMPARABLE NO. 3



General Data

Property Type	Hotel
City, County, State	Houston, Harris, Texas
Address	14919 Northwest Freeway
Location	SW/C of US Highway 290 and Concord Park Drive

Recording Data

Tax ID No.	132-270-001-0001
2015 Assessed Value	\$15,546,170
No. of Rooms	172
2015 Assessed Value/Room	\$90,385

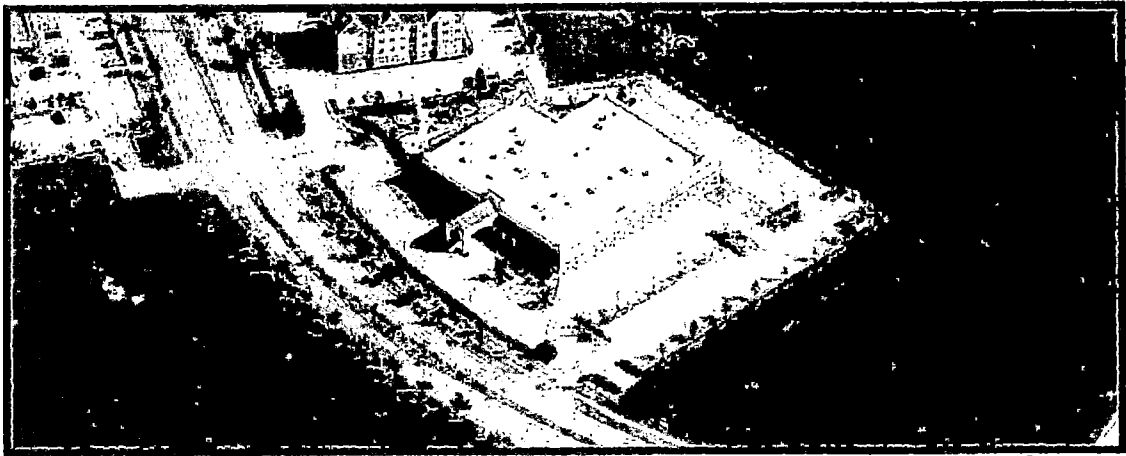
Land Data

Size (Ac.)	3.990
Size (SF)	173,935

Improvement Data

Building Size (SF)	117,599
2015 Assessed Value/SF	\$132
Year Constructed	2011

OFFICE IMPROVED COMPARABLE NO. 1



General Data

Property Type	Office
City, County, State	Katy, Fort Bend, Texas
Address	25403 Katy Mills Pkwy
Location	SE of Katy Mills Parkway, W of Katy Mills Circle

Recording Data

Tax ID No.	R374826
2015 Assessed Value	\$3,980,320
2015 Assessed Value/SF	\$126

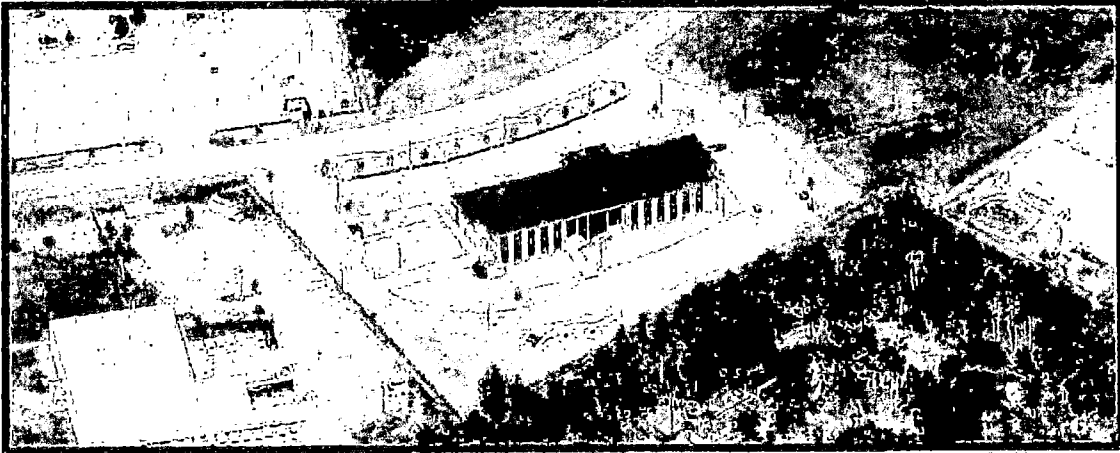
Land Data

Size (Ac.)	3.500
Size (SF)	152,460

Improvement Data

Building Size (SF)	31,555
Year Constructed	2008
Office Classification	B

OFFICE IMPROVED COMPARABLE NO. 2



General Data

Property Type	Office
City, County, State	Katy, Fort Bend, Texas
Address	25525 Katy Mills Pkwy
Location	S of Katy Mills Parkway, E of Pin Oak Road

Recording Data

Tax ID No.	R392626
2015 Assessed Value	\$6,546,650
2015 Assessed Value/SF	\$207

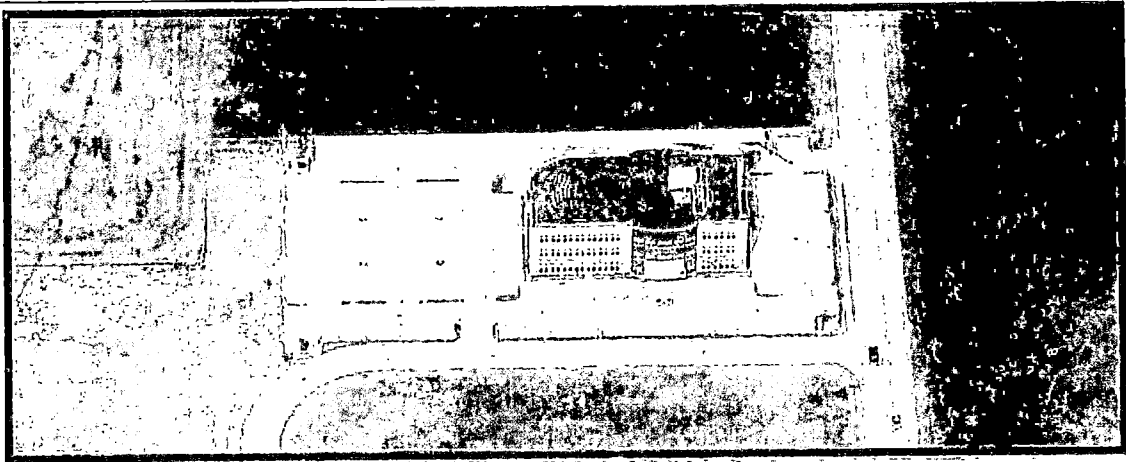
Land Data

Size (Ac.)	3.500
Size (SF)	152,460

Improvement Data

Building Size (SF)	31,678
Year Constructed	2012
Office Classification	B

OFFICE IMPROVED COMPARABLE NO. 3



General Data

Property Type	Office
City, County, State	Katy, Fort Bend, Texas
Address	23510 Kingsland Blvd
Location	N of Kingsland Boulevard, W of Cobia Drive

Recording Data

Tax ID No.	121-481-005-0002
2015 Assessed Value	\$9,850,000
2015 Assessed Value/SF	\$204

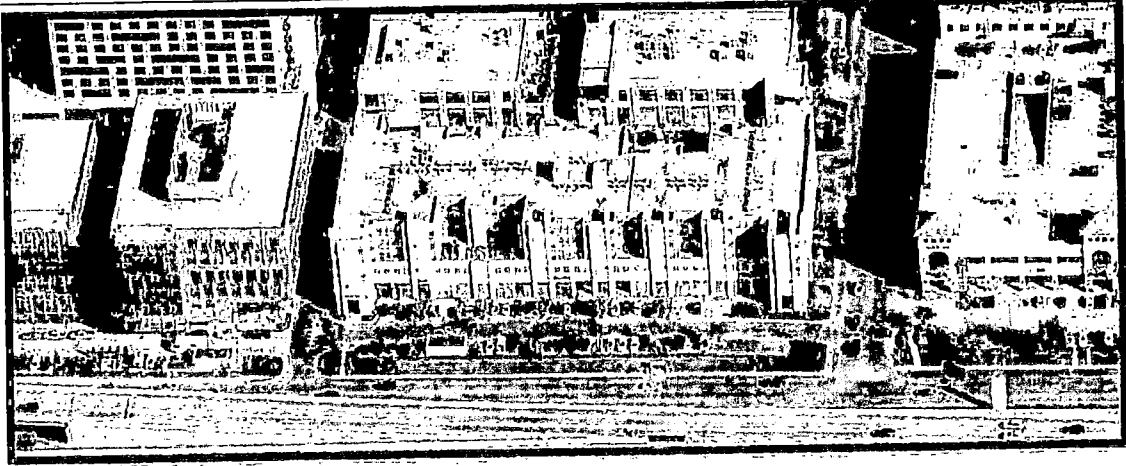
Land Data

Size (Ac.)	2.700
Size (SF)	117,612

Improvement Data

Building Size (SF)	48,366
Year Constructed	2013
Office Classification	A

MIXED-USE IMPROVED COMPARABLE NO. 1



General Data

Property Type	Mixed-Use
City, County, State	Houston, Harris, Texas
Address	12888 W Queensbury Lane
Location	NE/C of Beltway 8 and Queensbury Lane

Recording Data

Tax ID No.	129-087-000-0001; 129-087-000-0002
2015 Assessed Value	\$25,348,823
2015 Assessed Value/SF	\$178

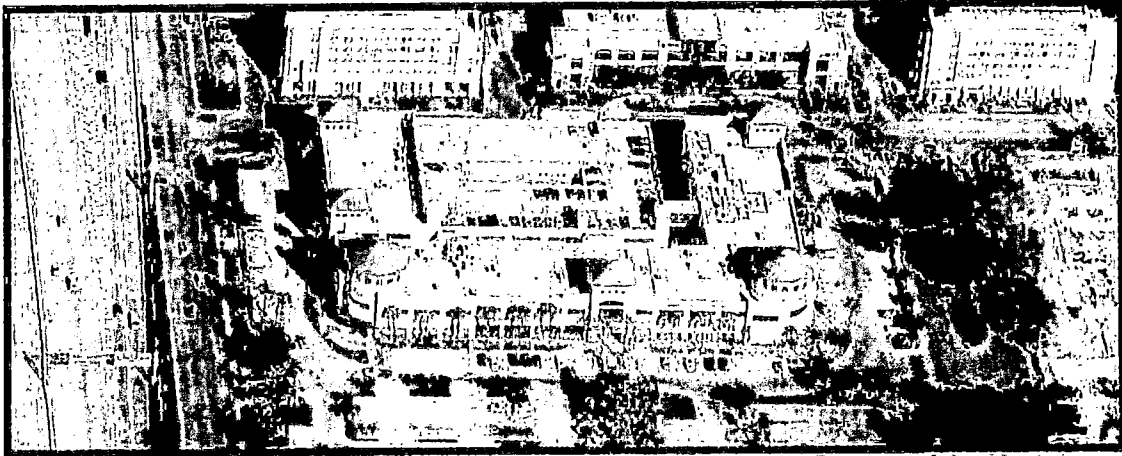
Land Data

Size (Ac.)	1.400
Size (SF)	60,984

Improvement Data

Building Size (SF)	142,524
Year Constructed	2008

MIXED-USE IMPROVED COMPARABLE NO. 2



General Data

Property Type	Mixed Use
City, County, State	Houston, Harris, Texas
Address	780 W Sam Houston Parkway N
Location	E of Beltway 8, N of Kimberley Lane

Recording Data

Tax ID No.	119-864-001-0005; 119-864-001-0008
2015 Assessed Value	\$12,844,210
2015 Assessed Value/SF	\$152

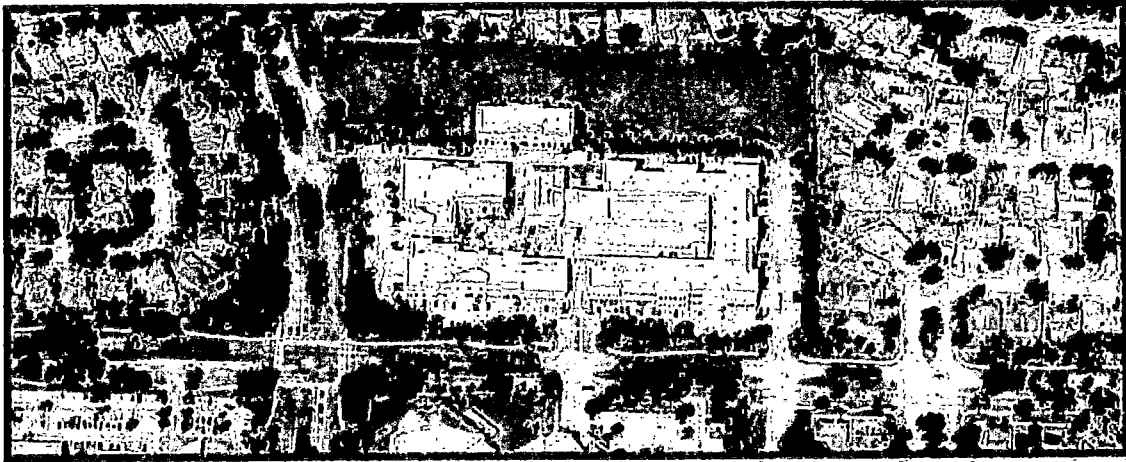
Land Data

Size (Ac.)	2.000
Size (SF)	87,120

Improvement Data

Building Size (SF)	84,368
Year Constructed	2007

MIXED-USE IMPROVED COMPARABLE NO. 3



General Data

Property Type	Mixed Use
City, County, State	Katy, Fort Bend, Texas
Address	22764 Westheimer Parkway
Location	NE/C of Westheimer Parkway and Peek Road

Recording Data

Tax ID No.	R356924
2015 Assessed Value	\$22,715,890
2015 Assessed Value/SF	\$181

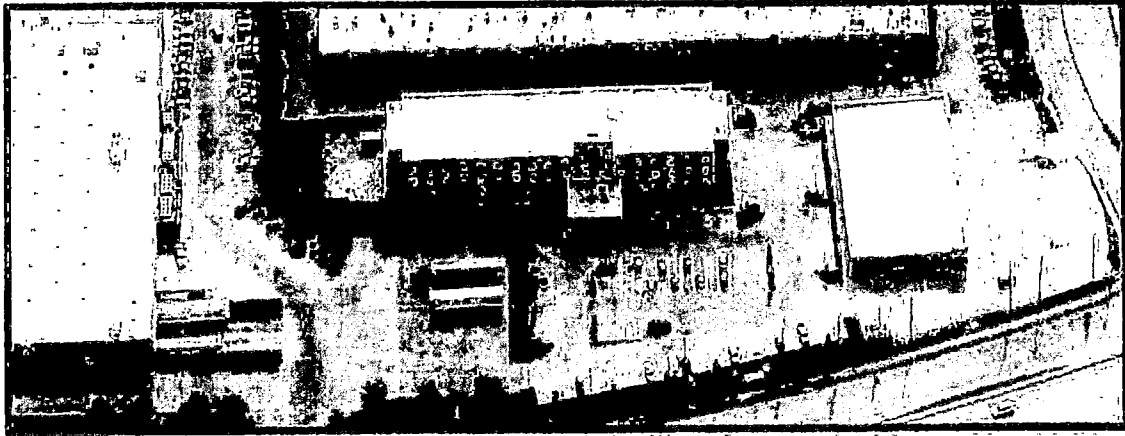
Land Data

Size (Ac.)	8.000
Size (SF)	348,480

Improvement Data

Building Size (SF)	125,367
Year Constructed	2006

HOTEL IMPROVED COMPARABLE NO. 1



General Data

Property Type	Hotel
City, County, State	Katy, Harris, Texas
Address	25115 Katy Freeway
Location	S/S of I-10, E of Katy Mills Boulevard

Recording Data

Tax ID No.	132-491-001-0003
2015 Assessed Value	\$6,763,988
No. of Rooms	88
2015 Assessed Value/Room	\$76,864

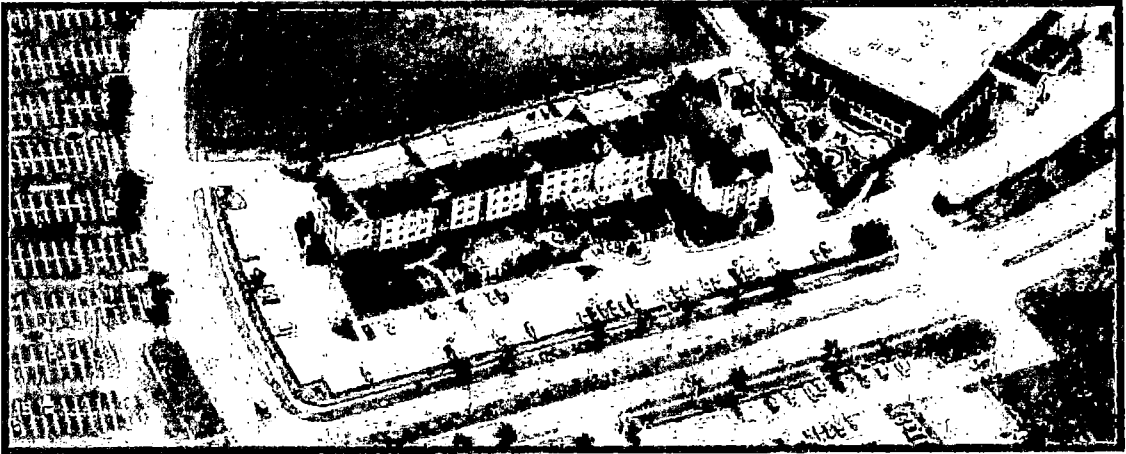
Land Data

Size (Ac.)	2.070
Size (SF)	89,999

Improvement Data

Building Size (SF)	52,716
Year Constructed	2011

HOTEL IMPROVED COMPARABLE NO. 2



General Data

Property Type	Hotel
City, County, State	Katy, Fort Bend, Texas
Address	25401 Katy Mills Parkway
Location	SW/C of Katy Mills Circle and Katy Mills Parkway

Recording Data

Tax ID No.	R364007
2015 Assessed Value	\$12,871,900
No. of Rooms	126
2015 Assessed Value/Room	\$102,158

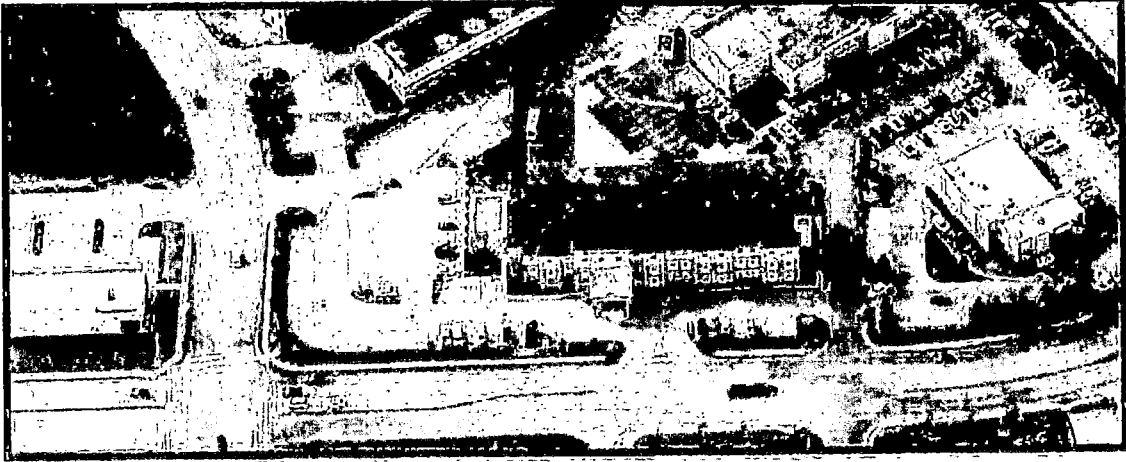
Land Data

Size (Ac.)	3.080
Size (SF)	134,278

Improvement Data

Building Size (SF)	54,684
Year Constructed	2009

HOTEL IMPROVED COMPARABLE NO. 3



General Data

Property Type	Hotel
City, County, State	Katy, Harris, Texas
Address	2006 Katy Mills Boulevard
Location	NW/C of Market Place Drive and Katy Mills Boulevard

Recording Data

Tax ID No.	119-912-005-0001
2015 Assessed Value	\$6,416,154
No. of Rooms	78
2015 Assessed Value/Room	\$82,258

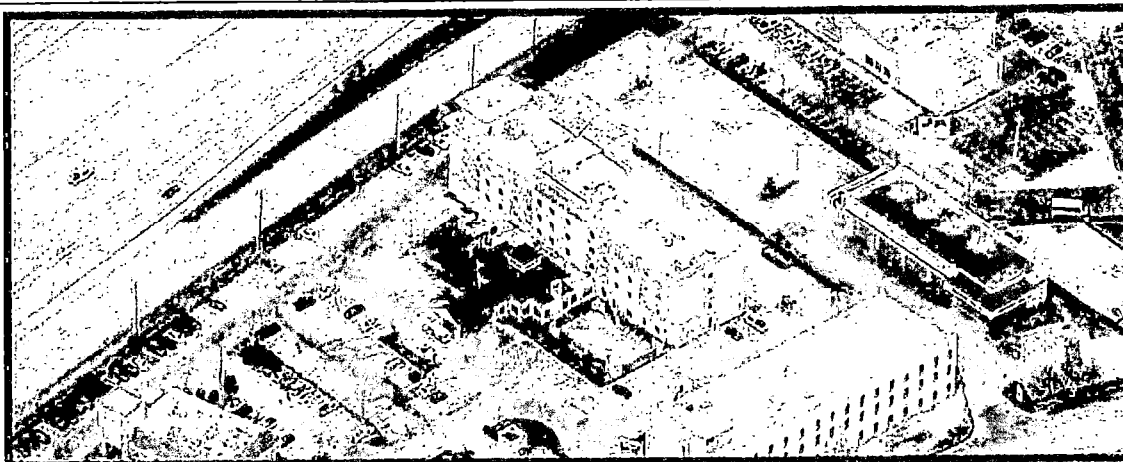
Land Data

Size (Ac.)	1.760
Size (SF)	76,971

Improvement Data

Building Size (SF)	43,088
Year Constructed	2008

HOTEL IMPROVED COMPARABLE NO. 4



General Data

Property Type	Hotel
City, County, State	Katy, Harris, Texas
Address	2409 Texamati Drive
Location	S/S of I-10, NE of Texamati Drive

Recording Data

Tax ID No.	119-912-004-0002
2015 Assessed Value	\$9,961,987
No. of Rooms	101
2015 Assessed Value/Room	\$98,634

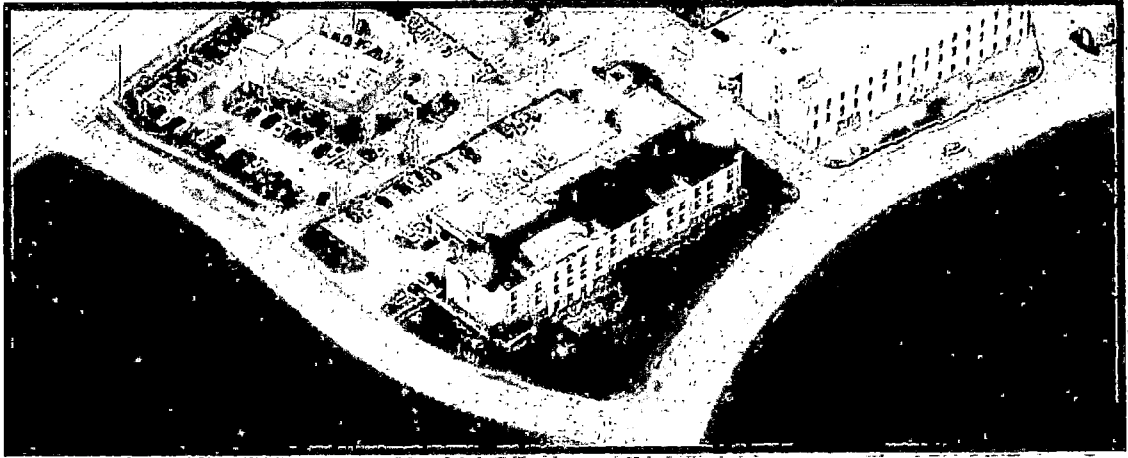
Land Data

Size (Ac.)	2.230
Size (SF)	97,356

Improvement Data

Building Size (SF)	65,980
Year Constructed	2008

HOTEL IMPROVED COMPARABLE NO. 5



General Data

Property Type	Hotel
City, County, State	Katy, Harris, Texas
Address	2501 Texamati Drive
Location	NW/C of Texamati Drive and Market Place Drive

Recording Data

Tax ID No.	119-912-000-0023
2015 Assessed Value	\$5,897,532
No. of Rooms	69
2015 Assessed Value/Room	\$85,471

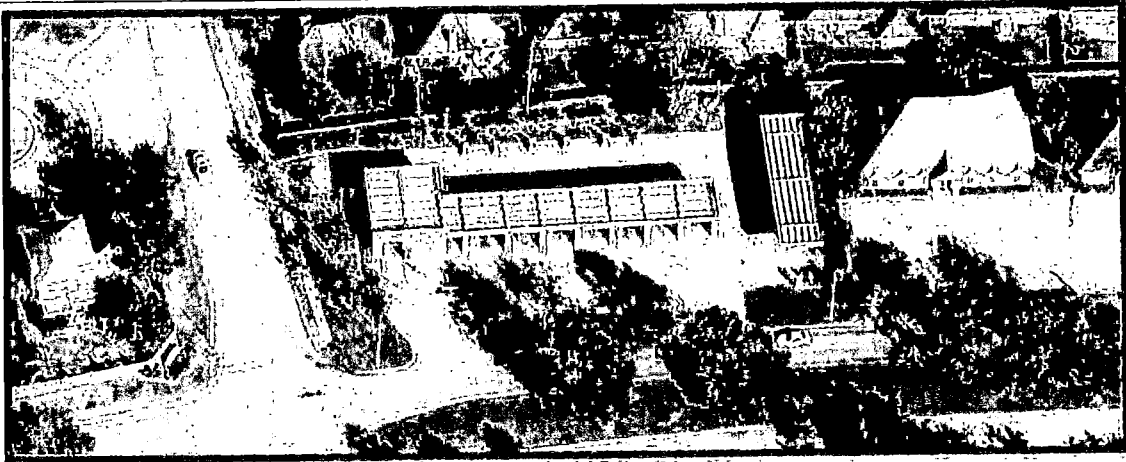
Land Data

Size (Ac.)	1.560
Size (SF)	65,980

Improvement Data

Building Size (SF)	42,861
Year Constructed	2004

CAR WASH IMPROVED COMPARABLE NO. 1



General Data

Property Type	Car Wash
City, County, State	Katy, Harris, Texas
Address	22230 Highland Knolls Drive
Location	NW/C of Highland Knolls Drive and Holly Lake Drive

Recording Data

Tax ID No.	121-707-001-0001
2015 Assessed Value	\$379,684
2015 Assessed Value/SF	\$109

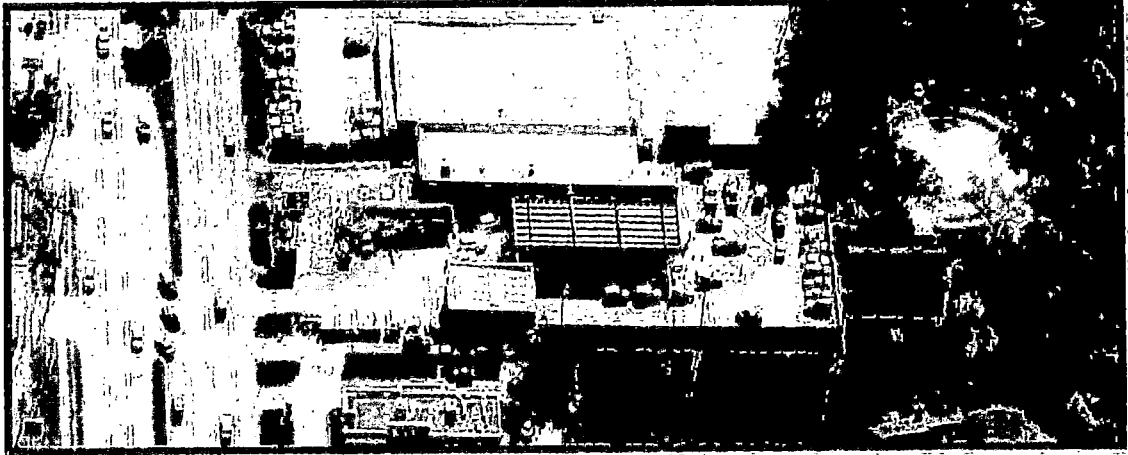
Land Data

Size (Ac.)	0.690
Size (SF)	30,056

Improvement Data

Building Size (SF)	3,496
Year Constructed	2001

CAR WASH IMPROVED COMPARABLE NO. 2



General Data

Property Type	Car Wash
City, County, State	Katy, Harris, Texas
Address	910 S Mason Road
Location	W of South Mason Road, NE of Mesa Terrace Drive

Recording Data

Tax ID No.	043-136-000-0020
2015 Assessed Value	\$964,076
2015 Assessed Value/SF	\$147

Land Data

Size (Ac.)	1.010
Size (SF)	43,996

Improvement Data

Building Size (SF)	6,562
Year Constructed	1989

CAR WASH IMPROVED COMPARABLE NO. 3



General Data

Property Type	Car Wash
City, County, State	Katy, Harris, Texas
Address	5811 Franz Road
Location	SE/C of Franz Road and Avenue D

Recording Data

Tax ID No.	022-036-000-0016
2015 Assessed Value	\$2,018,374
2015 Assessed Value/SF	\$154

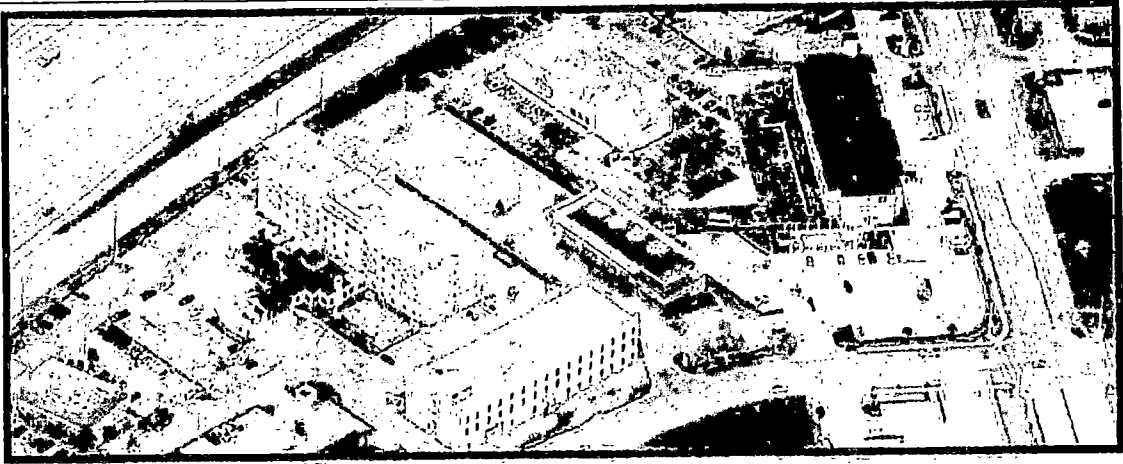
Land Data

Size (Ac.)	1.790
Size (SF)	77,972

Improvement Data

Building Size (SF)	13,095
Year Constructed	2005

AUTO RETAIL IMPROVED COMPARABLE NO. 1



General Data

Property Type	Auto Retail
City, County, State	Katy, Harris, Texas
Address	25214 Market Place Drive
Location	N of Market Place Drive, W of Katy Mills Boulevard

Recording Data

Tax ID No.	119-912-000-0014
2015 Assessed Value	\$1,228,137
2015 Assessed Value/SF	\$157

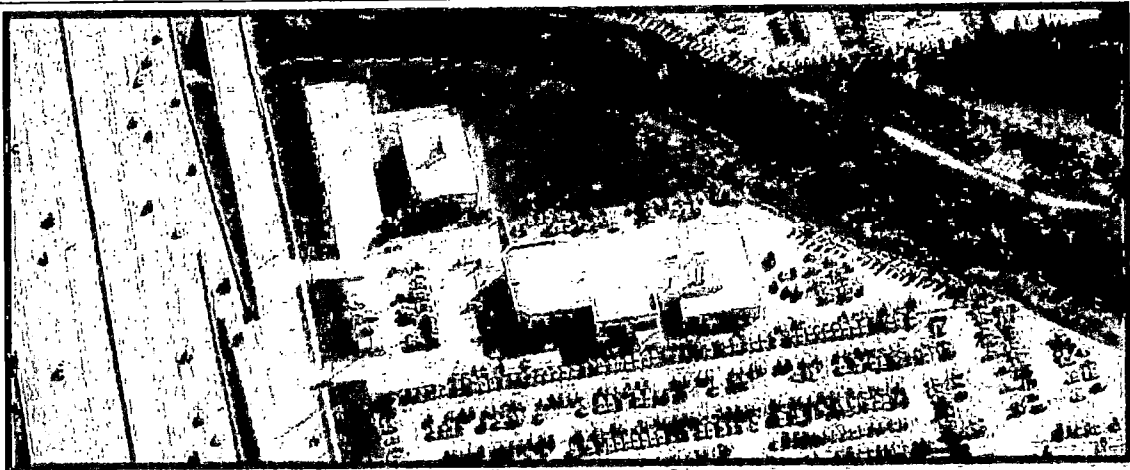
Land Data

Size (Ac.)	1.360
Size (SF)	59,242

Improvement Data

Building Size (SF)	7,800
Year Constructed	2001

AUTO RETAIL IMPROVED COMPARABLE NO. 2



General Data

Property Type	Auto Retail
City, County, State	Katy, Harris, Texas
Address	21333 Katy Freeway
Location	S of Katy Freeway, W of Westgreen Boulevard

Recording Data

Tax ID No.	121-768-001-0001
2015 Assessed Value	\$6,213,127
2015 Assessed Value/SF	\$221

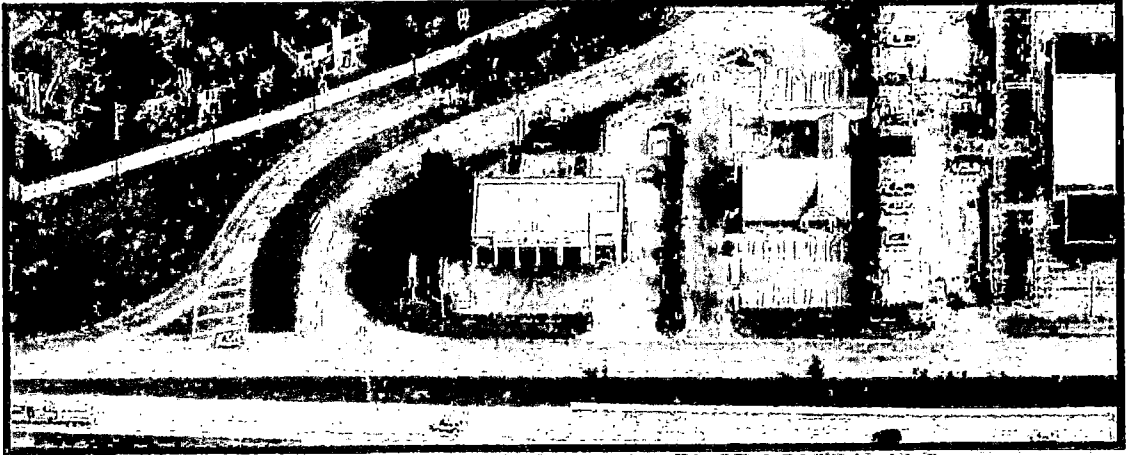
Land Data

Size (Ac.)	6.730
Size (SF)	293,159

Improvement Data

Building Size (SF)	28,074
Year Constructed	2010

AUTO RETAIL IMPROVED COMPARABLE NO. 3



General Data

Property Type	Auto Retail
City, County, State	Katy, Harris, Texas
Address	502 W Grand Parkway S
Location	SE/C of West Grand Parkway South and Peek Road

Recording Data

Tax ID No.	121-075-001-0001
2015 Assessed Value	\$566,365
2015 Assessed Value/SF	\$120

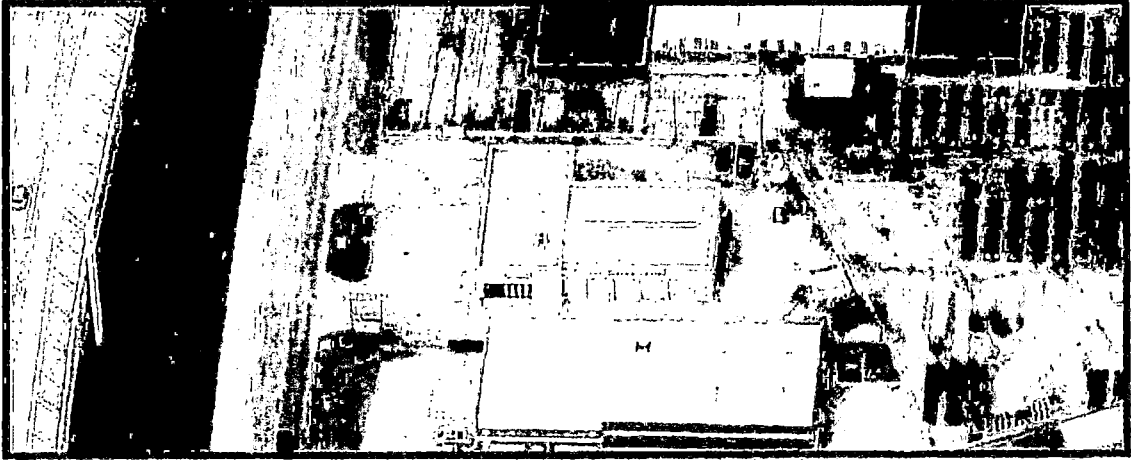
Land Data

Size (Ac.)	0.640
Size (SF)	27,878

Improvement Data

Building Size (SF)	4,704
Year Constructed	2002

AUTO RETAIL IMPROVED COMPARABLE NO. 4



General Data

Property Type	Auto Retail
City, County, State	Katy, Harris, Texas
Address	535 W Grand Parkway S
Location	N of Kingsland Boulevard, E of West Grand Parkway South

Recording Data

Tax ID No.	120-750-001-0001
2015 Assessed Value	\$658,982
2015 Assessed Value/SF	\$102

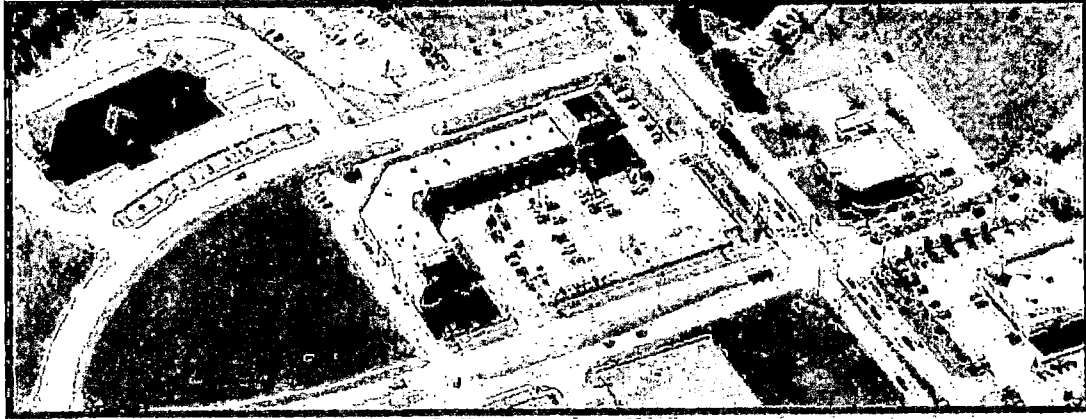
Land Data

Size (Ac.)	0.590
Size (SF)	25,700

Improvement Data

Building Size (SF)	6,464
Year Constructed	2000

RETAIL COMPARABLE NO.1



General Data

Property Type	Office/Retail Shell
City, County, State	Katy, Fort Bend, Texas
Address	1251 Pin Oak Road
Location	SE/C of Pin Oak Road and Kingsland Boulevard

Recording Data

Tax ID No.	R364380
2015 Assessed Value	\$4,487,460
2015 Assessed Value/SF	\$115

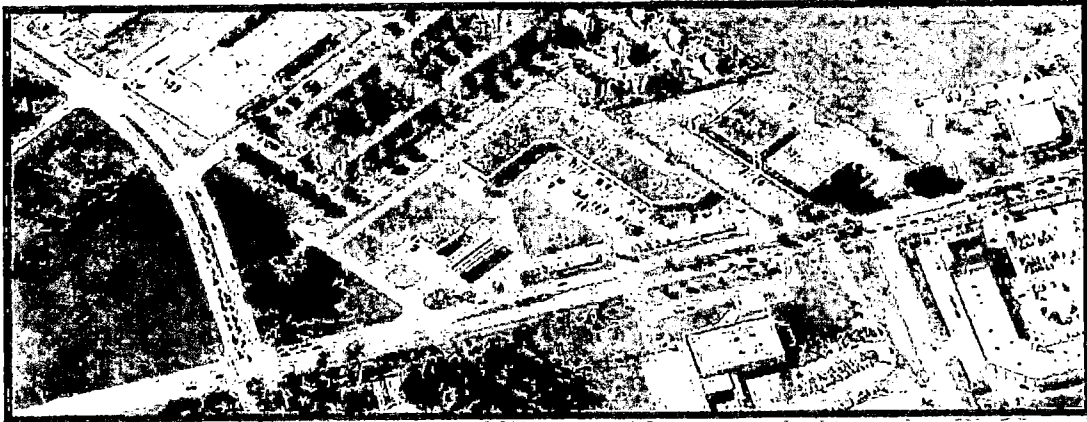
Land Data

Size (Ac.)	4.000
Size (SF)	174,240

Improvement Data

Building Size (SF)	36,470
Year Constructed	2008

RETAIL COMPARABLE NO.2



General Data

Property Type	Office/Retail Shell
City, County, State	Katy, Fort Bend, Texas
Address	1344 Pin Oak Road
Location	W of Pin Oak Road, S of Kingsland Boulevard

Recording Data

Tax ID No.	R174648
2015 Assessed Value	\$3,277,890
2015 Assessed Value/SF	\$79

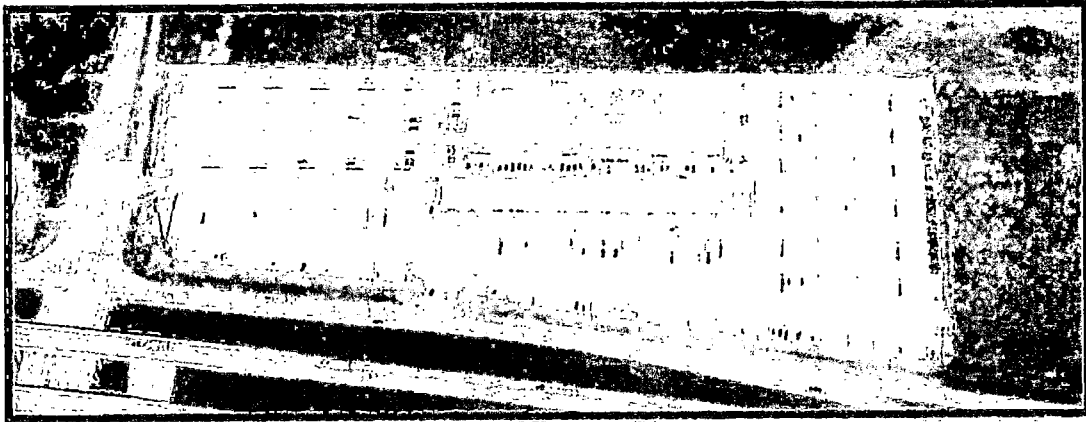
Land Data

Size (Ac.)	2.956
Size (SF)	128,763

Improvement Data

Building Size (SF)	32,988
Year Constructed	1995

BUC-EE'S COMPARABLE NO. 1



General Data

Property Type	Buc-ee's Travel Center
City, County, State	Waller, Waller County, Texas
Address	40900 US Hwy 290
Location	NE/C of US 290 and FM 362

Recording Data

Tax ID No.	420500-000-001-100
2015 Assessed Value	\$8,230,980
2015 Assessed Value/SF	\$132

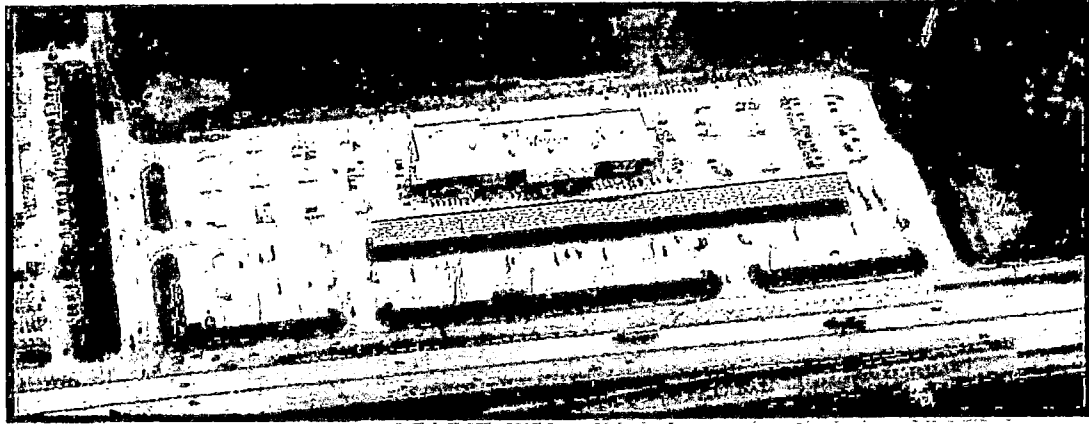
Land Data

Size (Ac.)	16.543
Size (SF)	720,613

Improvement Data

Building Size (SF)	62,566
Year Constructed	2013

BUC-EE'S COMPARABLE NO. 2



General Data

Property Type	Buc-ee's Travel Center
City, County, State	Baytown, Harris County, Texas
Address	4080 East Freeway
Location	SW/C of East Freeway and John Martin

Recording Data

Tax ID No.	135-128-000-0001
2015 Assessed Value	\$13,857,508
2015 Assessed Value/SF	\$225

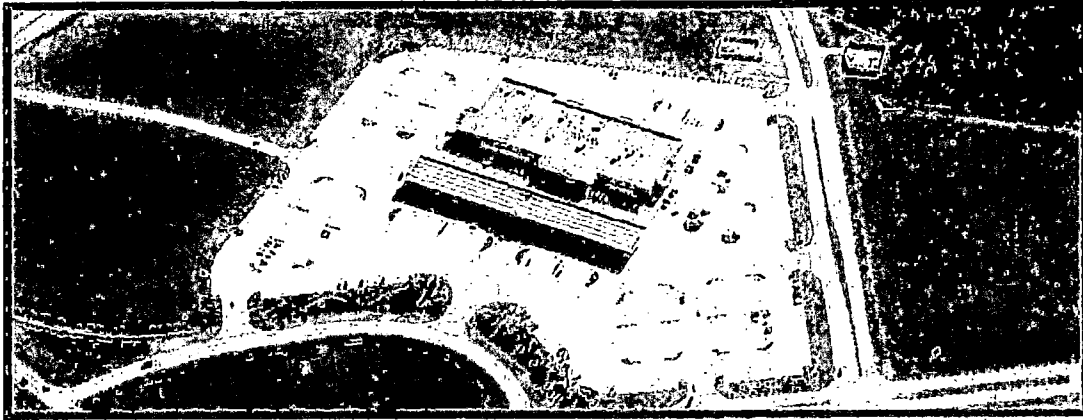
Land Data

Size (Ac.)	17.893
Size (SF)	779,410

Improvement Data

Building Size (SF)	61,472
Year Constructed	2014

BUC-EE'S COMPARABLE NO. 3



General Data

Property Type	Buc-ee's Travel Center
City, County, State	Texas City, Galveston County, Texas
Address	6201 Gulf Freeway
Location	SW/C of Gulf Freeway and Holland Road, E/C of Gulf Freeway and Outlets Boulevard, and SE/C of Holland Road and Lago Mar Boulevard

Recording Data

Tax ID No.	R608528
2015 Assessed Value	\$16,210,000
2015 Assessed Value/SF	\$268

Land Data

Size (Ac.)	17.891
Size (SF)	779,332

Improvement Data

Building Size (SF)	60,400
Year Constructed	2013

EXHIBIT E
DEBT SERVICE AND CASH FLOW PROJECTIONS

Katy Development Authority

Total Net Increment Capacity Analysis (Tax Rate Reduced to 0.46672)

Growth Projections Based on Deal Sikes Report November 2016

Interest Rate on the Bonds: 5.00%

Year Ending 12/31	Prior Year Net ¹	City of Katy Tax Collections @ 98.00%	City of Katy Tax Rate	50% of Fort Bend Co. Tax Rate	Fort Bend Co. Tax Collections @ 98.00%	Hotel Occupancy Tax Contribution	Tax Funds Available Before Debt Service	\$27,010,000 ⁴ Proposed Debt Service	Gross Debt Service Coverage	Surplus Funds after Debt Service	Existing Cash Balance	Total Cash Balance	Outflows ⁵	Ending Cash Balance
2016	203,681,799		0.530	0.233	464,089	400,000				-	6,260,802	6,660,802		6,660,802
2017	219,241,166 ²	7.639%	0.507	0.229	492,021	600,000	2,680,741	675,250	3.97 X	2,005,491	6,660,802	8,666,293	(5,400,000)	3,266,293
2018	260,105,498 ³	18.639%	0.487	0.229	583,729	600,000	2,924,395	1,350,500	2.17 X	1,573,895	3,266,293	4,840,188	(1,050,000)	3,790,188
2019	260,105,498		0.467	0.229	583,729	600,000	2,873,414	2,228,000	1.29 X	645,414	3,790,188	4,435,601	(1,050,000)	3,385,601
2020	260,105,498		0.467	0.229	583,729	600,000	2,873,414	2,129,375	1.35 X	744,039	3,385,601	4,129,640	(1,050,000)	3,079,640
2021	260,105,498		0.467	0.229	583,729	600,000	2,873,414	2,126,125	1.35 X	747,289	3,079,640	3,826,929	(1,050,000)	2,776,929
2022	260,105,498		0.467	0.229	583,729	600,000	2,873,414	2,130,625	1.35 X	742,789	2,776,929	3,519,718	(1,050,000)	2,469,718
2023	260,105,498		0.467	0.229	583,729	600,000	2,873,414	2,127,750	1.35 X	745,664	2,469,718	3,215,382	(1,050,000)	2,165,382
2024	260,105,498		0.467	0.229	583,729	600,000	2,873,414	2,127,500	1.35 X	745,914	2,165,382	2,911,296	(1,050,000)	1,861,296
2025	260,105,498		0.467	0.229	583,729	600,000	2,873,414	2,129,625	1.35 X	743,789	1,861,296	2,605,085	(1,050,000)	1,555,085
2026	260,105,498		0.467	0.229	583,729	600,000	2,873,414	2,129,000	1.35 X	744,414	1,555,085	2,299,498	(1,050,000)	1,249,498
2027	260,105,498		0.467	0.229	583,729	600,000	2,873,414	2,130,500	1.35 X	742,914	1,249,498	1,992,412	(1,050,000)	942,412
2028	260,105,498		0.467	0.229	583,729	600,000	2,873,414	2,129,000	1.35 X	744,414	942,412	1,686,826	(1,050,000)	636,826
2029	260,105,498		0.467	0.229	583,729	600,000	2,873,414	2,129,375	1.35 X	744,039	636,826	1,380,865	(1,050,000)	330,865
2030	260,105,498		0.467	0.229	583,729	600,000	2,873,414	2,126,500	1.35 X	746,914	330,865	1,077,779	(1,050,000)	27,779
2031	260,105,498		0.467	0.229	583,729	600,000	2,873,414	2,130,125	1.35 X	743,289	27,779	771,068	(450,000)	321,068
2032	260,105,498		0.467	0.229	583,729	600,000	2,873,414	2,130,000	1.35 X	743,414	321,068	1,064,481	(250,000)	814,481
2033	260,105,498		0.467	0.229	583,729	600,000	2,873,414	2,126,125	1.35 X	747,289	814,481	1,561,770	(250,000)	1,311,770
2034	260,105,498		0.467	0.229	583,729	600,000	2,873,414	2,128,250	1.35 X	745,164	1,311,770	2,056,934	(250,000)	1,806,934
2035	260,105,498		0.467	0.229	583,729	600,000	2,873,414	2,126,125	1.35 X	747,289	1,806,934	2,554,223	(250,000)	2,304,223
2036	260,105,498		0.467	0.229	583,729	600,000	2,873,414	2,129,500	1.35 X	743,914	2,304,223	3,048,137	(250,000)	2,798,137
2037	260,105,498		0.467	0.229	583,729	600,000	2,873,414	2,128,125	1.35 X	745,289	2,798,137	3,543,426	(250,000)	3,293,426
2038	260,105,498		0.467	0.229	583,729	600,000	2,873,414	2,126,875	1.35 X	746,539	3,293,426	4,039,965	(250,000)	3,789,965
Total								44,694,250						

¹ Net of development projections in the Deal Sikes report for Sueba's projects in the Katy Boardwalk and 1/2 Buc-ee's.

² January 1, 2016 Certified assessed value + 90% certified under review value, from Ft. Bend Central Appraisal District of \$222.3 million less base year value of \$3.1 million.

³ January 1, 2017 Projected assessed value from Deal Sikes report of \$263 million less base year value of \$3.1 million.

⁴ Projected Bond Sale June 2017 produces \$23.70 million net proceeds

⁵ Includes \$2.4 million developer payment and \$2.75 million capital projects in 2017. Remaining developer payments occur at \$800k annually, totalling \$13 million. \$250k operating expense included annually.



EXHIBIT F
VALUE PROJECTIONS

Year	Zone Anticipated Captured Appraised Values	Year	Zone Anticipated Captured Appraised Values
2016*	\$219,241,166	2028	\$648,628,179
2017	\$265,227,113	2029	\$674,697,121
2018	\$292,082,582	2030	\$701,808,821
2019	\$320,657,172	2031	\$730,004,989
2020	\$351,045,445	2032	\$759,329,004
2021	\$383,346,776	2033	\$789,825,979
2022	\$417,665,588	2034	\$821,542,834
2023	\$454,111,597	2035	\$854,528,362
2024	\$492,800,069	2036	\$888,833,312
2025	\$533,852,088	2037	\$924,510,459
2026	\$577,394,836	2038	\$961,614,693
2027	\$623,561,888		

*January 1, 2016 certified taxable assessed value plus 90% uncertified taxable assessed value under review less base year value as determined by the Fort Bend Central Appraisal District.