

THE STATE OF TEXAS §
 §
 COUNTY OF FORT BEND §

The Commissioners Court of Fort Bend County, Texas, convened in REGULAR SESSION AT A REGULAR TERM OF SAID COURT, open to the public, on the 28th day of July, 2020, at the County Courthouse, and the roll was called of the duly constituted officers and members of the Commissioners Court, to-wit:

| | |
|----------------------|------------------------------|
| KP George | County Judge |
| Vincent Morales, Jr. | Commissioner, Precinct No. 1 |
| Grady Prestage | Commissioner, Precinct No. 2 |
| W. A. "Andy" Meyers | Commissioner, Precinct No. 3 |
| Ken DeMerchant | Commissioner, Precinct No. 4 |

and all of said persons were present, except _____.
 Whereupon, among other business the following was transacted at said meeting: a written Resolution entitled:

RESOLUTION ACCEPTING ANNUAL REPORT AND
 APPROVING DEVELOPER REIMBURSEMENT FOR
 EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY

("Resolution") was duly introduced for the consideration of the Commissioners Court and reviewed in full. It was then duly moved and seconded that the Resolution be passed; and, after due discussion, the motion, carrying with it the passage of the Resolution, prevailed and carried by the following vote:

AYES: 5

NOES: 0

The County Judge thereupon announced that the Resolution had been duly and lawfully adopted. The Resolution thus adopted follows:

RESOLUTION ACCEPTING ANNUAL AUDIT AND
APPROVING DEVELOPER REIMBURSEMENT FOR
EAST FORT BEND DEVELOPMENT AUTHORITY

THE STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

WHEREAS, Fort Bend County, Texas (the "County"), has created East Fort Bend County Development Authority (the "Authority") pursuant to Subchapter D of Chapter 431, Texas Transportation Code, to aid and assist the County in the performance of one or more governmental functions; and

WHEREAS, the County and the Authority previously entered into an agreement (the "Agreement") to establish a program to promote economic development in the County to finance and develop certain public works and improvements, including water, sewer, roads, drainage, and park facilities and improvements (collectively, the "Public Improvements"), in accordance with Article III, Section 52-a of the Texas Constitution and Chapter 381, Texas Local Government Code ("Chapter 381"), under which the County has the authority to use public funds for the public purposes of promoting local economic development and stimulating business and commercial activity within the County; and

WHEREAS, according to the Agreement, the Authority is required to provide certain annual financial information to the County, such information being contained in the Annual Report, a copy of which is attached as Exhibit "A." Additionally, the Authority will provide the County unreimbursed amounts due to 3 MEBS Property Company LLC d/b/a Street Level Investments (the "Developer");

WHEREAS, the Annual Report is hereby presented to the County for review; and

WHEREAS, the Authority requests the approval of the County to reimburse the Developer for such unreimbursed funds as provided in the Developer Reimbursement Report prepared by Whitley Penn, LLP and provided to the County, a copy of which is attached as Exhibit "B" (the "Developer Reimbursement Report");

WHEREAS, the Commissioners Court of Fort Bend County, Texas ("Commissioners Court"), hereby accepts the Annual Report and approves the Developer Reimbursement Report for the Authority; and

Now Therefore,

IT IS THEREFORE RESOLVED AND DECREED BY THE COUNTY JUDGE AND COMMISSIONERS COURT OF FORT BEND COUNTY, TEXAS THAT:

Section 1: The foregoing recitals are hereby found to be true and correct.

Section 2: The Annual Report attached as Exhibit "A" is accepted and Developer Reimbursement Report is hereby approved. The Authority is authorized to reimburse the Developer in the amount provided in the Developer Reimbursement Report.

Section 3: A copy of the Resolution shall be recorded in the minutes of this Court.

PASSED AND ADOPTED this the 28th day of July, 2020,



County Judge KP George

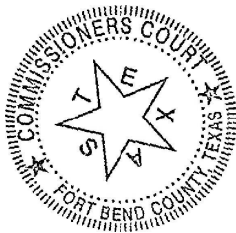
KP George
County Judge

ATTEST:



Laura Richard
County Clerk and Ex-Officio Clerk of the
Commissioners Court of Fort Bend County, Texas

(SEAL)



Exhibits
A - Annual Report
B - Developer Reimbursement Report

EXHIBIT "A"

EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY



ANNUAL REPORT June 2020



EXECUTIVE SUMMARY

BACKGROUND

East Fort Bend County Development Authority (the "Authority") was created by Fort Bend County on September 24, 2015, pursuant to Subchapter D of Chapter 431, Texas Transportation Code, and Article 1396-1.01 of the Texas Non-Profit Corporation Act. The Authority was organized to assist Fort Bend County with the development and diversification of the economy, the elimination of unemployment or underemployment, and development, expansion of commerce, and promoting economic development, including making grants, planning, designing, acquiring, financing, building, and improving land and infrastructure in the County.

The Authority Board of Directors is appointed by Fort Bend County and implements the design, construction and financing of public and community benefit improvements necessary to promote the development of the mixed-use project known as the GRID.

The current Board and Officers of the Authority are:

| | |
|---------------------|---------------------|
| Felecia Evans-Smith | Chair |
| Ernie Loeb | Vice Chair |
| Daniel Menendez | Secretary |
| Michael Latimer | Assistant Secretary |
| Rahim Tazeh | Assistant Secretary |

The Authority is assisted by a consulting team consisting of the following:

Allen Boone Humphries Robinson LLP - Attorney
F. Matuska, Inc. - Bookkeeper
Hilltop Securities, Inc. - Co-Financial Advisor
Post Oak Municipal Advisors LLC - Co-Financial Advisor
RPS Group - District Engineer
Jones & Carter - Design Engineer
Whitley Penn - Auditor



GRID PROJECT DESCRIPTION

The GRID comprises the redevelopment of the former Texas Instruments site in Stafford, Texas consisting of approximately 192 acres. The development has brought many jobs to the area and will generate millions of new sales, hotel occupancy and property tax dollars to benefit the community. The GRID is an innovative mixed-use reinvention of a landmark Texas Instruments campus, connecting past and present by combining world-class planning and design with adaptive reuse of the site's iconic industrial architecture. The result is a one-of-a-kind experience for shoppers, residents, tenants, and guests, woven into the fabric of the surrounding community. Located at the gateway to Fort Bend County, this innovative project is designed to create a regional entertainment, working and living environment.



The GRID's walkable and diverse mix of uses give it a uniquely urban feel. Tree-lined streets work together with its robust dining, shopping and service offerings to create an environment where office workers and residents can leave their cars in the garage for an entire day or evening.

With plentiful public spaces and programmed events, the GRID is connected to the community, creating a new focal point and public gathering place for southwest Houston and Fort Bend County.

Houston | Fort Bend County

Positioned at the Gateway to Fort Bend County

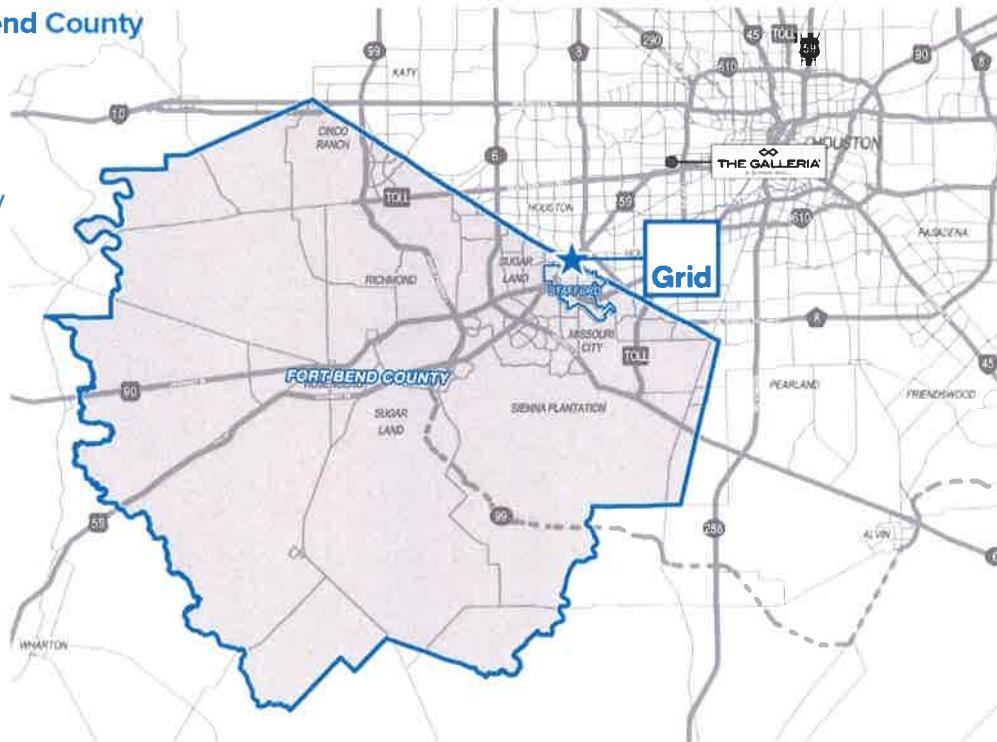
328,000 Cars Per Day
on Highway 59,
W Airport Blvd, Kirkwood Rd,
& Murphy Rd

1,708,051
people living within
a 20-minute drive time

148,168
projected annual
population growth

\$127,363
average household income

Most Educated
county in the U.S



Completed restaurant, retail, housing and distribution facilities in the GRID are shown on the following pages.

Grid The Grid | Master Plan





STATUS OF AUTHORITY PROJECTS



PUBLIC IMPROVEMENT COSTS

The chart below lists the projects completed or under construction by the Authority as of the date of this report. All projects listed below have been funded by advances by 3 MEBS Property Company, LLC (the "Developer") and all amounts remain subject to future reimbursement. The Authority has entered into a Development Financing and Reimbursement Agreement with the Developer for advance funding and reimbursement of the projects listed below:



| Project Number | Project Name | Contractor | Notice to Proceed Date | Final Completion Letter Date | Final Dollar Amount | Grant Funding? | Accepted by |
|----------------|-----------------------------|---|------------------------|------------------------------|------------------------|----------------|----------------------------|
| 101.001 | Demolition | American Environmental Specialties, Inc | 3/29/2016 | 2/23/2018 | \$1,369,241.80 | Y | N/A |
| | Net expended | | | | \$ 2,589,470.53 | | |
| | Salvage | | | | \$ 1,220,228.73 | | |
| 101.002 | West Airport LTL Crow | GW Phillips Construction, | 1/13/2017 | 7/10/2018 | \$378,968.85 | N | Stafford City |
| | Public Funds | | | | \$ 378,968.85 | | |
| | Private Funds | | | | \$ - | | |
| 101.003 | East Detention Basin | GW Phillips Construction, | 5/26/2016 | 10/12/2018 | \$249,122.00 | N | Stafford City |
| | Public Funds | | | | \$ 249,122.00 | | |
| | Private Funds | | | | \$ - | | |
| 101.004 | West Airport LTL Spectrum | RAC Industries LLC | 10/6/2017 | 2/12/2018 | \$275,302.91 | N | Stafford City |
| | Public Funds | | | | \$ 275,302.91 | | |
| | Private Funds | | | | \$ - | | |
| 101.005 | Signal Way and Spectrum | CNS Construction | 10/16/2017 | 10/8/2018 | \$1,084,083.20 | N | Stafford City |
| | Public Funds | | | | \$ 1,084,083.20 | | |
| | Private Funds | | | | \$ - | | |
| 101.006 | Phase 1 Duct Bank | North Houston Pole Line | 7/21/2016 | 10/4/2016 | \$ 381,660.00 | Y | Center Point |
| | Public Funds | | | | \$ 381,660.00 | | |
| | Private Funds | | | | \$ - | | |
| 101.007 | Central Detention Basin | SiteWork Contractors | 7/19/2017 | 5/31/2019 | \$359,187.58 | N | Stafford City |
| | Public Funds | | | | \$ 359,187.58 | | |
| | Private Funds | | | | \$ - | | |
| 101.008 | Phase 1 Paving and Drainage | Rodriguez Construction Group, LLC | 11/9/2017 | 11/30/2018 | \$1,681,611.81 | N | Stafford City/ Streetlevel |
| | Public Funds | | | | \$ 847,349.55 | | |
| | Private Funds | | | | \$ 834,262.26 | | |
| 101.009 | Phase 2 Infrastructure | Rodriguez Construction Group, LLC | 8/24/2018 | 11/5/2019 | \$ 5,358,045.25 | N | Stafford City/WCID#2 |
| | Public Funds | | | | \$ 2,440,849.61 | | |
| | Private Funds | | | | \$ 1,525,819.78 | | |
| | WCID #2 | | | | \$ 1,391,375.86 | | |
| 101.011 | Phase 1 Landscaping | Woodcreek Landscaping | 8/10/2018 | 10/1/2019 | \$ 138,260.95 | N | Stafford City |
| | Public Funds | | | | \$ 138,260.95 | | |
| | Private Funds | | | | \$ - | | |
| 101.013 | Phase 2 Duct Bank | North Houston Pole Line | 7/15/2018 | 5/15/2019 | \$ 2,329,026.00 | Y | Center Point |
| | Public Funds | | | | \$ 2,329,026.00 | | |
| | Private Funds | | | | \$ - | | |
| 101.014 | Phase 1 Comm and Lights | North Houston Pole Line | 7/15/2018 | 5/15/2019 | \$ 485,000.00 | Y | Stafford City |
| | Public Funds | | | | \$ 485,000.00 | | |
| | Private Funds | | | | \$ - | | |
| 101.015 | Public Landscaping Phase 2 | Woodcreek Landscaping | 12/4/2019 | Ongoing | \$ 257,547.00 | N | TBA |
| | Public Funds | | | | \$ 225,652.00 | | |
| | Private Funds | | | | \$ 31,895.00 | | |
| TOTAL= | | | | | \$14,347,057.15 | | |
| T. PUBLIC= | | | | | \$10,563,704.25 | | |
| T. PRIVATE= | | | | | \$2,391,977.04 | | |
| T. WCID#2= | | | | | \$1,391,375.86 | | |

NOTE: T. GRANT F. = \$4,564,927.80

DEFINED AREA TAX AND 381 REVENUE INFORMATION

The Authority maintains a separate account for the defined area tax (DAT) as required by the Defined Area Financing Agreement between the Authority and Fort Bend County Water Control & Improvement District No. 2 and a 381 revenue fund as required by the Agreement between Fort Bend County and the Authority.

The Authority currently has a fund balance of \$492,425 in the DAT revenue fund. No disbursements or reimbursements have been made from the DAT revenue fund and no bonds have been issued by the Authority secured by the DAT revenue fund.

The Authority currently has a fund balance of \$436,929 in the 381 revenue fund. No reimbursements have been made from the 381 revenue fund and no bonds have been issued by the Authority secured by the 381 revenue fund. Authority administrative expenses and engineering fees have been paid by the Authority from the 381 revenue fund.

SELECTED FINANCIAL INFORMATION REGARDING THE AUTHORITY

2019-2020 OPERATING BUDGET

EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY STATEMENT OF REVENUES AND EXPENDITURES GENERAL FUND, ACTUAL AND BUDGET FOR THE ONE AND EIGHT MONTHS ENDED MAY 31, 2020

| | Current | -----Year-to-Date----- | | | -----Annual----- | |
|---------------------------------------|----------------------|------------------------|-------------------|---------------------|-------------------------|---------------------|
| | Period Actual | Actual | Budget | Variance | 9/30/2020 FYE Budget | Variance |
| REVENUES | | | | | | |
| DEVELOPER ADVANCES | \$ 0.00 | \$ 0.00 | \$ 220,000.00 | (220,000.00) | \$ 326,150.00 | (326,150.00) |
| INTEREST EARNED | 28.54 | 48.57 | 0.00 | 48.57 | 0.00 | 48.57 |
| TOTAL REVENUES | 28.54 | 48.57 | 220,000.00 | (219,951.43) | 326,150.00 | (326,101.43) |
| EXPENDITURES | | | | | | |
| DIRECTOR FEES | 0.00 | 5,850.00 | 6,000.00 | (150.00) | 9,000.00 | (3,150.00) |
| LEGAL FEES - CONSTRUCTION | 0.00 | 2,686.70 | 3,330.00 | (643.30) | 5,000.00 | (2,313.30) |
| LEGAL FEES-GENERAL | 0.00 | 24,618.56 | 40,000.00 | (15,381.44) | 60,000.00 | (35,381.44) |
| ENGINEERING FEES-GENERAL | 0.00 | 9,141.69 | 13,330.00 | (4,188.31) | 20,000.00 | (10,858.31) |
| ENGINEERING FEES-CONSTRUCTION | 0.00 | 53,697.06 | 133,330.00 | (79,632.94) | 200,000.00 | (146,302.94) |
| PAYROLL TAXES | 0.00 | 447.65 | 470.00 | (22.35) | 700.00 | (252.35) |
| BOOKKEEPING FEES | 940.00 | 7,470.00 | 8,000.00 | (530.00) | 12,000.00 | (4,530.00) |
| LEGAL NOTICES | 0.00 | 0.00 | 330.00 | (330.00) | 500.00 | (500.00) |
| PRINTING & OFFICE SUPPLIES | 43.38 | 327.87 | 330.00 | (2.13) | 500.00 | (172.13) |
| INSURANCE | 0.00 | 0.00 | 7,200.00 | (7,200.00) | 7,200.00 | (7,200.00) |
| TRAVEL & EXPENSES | 0.00 | 252.02 | 330.00 | (77.98) | 500.00 | (247.98) |
| OTHER OFFICE EXPENSES | 0.00 | 0.00 | 330.00 | (330.00) | 500.00 | (500.00) |
| DETENTION POND MAINT | 1,408.32 | 11,266.65 | 6,835.00 | 4,431.65 | 10,250.00 | 1,016.65 |
| TOTAL EXPENDITURES | 2,391.70 | 115,758.20 | 219,815.00 | (104,056.80) | 326,150.00 | (210,391.80) |
| EXCESS REVENUES (EXPENDITURES) | (\$ 2,363.16) | (\$ 115,709.63) | \$ 185.00 | (115,894.63) | \$ 0.00 | (115,709.63) |

FINANCIAL REPORT OF FORT BEND COUNTY

(Excerpt with Authority Information)

FORT BEND COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS (continued)
 September 30, 2019

| | | East Fort Bend County Development Authority |
|--|-----------|--|
| Assets | | |
| Cash and cash equivalents | \$ | 213,823 |
| Taxes receivable, net | | |
| Grants receivable | | |
| Other receivables | | |
| Due from other funds | | |
| Prepaid items | | |
| Total Assets | \$ | 213,823 |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Accounts payable | \$ | 11,528 |
| Retainage payable | | |
| Due to other funds | | |
| Due to other governments | | |
| Unearned revenues | | |
| Total Liabilities | | 11,528 |
| Deferred Inflows of Resources | | |
| Unavailable revenue-property taxes | | |
| Total Deferred Inflows of Resources | | |
| Fund Balances: | | |
| Nonspendable | | |
| Restricted | | |
| Unassigned | | 202,295 |
| Total Fund Balances | | 202,295 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ | 213,823 |



Houston Office
3737 Buffalo Speedway
Suite 1600
Houston, Texas 77098
713.621.1515 Main

whitleypenn.com

Independent Accountant's Report on Applying Agreed-Upon Procedures

Board of Directors
East Fort Bend Development Authority
Fort Bend County, Texas

We have performed the procedures enumerated below, which were agreed to by you, solely to assist the East Fort Bend County Development Authority (the "Authority") with the request for reimbursements for approved projects and other advances made by 3MEBS Property Company, LLC dba Street Level Investments (the "Developer") in the development commonly referred to as the Grid (the "Development") as more fully described in the following agreements (the "Agreements"):

- Agreement between Fort Bend County and East Fort Bend County Development Authority dated August 25, 2015.
- Defined Area Financing Agreement dated September 28, 2015 and
- Development Financing and Reimbursement Agreement dated September 28, 2015

The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

1. We obtained a listing of invoices along with copies of invoices and cancelled checks supporting project costs incurred by the Developer and summarized the same in the attached exhibits for projects 1001.001 and 1001.002.
2. We reviewed the invoices to ensure the costs submitted were related to the projects described in the Agreements listed above. The invoices were also reviewed to ensure charges were not duplicated and the period of services did not overlap. Substantiated costs to date for these projects have been included in the attached exhibits for projects 1001.001 and 1001.002.
3. We compared the total costs submitted to the project budget to ensure the aggregate costs did not exceed the budget as well as comparing the cost incurred against the construction contracts to ensure they did not exceed the contract amounts. No exceptions were noted.
4. We computed interest due to the Developer in accordance with Agreements listed above and have included interest due to the Developer through June 15, 2020 along with a daily rate thereafter.

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

This report is intended solely for the information and use of the Board of Directors of the East Fort Bend County Development Authority, and is not intended to be and should not be used by anyone other than this specified party.

Whitley Penn LLP

Houston, Texas
June 15, 2020



East Fort Bend County Development Authority
Summary of Amounts to be paid to
3MEBS Property Company, LLC dba Street Level Investments
As of June 15, 2020

Exhibit A

| Project | Project Costs | Interest | Total Payout at 6/15/2020 |
|---|----------------------|-------------------|--|
| Project 1001.001 - Demolition of Texas Instruments Site | \$ 323,023 | \$ 76,977 | \$ 400,000 |
| Project 1001.002 - West Airport Left Turn Lane Crow | 378,969 | 28,796 | 407,765 |
| | <u>\$ 701,992</u> | <u>\$ 105,773</u> | <u>\$ 807,765</u> |

East Fort Bend County Development Authority
Recapitulation of Amounts to be paid to
3MEBS Property Company, LLC dba Street Level Investments
As of June 15, 2020

Project 1001.001

| <u>Payee</u> | <u>% Complete Completion Date</u> | <u>Total Costs Incurred</u> | <u>Total Substantiated Costs to date</u> | <u>Current Cost Reimbursement</u> | <u>Balance of Substantiated Costs Remaining</u> |
|---|---------------------------------------|---------------------------------|--|---------------------------------------|---|
| American Environmental | | | | | |
| Project 1001.001 - Demolition of Texas Instruments Site | 100% | \$ 2,474,514 | \$ 2,357,372 | \$ 669,032 | \$ 1,688,340 |
| Less proceeds from salvage | 3/27/2018 | (1,219,183) | (1,219,183) | (346,009) | (873,173) |
| Total reimbursement requested | | <u>\$ 1,255,332</u> | <u>\$ 1,138,189</u> | 323,023 | \$ 815,166 |
| Interest at 6.00% | | | | 76,977 | 97,820 |
| Total to be paid from Chapter 381 grant @6/15/2020 | | | | <u>\$ 400,000</u> | <u>\$ 912,986</u> |

The daily interest rate calculation after June 15, 2020 is \$53.10 per day.

East Fort Bend County Development Authority
Recapitulation of Amounts to be paid to
3MEBS Property Company, LLC dba Street Level Investments
As of June 15, 2020

Project 1001.002

| <u>Payee</u> | <u>% Complete Completion Date</u> | <u>Total Costs Incurred</u> | <u>Total Substantiated Costs to date</u> | <u>Current Cost Reimbursement</u> | <u>Balance of Substantiated Costs Remaining</u> |
|--|---------------------------------------|---------------------------------|--|---------------------------------------|---|
| GW Phillips Construction | 100% | | | | |
| Project 1001.002 - West Airport Left Turn Lane Crow | 4/10/2018 | \$ 378,969 | \$ 378,969 | \$ 378,969 | \$ - |
| Total reimbursement requested | | <u>\$ 378,969</u> | <u>\$ 378,969</u> | 378,969 | - |
| Interest at 3.8094% with two year llmit | | | | 28,796 | - |
| Total to be paid from Defined Area Taxes (DAT) @6/15/2020 | | | | <u>\$ 407,765</u> | <u>\$ -</u> |

The daily interest rate calculation after June 15, 2020 is \$3.96 per day until 6/27/2020 and \$0.52 perday until 8/30/2020.