

Agendas and Agenda Materials
Meetings of the Boards of Directors

La Porte
Redevelopment Authority



La Porte Tax Increment
Reinvestment Zone

January 25, 2024



**NOTICE OF JOINT MEETING OF LA PORTE REDEVELOPMENT AUTHORITY
AND THE LA PORTE TAX INCREMENT REINVESTMENT ZONE**

NOTICE is hereby given of the joint meeting of the La Porte Redevelopment Authority and La Porte Tax Increment Reinvestment Zone to be held **Wednesday, January 25, 2024, at 6:30 p.m.** in the City Council Chambers at City Hall, 604 West Fairmont Parkway, La Porte, Texas, open to the public, to consider, discuss, and adopt such orders, resolutions or motions, and take direct actions as may be necessary, convenient, or desirable, with respect to the following matters:

AGENDA

1. Determine Quorum; and Call to Order.
2. Receive public comments.
3. Approve minutes of the joint La Porte Redevelopment Authority and La Porte Tax Increment Reinvestment Zone meeting held on November 14, 2023.
4. Approve FY2023 Annual Financial Report and Audit from McCall Gibson Swedlund Barfoot PLLC.
5. Consider creation of CIP Committee and appointment of Committee Members.
6. Consider approval or other action regarding authority invoices.
7. Receive updates from the city, developers, and staff about development within the Zone.
8. Board member comments.
 - a. Matters appearing on agenda; and
 - b. Inquiry of staff regarding specific factual information or existing policy
9. Convene in Executive Session pursuant to Section 551.071, Texas Government Code, to conduct a private consultation with attorney regarding pending or contemplated litigation.
10. Reconvene in Open Session and authorize appropriate actions regarding private consultation with attorney.
11. Adjournment.

In compliance with the American Disabilities Act, the City of La Porte City will provide for reasonable accommodations for persons attending public meetings. To better serve attendees, requests should be received 24 hours prior to the meetings. Please contact the City Secretary, at 281-470-5019 or TDD 281-471-5030.

A possible quorum of City Council members may be present at this meeting and participate in discussions but will take no action.

David W. Hawes, Executive Director

*Persons with disabilities who plan to attend this meeting and would like to request auxiliary aids or services are requested to contact the Authority's Executive Director at (713) 595-1200 at least three business days prior to the meeting so that the appropriate arrangements can be made. Pursuant to V.T.C.A Government Code, Chapter 551, as amended, the Board of Directors may convene in closed session to receive advice from legal counsel and discuss matters relating to pending or contemplated litigation, personnel matters, gifts and donations, real estate transactions, the deployment, or specific occasions for the implementation of, security personnel or devices and or economic development negotiations.

LA PORTE REDEVELOPMENT AUTHORITY,
CITY OF LA PORTE, TEXAS

AGENDA MEMORANDUM

TO: La Porte Redevelopment Authority Board of Directors

FROM: Executive Director

SUBJECT: Agenda Item Materials

3. Approve minutes of the joint La Porte Redevelopment Authority and La Porte Tax Increment Reinvestment Zone meeting held on November 14, 2023.

**MINUTES OF THE JOINT MEETING OF THE
LA PORTE REDEVELOPMENT AUTHORITY and
LA PORTE TAX INCREMENT REINVESTMENT ZONE
BOARD OF DIRECTORS**

November 14, 2023

DETERMINE QUORUM; CALL TO ORDER.

The Board of Directors of the La Porte Redevelopment Authority, City of La Porte, Texas, and La Porte Tax Increment Reinvestment Zone, held a regular joint meeting, open to the public, on Tuesday, November 14, 2023, at 6:30 p.m., in the Council Chambers of City Hall, 604 West Fairmont Parkway, La Porte, Texas, and the roll was called of the duly appointed members of the Board, to-wit:

Position 1	Peggy Antone, <i>Secretary</i>	Position 6	Mark Goodwin, <i>Vice-Chairman</i>
Position 2	Barry Beasley	Position 7	Rick Helton
Position 3	Alton Porter	Position 8	David Janda, <i>Chairman</i>
Position 4	Kent Rummel	Position 9	Kristen Lee, <i>Secretary</i>
Position 5	Nicole Havard		

and all of the above were present, with the exception of Directors Beasley, Janda and Lee, thus constituting a quorum. Also present were David Hawes, Naina Magon and Linda Clayton, Hawes Hill & Associates, LLP; Josh Huber, Blank Rome; Matt Daeumer and Haley Bower, City of La Porte; and Muhammad Ali and Taylor Risien, Gauge Engineering. The meeting was called to order at 6:30 p.m.

APPROVE MINUTES OF THE JOINT LA PORTE REDEVELOPMENT AUTHORITY AND LA PORTE TAX INCREMENT REINVESTMENT ZONE MEETING HELD ON SEPTEMBER 18, 2023.

Upon a motion made by Director Helton, and seconded by Director Porter, the Board voted unanimously to approve the Minutes of the September 18, 2023, joint Board meeting, as presented.

RECEIVE UPDATE AND RECOMMENDATIONS FROM GAUGE ENGINEERING ON M STREET.

a. Receive bid tabulations and recommendations for M Street project; award contract and authorize execution of contract.

Mr. Ali reported restrictors were added to the design of M Street to prevent downstream impact. He reviewed the bid tabulations included in the Board materials. He reported ten bids were received with the low bid received from Carter Construction LLC in the amount of \$2,491,925.00. He reported this bid includes \$100,000 for contingencies. He reported the bid prices received are indicative of the current availability and cost of local construction resources and Gauge Engineering feels the bid prices are appropriate for the work involved. He reported Carter Construction LLC has the necessary resources and has previously demonstrated the capability of performing the quality of work required; therefore, Gauge Engineering is recommending awarding the construction contract to the low qualified bidder Carter Construction.

b. Consider Gauge Engineering Task Order for construction management and inspection, construction phase services and construction materials testing.

Mr. Ali reviewed Gauge Engineering Task Order No. 3 to provide construction phase, materials testing and management inspection services for the M Street Improvement project in the amount of \$398,725. He provided an overview of the scope of services to be provided and answered questions.

Upon a motion made by Director Porter, and seconded by Director Helton, the Board voted unanimously to (a) award the construction contract for the M Street Improvement project to the low qualified bidder Carter Construction LLC in the amount of \$2,491,925.00; and authorized execution of construction contract; and (b) approve Gauge Engineering Task Order No. 3 for construction phase, materials testing and management inspection services for the M Street Improvement project in the amount of \$398,725.00, as presented.

CONSIDER APPROVE OR OTHER ACTION REGARDING AUTHORITY INVOICES.

Mr. Hawes distributed a revised financial report for the Operating Account, a copy is attached hereto as Exhibit A. He presented the financial report and review of the current invoices for payment. Upon a motion made by Director Remmel, and seconded by Director Antone, the Board voted unanimously to accept the Financial Report and approved payment of invoices, as presented.

DISCUSS POSSIBLE EXPANSION OF ZONE BOUNDARIES; AND TAKE APPROPRIATE ACTION.

Director Helton proposed extending the boundary of the Zone from Fairmont to Spencer from the Railroad tracks to State Highway 146. He stated the reason for the proposal is that there is a bad intersection at Spencer and 16th Street and the intersection needs to be wider, similar to 16th Street and Fairmont. There was general discussion regarding solutions to provide relief to SH 146 to alleviate traffic on Fairmont. Mr. Hawes recommended doing a feasibility study for short- and long-term solutions. Mr. Hawes noted the TIRZ can spend funds on roads outside the TIRZ *if* it benefits the TIRZ. Director Helton noted there is a City park at 16th Street and Barbours Cut and if it is brought into the boundaries the TIRZ/Authority could provide improvements. After full discussion by the Board, and upon a motion made by Director Antone, and seconded by Director Helton, the Board voted unanimously to request Gauge Engineering to provide a task order at the next meeting for feasibility study services.

RECEIVE UPDATES FROM THE CITY, DEVELOPERS AND STAFF ABOUT DEVELOPMENT WITHIN THE ZONE.

Mr. Daeumer reported a proposal was received by the City for development of 72 acres. Director Antone voiced concerns of the type of retail and traffic/lighting issues. No action from the Board was required.

BOARD MEMBER COMMENTS.

- a. Matters appearing on agenda; and
- b. Inquiry of staff regarding specific factual information or existing policy.

None.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY REGARDING PENDING OR CONTEMPLATED LITIGATION.

The Board convened in Executive Session at 7:17 p.m.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTIONS REGARDING PRIVATE CONSULTATION WITH ATTORNEY.

The Board reconvened in Open Session at 7:31 p.m. Upon reconvening, no action was taken.

ADJOURN.

There being no further business to come before the Board, Vice-Chairman Goodwin adjourned the meeting at 7:32 p.m.

Secretary

List of Exhibits:

- A. Revised Financial Statement on Operating Account

LA PORTE REDEVELOPMENT AUTHORITY,
CITY OF LA PORTE, TEXAS

AGENDA MEMORANDUM

TO: La Porte Redevelopment Authority Board of Directors

FROM: Executive Director

SUBJECT: Agenda Item Materials

4. Approve FY2023 Annual Financial Report and Audit from McCall Gibson Swedlund Barfoot PLLC.

LA PORTE REDEVELOPMENT AUTHORITY

CITY OF LA PORTE, TEXAS

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
La Porte Redevelopment Authority
City of La Porte, Texas

Opinions

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

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Board of Directors
La Porte Redevelopment Authority

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide any assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

January 25, 2024

LA PORTE REDEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

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

FINANCIAL HIGHLIGHTS

- The Authority's assets exceeded its liabilities by \$14,262,214 for the year ended September 30, 2023. This compares to the previous year, when assets exceeded liabilities by \$7,236,075.
- The total net position of \$14,262,214 results primarily from the Authority having cash on hand in an amount greater than the amount recorded as Due to Developers for the facilities the Developers constructed and conveyed to the City. The Authority anticipates that with continued development in the area tax increment revenues will be sufficient to cover operating costs and to reimburse the Developers. The Authority's obligations to the Developers are contingent upon the availability of tax increment for such as described in Note 4.
- The Authority's governmental funds reported a total ending fund balance of \$20,796,563 this year. This compares to the prior year fund balance \$14,965,548, showing an increase of \$5,831,015 during the current fiscal year.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

LA PORTE REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

GOVERNMENT-WIDE FINANCIAL STATEMENTS (Continued)

The Statement of Net Position includes all of the Authority's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority as a whole is improving or deteriorating. Evaluation of the overall financial health of the Authority would extend to other non-financial factors.

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

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority has one governmental fund type. The General Fund accounts for resources not accounted for in another fund, tax increment revenues, costs and general expenditures.

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

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

LA PORTE REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTES TO THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as useful indicator of the Authority's financial position. In the case of the Authority, assets exceeded liabilities by \$14,262,214 as of September 30, 2023.

The following table provides a summary of the Authority's net position as of September 30, 2023, and September 30, 2022:

	Summary of Changes in the Statement of Net Position		
	2023	2022	Change Positive (Negative)
Current and Other Assets	\$ 20,828,188	\$ 14,969,461	\$ 5,858,727
Current Liabilities	\$ 31,625	\$ 3,913	\$ (27,712)
Due to Developer	6,534,349	7,729,473	1,195,124
Total Liabilities	\$ 6,565,974	\$ 7,733,386	\$ 1,167,412
Net Position:			
Unrestricted	\$ 14,262,214	\$ 7,236,075	\$ 7,026,139
Total Net Position	\$ 14,262,214	\$ 7,236,075	\$ 7,026,139

LA PORTE REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The following table provides a summary of the Authority's operations for the fiscal years ending September 30, 2023, and September 30, 2022:

	Summary of Changes in the Statement of Activities		
	2023	2022	Change Positive (Negative)
Revenues:			
Tax Increment Revenues	\$ 6,647,845	\$ 6,247,050	\$ 400,795
Interest Revenues	744,773	1,368	743,405
Total Revenues	\$ 7,392,618	\$ 6,248,418	\$ 1,144,200
Expenses for Services	366,479	3,929,400	3,562,921
Change in Net Position	\$ 7,026,139	\$ 2,319,018	\$ 4,707,121
Net Position, Beginning of Year	7,236,075	4,917,057	2,319,018
Net Position, End of Year	\$ 14,262,214	\$ 7,236,075	\$ 7,026,139

FINANCIAL ANALYSIS OF THE AUTHORITY'S GOVERNMENTAL FUNDS

The Authority's fund balance as of September 30, 2023, was \$20,796,563, an increase of \$5,831,015 from the prior year.

The General Fund fund balance increased by \$5,831,015 due to tax increment revenue being more than operating costs, capital outlay and certain costs to fund the Authority's debt obligations.

LA PORTE REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors did not amend the budget for the fiscal year ending September 30, 2023. Actual revenues were \$367,929 less than budgeted and actual expenditures were \$3,770,852 less than budgeted. See the budget to actual comparison.

CAPITAL ASSETS

When capital projects are completed, the costs of the projects are recorded as a transfer to the City since the maintenance and operations of the facilities will not be the responsibility of the Authority. During the current fiscal year, \$1,195,124 was paid to the Developers for projects, including interest, and none was added. See Note 4 for additional information.

LONG-TERM DEBT ACTIVITY

As of September 30, 2023, the Authority had no bond debt payable.

The Authority has recorded a long-term payable to Developers in the amount of \$6,534,349. See Note 4.

CONTACTING THE AUTHORITY'S MANAGEMENT

This financial report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to La Porte Redevelopment Authority, c/o David Hawes, P. O. Box 22167, Houston, TX 77227.

LA PORTE REDEVELOPMENT AUTHORITY
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET
SEPTEMBER 30, 2023

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash	\$ 20,828,188	\$ -	\$ 20,828,188
TOTAL ASSETS	<u>\$ 20,828,188</u>	<u>\$ -</u>	<u>\$ 20,828,188</u>
LIABILITIES			
Accounts Payable	\$ 31,625		\$ 31,625
Due to Developer		6,534,349	6,534,349
TOTAL LIABILITIES	<u>\$ 31,625</u>	<u>\$ 6,534,349</u>	<u>\$ 6,565,974</u>
FUND BALANCE			
Unassigned	\$ 20,796,563	\$ (20,796,563)	
TOTAL FUND BALANCE	<u>\$ 20,796,563</u>	<u>\$ (20,796,563)</u>	<u>\$ -</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 20,828,188</u>		
NET POSITION			
Unrestricted		\$ 14,262,214	\$ 14,262,214
TOTAL NET POSITION		<u>\$ 14,262,214</u>	<u>\$ 14,262,214</u>

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

LA PORTE REDEVELOPMENT AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

Total Fund Balance – Governmental Fund \$ 20,796,214

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

The long-term obligation to the Developer is not recorded in the fund financial statement but is a liability to the Developer in the government-wide entity. (6,534,349)

Total Net Position – Governmental Activities \$ 14,262,214

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

LA PORTE REDEVELOPMENT AUTHORITY
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT
OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	GENERAL FUND	ADJUSTMENTS	STATEMENT OF ACITIVITIES
REVENUES			
Tax Increment Revenue	\$ 6,647,845	\$ -	\$ 6,647,845
Interest Revenues	744,773		744,773
TOTAL REVENUES	\$ 7,392,618	\$ -	\$ 7,392,618
EXPENDITURES/EXPENSES			
Service Operations:			
Professional Services	\$ 246,110	\$ -	\$ 246,110
Other	2,426		2,426
City Administration Fee	117,943		117,943
Debt Service:			
Developer Interest, Note 4	36,022	(36,022)	0
Developer Principal, Note 4	1,159,102	(1,159,102)	-
TOTAL EXPENDITURES/EXPENSES	\$ 1,561,603	\$ (1,195,124)	\$ 366,479
NET CHANGE IN FUND BALANCE	\$ 5,831,015	\$ (5,831,015)	
CHANGE IN NET POSITION		7,026,139	7,026,139
FUND BALANCE/NET POSITION - OCTOBER 1, 2022	14,965,548	(7,729,473)	7,236,075
FUND BALANCE/NET POSITION - SEPTEMBER 30, 2023	\$ 20,796,563	\$ (6,534,349)	\$ 14,262,214

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

LA PORTE REDEVELOPMENT AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Net Change in Fund Balance – Governmental Fund \$ 5,831,015

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

Governmental funds report additional Developer principal due as increases. However, in the Statement of Net Position, change in principal is reported as an increase in liabilities, and the Statement of Activities is not affected. (1,159,102)

In the Statement of Activities, the cost of interest expense is adjusted to the amount of the current period accrued expense. 36,022

Change in Net Position – Governmental Activities \$ 7,026,139

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

LA PORTE REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1. CREATION OF CORPORATION

The City of La Porte, Texas (the “City”) authorized the creation of the La Porte Redevelopment Authority (the “Authority”) by the Resolution No. 2000-19 passed on December 11, 2000. The Authority was created and organized as a local government corporation pursuant to provisions of Chapter 394 of the Texas Local Government Code. The Authority is organized as a public non-profit corporation for the purpose of aiding, assisting, and acting on behalf of the City in the performance of its governmental function to promote the common good and general welfare of the Tax Increment Reinvestment Zone (the “Zone”) and neighboring areas; to promote, develop, encourage and maintain housing, educational facilities, employment, commerce and economic development in the City. The Authority receives incremental tax revenues on developed property. The Authority has participation agreements with the City of La Porte, La Porte Independent School District and Harris County to receive certain property tax increments. The Authority may issue bonds with consent of City Council. The Authority is managed by a Board of Directors consisting of nine members who are appointed by the Mayor with the approval of City Council.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Statement Presentation

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

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

LA PORTE REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

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

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

LA PORTE REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

The Authority has one major governmental fund.

General Fund – To account for all resources not required to be accounted for in another fund.

Basis of Accounting

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

Capital Assets

Capital assets are transferred to the City upon completion.

Budgeting

In compliance with the governmental accounting principles, the Authority’s board members should annually adopt an unappropriated budget for the General Fund. The budget was not amended during the current fiscal year.

Measurement Focus

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

LA PORTE REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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

Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*, requires the classification of fund balances in governmental funds using the following hierarchy:

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

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

Committed: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the Authority. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The Authority does not have any committed fund balances.

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

Unassigned: all other spendable amounts in the General Fund.

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

LA PORTE REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Estimates

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

NOTE 3. DEPOSITS AND INVESTMENTS

Deposits

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

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the Authority of securities eligible under the laws of Texas to secure the funds of the Authority, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At the fiscal year end, the carrying amount of the Authority's deposits was \$20,828,188 and the bank balance was \$21,128,304. The Authority was not exposed to custodial credit risk as of September 30, 2023.

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

GENERAL FUND	<u>\$ 20,828,188</u>
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LA PORTE REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Investments

Under Texas statute, the Authority is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all Authority funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the Authority's financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth. Authority's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." No person may invest Authority funds without express written authority from the Board of Directors.

Texas statutes include specifications for and limitations applicable to the Authority and its authority to purchase investments as defined in the Public Funds Investment Act. Authorized investments are summarized as follows: (1) obligations of the United States or its agencies and instrumentalities, (2) direct obligations of the State of Texas or its agencies and instrumentalities, (3) certain collateralized mortgage obligations, (4) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, (5) certain A rated or higher obligations of states, agencies, counties, cities, and other political subdivisions of any state, (6) bonds insured, assumed or guaranteed by the State of Israel, (7) insured or collateralized certificates of deposit, (8) certain fully collateralized repurchase agreements secured by delivery, (9) certain bankers' acceptances with limitations, (10) commercial paper rated A-1 or P-1 or higher and a maturity of 270 days or less, (11) no-load money market mutual funds and no-load mutual funds with limitations, (12) certain guaranteed investment contracts (13) certain qualified governmental investment pools and (14) a qualified securities lending program.

At September 30, 2023, the Authority held no investments.

LA PORTE REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 4. DUE TO DEVELOPERS

The Redevelopment Authority is a party to several agreements with Developers who own property in the La Porte Tax Increment Reinvestment Zone No. 1. The Authority is obligated to repay the Developers for public improvements made on the property up to the amount of incremental tax value gained.

The Authority has entered into agreements with the following Developers: Port Crossing Land, LP (Fully Reimbursed); Retreat at Bay Forest, LP (Fully Reimbursed), Beazer Homes Texas LP, Senior Associates, 65 La Porte, Ltd., Jabez-LB1, L.L.C. and Hawthorne at La Porte, LLC.

Beazer Homes Texas LP's reimbursable expenditures for Bayside Crossing totaled \$1,449,517 including interest at August 24, 2016. During the current fiscal year, no interest was calculated in accordance with the agreement limitations. \$129,056 was applied to principal. The amount due Beazer Homes Texas LP as of September 30, 2023, is calculated as follows:

	Principal	Interest	Total Due
Balance Due Developer 9/30/21	\$ 1,170,694	\$ -	\$ 1,170,694
No more interest will accrue		-	-
Fiscal Year 2022 Payment	(114,834)	-	(114,834)
Balance Due Developer 9/30/22	\$ 1,055,860	\$ -	\$ 1,055,860
No more interest will accrue		-	-
Fiscal Year 2023 Payment	(129,056)	-	(129,056)
Balance Due Developer 9/30/23	\$ 926,804	\$ -	\$ 926,804

Beazer Homes Texas LP's reimbursable expenditures for Bayside Crossing - Supplemental totaled \$177,498, including interest at August 23, 2017. During the current fiscal year, no interest was calculated in accordance with the agreement limitations. The amount due Beazer Homes Texas LP as of September 30, 2023, is calculated as follows:

	Principal	Interest	Total Due
Balance Due Developer 9/30/21	\$ 160,656	\$ 37,348	\$ 198,004
No more interest will accrue		-	\$ -
Balance Due Developer 9/30/22	\$ 160,656	\$ 37,348	\$ 198,004
No more interest will accrue		-	\$ -
Balance Due Developer 9/30/23	\$ 160,656	\$ 37,348	\$ 198,004

LA PORTE REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 4. DUE TO DEVELOPERS (Continued)

Senior Associates' reimbursable expenditures and land for Bayside Crossing totaled \$466,032 including interest at August 24, 2016. During the current fiscal year, no interest was calculated in accordance with the agreement limitations, and \$9,781 was paid. The amount due Senior Associates as of September 30, 2023, is calculated as follows:

	Principal	Interest	Total Due
Balance Due Developer 9/30/21	\$ 455,823	\$ 9,827	\$ 465,650
No more interest will accrue	\$ -	\$ -	\$ -
Fiscal Year 2022 Payment	-	(9,781)	(9,781)
Balance Due Developer 9/30/22	\$ 455,823	\$ 46	\$ 455,869
Fiscal Year 2023 Payment	(9,735)	(46)	(9,781)
Balance Due Developer 9/30/23	\$ 446,088	\$ -	\$ 446,088

65 La Porte, Ltd. (Lakes of Fairmont Greens) had reimbursable expenditures approved of \$4,293,060 on April 15, 2020. No interest will accrue because present value was used. Payments during the current fiscal year total \$305,806. The amount due to 65 La Porte, Ltd. as of September 30, 2023, is calculated as follows:

	Principal	Interest	Total Due
Balance Due Developer 9/30/21	\$ 2,761,696	\$ -	\$ 2,761,696
Fiscal Year 2022 Payment	(137,585)		(137,585)
Fiscal Year 2022 Payment ISD	(151,064)		(151,064)
Balance Due Developer 9/30/22	\$ 2,473,047	\$ -	\$ 2,473,047
Fiscal Year 2023 Payment	(149,184)		(149,184)
Fiscal Year 2023 Payment ISD	(156,622)		(156,622)
Balance Due Developer 9/30/23	\$ 2,167,241	\$ -	\$ 2,167,241

Jabez-LB1, L.L.C. had reimbursable expenditures for Artesia Village approved of \$1,778,635, including interest through May 18, 2022. During the current fiscal year, additional interest through September 30 was calculated at \$17,246, a reimbursement of \$17,379 was applied to interest, and \$156,122 was applied to principal. The amount due to Jabez-LB1, L.L.C. as of September 30, 2023, is calculated as follows:

LA PORTE REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 4. DUE TO DEVELOPERS (Continued)

	Principal	Interest	Total Due
Approved Costs 5/18/22	\$ 1,745,335	\$ 33,300	\$ 1,778,635
Fiscal Year 2022 Interest	-	6,449	6,449
Fiscal Year 2022 Payment	-	(20,668)	(20,668)
Fiscal Year 2022 Payment ISD	(7,429)	(17,605)	(25,034)
Balance Due Developer 9/30/22	\$ 1,737,906	\$ 1,476	\$ 1,739,382
Fiscal Year 2023 Interest		\$ 17,246	
Fiscal Year 2023 Payment	(63,346)	(17,379)	(80,725)
Fiscal Year 2023 Payment ISD	(92,776)	\$ -	(92,776)
Balance Due Developer 9/30/23	\$ 1,581,784	\$ 1,343	\$ 1,565,881

Hawthorne at La Porte, LLC had reimbursable expenditures approved of \$1,953,245, including interest through January 19, 2022. During the current fiscal year, additional interest through September 30 was calculated at \$17,578, a reimbursement of \$18,597 was applied to interest, and \$558,383 was applied to principal. The amount due to Hawthorne at La Porte, LLC as of September 30, 2023, is calculated as follows:

	Principal	Interest	Total Due
Approved Costs 1/19/22	\$ 1,917,652	\$ 35,593	\$ 1,953,245
Fiscal Year 2022 Interest	-	13,163	13,163
Fiscal Year 2022 Payment	(25,270)	(46,678)	(71,948)
Fiscal Year 2022 Payment ISD	(87,149)		(87,149)
Balance Due Developer 9/30/22	\$ 1,805,233	\$ 2,078	\$ 1,807,311
Fiscal Year 2023 Interest		\$ 17,578	
Fiscal Year 2023 Payment	(242,330)	(18,597)	(260,927)
Fiscal Year 2023 Payment ISD	(316,053)	\$ -	(316,053)
Balance Due Developer 9/30/23	\$ 1,246,850	\$ 1,059	\$ 1,230,331

In addition, certain Developers have signed a Development Agreement but have not submitted costs for reimbursement of their projects. Estimated costs, based on the agreement, are as follows:

Stonemarc at Bay Creek LLC \$1,456,000
Agreement approved on January 19, 2022

Under the agreements, the amount shown is not a payable debt if the tracts do not generate tax increment sufficient to pay the accrued amount.

LA PORTE REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 5. TAX INCREMENTS

The City has agreed to deposit their tax increments into the Tax Increment Fund established for the Zone.

The amount of a Participant's tax increment for a year is the amount of property taxes levied and collected by the Participant for that year on the Captured Appraised Value of real property taxable by the Participant and located in the Zone. The Captured Appraised Value of real property taxable by a Participant for a year is the total appraised value of all real property taxable by the Participant and located in the Zone for that year less the Tax Increment Base, which is the total appraised value of all real property taxable by the Participant and located in the Zone on January 1 of the year in which the Zone was designated as such under the Tax Increment Financing Act (the "TIF Act"). In the event property is annexed into the Zone by ordinance of the City, the Tax Increment Base for annexed property is the value of all real property taxable by a Participant and located in the annexed area on January 1 of the year of annexation. No Participant is required to deposit tax increments derived from property annexed into the Zone unless the Participant has agreed to do so.

Each participant is required to collect taxes on property located with the Zone in the same manner as other taxes are collected. The Participant is required to pay into the tax increment fund the collected tax increments by the first day of each calendar quarter or pursuant to the terms of the participation set forth in their respective interlocal agreements.

NOTE 6. CITY OF LA PORTE TAX INCREMENTS

The City and the Zone have established the Tax Increment Fund, a separate fund in the City Treasury into which tax increments will be deposited.

During the current fiscal year, tax increments of \$2,358,860 were recorded from the City of La Porte, and \$3,233,086 from the school district based on collected taxes.

NOTE 7. HARRIS COUNTY TAX INCREMENTS

The Commissioners Court of Harris County (the "County") approved an agreement to participate in the Zone. The amount of participation from years 2001 through 2029 will be 75% of the tax increment attributed to the capture appraised value. Harris County's participation and use of fund is limited to projects described in the agreement.

During the current fiscal year, tax increments of \$1,055,899 were collected from the County.

LA PORTE REDEVELOPMENT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2023

LA PORTE REDEVELOPMENT AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General Fund		
	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Tax Increment Revenue	\$ 7,759,547	\$ 6,647,845	\$ (1,111,702)
Interest Income	1,000	744,773	743,773
TOTAL REVENUES	\$ 7,760,547	\$ 7,392,618	\$ (367,929)
EXPENDITURES			
Professional and Other Services	\$ 53,000	\$ 223,338	\$ (170,338)
Capital Improvements	3,736,605	1,195,124	2,541,481
La Porte ISD Payment	1,415,538	0	1,415,538
City Administration	112,242	117,943	(5,701)
Planning Services	15,000	22,772	(7,772)
Other	70	2,426	(2,356)
TOTAL EXPENDITURES	\$ 5,332,455	\$ 1,561,603	\$ 3,770,852
NET CHANGE IN FUND BALANCE	\$ 2,428,092	\$ 5,831,015	\$ 3,402,923
FUND BALANCE - OCTOBER 1, 2022	14,965,548	14,965,548	0
FUND BALANCE - SEPTEMBER 30, 2023	\$ 17,393,640	\$ 20,796,563	\$ 3,402,923

See accompanying independent auditor's report.

LA PORTE REDEVELOPMENT AUTHORITY

OTHER SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2023

**LA PORTE REDEVELOPMENT AUTHORITY
BOARD MEMBERS AND ZONE ADMINISTRATOR
SEPTEMBER 30, 2023**

Authority Mailing Address - La Porte Redevelopment Authority
c/o David Hawes
P. O. Box 22167
Houston, TX 77227

Authority Telephone No. - (713) 595-1200

Position Board Members

- 1 Peggy Antone – Secretary/Treasurer
- 2 Barry Beasley
- 3 Alton Porter
- 4 Kent Rimmel
- 5 Nicole Havard
- 6 Mark Goodwin – Vice Chairman
- 7 Rick Helton
- 8 David Janda – Chairman
- 9 Kristen Lee – Assistant Secretary

Executive Director

David Hawes

See accompanying independent auditor's report.

LA PORTE REDEVELOPMENT AUTHORITY,
CITY OF LA PORTE, TEXAS

AGENDA MEMORANDUM

TO: La Porte Redevelopment Authority Board of Directors

FROM: Executive Director

SUBJECT: Agenda Item Materials

5. Consider creation of CIP Committee and appointment of Committee Members.

LA PORTE REDEVELOPMENT AUTHORITY,
CITY OF LA PORTE, TEXAS

AGENDA MEMORANDUM

TO: La Porte Redevelopment Authority Board of Directors

FROM: Executive Director

SUBJECT: Agenda Item Materials

6. Consider approval or other action regarding authority invoices.

La Porte Redevelopment Authority
Statement of Revenue & Expenditures - Actual vs. Budget
December 2023

	<u>Dec 23</u>	<u>Budget</u>	<u>Oct - Dec 23</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
Income					
4000 - Tax Increments - County	90,631.00	90,631.00	271,893.00	271,893.00	1,087,576.00
4010 - Tax Increments - City	203,739.00	203,739.00	611,217.00	611,217.00	2,444,871.00
4020 - Tax Increments - ISD	405,450.00	405,450.00	1,216,350.00	1,216,350.00	4,865,399.00
4100 - Interest Income	<u>88,424.61</u>	<u>833.00</u>	<u>264,799.34</u>	<u>2,499.00</u>	<u>10,000.00</u>
Total Income	<u>788,244.61</u>	<u>700,653.00</u>	<u>2,364,259.34</u>	<u>2,101,959.00</u>	<u>8,407,846.00</u>
Expenses					
TIRZ M&O Expenses					
6010 - Administration & Project Mgmt	2,000.00	2,000.00	8,000.00	6,000.00	24,000.00
6015 - Legal	3,977.00	1,167.00	4,032.00	3,501.00	14,000.00
6020 - Agreed Upon Procedures Report	0.00	917.00	0.00	2,751.00	11,000.00
6025 - Annual Audit	0.00	958.00	0.00	2,874.00	11,500.00
6040 - Operating Expenses	0.00	250.00	232.74	750.00	3,000.00
6045 - Bank Fees	63.80	183.00	191.60	549.00	2,200.00
6050 - Planning Services	<u>0.00</u>	<u>1,250.00</u>	<u>0.00</u>	<u>3,750.00</u>	<u>15,000.00</u>
Total TIRZ M&O Expenses	<u>6,040.80</u>	<u>6,725.00</u>	<u>12,456.34</u>	<u>20,175.00</u>	<u>80,700.00</u>
Transfers					
6101 - City Administration	10,187.00	10,187.00	30,561.00	30,561.00	122,244.00
6110 - Educational Facilities	<u>127,943.00</u>	<u>127,943.00</u>	<u>383,829.00</u>	<u>383,829.00</u>	<u>1,535,321.00</u>
Total Transfers	<u>138,130.00</u>	<u>138,130.00</u>	<u>414,390.00</u>	<u>414,390.00</u>	<u>1,657,565.00</u>
Capital Improvement Projects					
6131 - M Street Improvement Project	12,000.00	250,000.00	45,317.77	750,000.00	3,000,000.00
TIRZ Developer Reimbursements					
6152 - Beazer Homes Texas LP	0.00	0.00	0.00	132,928.00	132,928.00
6153 - Senior Associates	0.00	0.00	0.00	10,075.00	10,075.00
6154 - Jabez-LB1 LLC	0.00	0.00	0.00	178,706.00	178,706.00
6155 - Hawthorne at La Porte	0.00	0.00	0.00	594,289.00	594,289.00
6161 - 92 Fairmont Lakes, Inc.	<u>0.00</u>	<u>0.00</u>	<u>305,805.87</u>	<u>314,980.00</u>	<u>314,980.00</u>
Total TIRZ Developer Reimbursements	<u>0.00</u>	<u>0.00</u>	<u>305,805.87</u>	<u>1,230,978.00</u>	<u>1,230,978.00</u>
Total Capital Improvement Projects	<u>12,000.00</u>	<u>250,000.00</u>	<u>351,123.64</u>	<u>1,980,978.00</u>	<u>4,230,978.00</u>
Total Expenses	<u>156,170.80</u>	<u>394,855.00</u>	<u>777,969.98</u>	<u>2,415,543.00</u>	<u>5,969,243.00</u>
Net Income	<u><u>632,073.81</u></u>	<u><u>305,798.00</u></u>	<u><u>1,586,289.36</u></u>	<u><u>-313,584.00</u></u>	<u><u>2,438,603.00</u></u>

La Porte Redevelopment Authority
Bank Registers
As of January 25, 2024

Type	Date	Num	Name	Memo	Amount	Balance
1001 - Amegy Bank Operating						20,580,290.53
Check	11/22/2023			November Acct Analysis Fee	-63.80	20,580,226.73
Check	11/24/2023	241	Blank Rome LLP	Legal Services	-55.00	20,580,171.73
Deposit	11/30/2023			November Interest Capitalization	86,777.30	20,666,949.03
Check	12/21/2023			December Acct Analysis Fee	-63.80	20,666,885.23
Deposit	12/31/2023			December Interest Capitalization	88,424.61	20,755,309.84
Bill Pmt -Check	01/25/2024	242	Blank Rome LLP		-3,977.00	20,751,332.84
Bill Pmt -Check	01/25/2024	243	Gauge Engineering		-30,044.23	20,721,288.61
Bill Pmt -Check	01/25/2024	244	Hawes Hill & Associates LLP		-4,102.75	20,717,185.86
Bill Pmt -Check	01/25/2024	245	McCall Gibson Swedlund Barfoot PLLC	2023 Annual Audit-Interim Billing	-9,000.00	20,708,185.86
Total 1001 - Amegy Bank Operating					127,895.33	20,708,185.86
TOTAL					127,895.33	20,708,185.86

BLANKROME

717 TEXAS AVENUE
SUITE 1400
HOUSTON, TEXAS 77002
(713) 228-6601
FEDERAL TAX I.D. NO. 23-1311874

LA PORTE REDEVELOPMENT AUTHORITY

ATTN: DAVID HAWES
HAWES HILL & ASSOCIATES LLP
9600 LONG POINT ROAD
SUITE 200
HOUSTON, TX 77055

INVOICE DATE: DECEMBER 02, 2023
CLIENT ID: 166495
MATTER NUMBER: 166495-00601 02752
INVOICE NUMBER: 2159469

**REGARDING: LA PORTE REDEVELOPMENT AUTHORITY
J. MORALES, INC.**

FOR LEGAL SERVICES RENDERED THROUGH 11/30/23

\$2,475.00

CURRENT INVOICE TOTAL

\$2,475.00

Paid by Check #242

	ACH/WIRE	Mail
Bank Name	Citizens Bank	Blank Rome LLP
Address:	Philadelphia, PA	Attn: Finance Department
Account Title:	Blank Rome LLP	One Logan Square
Account Number:	6238669326	130 North 18 th St
ABA Number:	036076150 (Domestic)	Philadelphia, PA 19103-6998
Swift Code	CTZIUS33 (International)	

To pay by Electronic Funds Transfer, visit www.BlankRome.com/Payments

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717 TEXAS AVENUE
SUITE 1400
HOUSTON, TEXAS 77002
(713) 228-6601
FEDERAL TAX I.D. NO. 23-1311874

LA PORTE REDEVELOPMENT AUTHORITY

ATTN: DAVID HAWES
HAWES HILL & ASSOCIATES LLP
9600 LONG POINT ROAD
SUITE 200
HOUSTON, TX 77055

INVOICE DATE: JANUARY 05, 2024
CLIENT ID: 166495
MATTER NUMBER: 166495-00601 02752
INVOICE NUMBER: 2166247

**REGARDING: LA PORTE REDEVELOPMENT AUTHORITY
J. MORALES, INC.**

DATE	INVOICE	AMOUNT	CREDITS	BALANCE
12/02/2023	2159469	\$2,475.00	\$0.00	\$2,475.00
BALANCE FORWARD				\$2,475.00
FOR LEGAL SERVICES RENDERED THROUGH 12/31/23			\$1,502.00	
CURRENT INVOICE TOTAL				\$1,502.00
TOTAL AMOUNT DUE, INCLUDING BALANCE FORWARD				\$3,977.00

Paid by Check #242

ACH/WIRE		Mail
Bank Name	Citizens Bank	Blank Rome LLP
Address:	Philadelphia, PA	Attn: Finance Department
Account Title:	Blank Rome LLP	One Logan Square
Account Number:	6238669326	130 North 18 th St
ABA Number:	036076150 (Domestic)	Philadelphia, PA 19103-6998
Swift Code	CTZIUS33 (International)	

To pay by Electronic Funds Transfer, visit www.BlankRome.com/Payments

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

La Porte TIRZ
 9600 Long Point Road
 Suite 200
 Houston, TX 77055
 David Hawes

Invoice number 2772
 Date 11/20/2023
 Project 1192 M STREET IMPROVEMENTS -
 DESIGN

Professional Services Provided Through October 31, 2023

Description	Contract Amount	Percent Complete	Prior Billed	Total Billed	Remaining	Current Billed
Drainage Study	39,034.38	100.00	39,034.38	39,034.38	0.00	0.00
Base Design Phase	116,054.00	100.00	116,054.00	116,054.00	0.00	0.00
Bid Phase	6,420.00	100.00	2,856.90	6,420.00	0.00	3,563.10
Topo Survey - Kuo	23,820.50	100.00	21,296.00	23,820.50	0.00	2,524.50
ESA-Cypress Env	4,290.00	100.00	4,290.00	4,290.00	0.00	0.00
Geotechnical-Terracon	9,900.00	100.00	9,900.00	9,900.00	0.00	0.00
Structural-Aurora	11,000.00	100.00	0.00	11,000.00	0.00	11,000.00
Value Engineering	5,345.00	100.00	5,345.00	5,345.00	0.00	0.00
Expenses	1,796.62	100.00	839.99	1,796.62	0.00	956.63
Total	217,660.50	100.00	199,616.27	217,660.50	0.00	18,044.23

Invoice total **18,044.23**

Aging Summary

Invoice Number	Invoice Date	Outstanding	Current	Over 30	Over 60	Over 90	Over 120
2772	11/20/2023	18,044.23	18,044.23				
	Total	18,044.23	18,044.23	0.00	0.00	0.00	0.00

Please note new mailing address
Please make checks payable to:
 Gauge Engineering, LLC
 11750 Katy Freeway, Suite 400
 Houston, TX 77079

Paid by Check #243

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

La Porte TIRZ
 9600 Long Point Road
 Suite 200
 Houston, TX 77055

Invoice number 2843
 Date 12/15/2023
 Project 1299 M STREET - CPS, CMT, CM&I

Professional Services Provided Through November 30, 2023

Description	Contract Amount	Percent Complete	Prior Billed	Total Billed	Remaining	Current Billed
Construction Phase Services						
Construction Phase Services (9 months)	49,140.00	0.00	0.00	0.00	49,140.00	0.00
Printing and Reproduction/Mileage/Deliveries	1,835.50	0.00	0.00	0.00	1,835.50	0.00
TDLR Review/Inspections	1,500.00	0.00	0.00	0.00	1,500.00	0.00
Extra Engineering Effort	12,000.00	100.00	0.00	12,000.00	0.00	12,000.00
Subtotal	64,475.50	18.61	0.00	12,000.00	52,475.50	12,000.00
Construction Materials Testing						
Construction Materials Testing & Inspection - Terracon	109,664.50	0.00	0.00	0.00	109,664.50	0.00
Construction Management & Inspection						
Construction Management	35,360.00	0.00	0.00	0.00	35,360.00	0.00
Construction Inspection	181,125.00	0.00	0.00	0.00	181,125.00	0.00
Expenses	8,100.00	0.00	0.00	0.00	8,100.00	0.00
Subtotal	224,585.00	0.00	0.00	0.00	224,585.00	0.00
Total	398,725.00	3.01	0.00	12,000.00	386,725.00	12,000.00

Invoice total **12,000.00**

Aging Summary

Invoice Number	Invoice Date	Outstanding	Current	Over 30	Over 60	Over 90	Over 120
2843	12/15/2023	12,000.00	12,000.00				
	Total	12,000.00	12,000.00	0.00	0.00	0.00	0.00

Please note new mailing address
 Please make checks payable to:
 Gauge Engineering, LLC
 11750 Katy Freeway, Suite 400
 Houston, TX 77079

Paid by Check #243

HAWES HILL & ASSOCIATES
LLP



PO BOX 22167

Houston, TX 77227-2167

INVOICE

BILL TO

La Porte Redevelopment Authority/TIRZ #1
604 W. Fairmont Pkwy.
LaPorte, TX 77571
United States

INVOICE

1821

DATE

12/01/2023

DESCRIPTION

AMOUNT

Professional Consulting and Administration Fee: November 2023

2,000.00

In-House Postage, Photocopies, Binding, Etc.: November 2023

102.75

BALANCE DUE

\$2,102.75

Paid by Check #244

LA PORTE RDA/TIRZ #1

In-house Postage, Photocopies, Binding, etc.

Postage

Date	Amount
------	--------

Total	\$ -
-------	------

Photocopies @ \$0.15

Date	Pages	Amount
11/1/2023	585	\$ 87.75

Total	\$ 87.75
-------	----------

Color Photocopies @ \$0.50

	\$ -
	\$ -
Total	\$ -

Binding sets @ \$1.00

Date	Sets	Amount
11/1/2023	15	\$ 15.00
Total		\$ 15.00

Total, all Items	
Postage	\$ -
Photocopies	\$ 87.75
Color Photocopies	\$ -
Binding sets	\$ 15.00
	\$ 102.75

Paid by Check #244



PO BOX 22167

Houston, TX 77227-2167

INVOICE

BILL TO
La Porte Redevelopment Authority/TIRZ #1
604 W. Fairmont Pkwy.
LaPorte, TX 77571
United States

INVOICE 1854
DATE 01/01/2024

DESCRIPTION	AMOUNT
Professional Consulting and Administration Fee: December 2023	2,000.00
<hr/>	
BALANCE DUE	\$2,000.00

Paid by Check #244

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

13100 Wortham Center Drive
Suite 235
Houston, Texas 77065-5610
(713) 462-0341
Fax (713) 462-2708

PO Box 29584
Austin, TX 78755-5126
(512) 610-2209
www.mgsbpllc.com
E-Mail: mgsb@mgsbpllc.com

January 15, 2024

La Porte Redevelopment Authority

c/o Ms. Susan Hill
Hawes Hill & Associates, LLP
9600 Long Point Road, Suite 200
Houston TX 77055

Client Number – 537-00

Audit of the La Porte Redevelopment Authority as of and for
the year ended September 30, 2023.

Interim Billing:

\$ 9,000.00

Paid by Check #245

Member of
American Institute of Certified Public Accountants
Texas Society of Certified Public Accountants

LA PORTE REDEVELOPMENT AUTHORITY,
CITY OF LA PORTE, TEXAS

AGENDA MEMORANDUM

TO: La Porte Redevelopment Authority Board of Directors

FROM: Executive Director

SUBJECT: Agenda Item Materials

7. Receive updates from the city, developers, and staff about development within the Zone.

LA PORTE REDEVELOPMENT AUTHORITY,
CITY OF LA PORTE, TEXAS

AGENDA MEMORANDUM

TO: La Porte Redevelopment Authority Board of Directors

FROM: Executive Director

SUBJECT: Agenda Item Materials

8. Board member comments.
 - a. Matters appearing on Agenda; and
 - b. Inquiry of staff regarding specific factual information or existing policy

LA PORTE REDEVELOPMENT AUTHORITY,
CITY OF LA PORTE, TEXAS

AGENDA MEMORANDUM

TO: La Porte Redevelopment Authority Board of Directors

FROM: Executive Director

SUBJECT: Agenda Item Materials

9. Convene in Executive Session pursuant to Section 551.071, Texas Government Code, to conduct a private consultation with attorney regarding pending or contemplated litigation.
10. Reconvene in Open Session and authorize appropriate actions regarding private consultation with attorney.