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Agendas and Agenda Materials
Meetings of the Boards of Directors

La Porte Redevelopment Authority



La Porte Tax Increment
Reinvestment Zone

February 24, 2010

LA PORTE REDEVELOPMENT AUTHORITY **RECEIVED**

STATE OF TEXAS)(
COUNTY OF HARRIS)(
CITY OF LA PORTE)(

FEB 23 2010
CITY MANAGERS
OFFICE

NOTICE IS HEREBY GIVEN OF THE MEETING OF THE LA PORTE REDEVELOPMENT AUTHORITY TO BE HELD ON FEBRUARY 24, 2010, AT 6:30 P.M. IN CITY COUNCIL CHAMBERS, CITY HALL, 604 WEST FAIRMONT PARKWAY, LA PORTE, TEXAS, REGARDING THE ITEMS OF BUSINESS ACCORDING TO THE AGENDA LISTED BELOW:

- 1. Call to order - Lindsey Pfeiffer, President;
2. Consider approval of the minutes of Board of Directors Meeting held on November 18, 2009;
3. Approve Fiscal Year 2009 La Porte Redevelopment Authority Audit;
4. Receive and Discuss Sylvan Beach Development Agreement, by and between the REINVESTMENT ZONE NUMBER ONE, CITY OF LA PORTE; the LA PORTE REDEVELOPMENT AUTHORITY; the CITY OF LA PORT; the LA PORTE ECONOMIC DEVELOPMENT CORPORATION; and HARRIS COUNTY;
5. Receive report and ratify payments with regard to Wharton Weems/State Highway 146 interchange project; & Activity Fiscal amt/ payment to Port Crossing
6. Receive Staff report and updates with regard to Port Crossing, Lakes on Fairmont Green, Retreat at Bay Forrest Development Project, and Preserve at Taylor Bayou;
7. Consider approval or other action with regard to authority invoices;
8. Board member comments;
a. Matters appearing on Agenda;
b. Inquiry of staff regarding specific factual information or existing policy
9. Adjournment.

THIS FACILITY HAS DISABILITY ACCOMMODATIONS AVAILABLE. REQUESTS FOR ACCOMMODATIONS OR INTERPRETIVE SERVICES AT MEETINGS SHOULD BE MADE 48 HOURS PRIOR TO THIS MEETING. PLEASE CONTACT THE CITY SECRETARY'S OFFICE AT 281-471-5020 OR TDD LINE 281-471-5030 FOR FURTHER INFORMATION.

A POSSIBLE QUORUM OF CITY COUNCIL MEMBERS MAY BE PRESENT AT THIS MEETING AND PARTICIPATE IN DISCUSSIONS BUT WILL NOT TAKE ANY ACTION.

David W. Hawes
Executive Director

[Handwritten Signature: David W. Hawes]
Date Posted

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

2. Consider approval of the minutes of Board of Directors meeting held on November 18, 2009.

**La Porte Redevelopment Authority,
City of La Porte, Texas
Minutes of the Board Meeting
Held November 18th, 2009**

1. Call to order – Lindsay Pfeiffer, President

The Board of Directors of the La Porte Redevelopment Authority, City of La Porte, Texas, held a meeting, open to the public, on the 18th day of November, 2009; the meeting was called to order at 6:32 p.m. in the City Council Chambers of the City council conference Room, 604 West Fairmont Parkway, La Porte, Texas; and the roll was called of the duly appointed members of the Board, to wit:

| | |
|------------------|-----------------------|
| Peggy Antone ✓ | Position 1 |
| Dave Turnquist ✓ | Position 2 |
| Alton Porter ✓ | Position 3 |
| Horace Leopard ✓ | Position 4 |
| Doug Martin ✓ | Position 5 |
| JJ Meza ✓ | Position 6 |
| Lloyd Graham ✗ | Position 7 |
| Chester Pool ✓ | Position 8 |
| Lin Pfeiffer ✗ | Position 9 - Chairman |

and all of the above were present except Director Porter, and Director Meza, thus constituting a quorum. Also present at the meeting were Russell Plank & Tim Geisler (Port Crossing); Stacey Osborne, and David Hawes.

2. Consider approval of the minutes of Board of Directors Meeting held on August 26, 2009.

Upon motion made by Director Pool, seconded by Director Antone, the board voted unanimously to approve minutes as presented.

3. Consider Reimbursement to Port Crossing Land, LP, a Texas limited partnership based upon accepted Agreed-Upon Procedures Report with regard to project costs.

Mr. Hawes gave a brief overview of the calculations used to for the disbursement of Harris county funds. Upon motion made by Director Leopard, seconded by Director Graham, the board voted unanimously to approve the disbursement of Harris County Tax Increment Revenue to Port Crossing.

4. Consider approval of invoices.

Mr. Hawes presented the invoices. Upon a motion made by Director Pool, and being seconded by Director Leopard, the board unanimously approved payment of the invoices.

5. Board comments---None were offered.

6. Adjournment. The Chairman adjourned the meeting at 6:47.PM

SIGNED: _____ ATTEST: _____

TITLE: _____ TITLE: _____

DATE: _____ DATE: _____

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 Fiscal Year 2009 La Porte Redevelopment Authority audit.

**LA PORTE
REDEVELOPMENT AUTHORITY**

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2009

LA PORTE REDEVELOPMENT AUTHORITY

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SEPTEMBER 30, 2009

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PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of La Porte Redevelopment Authority

We have audited the accompanying financial statements of the governmental activities and each major fund of La Porte Redevelopment Authority (the "Authority") as of and for the year ended September 30, 2009, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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 funds of the Authority as of September 30, 2009, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 2 through 4 and pages 11 and 12 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Pattillo, Brown & Hill, LLP

January 26, 2010

Clear Opinion

Management's Discussion and Analysis

As management of the La Porte Redevelopment Authority (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended September 30, 2009. We encourage readers to consider the information presented here in conjunction with the basic financial statements which follow this section.

Overview of the Authority:

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 set up as a local government corporation pursuant to provisions of Chapter 394 of the Texas Local Government Code. The Authority is organized as a public nonprofit 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 Tax Increment Reinvestment Zone (the "TIRZ") and neighboring areas and to promote, develop, encourage and maintain housing, educational facilities, employment, commerce and economic development in the City. The Authority may issue bonds with consent of City Council. The Authority is managed by a Board of Directors consisting of 9 members who are appointed by the Mayor with the approval of City Council.

Financial Highlights:

- The liabilities of the Authority exceeded its assets as of September 30, 2009, by (\$516,726) (i.e. Net assets deficit).
- The Authority's total net assets decreased by \$222,879 during the year.
- Cash and investments equaled \$406,560.
- Annual expenses consist of construction of infrastructure and administrative costs.

Overview of the Financial Statements:

This discussion and analysis are intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements comprise three components: (1) Management's Discussion and Analysis (this section); (2) government-wide financial statements, which include the fund financial statements, and (3) notes to the financial statements.

The financial statements include the Statement of Net Assets and Governmental Fund Balance Sheet and Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance that present information for the Authority as a whole and provide an indication of the Authority's financial health.

The Statement of Net Assets presents information showing how the Authority's net assets changed during the fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes).

The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The Authority's funds are Governmental funds. Governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The financial statements can be found on pages 5 through 6 of this report.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 7 through 10 of this report.

Financial Analysis:

As noted earlier, net assets may serve over time as a useful indicator of the Authority's financial position. As of September 30, 2009, the Authority's liabilities exceeded assets by \$516,726.

La Porte Redevelopment Authority's Net Assets

| | <u>2009</u> | <u>2008</u> |
|----------------------------|---------------------|---------------------|
| Assets | \$ 406,560 | \$ 321,179 |
| Other liabilities | 308,260 | - |
| Long-term liabilities | <u>615,026</u> | <u>615,026</u> |
| Total liabilities | <u>923,286</u> | <u>615,026</u> |
| Net assets (deficit): | | |
| Unrestricted | (516,726) | (293,847) |
| Total net assets (deficit) | <u>\$(516,726)</u> | <u>\$(293,847)</u> |

Overall, the Authority had a decrease in net assets of \$222,879. This decrease is primarily related to the Authority construction of infrastructure.

La Porte Redevelopment Authority's Change in Net Assets

| | 2009 | 2008 |
|-----------------------------------|--------------|--------------|
| Revenues: | | |
| Program revenues: | | |
| Charges for services - developers | \$ 312,437 | \$ - |
| Total program revenues | 312,437 | - |
| General revenues: | | |
| Property taxes | 946,025 | 260,201 |
| Intergovernmental | - | 100,000 |
| Interest | 5,212 | 14,632 |
| Total general revenues | 951,237 | 374,833 |
| Expenses: | | |
| General government | 1,319,499 | 668,680 |
| Interest and fiscal charges | 167,054 | - |
| Total expenses | 1,486,553 | 668,680 |
| CHANGE IN NET ASSETS | (222,879) | (293,847) |
| NET ASSETS, BEGINNING | (293,847) | - |
| NET ASSETS, ENDING | \$(516,726) | \$(293,847) |

Annual expenses consist of constructing capital assets on behalf of the City and administrative cost.

Budgetary Highlights

During the year, the Authority did not amend its budget. Expenditures were greater than appropriations primarily due to construction expenditures on behalf of the City being greater than anticipated in the current year.

Long-term Debt

The Authority owes \$615,026 to the City of La Porte. More detailed information about the Authority's long-term debt is presented in the notes to the financial statements.

Discussion of Currently Known Facts, Decision or Condition in Fiscal Year 2009:

As of January 1, 1999, the property tax base was \$7,385,080. As of January 1, 2009, the property tax value is \$2,137,427,887. The tax rate is \$.71 on each \$100 of taxable value.

Requests for Information:

This financial report is designed to provide our citizens with a general overview of the Authority's finances. If you have any questions about this report or need any additional information, please contact David Hawes, P. O. Box 22167, Houston, Texas 77227.

LA PORTE REDEVELOPMENT AUTHORITY

**STATEMENT OF NET ASSETS
AND GOVERNMENTAL FUND BALANCE SHEET**

SEPTEMBER 30, 2009

| | <u>General</u> | <u>Adjustments</u> | <u>Statement of Net Assets</u> |
|--|-----------------------|-------------------------|------------------------------------|
| ASSETS | | | |
| Cash and investments | \$ 406,560 | \$ - | \$ 406,560 |
| Total assets | <u>406,560</u> | <u>-</u> | <u>406,560</u> |
| LIABILITIES | | | |
| Accounts payable | 53,643 | - | 53,643 |
| Due to developers | 87,563 | - | 87,563 |
| Accrued interest payable-due to the City of La Porte | - | (167,054) | 167,054 |
| Due to City of La Porte | - | 615,026 | 615,026 |
| Total liabilities | <u>141,206</u> | <u>782,080</u> | <u>923,286</u> |
| FUND BALANCE/NET ASSETS (DEFICIT) | | | |
| Fund balance: | | | |
| Unreserved, undesignated | 265,354 | (265,354) | |
| Total fund balance | <u>265,354</u> | <u>(265,354)</u> | |
| Total liabilities and fund balance | <u>\$ 406,560</u> | | |
| Net assets (deficit): | | | |
| Unrestricted | | (516,726) | (516,726) |
| Total net assets (deficit) | | <u>\$(516,726)</u> | <u>\$(516,726)</u> |

312,437
87,563

400,000

The accompanying notes are an integral part of these financial statements.

LA PORTE REDEVELOPMENT AUTHORITY

**STATEMENT OF ACTIVITIES
AND GOVERNMENTAL FUND REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**

FOR THE YEAR ENDED SEPTEMBER 30, 2009

| | General | Adjustments | Statement of Activities |
|--|-------------------|----------------------|----------------------------|
| Expenditures/expenses: | | | |
| Current: | | | |
| General government | \$ 1,319,499 | \$ - | \$ 1,319,499 |
| Debt service: | | | |
| Interest and fiscal charges | <u>-</u> | <u>167,054</u> | <u>167,054</u> |
| Total expenditures/expenses | 1,319,499 | 167,054 | 1,486,553 |
| Program revenues: | | | |
| Charges for services-developers | <u>312,437</u> | <u>-</u> | <u>312,437</u> |
| Total program revenues | 312,437 | - | 312,437 |
| Net program revenues | (1,007,062) | (167,054) | (1,174,116) |
| General revenues: | | | |
| Property taxes | 946,025 | - | 946,025 |
| Interest | <u>5,212</u> | <u>-</u> | <u>5,212</u> |
| Total general revenues | <u>951,237</u> | <u>-</u> | <u>951,237</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(55,825)</u> | <u>55,825</u> | |
| Change in net assets (deficit) | | (222,879) | (222,879) |
| Fund balance/net assets (deficit): | | | |
| Beginning | <u>321,179</u> | <u>(615,026)</u> | <u>(293,847)</u> |
| Ending | <u>\$ 265,354</u> | <u>\$ (782,080)</u> | <u>\$ (516,726)</u> |

The accompanying notes are an integral part of these financial statements.

LA PORTE REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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 set up as a local government corporation pursuant to provisions of Chapter 394 of the Texas Local Government Code. The Authority is organized as a public nonprofit 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 Tax Increment Reinvestment Zone (the "TIRZ") and neighboring areas and to promote, develop, encourage and maintain housing, educational facilities, employment, commerce and economic development in the City. The Authority may issue bonds with consent of City Council. The Authority is managed by a Board of Directors consisting of 9 members who are appointed by the Mayor with the approval of City Council.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the government. *Governmental activities* are supported by property taxes and investment revenue.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenue* includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Property taxes and other items not properly included among program revenue are reported instead as *general revenue*.

The government-wide and fund financial statements are provided for the governmental fund of the Authority with a column for adjustments between the two statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied.

(continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be *available* when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, are recorded only when payment is due.

The Authority reports the following major governmental fund:

The ***General Fund*** is the Authority's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Assets, Liabilities and Net Assets or Equity

Receivables and Payables

Property taxes are levied on October 1 and attach as an enforceable lien on property as of January 1. Statements are mailed on October 1, or as soon thereafter as possible, and are due upon receipt. All unpaid taxes become delinquent if not paid before February 1 of the following year.

Governmental funds report *deferred revenue* in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. As of September 30, 2009, the Authority does not have property taxes receivable or deferred revenue.

Long-term Obligations

In the government-wide financial statements, long-term liabilities are reported as liabilities in the governmental activities statement of net assets. In the fund financial statements, governmental fund types recognize the long-term obligation as other financing sources, during the current period.

(continued)

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Assets, Liabilities and Net Assets or Equity (Continued)

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. As of September 30, 2009, the Authority does not have reservations or designations of fund balance.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Authority or through external restrictions imposed by creditors or laws or regulations of other governments.

Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

2. **STEWARDSHIP AND ACCOUNTABILITY**

Budgetary Information

Expenditures exceeded appropriations by \$1,199,213. This overrun was covered with existing fund balance and unexpected revenues.

Deficit Net Assets

A net asset deficit of \$516,726 exists as of September 30, 2009. This deficit is the result of the Authority borrowing money from the City of La Porte to finance capital improvements. As of September 30, 2009, the amount outstanding that was used to finance construction of assets was \$615,026.

3. DETAILED NOTES ON ALL FUNDS

Deposits

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U. S. Government obligations or its agencies and instrumentalities, or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. As of September 30, 2009, \$156,560 of the Authority's \$406,560 deposit balance was collateralized with securities held by the pledging financial institution. The remaining balance, \$250,000, was covered by FDIC insurance.

Long-term Obligations – Due to the City of La Porte

The City of La Porte financed capital improvements on behalf of the Authority. A payment schedule has not been determined between the City and the Authority. Long-term liability activity for the year ended September 30, 2009, was as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> |
|---------------------------------|------------------------------|------------------|-------------------|---------------------------|
| <u>Governmental activities:</u> | | | | |
| Due to the City of La Porte | \$ 615,026 | \$ - | \$ - | \$ 615,026 |
| | <u>\$ 615,026</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 615,026</u> |

4. COMMITMENTS AND CONTINGENCIES

The Redevelopment Authority is a party to several agreements with developers who own property in the La Porte Tax Increment Reinvestment Zone #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. A liability is not able to be determined because the amount of incremental tax value that will be gained is not estimable.

The Authority has entered into agreements with the following developers: Port Crossing Land, LP; 65 La Porte, LP; and Retreat at Bay Forest, LP. Port Crossing has completed the public improvements detailed in the agreement with the Authority. The accounting firm of McCall, Gibson, Swedlund, Barfoot, PLLC, was hired by the Authority to review the developer's expenses and determine the amount of reimbursable expenditures, which totaled \$12,096,488. To date, one payment in the amount of \$826,187 has been made to Port Crossing for incremental tax value gained.

65 La Porte, LP, has also completed the improvements detailed in its agreement with the Authority; however, the developer has not applied for reimbursement because there has been no incremental tax value gained.

\$ 2 million

**REQUIRED
SUPPLEMENTARY INFORMATION**

LA PORTE TAX INCREMENT REINVESTMENT ZONE

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property taxes | \$ 309,774 | \$ 309,774 | \$ 946,025 | \$ 636,251 |
| Charges for services | - | - | 312,437 | 312,437 |
| Interest | <u>10,000</u> | <u>10,000</u> | <u>5,212</u> | <u>(4,788)</u> |
| Total revenues | <u>319,774</u> | <u>319,774</u> | <u>1,263,674</u> | <u>943,900</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | <u>120,286</u> | <u>120,286</u> | <u>1,319,499</u> | <u>\$(1,199,213)</u> |
| Total expenditures | <u>120,286</u> | <u>120,286</u> | <u>1,319,499</u> | <u>(1,199,213)</u> |
| Change in fund balance | 199,488 | 199,488 | (55,825) | 2,143,113 |
| Fund balance - beginning | <u>321,179</u> | <u>321,179</u> | <u>321,179</u> | <u>-</u> |
| Fund balance - ending | <u>\$ 520,667</u> | <u>\$ 520,667</u> | <u>\$ 265,354</u> | <u>\$ 2,143,113</u> |

LA PORTE REDEVELOPMENT AUTHORITY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2009

BUDGETARY INFORMATION

An annual budget is adopted on a basis consistent with generally accepted accounting principles. The legal level of control is a fund.

Expenditures exceeded appropriations by \$1,199,213. This overrun was covered with existing fund balance and unexpected revenues.

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. Receive and discuss Sylvan Beach Development Agreement, by and between the REINVESTMENT ZONE NUMBER ONE, CITY OF LA PORTE; the LA PORTE REDEVELOPMENT AUTHORITY; the CITY OF LA PORTE; the LA PORTE ECONOMIC DEVELOPMENT CORPORATION; and HARRIS COUNTY.

AK
2/18/10

DEVELOPMENT AGREEMENT
Draft # 2 February 16, 2010

This Development Agreement (this "Agreement") is made as of _____, 20062010, by and between the **REINVESTMENT ZONE NUMBER ONE, CITY OF LA PORTE, TEXAS** (the "Zone"), a tax increment reinvestment zone created by the City pursuant to Chapter 311 of the Texas Tax Code, as amended, acting by and through its governing board of directors (the "Zone Board"), **LA PORTE REDEVELOPMENT AUTHORITY**, a nonprofit local government corporation formed by and on behalf of the City of La Porte, Texas (the "Authority"), and **CITY OF LA PORTE, TEXAS** a home-rule city (the "City"), the **LA PORTE ECONOMIC DEVELOPMENT CORPORATION**, a non-profit corporation organized under the laws of the State of Texas (the "Development Corporation") and **HARRIS COUNTY**, a body corporate and politic under the laws of the State of Texas, (the "County").

RECITALS

WHEREAS, pursuant to Chapter 311 of the Texas Tax Code, as amended, the City Council of the City (the "City Council") created the Zone in the City; and

WHEREAS, the Zone Board adopted a pProject and fFinancing Plan (as defined below in Section 1.1), as amended, that provides that the Zone will undertake to make certain acquisitions and improvements in the Zone, and was approved by the City Council; and

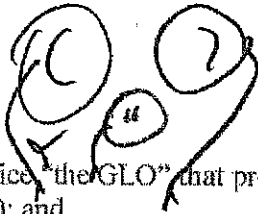
WHEREAS, the Texas Tax Code provides that the Zone may enter into agreements as the Zone Board considers necessary or convenient to implement the ~~Project and Financing Plan~~ and achieve its purposes; and

WHEREAS, the City and the Zone have contracted with the Authority as a nonprofit Texas local government corporation pursuant to the provisions of Chapter 431, Subchapter D, Texas Transportation Code, as amended, ~~TEX. TRANS. CODE~~, to carry out the purposes of the Zone, including administration, supervision, construction, financing and other duties, and have committed the revenues of the Zone to the Authority for such purposes, all as more particularly set forth in the Agreement Between the City, the Zone and the Authority, dated July 9, 2001 (the "Tri-Party Agreement"); and

WHEREAS, the City, the Development Corporation and the County wishes to make certain improvements ~~to its sanitary sewer system~~ within the Zone, to further development within the Zone and to carry out the purposes of the Zone as described in the ~~Project and Financing Plan~~, and provide for the reimbursement of the ~~City Development Corporation~~ and the County for such improvements in accordance with such Plans; ~~now, therefore, and~~

Whereas, the City has entered into ~~that certain~~ Special Document No. SD 20080002 with the State of Texas (the "State") and that certain Project Cooperation Agreement/CEPRA Project No.

an agreement pursuant to
to
the "Cooperation Agreement"



1404 with the General Land Office, "the GLO" that provides terms and conditions for the Project (as defined below in Section 1.1); and

Whereas, the Development Corporation has agreed to provide certain funding to the City for the Project; and

Whereas, Harris County has agreed to provide certain funding for the Project; now, therefore,

AGREEMENT

For and in consideration of the mutual promises, covenants, obligations, and benefits of this Agreement, the Zone, the Authority, and the City, the Development Corporation and the County contract and agree as follows:

Can we
alphabetize
all these
terms?
?

**ARTICLE 1
GENERAL TERMS**

1.1 Definitions: The terms "*Agreement*," "*Authority*," "*City*," "*Development Corporation*," "*County*," "*Cooperation Agreement*," "*GLO*," "*City Council*," "*State*" "*Zone*," "*Zone Board*," and "*Tri-Party Agreement*" have the meanings set forth in the preamble hereof, and the following capitalized terms shall have the meanings provided below, unless otherwise defined or the context clearly requires otherwise. For purposes of this Agreement the words "shall" and "will" are mandatory, and the word "may" is permissive.

Act shall mean the Tax Increment Financing Act, Chapter 311, Texas Tax Code, as amended.

Authority Bonds shall mean any bond, note or other obligation issued or incurred in one or more series pursuant to Article V, secured by Tax Increment or funds deposited in the Revenue Fund, including refunding bonds.

City Advances shall mean any funds advanced by the Development Corporation or the County to City pursuant to Section 5.1, and shall include any interest payable thereon.

~~*City Improvements* shall mean the improvements Project described in Article 3 hereof and the definition of Project.~~

~~*County* shall mean Harris County, Texas.~~

Interlocal Agreement shall mean an agreement between the City and the County regarding the County's participation in funding the Project. Said agreement approved by City ordinance 2008-3070 dated March 24, 2008, and approved by County April 8, 2008.

~~La Porte Development Corporation shall mean~~

LPISD shall mean the La Porte Independent School District.

Net Tax Increment shall mean the annual collections of the Tax Increment, less (i) any amounts required to be disbursed to LPISD for the payment of project costs related to educational facilities incurred directly by LPISD, and (ii) amounts reasonably required or anticipated to be required for the administration and operation of the Zone, including a reasonable operating reserve.

Parties or Party shall mean the Zone, the Authority ~~and the City~~, the Development Corporation and the County as parties to this Agreement.

Plan shall mean the final project plan and reinvestment zone financing plan for the Zone, as amended, as approved by City Council.

Project shall mean the Sylvan Beach Shoreline Protection and Beach Nourishment Project described in the Project Agreements. *Project Agreements* shall mean Special Document No. SD 2008-0002, between the State and the City; the Project Cooperation Agreement, CEPRA Project No.1404, between the GLO and City, and the plans prepared by URS Corporation and titled Sylvan Beach Shoreline Protection and Beach Renourishment.

Revenue Fund shall mean the special fund established by the Authority and funded with Tax Increment payments made by the City pursuant to the Tri-Party Agreement (which payments are attributable to incremental ad valorem property taxes paid on the Project and other properties in the Zone).

Tax Increment shall mean funds deposited in the Revenue Fund by the City pursuant to the Tri-Party Agreement, comprised of funds received pursuant to those certain Interlocal Agreements or similar agreements between the City, the County and the Zone; the City, and the Zone and; between the City, LPISD and the Zone.

Taxing Unit shall mean individually and collectively the City, the County, and LPISD.

1.2 Singular and plural; gender. Words used herein in the singular, where the context so permits, also include the plural and vice versa. The definitions of words in the singular herein also apply to such words when used in the plural where the context so permits and vice versa. Likewise, any masculine references shall include the feminine, and vice versa.

ARTICLE 2 REPRESENTATIONS

2.1 ~~Representations of the Authority.~~ The Authority Each Party to this Agreement hereby represents on behalf of itself that:

(A) It is duly authorized, created and existing in good standing under the laws of the State and is duly qualified and authorized to carry on the governmental functions and operations as contemplated by this Agreement.

(B) It has the power, authority and legal right to enter into and perform this Agreement and the execution, delivery and performance hereof (i) has ~~have~~ been duly authorized, (ii) will not, to the best of its knowledge, violate any applicable judgment, order, law or regulation, and (iii) does not constitute a default under, or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of such Party ~~the Authority~~ under any agreement or instrument to which such Party ~~the Authority~~ is a party or by which such Party ~~the Authority~~ or its assets may be bound or affected.

(C) This Agreement has been duly authorized, executed and delivered by the Authority such Party and, constitutes a legal, valid and binding obligation of the ~~Authority~~, enforceable in accordance with its terms.

(D) The execution, delivery and performance of this Agreement by such Party ~~the Authority~~ does not require the consent or approval of any person which has not been obtained.

~~2.22 Representation of the Zone.~~ The Zone hereby represents that:

(A) ~~The Zone is duly authorized, created and existing under the laws of the State and is duly qualified and authorized to carry on the governmental functions and operations as contemplated by this Agreement.~~

(B) ~~The Zone has the power, authority and legal right to enter into and perform this Agreement and the execution, delivery and performance hereof (i) have been duly authorized, (ii) will not, to the best of its knowledge, violate any applicable judgment, order, law or regulation, and (iii) does not constitute a default under, or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the Zone under any agreement or instrument to which the Zone is a party or by which the Zone or its assets may be bound or affected.~~

(C) ~~This Agreement has been duly authorized, executed and delivered by the Zone and, constitutes a legal, valid and binding obligation of the Zone, enforceable in accordance with its terms.~~

(D) ~~The execution, delivery and performance of this Agreement by the Zone does not require the consent or approval of any person which has not been obtained.~~

~~2.2.2.3 Representations of the City, the Development Corporation and the County.~~ The City, the Development Corporation, and the County hereby represents that:

~~(A) — It is They are duly authorized, created and existing in good standing under the laws of the State and is duly qualified and authorized to carry on the governmental functions and operations as contemplated by this Agreement.~~

~~(B) — It has They have the power, authority and legal right to enter into and perform this Agreement and the execution, delivery and performance hereof (i) have been duly authorized, (ii) will not, to the best of its knowledge, violate any applicable judgment, order, law or regulation, and (iii) does not constitute a default under, or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the City or the Development Corporation or the County under any agreement or instrument to which the City or the Development Corporation or the County is a party or by which the City or the Development Corporation or the County or their its assets may be bound or affected.~~

~~(C) — This Agreement has been duly authorized, executed and delivered by the City, or Development Corporation and County and, constitutes a legal, valid and binding obligation of the City, the Development Corporation, and the County enforceable in accordance with its terms.~~

~~(D) — The execution, delivery and performance of this Agreement by the City, the Development Corporation and the County does not require the consent or approval of any person which has not been obtained.~~

ARTICLE 3 THE PROJECT

3.1 The City Improvements Project. ~~The City Improvements are~~ Project is intended to enhance the proposed implementation of a development within the Zone as a whole, as more fully described in the Plan.

3.2 City Improvements Project dDescription. The City Improvements Project consists of improvements to the Shoreline of Sylvan Beach Park as more fully described in the Project Agreements ~~City's Sanitary Sewer System referred to as the Southeast Sanitary Sewer Trunk Main and Lift Station Facilities anticipated by the Preliminary Design Report, T.C. & B. Job No. 13-14501-001/Dated October 1997 together with any modifications, alternates or phased construction approved, in writing, by parties to the Project Agreements. the City acting as construction manager for the Zone Board and the Authority.~~ The City Improvements Project shall include all engineering, legal and other consultant fees and expenses related to such City Improvements. ~~allowed by the Project Cooperation Agreement.~~

3.3 Additional Projects. This Agreement does not apply to any projects not specifically defined herein unless this Agreement is amended to provide for the design and construction of such additional projects.

ARTICLE 4

DUTIES AND RESPONSIBILITIES OF THE CITY AND COUNTY

4.1 Responsibilities of the City Construction manager. The City has entered into Project Agreements with the State through the GLO of Texas General Land Offices (GLO) in regard to the final design, bidding and construction funding of the Project. The City agrees to comply with the covenants and agreements ~~meet its obligations~~ contained within the Project Agreements.

~~agrees to act as construction manager for any contracts entered into with respect to the City Improvements including all materials and services as and when required in connection with the construction of the City Improvements. The City will obtain all necessary permits and approvals from governmental officials and agencies having jurisdiction, and provide supervision of all phases of construction of the City Improvements so as to cause the construction to be performed in accordance with the Plan.~~

4.2 Design of the City Improvements. ~~The City shall prepare or cause to be prepared the plans and specifications for the City Improvements. City Improvements shall be designed in accordance with City standards applicable to similar public improvements within the City.~~

4.3 Construction contracts. ~~The Authority shall negotiate and award all contracts for the City Improvements from among contractors qualified and approved by the City and shall be the owner of the facilities until completion of the contract, subject to the duty of the City to act as construction manager in accordance with Section 4.1, above, and to guarantee all payments to the contractor, in accordance with Section 5.1, below.~~

4.4 4.2 Project Completion. ~~Upon completion of a the Project contract for the construction of the City Improvements, the City shall provide the Authority, Zone and County with a final cost summary of all costs associated with the Project Improvements such contract, and show that all amounts owing to contractors and subcontractors have been paid in full as evidenced by customary affidavits executed by such contractors. The Authority shall immediately upon certification of the completion of any City Improvements convey them to the City for incorporation into the City public works system for all purposes. The City shall also provide verification to the Zone, Authority and County that the Project was constructed as authorized by the GLO.~~

4.3 Responsibilities of the County. ~~Upon receipt of verification that the Project Improvements were was constructed as authorized by the GLO, the County shall assist the City by performing the maintenance and annual reporting required by, Article 4.03 (B) and (C) of the~~ Special Document No. SD 20080002. *le*

ARTICLE 5 PROJECT FINANCING AND FUNDING

5.1 The City Development Corporation and County Advances.

Should this be the Cooperation Agreement?

~~(a) In connection with the construction of the City Improvements, the City agrees to provide sufficient funds as such become due for all costs thereof (the "City Advances"), constituting "project costs," as defined in the Act, including costs of design, engineering, materials, labor, construction, and inspection fees arising in connection with the City Improvements, all payments arising under any contracts entered into pursuant to this Agreement, all costs incurred in connection with obtaining governmental approvals, certificates or permits required as a part of any contracts entered into in accordance with this Agreement, and all related legal fees and out of pocket expenses incurred on behalf of the Authority in connection therewith. City Advances shall further include any amounts advanced by the City in connection with the administration of the Authority and the Zone and the design and construction of the City Improvements.~~

~~(a.) The Development Corporation has advanced the City \$700,000 to be used by the City for the Project.~~

~~(i) The County, through an Interlocal Agreement, has advanced the City \$600,000 to be used by the City for the Project.~~

~~(ii) To the extent possible, the City will expend ~~advanced~~ on the Project on a ~~fifty percent (50%)~~ basis between the Development Corporation and the County up to the County's maximum contribution of \$600,000.00. After completion of the Project Improvements, the City has agreed to return to the respective funds of the Development Corporation and the County any funds remaining after the City has met the funding obligations contained in the Project Cooperation Agreement.~~

(b) Interest on each City Advance ~~(the Development Corporation and the County)~~ shall accrue at a rate equal to the prime commercial lending rate of Chase Manhattan Bank, National Association, or any successor to its commercial banking activities, plus one percent per annum, compounded semiannually, whether such costs, fees, or expenses are paid or incurred before or after the effective date of this Agreement. Interest shall be calculated on the basis of a year of 360 days and the actual days elapsed (including the first day but excluding the last day) occurring in the period for which such interest is payable, unless such calculation would result in a usurious rate, in which case interest shall be calculated on the per annum basis of a year of 365 or 366 days, as applicable, and the actual days elapsed (including the first day but excluding the last day).

~~(c) The City shall act as guarantor of the obligations of the Authority with respect to any contracts awarded in the name of the Authority as provided in Section 4.3, above, and any such contract shall provide that the contractor may look for payment only to the City, or to funds provided to the Authority by the City specifically for the purpose of making payments to such contractor. The City agrees to timely make such payments to allow for payment in accordance with the terms of the applicable construction contract.~~

5.2 Repayment of City Advances.

(a) In consideration of the construction of the Project City Improvements, the Authority shall begin repaying the City Advances, and shall continue such repayment until repaid in full,

equal dollar for dollar

pursuant to the provisions of

The monies described in subparagraphs (i) and (ii) above

on the earliest date that funds are available from any of the following sources, and solely from such sources:

- (i) proceeds from the sale of the Authority Bonds, as set forth in subsection (h), and
- (ii) the Net Tax Increment, subject to the limitations set forth in subsection (g).

(b) To the extent that funds from the sources listed above are insufficient on any scheduled date for the repayment of Advances to repay all outstanding Advances in full, repayment of Advances shall be made **equally** on a pro rata basis between the Development Corporation and the County on the basis of monies available for repayment. As provided herein, the Authority shall issue one or more series of Authority Bonds at the earliest feasible date, which Authority Bonds will be secured by a pledge of the Revenue Fund. The net proceeds of the Authority Bonds shall be deposited to a special fund of the Authority, and shall be used by the Authority to reimburse the ~~City~~ Development Corporation and the County for the full amount (or such portion thereof as is deemed by the Authority as supportable by available Tax Increment as provided below) for eligible ~~City~~ Development Corporation and the County Advances, plus interest. Such Authority Bonds shall be sold within 120 days (or such other period as may be agreed by the Parties) of a written request therefore from the ~~City~~; the Development Corporation and the County; *provided that* the City's Net Tax Increment (based upon the tax valuation of the Zone as certified or estimated by the Harris County Appraisal District, or its successor) expected to be generated with respect to available Tax Increment is sufficient to support the applicable Authority Bonds bearing interest at the then-current rate of interest as determined by the Authority's financial advisor for comparable issues, after taking into account the portion of the City's Net Tax Increment required to pay any outstanding Authority Bond issued for any purpose, including Authority Bonds issued to refund outstanding Authority Bonds. The City's Net Tax Increment is determined as the total Net Tax Increment, less any amounts that are used or to be used to determine eligibility of developers within the Zone for reimbursement of advances to the Authority for construction or anticipated construction of public improvements under the Plan pursuant to reimbursement agreements approved by the Authority, either now or during the life of the Zone.

(c) In addition to the ~~City's~~ Development Corporation's and the County's right to reimbursement from Authority Bond proceeds, upon request from the ~~City~~ Development Corporation and the County, the Authority shall reimburse the ~~City~~ Development Corporation and the County for ~~City~~ Advances, plus interest, from the City's Net Tax Increment (computed as above) accumulated in the Revenue Fund and available in accordance with the priorities described in Section 5.3, below.

(d) At such time as funds are available to pay all or any portion of the ~~City~~ Development Corporation and the County Advances made hereunder, the Authority shall hire a certified public accountant to calculate the amount due the ~~City~~ Development Corporation and the County and prepare and submit a report to the Authority certifying (1) the amount due the ~~City~~ Development Corporation and the County for the ~~City~~ Development Corporation and the County Advances being repaid with interest calculated thereon, and (2) that funds are available to make such payment. Such report shall be approved at the earliest practicable time, but not later than 90 days

(f)

after submission by the Development Corporation and the County ~~City~~ of the records required therefor. The Authority shall make payment to the ~~City~~ Development Corporation and the County within 30 days of approval of the auditor's report.

(g) The Authority shall provide to the ~~City~~ Development Corporation and the County, upon ~~the~~ their written request of the ~~City~~, and on the earliest date such information is available after the date of such request, certified copies of all statements of revenue and the sources of such revenue of the Zone and Authority the intended use of which is to verify the availability of funds for repayment of the City Advances, if applicable, under this section.

5.3. Priorities. ^{any} Amounts deposited in the Revenue Fund shall be applied in the following order of priority (i) disbursement to LPISD, if applicable, for educational facilities in accordance with ~~the~~ Interlocal Agreement with LPISD, the City and the Zone; (ii) administrative costs of the Zone and the Authority; (iii) amounts pledged or required for the payment of outstanding Authority Bonds, including Authority Bonds in the process of issuance and refunding Authority Bonds, and (iv) payments to the ~~City~~ Development Corporation and the County pursuant to Section 5.2(e) above. (d)

5.4. Multiple developers, and the City Development Corporation and the County. The Authority has entered into other agreements with developers of land within the Zone for the financing of Zone Improvements, and may enter into others. It is the intention of the parties that each developer shall be responsible for the creation of Tax Increment required for its own reimbursement. In such case, the Tax Increment generated within a developer's project as defined in the applicable reimbursement agreement shall not be considered in determining whether sufficient Net Tax Increment exists for the issuance of Authority Bonds, or direct payment of available Net Tax Increment, for reimbursement of ~~City Development Corporation and the County~~ Advances unless the applicable developer shall give its written consent thereto. The net proceeds of Authority Bonds issued to reimburse multiple developers and the ~~City~~ Development Corporation and the County shall be allocated based upon the proportion of Tax Increment generated by each developer, or such other method as the developers may agree upon, and any unallocated Tax Increment shall be used for calculation of the City's Net Tax Increment and reimbursement of ~~City~~ Advances.

ARTICLE 6 DEFAULT

6.1 Default

(a) If any Party does not perform its obligations hereunder in substantial compliance with this Agreement, in addition to the other rights given the other Parties under this Agreement, such non-defaulting Parties may enforce specific performance of this Agreement or seek actual damages incurred by the ~~City~~ Development Corporation and the County for any such default.

(b) The Party alleging default shall provide written notice to the other party of such default, and the defaulting party shall have 60 days to remedy the default prior to the declaration of any default hereunder.

(c)

after submission by the Development Corporation and the County City of the records required therefor. The Authority shall make payment to the City-Development Corporation and the County within 30 days of approval of the auditor's report.

(a) The Authority shall provide to the City-Development Corporation and the County, upon the their written request of the City, and on the earliest date such information is available after the date of such request, certified copies of all statements of revenue and the sources of such revenue of the Zone and Authority the intended use of which is to verify the availability of funds for repayment of the City Advances, if applicable, under this section.

5.3. Priorities. ^{fund} Amounts deposited in the Revenue Fund shall be applied in the following order of priority (i) disbursement to LPISD, if applicable, for educational facilities in accordance with the Interlocal Agreement with LPISD, the City and the Zone; (ii) administrative costs of the Zone and the Authority; (iii) amounts pledged or required for the payment of outstanding Authority Bonds, including Authority Bonds in the process of issuance and refunding Authority Bonds, and (iv) payments to the City for funding the Southeast Sanitary Sewer Trunk Main and Lift Station Facilities per Development Agreement between the Zone, Authority and City dated 6/12/06; (v) payments to the City-Development Corporation and the County pursuant to Section 5.2(e), above.

5.4. Multiple developers, and the City-Development Corporation and the County. The Authority has entered into other agreements with developers of land within the Zone for the financing of Zone Improvements, and may enter into others. It is the intention of the parties that each developer shall be responsible for the creation of Tax Increment required for its own reimbursement. In such case, the Tax Increment generated within a developer's project as defined in the applicable reimbursement agreement shall not be considered in determining whether sufficient Net Tax Increment exists for the issuance of Authority Bonds, or direct payment of available Net Tax Increment, for reimbursement of City-Development Corporation and the County Advances unless the applicable developer shall give its written consent thereto. The net proceeds of Authority Bonds issued to reimburse multiple developers and the City-Development Corporation and the County shall be allocated based upon the proportion of Tax Increment generated by each developer, or such other method as the developers may agree upon, and any unallocated Tax Increment shall be used for calculation of the City's Net Tax Increment and reimbursement of City Advances.

ARTICLE 6 DEFAULT

6.1 Default

(a) If any Party does not perform its obligations hereunder in substantial compliance with this Agreement, in addition to the other rights given the other Parties under this Agreement, such non-defaulting Parties may enforce specific performance of this Agreement or seek actual damages incurred by the City-Development Corporation and the County for any such default.

**ARTICLE 7
GENERAL**

7.1 Inspections, audits. The City agrees to keep such records with respect to the City Project Improvements and all costs associated therewith as may be required by the Authority, the Zone, or by State and federal law or regulation. The City shall allow the Zone access to, and the Zone shall have a right at all reasonable times to audit, all documents and records in the City's possession, custody or control relating to the City Project Improvements that the Authority deems necessary to assist the Authority in determining the City's, Development Corporation's and the County's compliance with this Agreement.

7.2 City operations and employees. All personnel supplied or used by the City in the performance of this Agreement shall be deemed employees, contractors or subcontractors of the City and will not be considered employees, agents, contractors or subcontractors of the Zone or the Authority for any purpose whatsoever. The City shall be solely responsible for the compensation of all such contractors and subcontractors.

7.3 Personal liability of public officials, legal relations. To the extent permitted by State law, no director, officer, employee or agent of the Zone or the Authority shall be personally responsible for any liability arising under or growing out of the Agreement. THE PARTIES SHALL INDEMNIFY AND SAVE HARMLESS EACH OTHER AND THEIR RESPECTIVE OFFICERS, REPRESENTATIVES, AND AGENTS FROM ALL SUITS, ACTIONS, OR CLAIMS OF ANY CHARACTER BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES RECEIVED BY ANY PERSON, PERSONS, OR PROPERTY RESULTING FROM THE NEGLIGENT ACTS OF SUCH PARTY, OR ANY OF ITS AGENTS, OFFICERS, OR REPRESENTATIVES IN PERFORMING ANY OF THE SERVICES AND ACTIVITIES UNDER THIS AGREEMENT. The expenses of the Zone or the Authority with respect to this section or Section 7.15, below, shall be satisfied from uncommitted City Net Tax Increment.

7.4 Notices. Any notice sent under this Agreement (except as otherwise expressly required) shall be written and mailed, or sent by electronic or facsimile transmission confirmed by mailing written confirmation at substantially the same time as such electronic or facsimile transmission, or personally delivered to an officer of the receiving party at the following addresses:

La Porte Redevelopment Authority
604 W. Fairmont Parkway
La Porte, Texas 77571
Attn: David Hawes
Cc: John Joerns

La Porte Development Corporation
604 W. Fairmont Parkway
La Porte, Texas 77571

Reinvestment Zone Number One

Harris County

604 W. Fairmont Parkway
La Porte, Texas 77571
Attn: ~~John Joerns~~ David Hawes
Cc: John Joerns

City of La Porte
604 W. Fairmont Parkway
La Porte, Texas 77571
Attn: City Manager

Each party may change its address by written notice in accordance with this section. Any communication addressed and mailed in accordance with this section shall be deemed to be given when so mailed, any notice so sent by electronic or facsimile transmission shall be deemed to be given when receipt of such transmission is acknowledged, and any communication so delivered in person shall be deemed to be given when received for by, or actually received by, the Authority, the Zone, or the City, as the case may be.

7.5 Amendments and waivers. Any provision of this Agreement may be amended or waived if such amendment or waiver is in writing and is signed by the Zone, the Authority and the City, the Development Corporation and the County. No course of dealing on the part of the Parties, nor any failure or delay by one or more of the Parties, with respect to exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, except as otherwise provided in this section.

7.6 Invalidity. In the event that any of the provisions contained in this Agreement shall be held unenforceable in any respect, such unenforceability shall not affect any other provision of this Agreement.

7.7 Successors and assigns. All covenants and agreements contained by or on behalf of a Party in this Agreement shall bind its successors and assigns and shall inure to the benefit of the other Parties, their successors and assigns.

7.8 Exhibits; titles of articles, sections and subsections. The exhibits attached to this Agreement are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein, except that in the event of any conflict between any of the provisions of such exhibits and the provisions of this Agreement, the provisions of this Agreement shall prevail. All titles or headings are only for the convenience of the Parties and shall not be construed to have any effect or meaning as to the agreement between the Parties. Any reference herein to a section or subsection shall be considered a reference to such section or subsection of this Agreement unless otherwise stated. Any reference herein to an exhibit shall be considered a reference to the applicable exhibit attached hereto unless otherwise stated.

7.9 Construction. This Agreement is a contract made under and shall be construed in accordance with and governed by the laws of the United States of America and the State of Texas, as such laws are now in effect.

7.10 Entire Agreement. THIS WRITTEN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

7.11 Term. This Agreement shall be in force and effect from the date of execution hereof for a term expiring on the date that ~~the City, the Development Corporation and the County~~ Advances have been repaid in full, or January 1 of the year following the expiration of the Zone. all

7.12 Time of the essence. Time is of the essence with respect to the obligations of the Parties to this Agreement.

7.13 Approval by the Parties. Whenever this Agreement requires or permits approval or consent to be hereafter given by any of the parties, the parties agree that such approval or consent shall not be unreasonably conditioned, withheld or delayed.

7.14 Counterparts. This Agreement may be executed in multiple counterparts, each of which when so executed and delivered shall be deemed together shall constitute but one and the same instrument.

7.15 Legal costs. If any Party hereto is the prevailing party in any legal proceedings against another Party brought under or with relation to this Agreement, such prevailing Party shall additionally be entitled to recover court costs and reasonable attorneys' fees from the non-prevailing Party to such proceedings.

7.16 Further assurances. Each Party hereby agrees that it will take all actions and execute all documents necessary to fully carry out the purposes and intent of this Agreement.

7.17 Effect of Tri-Party Agreement. The obligations of the Parties hereunder are specifically conditioned upon the approval, execution, and effectiveness of the Tri-Party Agreement.

[EXECUTION PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of _____, 2006-2010.

**REINVESTMENT ZONE NUMBER
ONE, CITY OF LA PORTE, TEXAS**

By: _____

Name: _____

Title: _____

**Harris County
HARRIS COUNTY**

By: _____

Name: _____

Title: _____

**LA PORTE REDEVELOPMENT
AUTHORITY**

By: _____

Name: _____

Title: _____

**La Porte Development Corporatio
LA PORTE DEVELOPMENT
CORPORATION**

By: _____

h

Name: _____

Title: _____

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. Receive report and ratify payments with regard to Wharton Weems/State Highway 146 interchange project.

NOTE: The following payments were reviewed and approved by the City of La Porte since the last meeting of the Board of Directors:

| | | |
|-----------------------|-----------------------|------------------|
| Jones & Carter, Inc. | Pay Estimate #3 | \$ 2,674.00 |
| Port Crossing Land LP | Wharton Weems project | <u>67,002.00</u> |
| Total | | \$ 69,676.00 |

Check No. # 0115
 Date 2/9/2010
 To Port Crossing Land LP
 For Wharton Weems project

| | |
|------------------|----------|
| Previous Balance | |
| Deposits | |
| Check Amount | 67002.00 |
| Balance Forward | |
| New Balance | |

Tax Deductible

Date 2/9/2010 Check No. # 0115

To Port Crossing Land LP

For Wharton Weems project

Tax Deductible

| | |
|------------------|----------|
| Previous Balance | |
| Deposits | |
| Check Amount | 67002.00 |
| Balance Forward | |
| New Balance | |

LAPORTE REDEVELOPMENT AUTHORITY
 CONSTRUCTION
 2500 TANGLEWILDE ST STE 260
 HOUSTON, TX 77063

0115

Date Feb 9, 2010 35-1125/1130

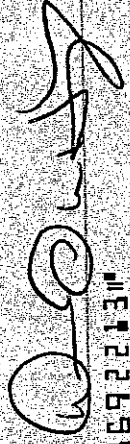
Pay to the Order of Port Crossing Land, LP \$ 67,002.00

See back for details on back.

SIXTY-SEVEN THOUSAND TWO DOLLARS AND NO/100----- Dollars

AmegyBank
 OF TEXAS

Amegy Bank N.A.
 P.O. Box 27459, Houston, Texas 77227-7459
 713.235.8800
 www.amegybank.com



Memo Wharton Weems project

⑆113011258⑆0115⑆



February 8, 2010

Mr. David Hawes
Hawes Hill Calderon
10103 Fondren, #300
Houston, Texas 77096

RE: SH 146 and Wharton Weems Construction Phase Service

Dear David,

The attached proposal for payment to Port Crossing Land (PCL) has been reviewed by the City. While we agree with the majority of the expenses listed, we do have a small issue with the \$69,250.28 for Jones & Carter Design, so we are recommending a payment of less than the amount indicated in the attached proposal.

The amount listed for Jones & Carter Design is \$20,250.28 over the original estimate of \$49,000. The payments to Jones & Carter Design were made prior to the negotiation of the contract. Because the La Porte Tax Increment Reinvestment Zone #1 and the Redevelopment Authority are referred to collectively as "City" in the agreement, we would feel more comfortable if the TIRZ Board reviewed the circumstances surrounding that additional \$20,250.28 before we pay it.

To that end, a payment of \$67,002.00 is recommended for PCL at this time. I have enclosed a brief summary of our calculations for your reference. Please process this pay application upon receipt. If you have any questions, please let me know. You can reach me by phone at (281) 470-5017 or via email at osbornes@laportetx.gov.

Warm regards,

Stacey Osborne
Economic Development Coordinator
City of La Porte

cc: John Joerns, Assistant City Manager

LA PORTE BY THE BAY

604 W. Fairmont Parkway La Porte, Texas 77571 281/471-5020

Joerns, John

From: Ryan Lovell [rlovell@nationalpropertyholdings.com]
Sent: Tuesday, June 29, 2010 1:09 PM
To: Joerns, John; David Hawes; Osborne, Stacey
Cc: Russell Plank; Tim Geisler
Subject: RE: missing information for Wharton Weems
Attachments: RE: missing information for Wharton Weems

John-

I am referring to the \$20,250.28 Jones & Carter was over the original estimate of \$49,000. Although, the charges seemed reasonable you had wanted the TIRZ to review and approve before payment. See attached email from Stacey from back in February with all the details. Also, 65 Laporte was to be notified of the overage so as to let them know how all the budget monies were spent.

Thanks,

Ryan Lovell

National Property Holdings, LP

3330 S. Sam Houston Pkwy. E.

Houston, TX 77047

713-578-1211 Direct

713-826-3878 Cell

713-578-1234 Main

From: Joerns, John [mailto:JoernsJ@laportetx.gov]
Sent: Monday, June 28, 2010 8:41 PM
To: Ryan Lovell; David Hawes; Osborne, Stacey
Cc: Russell Plank; Tim Geisler
Subject: RE: missing information for Wharton Weems

Ryan

I am back in today and—I thought we already authorized the check some time ago—I have asked Stacey to see what is up. I do recall not wanting to have you cover 65 La Porte ltd funds—didn't want to mix them up.

We will get back

JJ

From: Ryan Lovell [mailto:rlovell@nationalpropertyholdings.com]
Sent: Thursday, June 24, 2010 1:48 PM
To: Joerns, John; David Hawes; Osborne, Stacey
Cc: Russell Plank; Tim Geisler
Subject: RE: missing information for Wharton Weems

John,

I am checking on the status of the remainder of the TXDOT signalization refund from the TIRZ. I know you had notified 65 LaPorte of the fact the engineering (Jones & Carter) total exceeded the original budget amount to ensure there was no objection. The total escrow account was exceeded by \$3,841.08 and Port Crossing is willing to absorb this amount in order to expedite the rest of the refund. To date I am unaware of any response from 65 LaPorte. Can the TIRZ proceed with refunding Port Crossing the remaining balance due?

Please advise.

Ryan Lovell

National Property Holdings, LP

3330 S. Sam Houston Pkwy. E.

Houston, TX 77047

713-578-1211 Direct

713-826-3878 Cell

713-578-1234 Main

From: Joerns, John [mailto:JoernsJ@laportetx.gov]
Sent: Wednesday, January 06, 2010 4:15 PM
To: David Hawes; Osborne, Stacey; Ryan Lovell
Subject: RE: missing information for Wharton Weems

Ryan

I went over everything with Stacey when I returned. The approach for Port Crossing is ok with me in theory.

HOWEVER- the agreement states that the city will notify the Owners (Port Crossing and 65 La Porte) when we are aware that the costs exceed the escrowed amount and it further states that the Owners have 15 days to fund the additional monies. Won't be looking for additional funding from Port Crossing at this time because of the pre-payment of design expenses but obligated to send to 65 La Porte.

Feel obligated to let 65 La Porte know and will be doing the letter per the contract.

Let's visit by phone tomorrow.

JJ

From: David Hawes [mailto:dhawes@hhcllp.com]
Sent: Sunday, January 03, 2010 8:14 PM
To: Osborne, Stacey; Ryan Lovell
Cc: Joerns, John
Subject: RE: missing information for Wharton Weems

I am fine with that approach.

David

From: Osborne, Stacey [mailto:OsborneS@laportetx.gov]
Sent: Thursday, December 31, 2009 3:32 PM
To: Ryan Lovell
Cc: David Hawes; Joerns, John
Subject: RE: missing information for Wharton Weems

Hi, Ryan.

Your proposal looks reasonable to me, but since I came on board in the middle of this project I'd like to chat with John and David before I take action on it. They should both be back next week and I have calls and/or emails in to both of them to discuss this when they return. I'll keep you posted, but I intend to wrap it up as soon as possible so you can have something concrete to take to your shareholders.

Thank you for your help and cooperation.

Have a safe and happy new year!

Stacey

From: Ryan Lovell [mailto:rlovell@nationalpropertyholdings.com]
Sent: Wednesday, December 30, 2009 10:08 AM
To: Osborne, Stacey
Cc: Joerns, John; Tim Geisler; Russell Plank; David Hawes
Subject: RE: missing information for Wharton Weems
Importance: High

Stacey,

Port Crossing Land (PCL) is in agreement with your expense summary. Given the "Approved Budget", as part of the Funding Agreement executed Dec 17, 2008, was \$400,000 it seems the amount previously funded by PCL and 65 LaPorte was exceeded by \$3,841.08.

On behalf of PCL, I'm inquiring as to how PCL will be refunded the money it paid "out of pocket". Let me suggest the following:

PCL Paid the following invoices "out of pocket":

\$69,250.28 Jones & Carter Design

\$ 9,764.00 TEDSI

\$ 8,238.00 Haynes & Boone (Legal)

\$87,252.28 Total

Deduct 50% of the overage on the "Approved Budget":

\$1,920.54 (50% of \$3,841.08)

Refund check due to PCL:

\$85,331.74

} How much paid?

This will square up the City and PCL. Then, 65 LaPorte can contribute another \$1,920.54 for their half of the overage on the "Approved Budget". Please let me know your thoughts and when we can anticipate receiving our refund. Thank you for all your help.

Ryan Lovell

713.578.1211 Office

713.826.3878 Cell



NATIONAL PROPERTY HOLDINGS

3330 S. Sam Houston Pkwy. E.

Houston, Texas 77047

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From: Osborne, Stacey [mailto:OsborneS@laportetx.gov]
Sent: Wednesday, December 30, 2009 9:14 AM
To: Ryan Lovell
Cc: Joerns, John
Subject: RE: missing information for Wharton Weems

Ryan,

I mailed a purchase request letter to David this morning for the amount due to Jones & Carter. I realized after reviewing it that we had already paid one of those invoices (invoice no. 155718 for \$2,674), so the total due was \$4,151.50.

I compiled a spreadsheet with an expense summary for the project that is attached to this email; if you need the back-up to provide to your shareholders I'll be happy to make a hard-copy for your reference.

Let me know if you have any questions, problems or concerns. I appreciate your patience and cooperation as we worked through all of this.

Thank you!

Stacey

Stacey Osborne
Economic Development/Main Street Coordinator

City of La Porte
604 W. Fairmont Parkway
La Porte, TX 77571
www.laportetx.gov

281-470-5017 office
281-639-4617 mobile

From: Ryan Lovell [mailto:rlovell@nationalpropertyholdings.com]
Sent: Tuesday, December 22, 2009 3:06 PM
To: Joerns, John; Osborne, Stacey
Cc: David Hawes; Russell Plank; Tim Geisler
Subject: RE: missing information for Wharton Weems

John and Stacey,

Attached is a revised letter per your request. Thank you for all your help.

Ryan Lovell

713.578.1211 Office

713.826.3878 Cell



NATIONAL PROPERTY HOLDINGS

3330 S. Sam Houston Pkwy. E.

Houston, Texas 77047

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From: Joerns, John [mailto:JoernsJ@laportetx.gov]
Sent: Tuesday, December 22, 2009 2:38 PM
To: Osborne, Stacey

Cc: David Hawes; Ryan Lovell

Subject: RE: missing information for Wharton Weems

Stacey

As long as you have documentation of the other payments we were missing----The letter looks ok—To revise with a current date –I think we should add something like –“.....Agreement with the City of La Porte dated xx/xx/xx—(and obviously the date of agreement should pre-date the invoices).

(I can't believe that Cotton Surveying thing a separate proposal but was never explained that fees were run thru J and C-go figure).

If back up we asked for is in go ahead and get ready for payment—We should footnote the spreadsheet to explain the pre-construction payments and the Cotton Surveying. Final checks cut to the vendors should state” full and final payment”. I will be back Jan. 5th

From: Osborne, Stacey

Sent: Monday, December 21, 2009 4:50 PM

To: Joerns, John

Subject: FW: missing information for Wharton Weems

Importance: High

John,

I just spoke with Ryan, and I think his email and our discussion sufficiently answers my questions. He said that Russell has a shareholder meeting on January 7 and would like for this to be resolved; I think that is definitely do-able.

The letter authorizing payment has a date of May 27, 2009; I think it should have a current date on it. Otherwise I think it will suffice for us to go ahead and process the payment.

Unless I hear otherwise from you, I will write the letter authorizing the payment for the outstanding Jones & Carter invoices as soon as I return on Tuesday (12/29). I will also update the spreadsheet at that time so we can get everything squared away with Russell in time for his shareholder meeting.

Thank you,

Stacey

Stacey Osborne
Economic Development/Main Street Coordinator

City of La Porte
604 W. Fairmont Parkway
La Porte, TX 77571
www.laportetx.gov
281-470-5017 office
281-639-4617 mobile

From: Ryan Lovell [mailto:rl Lovell@nationalpropertyholdings.com]
Sent: Monday, December 21, 2009 2:38 PM
To: Joerns, John; Osborne, Stacey
Cc: David Hawes; Tim Geisler; Russell Plank
Subject: RE: missing information for Wharton Weems
Importance: High

John and Stacey-

I hope the following clears up any remaining questions and hopefully we can close this project out:

Coastal Testing- The actual amount of work performed should be less than the budgeted amount. There should be no more outstanding invoices in my opinion as Coastal Testing was invoicing the City directly.

Jones & Carter – I've attached backup from Port Crossing for payment of \$69,250.28 to Jones & Carter. Port Crossing is now requesting reimbursement of these funds. I am also attaching a letter from Port Crossing authorizing the City to pay "Post Agreement" invoices directly to Jones & Carter for Construction Staking and Construction Phase Services.

Cotton Surveying- Cotton Surveying is a division of Jones & Carter and was included as part of the Jones & Carter invoices. No separate payment is required.

If you have any more questions, please contact me. I'd appreciate an update as to when you anticipate reimbursement to Port Crossing will be made. We had hoped to receive reimbursement by the end of 2009.

Thank you,

Ryan Lovell

713.578.1211 Office

713.826.3878 Cell



NATIONAL PROPERTY HOLDINGS

3330 S. Sam Houston Pkwy. E.

Houston, Texas 77047

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From: Joerns, John [mailto:JoernsJ@laportetx.gov]

Sent: Thursday, December 03, 2009 1:44 PM

To: Ryan Lovell; Osborne, Stacey

Cc: David Hawes

Subject: FW: missing information for Wharton Weems

Ryan

My responses and follow up is in red—the names are who I think can follow up—Stacey is pretty busy today and tomorrow with a Christmas festival—so visiting with her will be tough until Monday at the soonest.

Thanks

Call if needed

JJ

-----Original Message-----

From: Osborne, Stacey

Sent: Wednesday, November 25, 2009 10:38 AM

To: Joerns, John

Subject: missing information for Wharton Weems

(I have put my responses in red-before we send out would like David to review and

Stacey if you see anything wrong? (City agreement =the authority to manage the project and bills)

John,

I've gone through every file, and this is where I stand:

HAYES & BOONE-- (pre-const and City agreement)

- I have all invoices and backup

TEDSI--(pre-const and city agreement)

- I have all invoices and backup

DURWOOD GREEN (Const. Contract with city)

- I have all invoices and backup—(and final payment has been made)

COASTAL TESTING

- I have invoices and proof of payment totaling \$5,055. The amount budgeted for them was \$10,413 so I presume there are invoices outstanding or to come. (may not be anymore-need to verify)-Stacey?

JONES & CARTER

- I have all invoices

- I lack proof of payment for the pre-agreement invoices.(need from Port Crossing)-Ryan?

- I have proof of payment(from Russell or the city) for all but two Construction invoices

- The two outstanding invoices total \$3815.50. They are all construction phase invoices, and they are dated 6/5/09 and 11/6/09. The invoices were given to Russell, who told them to invoice us. They sent me the invoices, and when I spoke with David he said that he just needs a letter from Russell stating that he has not paid those invoices, and it is Ok for us to pay them (since their contract was with Port Crossing- the city has authority to pay thru our agreement with the developers –but I agree that letter from Port Crossing would be good for files-- also need to know that this is a final)-Port Crossing-Ryan? (And Stacey)

COTTON SURVEYING

- All I found was an estimate for \$2,200. I have not seen any invoices or evidence of payment.(we need to call J and C and confirm that Cotton was or is them) (Debbie W. led me to believe it was--- and surveying for construction was invoiced thru J and C. their confirmation letter could also address this.)—Stacey?

I've put everything above into a spreadsheet. Once I get the missing information I'll add it to the spreadsheets and give you copies of everything.

Let me know if you need me to track anything else down.

Thanks,

Stacey

Stacey Osborne

Economic Development/Main Street Coordinator

City of La Porte

604 W. Fairmont Parkway

La Porte, TX 77571

www.laportetx.gov

281-470-5017 office

281-639-4617 mobile

Payment Summary: Port Crossing

February 2, 2010

| Expense | PCL Proposal | City Proposal |
|--|---------------------|----------------------|
| Jones & Carter Design | \$ 69,250.28 | \$ 49,000.00 |
| TEDSI | \$ 9,764.00 | \$ 9,764.00 |
| Haynes & Boone (Legal) | \$ 8,238.00 | \$ 8,238.00 |
| TOTALS: | \$ 87,252.28 | \$ 67,002.00 |
| Total due to PCL (50% of total amount): | \$ 43,626.14 | \$ 33,501.00 |

Payment Summary: Port Crossing

February 8, 2010

| Expense | PCL Proposal | City Proposal |
|---------------------------|---------------------|---------------------|
| Jones & Carter Design | \$ 69,250.28 | \$ 49,000.00 |
| TEDSI | \$ 9,764.00 | \$ 9,764.00 |
| Haynes & Boone (Legal) | \$ 8,238.00 | \$ 8,238.00 |
| Total due to PCL : | \$ 87,252.28 | \$ 67,002.00 |

✓ get contracts tabbed (Port & 3 way)

✓ get all spreadsheets (corrected)

✓ get letter to Laredo & Port Crossing #

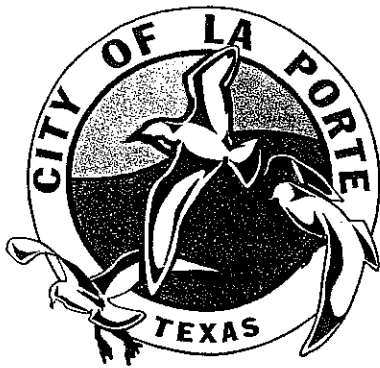
ea

12/17/08 get date of contract (city oversight)

1/17/09 get date of T&C payments by Port Crossing

1/25/09 all but \$2,004.56 insured thru 7/5/08

↳ 1/12/09



City of La Porte

Established 1892

Aut 09.09.09

September 4, 2009

Mr. David Hawes
Hawes Hill Calderon
10103 Fondren, #300
Houston, Texas 77096

RE: SH 146 at Wharton Weems Blvd. Turn Lane – Pay Application

Dear David,

The attached pay estimate #3 has been reviewed by the City of La Porte and approved for payment. A payment of \$2,674 is recommended. Please process the enclosed pay application upon receipt.

Sincerely,

Debbie Westbeld
Debbie Westbeld
Economic Development Coordinator

cc: John Joerns, Assistant City Manager

LAPORTE REDEVELOPMENT AUTHORITY
CONSTRUCTION
2500 TANGLEWILDE ST STE 260
HOUSTON, TX 77063

0113

Date 9/10/2009 35-1125/1130

Pay to the
Order of JONES & CARTER, INC.

\$ 2,674.00

TWO THOUSAND SIX HUNDRED SEVENTY-FOUR & no/100---- Dollars

Security features included. Details on back.

AmegyBank
of Texas

Amegy Bank N.A.
P.O. Box 27459 Houston, Texas 77227-7459
713.235.8800
www.amegybank.com

Memo 0155718

⑆113011258⑆ 0113⑆

Aut
3692213⑆

JC JONES & CARTER, INC.
 ENGINEERS • PLANNERS • SURVEYORS
 6335 Gulfton, Suite 100
 Houston, Texas 77081-1169

TEL 713 777 5337
 FAX 713 777 5976

Invoice

August 11, 2009
 Project No: 05417-001-01
 Invoice No: 0155718

Mr. Ryan Lovell, PE
 Port Crossing Land, L.P.
 3330 South Sam Houston Parkway East
 Houston, TX 77047

Project 05417-001-01 SH 146 and Wharton Weems Construction Phase Service
Professional Services from June 21, 2009 to August 1, 2009

| Task | 300 | Construction Phase Services | | |
|-------------------------------|--------------------|-----------------------------|--------|------------------------|
| Professional Personnel | | | | |
| | | Hours | Rate | Amount |
| Construction Engineer I | | 5.25 | 76.00 | 399.00 |
| Department Manager | | 3.50 | 170.00 | 595.00 |
| Project Engineer | | 3.00 | 150.00 | 450.00 |
| Engineer III | | 11.50 | 90.00 | 1,035.00 |
| | Totals | 23.25 | | 2,479.00 |
| | Total Labor | | | 2,479.00 |
| | | | | Total this Task |
| | | | | \$2,479.00 |

| Task | 600 | Job Site Representative Services | | |
|-------------------------------|--------------------|----------------------------------|-------|------------------------|
| Professional Personnel | | | | |
| | | Hours | Rate | Amount |
| Project Representative III | | 3.00 | 65.00 | 195.00 |
| | Totals | 3.00 | | 195.00 |
| | Total Labor | | | 195.00 |
| | | | | Total this Task |
| | | | | \$195.00 |

TOTAL THIS INVOICE \$2,674.00

*ok for Payment
 after 9/3/09*

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. Consider approval or other action with regard to Authority invoices.

La Porte Redevelopment Authority
Cash Flow Report, August 25, 2009 - February 24, 2010

| Cleared Bank | Operating Account | For | Amount | Subtotal | Total |
|---------------------|--|-------------------------|---------------|---------------|----------------------|
| | Beginning fund balance, 7/31/2009 | | \$ 317,397.18 | | |
| 8/31/2009 | Interest deposit (0.400%) | interest | \$ 105.25 | | |
| 9/30/2009 | Interest deposit (0.360%) | interest | \$ 77.92 | | |
| 10/15/2009 | City of La Porte | county TIRZ payment | \$ 196,067.00 | | |
| 10/30/2009 | Interest deposit (0.300%) | interest | \$ 91.25 | | |
| not verified | Interest deposit, November | interest | \$ 73.20 | | |
| 12/31/2009 | Interest deposit, December (0.15%) | interest | \$ 36.70 | | |
| 1/29/2010 | Interest deposit, January (0.10%) | interest | \$ 28.41 | | |
| | Total, revenues | | | \$ 513,876.91 | \$ 513,876.91 |
| Cleared Bank | Expenses | | | | |
| | <i>Checks paid:</i> | | | | |
| 8/27/2009 | #107 City of La Porte | 5912 (admin fees) | \$ 39,350.07 | | |
| 8/27/2009 | #108 Hawes Hill Calderon | Inv 3316, 3329, 3363 | \$ 7,709.44 | | |
| 9/3/2009 | #106 McCall Gibson Swedlund Barfoot PLLC | AUP report | \$ 5,000.00 | | |
| not verified | #117 Port Crossing LP | developer reimbursement | \$ 165,769.15 | | |
| not verified | #118 Hawes Hill Calderon | Inv 3385, 3400, 3422 | \$ 7,937.24 | | |
| | Total, Checks paid | | | \$ 225,765.90 | |
| | <i>Checks outstanding</i> | | | | |
| | None | | \$ - | | |
| | Total, Checks outstanding | | | \$ - | |
| | <i>Checks submitted for approval 2/24/2010</i> | | | | |
| | #119 Patillo Brown & Hill LLP | interim billing, audit | \$ 3,000.00 | | |
| | #120 Hawes Hill Calderon LLP | Inv 3514, 3466, 3515 | \$ 7,552.62 | | |
| | Total, Checks submitted | | | \$ 10,552.62 | |
| | Total expenses | | | | \$ (236,318.52) |
| | Fund balance, Operating Account as of February 24, 2010 | | | | \$ 277,558.39 |

La Porte Redevelopment Authority
Cash Flow Report, August 25 - February 24, 2010

Cleared

| Bank | Construction Account | For | Amount | Subtotal | Total |
|--------------|--|------------|---------------|-----------------|---------------|
| | Beginning fund balance, 7/31/2009 | | \$ 231,435.42 | | |
| 8/31/2009 | Interest deposit (0.400%) | interest | \$ 76.89 | | |
| 9/30/2009 | Interest deposit (0.300%) | interest | \$ 41.77 | | |
| 10/30/2009 | Interest deposit (0.300%) | interest | \$ 34.78 | | |
| not verified | Interest deposit | interest | \$ 21.26 | | |
| 12/31/2009 | Interest deposit (0.15%) | interest | \$ 11.39 | | |
| 1/31/2010 | Interest deposit (0.10%) | interest | \$ 8.82 | | |
| | Total, revenues | | | \$ 231,630.33 | \$ 231,630.33 |

Cleared

| Bank | Expenses | | | | |
|-------------|---|--------------|--------------|---------------|---------------------|
| | <i>Checks paid:</i> | | | | |
| 8/17/2009 | #110 Coastal Testing Laboratories, Inc. | | \$ 5,055.50 | | |
| 8/31/2009 | #111 Durwood Greene Construction Company | Pay App #2 | \$ 82,785.60 | | |
| | #112 check not used | void | \$ - | | |
| 9/16/2009 | #113 Jones & Carter, Inc. | Pay App #3 | \$ 2,674.00 | | |
| 11/16/2009 | #114 Durwood Greene Construction Company | final paym't | \$ 51,651.11 | \$ - | |
| | Total, Checks paid | | | \$ 142,166.21 | |
| | <i>Checks outstanding</i> | | | | |
| | <i>none</i> | | \$ - | | |
| | Total, Checks outstanding | | | \$ - | |
| | <i>Checks submitted for approval February 24, 2010</i> | | | | |
| | <i>none</i> | | | \$ - | |
| | Total, Checks submitted | | | \$ - | |
| | Total expenses | | | | \$ (142,166.21) |
| | Fund balance, Construction Account as of November 18, 2009 | | | | \$ 89,464.12 |

NOTE: The auditors have not returned the accounting records, which include the bank statement for November 2009.

Pledged Securities Report as of 1/29/2010

AmegyBank

| CUSIP | Security Type | Rate | Maturity | Original Face | Market Value |
|--|-------------------------|---------------------------------------|----------|------------------------------|---------------------|
| Pledge Code: ta345 Entity Name: LAPORT RE DEVELOPMENT AUTHORITY | | Primary Bookkeeper: Susan Hill | | Secondary Bookkeeper: | |
| 31349SZH9 | FHLMC ARM POOL # 781644 | 2.954 | 6/1/2034 | \$1,050,000.00 | \$246,115.91 |
| FDIC | | | | \$250,000.00 | \$250,000.00 |
| Total Pledges: 2 | | | | \$1,300,000.00 | \$496,115.91 |



Pattillo, Brown & Hill, L.L.P.

Certified Public Accountants · Business Consultants

02.10.2010

La Porte Tax Increment Reinvestment Zone One
Attn: David Hawes
P.O. Box 22167
Houston, TX 77227-2167

Invoice No. 281677

Date 01/31/2010

Client No. 18980

| | |
|---|--------------------|
| Interim billing for services in connection with Annual Audit. | \$ <u>3,000.00</u> |
| Total Invoice Amount | \$ <u>3,000.00</u> |

Hawes Hill Calderon LLP
P.O. Box 22167
Houston TX 77227-2167

STATEMENT

TIRZ -La Porte # 1
604 W. Fairmont Pkwy.
La Porte, TX 77571

| |
|-----------|
| DATE |
| 2/22/2010 |

AMOUNT REMITTED

\$

Page 1

| DATE | INVOICE NO. | DESCRIPTION | CHARGES | PAYMENTS | BALANCE |
|-----------|-------------|------------------------|------------|----------|------------|
| 12/1/2009 | 00003514 | Sale; City of La Porte | \$2,000.00 | | \$2,000.00 |
| 1/1/2010 | 00003466 | Sale; City of La Porte | \$2,000.00 | | \$2,000.00 |
| 2/1/2010 | 00003515 | Sale; City of La Porte | \$3,552.62 | | \$3,552.62 |

2/22/2010

Finance Charge

\$0.00

\$0.00

| CURRENT | 30 DAYS | 90 DAYS | 90+ DAYS | AMOUNT DUE |
|---------|------------|------------|----------|------------|
| | \$3,552.62 | \$4,000.00 | | \$7,552.62 |

Hawes Hill Calderon LLP
P.O. Box 22167
Houston TX 77227-2167

Invoice

Bill To:

TIRZ -La Porte # 1
604 W. Fairmont Pkwy.
La Porte, TX 77571

Invoice #: 00003514
Date: 12/1/2009

Page: 1

| DATE | DESCRIPTION | AMOUNT |
|------|--|--------------------------|
| | Project Management Services, December 2009 | \$2,000.00 |
| | | Sales Tax: \$0.00 |
| | | Total Amount: \$2,000.00 |
| | | Amount Applied: \$0.00 |
| | | Balance Due: \$2,000.00 |

Terms: C.O.D.

Hawes Hill Calderon LLP
P.O. Box 22167
Houston TX 77227-2167

Invoice

Bill To:

TIRZ -La Porte # 1
604 W. Fairmont Pkwy.
La Porte, TX 77571

Invoice #: 00003466

Date: 1/1/2010

Page: 1

| DATE | DESCRIPTION | AMOUNT |
|------|---|--------------------------|
| | Project Management Services, January 2010 | \$2,000.00 |
| | | Sales Tax: \$0.00 |
| | | Total Amount: \$2,000.00 |
| | | Amount Applied: \$0.00 |
| | | Balance Due: \$2,000.00 |

Terms: C.O.D.

Hawes Hill Calderon LLP
P.O. Box 22167
Houston TX 77227-2167

Invoice

Bill To:

TIRZ -La Porte # 1
604 W. Fairmont Pkwy.
La Porte, TX 77571

Invoice #: 00003515
Date: 2/1/2010

Page: 1

| DATE | DESCRIPTION | AMOUNT |
|-----------|--|--------------------------|
| 2/24/2010 | Project Management Services, February 2010 | \$2,000.00 |
| | Board of Directors Meeting | \$1,500.00 |
| | Reimbursable expenses as follows: | |
| | Mileage, R. Hill per attachment | \$51.00 |
| | In house copies 2 @ .15 each & In house postage | \$0.30 \$1.32 |
| | | Sales Tax: \$0.00 |
| | | Total Amount: \$3,552.62 |
| | | Amount Applied: \$0.00 |
| | | Balance Due: \$3,552.62 |

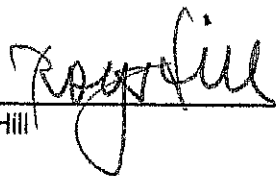
Terms: C.O.D.

LA PORTE REDEVELOPMENT AUTHORITY
HAWES HILL CALDERON LLP
ROY HILL

EXPENSE DETAIL (TIRZ 1, LA PORTE)

| DATE | CLIENT # | VENDOR/DESCRIPTION | QTY | U PRICE | TOT. REIM | BILL |
|--------------|----------|--|-----|---------|----------------|------|
| 1/14/2010 | TIRZ #1 | Trip to City Hall to pick up paperwork | 70 | 0.500 | \$35.00 | YES |
| 1/14/2010 | TIRZ #1 | Picked up papers from Zone attorney | 32 | 0.500 | \$16.00 | YES |
| | | | | | | |
| | | | | | | |
| TOTAL | | | | | \$51.00 | |

I certify that the above is true and correct to the best of my knowledge.



Roy Hill

LA PORTE TAX INCREMENT REINVESTMENT ZONE

STATE OF TEXAS)(

COUNTY OF HARRIS)(

CITY OF LA PORTE)(

NOTICE IS HEREBY GIVEN OF THE MEETING OF THE LA PORTE TAX INCREMENT REINVESTMENT ZONE TO BE HELD ON FEBRUARY 24, 2010 AT 6:30 P.M. IN CITY COUNCIL CHAMBERS, CITY HALL, 604 WEST FAIRMONT PARKWAY, LA PORTE, TEXAS, REGARDING THE ITEMS OF BUSINESS ACCORDING TO THE AGENDA LISTED BELOW:

1. Call to order – Lindsay Pfeiffer, President
2. Consider approval of the minutes of Board of Directors Meeting held on November 18, 2009;
3. Consent agenda – any item may be removed by a board member for discussion
 - Entertain motion and a second to approve the TIRZ items in the same form and manner as was approved in the previous redevelopment authority meeting – Lindsey Pfeiffer, Chairperson
 - a. Receive and Discuss Sylvan Beach Development Agreement, by and between the REINVESTMENT ZONE NUMBER ONE, CITY OF LA PORTE; the LA PORTE REDEVELOPMENT AUTHORITY; the CITY OF LA PORT; the LA PORTE ECONOMIC DEVELOPMENT CORPORATION; and HARRIS COUNTY;
 - b. Receive report and ratify payments with regard to Wharton Weems/State Highway 146 interchange project;
 - c. Receive Staff report and updates with regard to Port Crossing, Lakes on Fairmont Green, Retreat at Bay Forrest Development Project, and Preserve at Taylor Bayou;
 - d. Consider approval or other action with regard to authority invoices;
 - e. Board member comments with regard to matters appearing on agenda and inquiry of staff regarding specific factual information or existing policy;
 - f. Adjournment.

THIS FACILITY HAS DISABILITY ACCOMMODATIONS AVAILABLE. REQUESTS FOR ACCOMMODATIONS OR INTERPRETIVE SERVICES AT MEETINGS SHOULD BE MADE 48 HOURS PRIOR TO THIS MEETING. PLEASE CONTACT CITY SECRETARY'S OFFICE AT 281-471-5020 OR TDD LINE 281-471-5030 FOR FURTHER INFORMATION. A POSSIBLE QUORUM OF CITY COUNCIL MEMBERS MAY BE PRESENT AT THIS MEETING AND PARTICIPATE IN DISCUSSIONS BUT WILL NOT TAKE ANY ACTION.

A POSSIBLE QUORUM OF CITY COUNCIL MEMBERS MAY BE PRESENT AT THIS MEETING AND PARTICIPATE IN DISCUSSIONS BUT WILL NOT TAKE ANY ACTION.

David W. Hawes
Executive Director



Date Posted

**La Porte Tax Increment Reinvestment Zone Number One,
City of La Porte, Texas
Minutes of the Board Meeting
Held November 18th, 2009**

Call to order – Lindsay Pfeiffer, President

The Board of Directors of the La Porte Tax Increment Reinvestment Zone Number One, City of La Porte, Texas, held a meeting, open to the public, on the 18th day of November, 2009; the meeting was called to order at 6:48 p.m. in the City Council Conference Room of the City Hall, 604 West Fairmont Parkway, La Porte, Texas, and the roll was called of the duly appointed members of the Board, to wit:

| | |
|----------------|-----------------------|
| Peggy Antone | Position 1 |
| Dave Turnquist | Position 2 |
| Alton Porter | Position 3 |
| Horace Leopard | Position 4 |
| Doug Martin | Position 5 |
| JJ Meza | Position 6 |
| Lloyd Graham | Position 7 |
| Chester Pool | Position 8 |
| Lin Pfeiffer | Position 9 - Chairman |

and all of the above were present except Director Porter, and Director Meza, thus constituting a quorum. Also present at the meeting were Russell Plank & Tim Geisler (Port Crossing); Stacey Osborne, and David Hawes.

Consider approval of the minutes of the August 26th, 2009 Board of Directors meetings.

Upon motion made by Director Turnquist, seconded by Director Leopard, the board voted unanimously to approve the minutes as presented.

CONSENT AGENDA – ANY ITEM MAY BE REMOVED BY A BOARD MEMBER FOR DISCUSSION

ENTERTAIN A MOTION AND A SECOND TO APPROVE THE TIRZ ITEMS IN THE SAME FORM AND MANNER AS WAS APPROVED IN THE PREVIOUS REDEVELOPMENT AUTHORITY MEETING

Upon a motion duly made by Director Antone and being seconded by Director Pool, the board unanimously approved the consent agenda in the same manner and form as approved in the Redevelopment Authority Board Meeting and adjourned at 6:49 PM.

SIGNED: _____ ATTEST: _____

TITLE: _____ TITLE: _____

DATE: _____ DATE: _____

**TIRZ: Wharton Weems Project
EXPENSE SUMMARY**

| PHASE | CONTRACTOR | BUDGET EXHIBIT D | BUDGET ESTIMATE | ACTUAL COST |
|--|-----------------------------------|----------------------------|----------------------|----------------------|
| Pre-Construction Services | Jones & Carter Engineering | Civil Design & Contingency | \$ 49,000.00 | \$ 69,250.28 |
| | Haynes & Boone | Contingency | \$ 8,238.00 | \$ 8,238.00 |
| | TEDSI | Traffic/Signalization | \$ 9,500.00 | \$ 9,764.00 |
| Construction | Durwood Greene | Construction | \$ 304,869.00 | \$ 304,707.80 |
| Construction Services (Contingency) | Jones & Carter-Construction Phase | Contingency | \$ 9,600.00 | \$ 6,825.50 |
| | Coastal Testing | Contingency | \$ 10,413.00 | \$ 5,055.50 |
| | Cotton Surveying | Contingency | \$ 2,200.00 | * |
| TOTAL: | | | \$ 393,820.00 | \$ 403,841.08 |

* Cotton Surveying is a division of Jones & Carter, and the surveying invoice was paid under Jones & Carter's invoice for services in the construction phase.

**TIRZ: Wharton Weems Project
Durwood Greene
EXPENSE SUMMARY**

| Invoice # | Invoice Date | Invoice Amt | Payment Date | Paid By* | Payment Amt | Proof |
|----------------------|---------------------|-----------------------------|---------------------|---------------------|-----------------------------|--------------------------|
| 200905-132 | 5/31/2009 | \$ 174,321.09 | 6/12/09 | City of La Porte ** | \$ 170,271.09 | Letter to David 6/12/09 |
| 200906-121 | 6/25/2009 | \$ 82,785.60 | 8/17/09 | City of La Porte | \$ 82,785.60 | Letter to David 8/17/09 |
| 200909-117 | 9/25/2009 | <u>\$ 51,565.11</u> | 9/25/09 | City of La Porte | <u>\$ 51,651.11</u> | Letter to David 11/13/09 |
| Total Invoice | | <u>\$ 308,671.80</u> | | Total Paid | <u>\$ 304,707.80</u> | |

* Out of escrowed funds

** Pay application was reduced by \$4,500 because two line items were not completed

**TIRZ: Wharton Weems Project
Jones and Carter
EXPENSE SUMMARY**

| Phase | Invoice # | Invoice Date | Invoiced Amt. | Payment Date | Paid By | Payment Amt. | Proof |
|---|-----------------------|--------------|---------------------|---------------------|-------------------------|---------------------|------------------------------|
| Pre-Project Expenses | 137159 | 1/17/08 | \$ 31,270.95 | 3/19/08 | Port Crossing | \$ 31,270.95 | check #1154 (bank statement) |
| | 139910 | 3/19/08 | \$ 14,850.00 | 10/1/08 | Port Crossing | \$ 14,850.00 | check #1186 (bank statement) |
| | 144211 | 7/23/08 | \$ 21,124.78 | 11/19/08 | Port Crossing | \$ 21,124.78 | check #1207 (bank statement) |
| | 150164 | 1/16/09 | \$ 2,004.55 | 3/6/09 | Port Crossing | \$ 2,004.55 | check #1258 (bank statement) |
| | Total Invoiced | | | \$ 69,250.28 | | Total Paid | \$ 69,250.28 |
| Construction (paid from contingency budget) | 154430* | 6/5/09 | \$ 2,075.00 | | | | |
| | 155718 | 8/11/09 | \$ 2,674.00 | 9/4/09 | City of La Porte | \$ 2,674.00 | Letter to David 9/4/09 |
| | 156543 | 9/4/09 | \$ 336.00 | | | | |
| | 158352 | 11/6/09 | \$ 1,740.50 | 12/29/09 | City of La Porte** | \$ 4,151.50 | Letter to David 12/29/09 |
| | Total Invoiced | | | \$ 6,825.50 | | Total Paid | \$ 6,825.50 |
| Total Invoiced (all) | | | \$ 76,075.78 | | Total Paid (all) | \$ 76,075.78 | |

* Invoice no. 154430 was for surveying services (originally proposed in the budget under Cotton Surveying, a company that is actually a division of Jones & Carter)

** payment for invoice no's. 154430, 156543 and 158352

TIRZ: Wharton Weems Project

TEDSI

EXPENSE SUMMARY

pre-construction

| Invoice # | Invoice Date | Invoice Amt | Payment Date | Paid By | Payment Amt | Proof |
|------------------------|---------------------|--------------------|---------------------|--------------------|--------------------|-------------------------------|
| 267542 | 8/31/06 | \$ 2,850.00 | 10/25/06 | Port Crossing | \$ 2,850.00 | check # 1364 (copy) |
| 267635 | 9/30/06 | \$ 5,700.00 | 12/15/06 | Port Crossing | \$ 5,700.00 | check # 004498 (copy) |
| 267704 | 10/31/06 | \$ 589.00 | 3/12/07 | Port Crossing | \$ 589.00 | check # 1039 (bank statement) |
| 277938 | 2/28/07 | \$ 625.00 | 5/2/07 | Port Crossing | \$ 625.00 | check #1051 (bank statement) |
| Total Invoiced: | | \$ 9,764.00 | | Total Paid: | \$ 9,764.00 | |

**TIRZ: Wharton Weems Project
Contingency Expenses
EXPENSE SUMMARY**

| Company | Invoice Date | Invoice Amt | Payment Date | Paid By | Payment Amt | Proof |
|--------------------------|-----------------------|--------------------|---------------------|-------------------|--------------------|-------------------------------|
| Coastal Testing | 5/31/09 | \$ 2,632.00 | | | | |
| | 6/30/09 | \$ 1,495.50 | | | | |
| | 7/31/09 | \$ 928.00 | 8/12/09 | City of La Porte | \$ 5,055.50 | Letter to David 8/7/09 |
| | Total Invoiced | \$ 5,055.50 | | Total Paid | \$ 5,055.50 | |
| Hayes & Boone | 9/23/08 | \$ 3,753.00 | | | | |
| | 11/17/09 | \$ 2,689.00 | | | | |
| | 12/17/09 | \$ 1,796.00 | 3/4/09 | Port Crossing | \$ 8,238.00 | check # 1257 (bank statement) |
| | Total Invoiced | \$ 8,238.00 | | Total Paid | \$ 8,238.00 | |