

**REINVESTMENT ZONE NUMBER TWENTY-SEVEN
CITY OF HOUSTON, TEXAS**

MONTROSE ZONE

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

DECEMBER 2020

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Introduction

Reinvestment Zone Number Twenty-Seven, City of Houston, Texas ("Zone"), was created by the City of Houston, Texas ("City"), by Ordinance No. 2015-1257, passed and adopted by City Council on December 9, 2015, in an area of the City covering approximately 598 acres and commonly referred to as the Montrose neighborhood ("Montrose").

The purpose of the Zone is to finance the construction of public facilities and infrastructure necessary to catalyze residential and commercial development and redevelopment within the Zone boundaries.

Expenditures associated with the design and construction of public facilities infrastructure, as well as other specific project-related costs, will be funded by tax increment revenues derived from increases in property values following new residential and commercial development.

Location

The Zone includes portions of Montrose and is located in central Houston west and southwest of downtown and just north of the Texas Medical Center and the Museum District. Montrose abuts the west side of Reinvestment Zone Number Fourteen (Fourth Ward Zone) and is adjacent to Reinvestment Zone Number Nineteen (Upper Kirby Zone), Reinvestment Zone Number Five (Memorial Heights Zone) and Reinvestment Zone Number Two (Midtown Zone). The Zone is roughly bound by U.S. Highway 59 to the south, West Dallas Street to the north, Taft Street, Bagby Street and Spur 527 to the east and South Shepherd Drive to the west. The Part B Plan (as defined below) proposes the annexation of certain tracts shown on **Map 1, Map 1a and Map 1b** into the boundaries of the Zone (the "2020 Annexation").

Section One

The Part A Plan

The original Project Plan and Reinvestment Zone Financing Plan for the Zone was approved by the City by Ordinance No. 2017-940, passed and adopted by City Council on November 29, 2017 (the "Part A Plan"). The Part A Plan called for enhancing the multi-modal transportation network within the Zone, improving public parking opportunities and access, stimulation of economic development and growth through the development of vacant sites and redevelopment of older areas, developing open space and parks within the Zone, and facilitating the development and redevelopment of affordable housing within the Zone.

Section Two

The Part B Plan

The Zone and City now propose an addition to the Part A Plan (the “Part B Plan”). The Part B Plan provides for the enhancement and improvements to the 10.1 acres of land annexed into the Zone by separate ordinance in conjunction with the Part B Plan. The Part B Plan consists of (i) the 2020 Annexation, (ii) a summary of redevelopment efforts of the Zone, (iii) a restatement of the redevelopment goals for the Zone, (iv) the re-designation of the Zone’s project cost categories and allocations to align with current goals, and (v) the anticipated use of expenditures for the cost of operating the Zone and project facilities.

A. Summary of Redevelopment Efforts

The Zone was created in 2015 and has already taken significant steps to accomplish the goals outlined in the Part A Plan. The Board of Directors of the Zone (the “Board”) has completed a pedestrian and bicycle study (the “Walk Bike Montrose Study”), and currently finalizing a drainage study (the “Drainage Study”), and an affordable housing study of the Zone (the “Affordable Housing Study”), each of which has been and will be used to prioritize projects based on data-driven criteria. Per the Walk Bike Montrose Study, the Board is moving towards a project to rebuild and enhance Waugh Drive, Commonwealth Street and Yoakum Boulevard from West Dallas Street to West Alabama Street including the addition of protected dedicated bicycle lanes, the resurfacing of the street, and the reconstruction of pedestrian sidewalks (the “Waugh and Commonwealth Project”). The Board expects the Waugh and Commonwealth Project to begin construction in the first quarter of 2021. The Board has also entered into a \$9,000,000 partnership with Harris County Precinct No. 1 for the completion of the Houston Bikeways Program within the Zone including the construction of bikeways and associated roadway and pedestrian improvements along Waugh Drive, Commonwealth Street, Yoakum Boulevard, West Dallas Street, Hawthorne Street, Woodhead Street, Welch Street, Stanford Street and Mandell Street. Additionally, the Board has entered into a development agreement with Montrose Collective Owner, LP (an affiliate of Radom Capital, LLC) that will provide 100 parking spaces to the general public for 40 years as part of the upcoming Montrose Collective development, improving the available parking for a key commercial and nightlife corridor around the Montrose Boulevard and Westheimer Road intersection.

B. Redevelopment Plan Concepts and Goals

The concept of the Zone is to construct the necessary public infrastructure that will lead to private capital investment in the area that (i) respects the character and culture of Montrose, (ii) offers a corresponding increase in the tax base, and (iii)

creates economic opportunity. This concept encompasses development of the necessary economic, social, and physical infrastructure within the Zone, as well as the development of housing that is affordable to working-class households.

Reinvestment into the area within the Zone is intended to achieve the following goals:

- a. *Goal 1: Enhance public infrastructure within Montrose to improve and enhance drainage, the transportation network, and promote multi-modal transportation options including improved infrastructure for automobiles, mass-transit, bicycles, and pedestrians.*

The system of public streets and sidewalks are in a deteriorating condition and fail to offer the bike lanes, pedestrian enhancements, and transit improvements that would significantly improve travel in the Montrose area and stimulate private investment in retail, residential, multi-family, and commercial developments. Additionally, according to the Drainage Study undertaken by the Board, Montrose needs significant investment in drainage infrastructure to mitigate against potential future rainfall events like Hurricane Harvey. The Board proposes evaluating the possibility of the full-scale roadway and drainage reconstruction along corridors such as Montrose Boulevard, Dunlavy Street, West Gray Street and Fairview Street, while also evaluating projects complimentary to City capital improvement projects along West Alabama Street, Richmond Avenue, and Westheimer Road, with enhancements to sidewalks, bike lanes, and intersections. Improvements along corridors identified in the Walk Bike Montrose Study will be made to improve pedestrian and bicycle access to key areas throughout the Zone.

In keeping with a strong focus on implementing infrastructure improvement projects in the area, the Board participated in the creation of a B-Cycle station at the corner of Westheimer Road and Dunlavy Street by investing \$15,000. Corridor improvements would support mass transit in and through the Montrose area, including enhancements along METRO “BOOST” corridors like Montrose Boulevard, which allows the Zone to leverage funds approved by METRO voters for enhancements along key busways. All roadway and drainage improvements will be integrated with the street reconstruction programs of the City, the Texas Department of Transportation, METRO, Harris County Flood Control District, and others as needed, and, where possible, will incorporate elements not funded by those programs. Attention will be placed on the leveraging of Zone monies through the funding of elements not addressed by the capital improvement project programs of sister agencies, such as roadways, drainage, sidewalks, intersections, bike lanes, associated utilities, transit infrastructure, signage, wayfinding, monumentation, street trees and landscaping, street furniture, and streetlights.

- b. *Goal 2: Enhance local parking opportunities and the associated pedestrian-friendly environment.*

The same historic character and development patterns that make Montrose attractive as a distinctive community also limit parking opportunities. Similarly, the pedestrian experience limits the likelihood that those traveling to Montrose would take full advantage of retail and dining opportunities. The Board proposes to coordinate with public partners as well as private investors to improve parking opportunities throughout the Zone, thereby increasing economic development activity and making the area more attractive for private investment. The Board will further support improvements to sidewalks, lighting, signage, street trees, landscaping, benches, and other pedestrian amenities that are designed to enhance the local walking experience and encourage guests to spend an extended period visiting a larger number of venues. The construction of parking and improved pedestrian systems, including ADA-compliant ramps, will also benefit pedestrian safety and mobility, enhance the visual environment and provide connectivity and reinforce the existing community framework of small urban neighborhoods.

- c. *Goal 3: Stimulate economic development and growth through the development of vacant sites and redevelopment of older areas.*

Improvements and expansion of retail and commercial developments along key corridors are important to the successful redevelopment of the Zone, including the introduction of additional mixed-use, pedestrian-friendly development, and activity centers while also respecting the scale and character of existing commercial and mixed-use areas. The Board may approve funding for improvements that would stimulate desirable growth and development, including retention and development of existing businesses, promotion of small business development and entrepreneurship, and support projects that could catalyze investments, the Board may enter into development agreements, fund programs, establish infrastructure, and provide matching grants to leverage other economic development funds, such as state enterprise projects, state economic development bank funds, and new market tax credit allocations.

- d. *Goal 4: Develop and enhance open space, parks, plazas; recreational amenities, cultural facilities, and other similar improvements within the Zone.*

The Board will redevelop and upgrade existing public green space, parks, and other recreational facilities, as well as facilitate the acquisition and development of new parks, including pocket parks, plazas, and other green spaces within the Zone. Improving access and connectivity to parks and open space areas will be accomplished through access and egress improvements, the dedication of public benefit easements, pedestrian bridges, and other enhancements. Additionally, the Board may seek to support amenities and facilities, including public art, that provide cultural or recreational value to the Montrose community, and that serve

to increase spending in the area, enhance local quality of life, or otherwise improve investment in the area. As an example of the implementation of the goals outlined in the Part A Plan, the Board participated in the development of a SPARK Park at the Arabic Immersion School with an investment of \$150,000.

e. Goal 5: Facilitate affordable housing in the Zone.

Maintaining a level of diversity among the housing stock of Montrose is critical for workforce households and to perpetuate the historically mixed-income character of the area. The Affordable Housing Study has shown that the share of affordable housing within Montrose has been shrinking and that older homes and apartment complexes make up the bulk of the current inventory of affordable housing. Tax increment may be leveraged against the private, public, and non-profit resources to support affordable housing in the Zone, including the integration of affordable housing concepts into ongoing and proposed redevelopment projects within the Zone and partnerships with government entities and non-profits to support maintaining the existing affordable housing inventory in Montrose. The Board may also support “value-added” improvements to development projects that include affordable housing that would otherwise render such developments unaffordable to working-class households, as well as programs that incentivize property owners to retain the affordable character of existing housing stock. The Board intends to use tax increment to support new homeownership, redevelopment, renovation, and other related housing initiatives that are (i) permissible under Chapter 311 of the Texas Tax Code, and (ii) consistent with City policies and practices.

C. Authorized Projects and Project Costs

The project costs for the Zone are detailed in **Table 1**, below. The dollar amounts for each category are approximate and may be amended from time to time by the Board with approval of City Council. The Montrose community was heavily involved in identifying and prioritizing the projects discussed throughout this Part B Plan and shown in **Map 3** and **Map 4**.

Table 1: Project Costs

Project Costs	Project Costs	Non-Project Costs
Corridor improvements Including roadways, drainage, bike lanes, sidewalks, intersections, traffic signals, associated utilities (including water, and sanitary sewer), streetlights, street trees, transit support, and all other associated rights-of-way enhancements	\$108,194,133	\$23,143,800
Workforce/ Affordable housing	\$39,600,000	\$ -
Parking enhancements including structured parking	\$4,830,000	\$ -
Parks, open spaces, recreational facilities, and cultural amenities	\$8,000,000	\$ -
Zone Administration	\$8,000,000	\$ -
Total Zone Project Costs	\$168, 624,133	\$23,143,800

D. Project Plan

Existing and Proposed Uses of Land (Texas Tax Code § 311.011(b)(1)):

Existing land uses within the Zone include single-family residential, multi-family residential, retail, office, public and institutional, and parks and open spaces. The majority of the zone is developed with limited vacant parcels. The area has some of the oldest streets and infrastructure in Houston and in recent years, has experienced rapid development and increased densification. Due to age and increasing densification, the streets and infrastructure have deteriorated and not kept pace with development.

Proposed land uses shall include enhanced multi-family and single-family residential, commercial, retail, and parks and open spaces with increasingly diminished undeveloped land over time. **Map 2** shows existing and proposed land uses within the Zone.

Land surrounding the Zone ranges from single-family residential to commercial uses.

Proposed Changes of Zoning Ordinances, Master Plan of Municipality, Building Codes, and Other Municipal Ordinances (Texas Tax Code § 311.011(b)(2)):

All construction will be done in conformance with existing building code regulations of the City of Houston. There are no proposed changes to any City development ordinances, master plans, or building codes.

Estimated Non-Project Costs (Texas Tax Code § 311.011(b)(3)):

The project costs referenced in **Table 1** are inclusive of project costs to be incurred by the Zone only. The costs that would otherwise be project costs but are derived from other parties, such as the City, the Texas Department of Transportation, METRO, or private sources, are non-project costs. Funding identified in **Table 1** for improvements will be leveraged to acquire non-project funding.

Method of Relocating Persons to be Displaced, if any, as a result of Implementing the Plan (Texas Tax Code § 311.011(b)(4)):

There will be no persons displaced as a result of implementing the Part B Plan.

E. Reinvestment Zone Financing Plan

Estimated Project Costs (Texas Tax Code § 311.011(c)(1)):

Table 1 lists the estimated project costs for the Zone. As outlined in this Part B Plan, the dollar amounts are approximate and may be amended from time to time by the Board of

Directors of the Zone with approval of the City Council. The financing costs are a function of project financing needs and will vary with market conditions.

Proposed Kind, Number, and Location of all Proposed Public Works or Public Improvements to be Financed by the Zone (Texas Tax Code § 311.011(c)(2)):

These details are described throughout the Part B Plan, including but not limited to roadway construction/reconstruction, stormwater conveyance and management systems, water, wastewater improvements, sidewalks, intersection improvements, lighting, signage, street furniture, monumentation, managed access, bike lanes, transit enhancements, park and greenspace improvements, landscaping enhancements, public parking, and affordable housing. The number and location of proposed improvements are contained in **Table 1** and **Map 3** and **Map 4**.

Economic Feasibility (Texas Tax Code § 311.011(c)(3)):

An economic feasibility study was completed for the Montrose area by Hawes Hill & Associates, LLP in 2015, and is attached hereto as **Exhibit B**.

Exhibits A-1, A-2, and A-3 show incremental revenue estimates for this Part B Plan; **Exhibits A-1** and **A-3** include estimates for the 2020 Annexation. The future anticipated revenue of the Zone exceeds the cost of proposed improvements. Projects will be implemented based on available funding.

The Board and the City find and determine that the Part B Plan is economically feasible.

Estimated Amount of Bonded Indebtedness; Estimated Time When Related Costs or Monetary Obligations Incurred (Texas Tax Code § 311.011(c)(4), § 311.011(c)(5)):

Issuance of notes and bonds by the Zone may occur as tax increment revenues allow. The value and timing of the issuance of notes or bonds will correlate to debt capacity as derived from the projects and revenue schedules included in **Table 1** and **Exhibit A-1**, as well as actual market conditions for the issue and sale of such notes and bonds.

Methods and Sources of Financing Project Costs and Percentage of Increment from Taxing Units Anticipated to Contribute Tax Increment to the Zone (Texas Tax Code § 311.011(c)(6)):

Methods and sources of financing include the issuance of notes and bonds, as well as collaboration with developers and other entities for grant funding and partnerships. Tax increment will consist of contributions from the City. This figure is calculated using a contribution of \$0.561840/\$100 of assessed valuation.

Current Total Appraised Value of Taxable Real Property (Texas Tax Code § 311.011(c)(7)):

The 2020 certified appraised value of taxable real property in the Zone, including the 2020 Annexation, is approximately \$1,901,194,135.

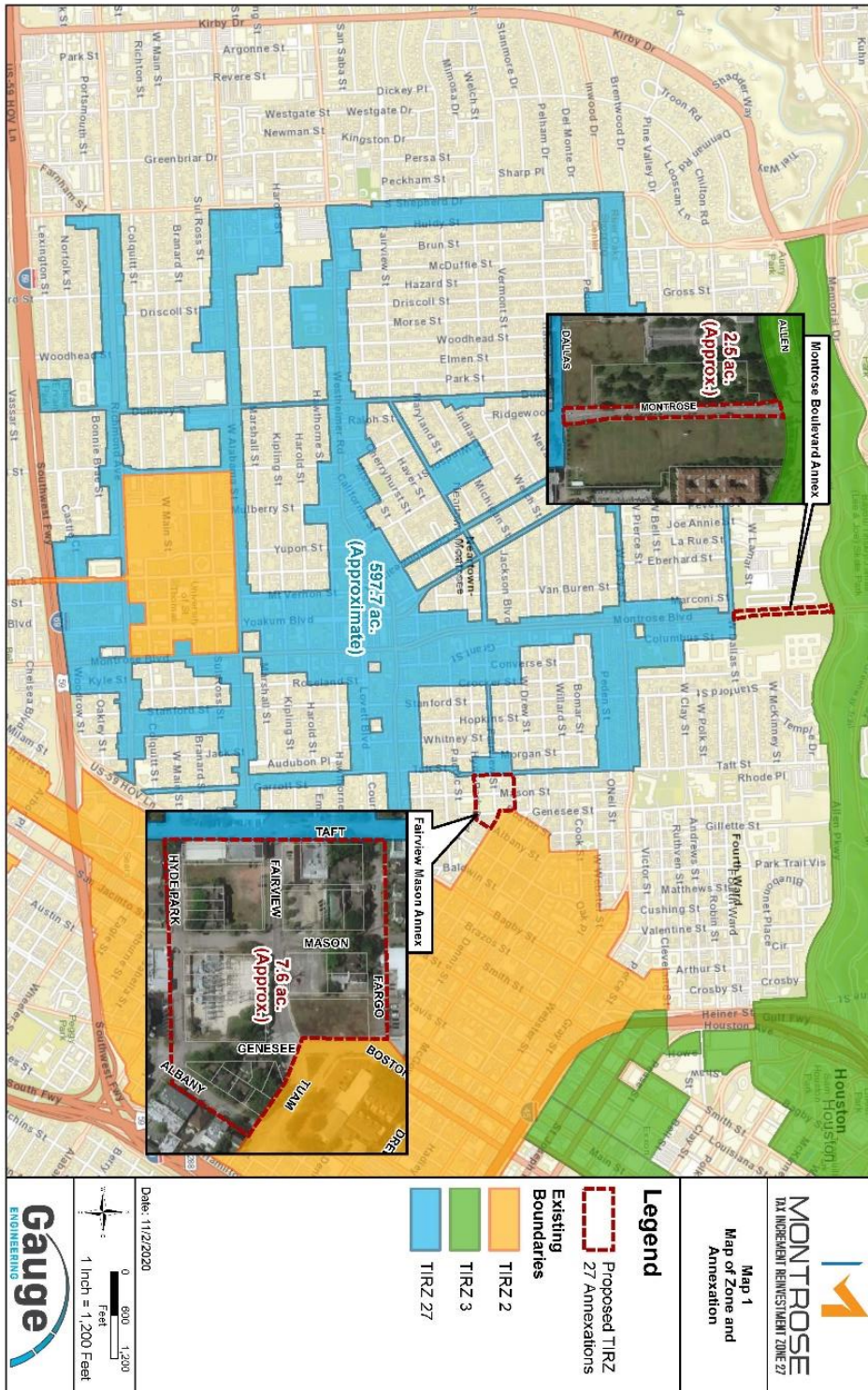
Estimated Captured Appraised Value of Zone During Each Year of Existence (Texas Tax Code § 311.011(c)(8)):

The estimated captured appraised value for the remaining duration of the Zone is set forth in **Exhibits A-1, A-2, and A-3**.

Zone Duration (Texas Tax Code § 311.011(c)(9)):

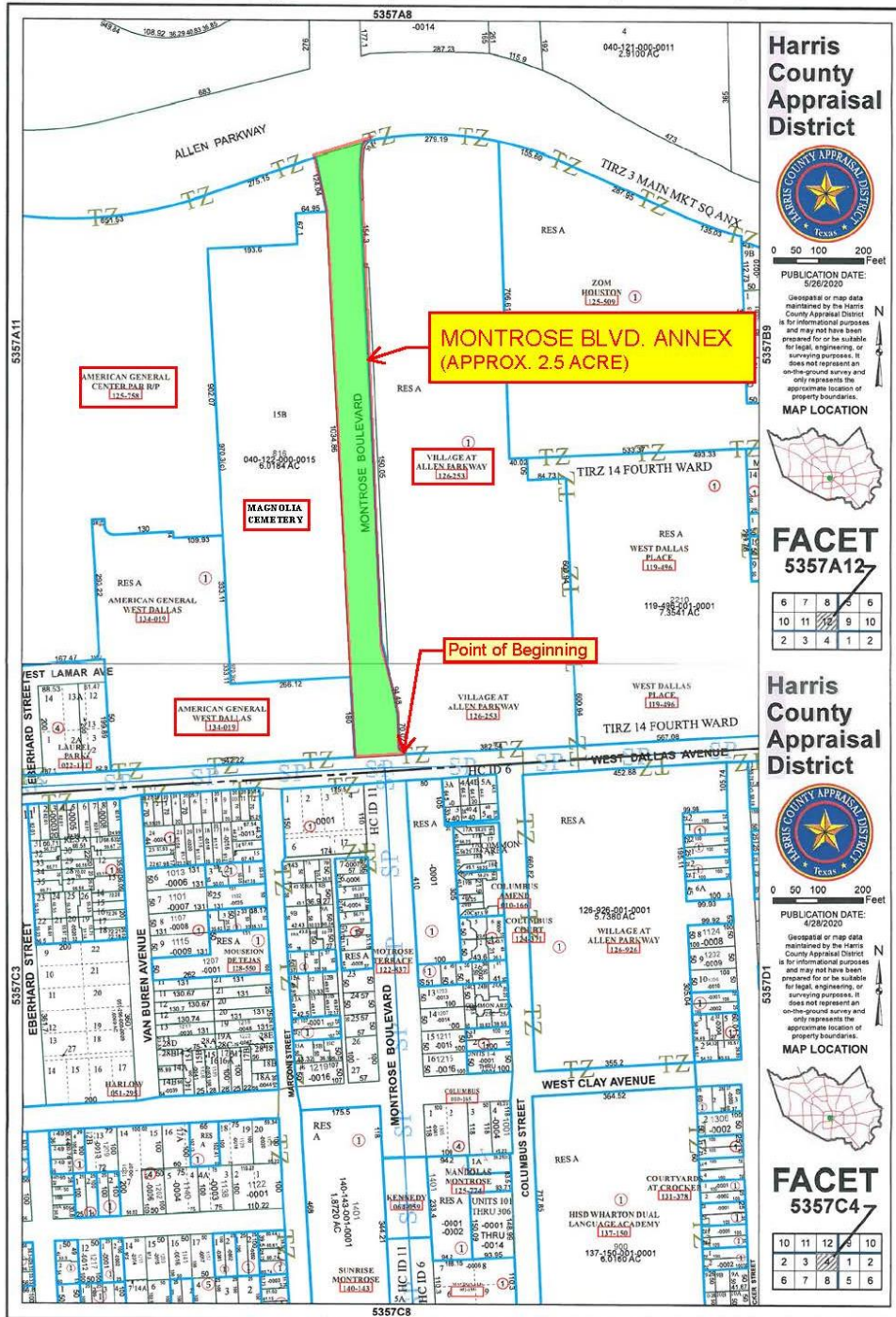
The Zone was established by the City on December 9, 2015 and will terminate on December 31, 2045. The Zone may terminate at an earlier time designated by subsequent ordinance, or at such time, after the issuance of proposed revenue bonds, notes, or other obligations, if any, that all project costs, bonds, and interest on bonds have been paid in full.

Map 1 Map of Zone and 2020 Annexation



Map 1a

Map of Montrose Boulevard/2020 Annexation



Harris County Appraisal District



0 50 100 200 Feet

PUBLICATION DATE: 5/26/2020
 Geospatial or map data maintained by the Harris County Appraisal District is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and only represents the approximate location of property boundaries.

MAP LOCATION



FACET 5357A12

6	7	8	5	6
10	11	12	9	10
2	3	4	1	2

Harris County Appraisal District



0 50 100 200 Feet

PUBLICATION DATE: 4/28/2020
 Geospatial or map data maintained by the Harris County Appraisal District is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and only represents the approximate location of property boundaries.

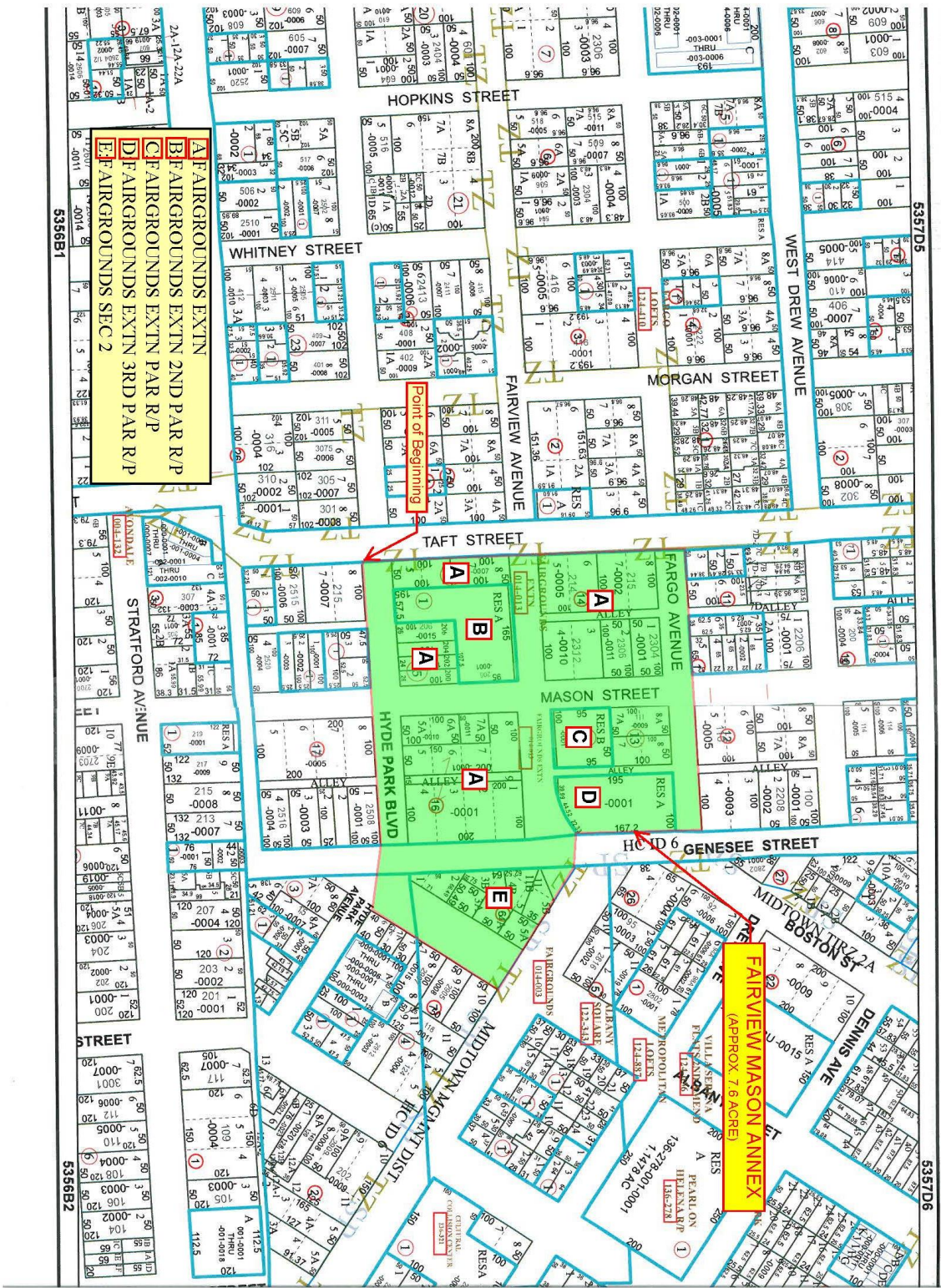
MAP LOCATION



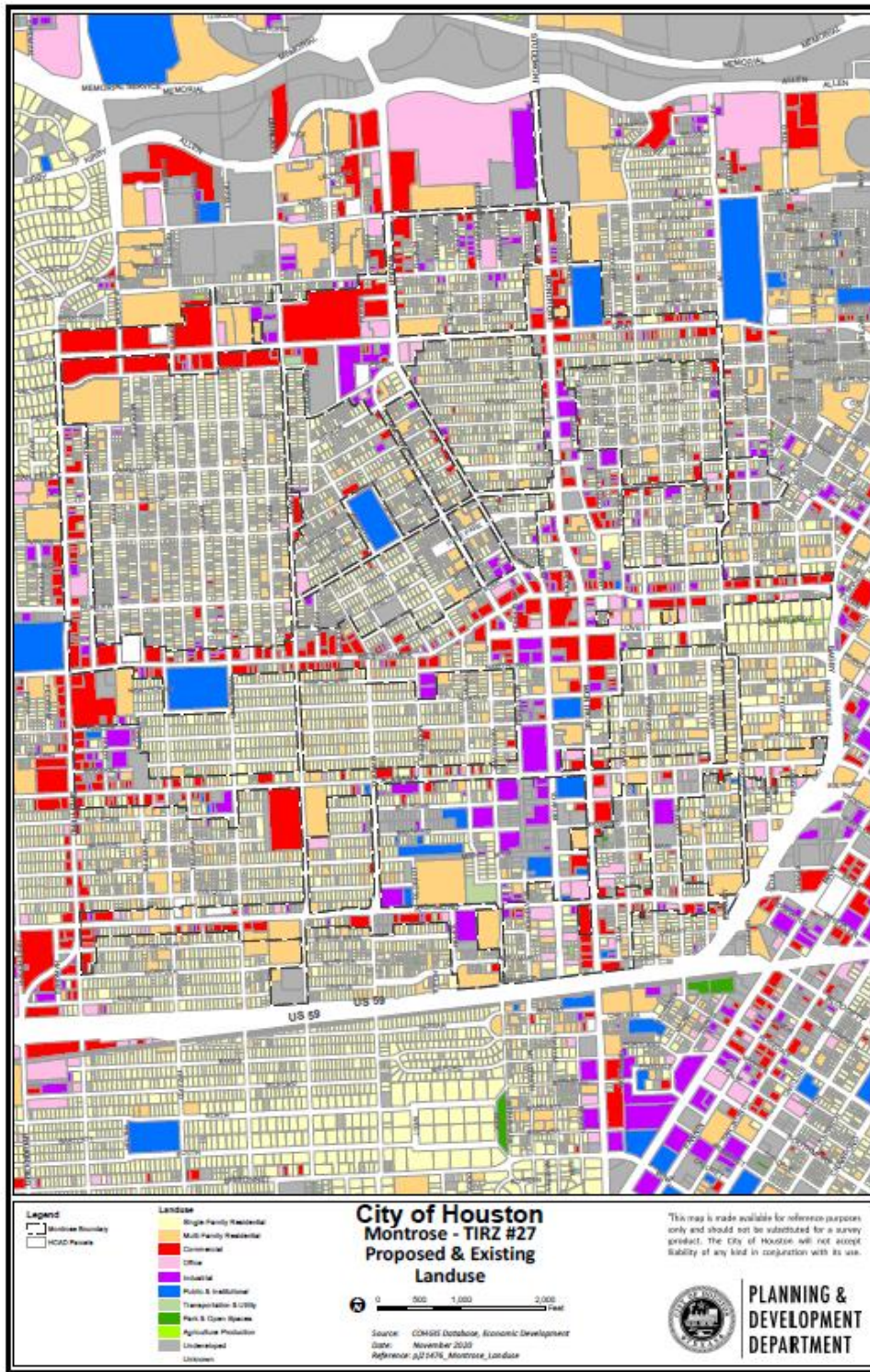
FACET 5357C4

10	11	12	5	10
2	3	4	1	2
6	7	8	5	6

Map 1b Map of Fairview Mason/2020 Annexation



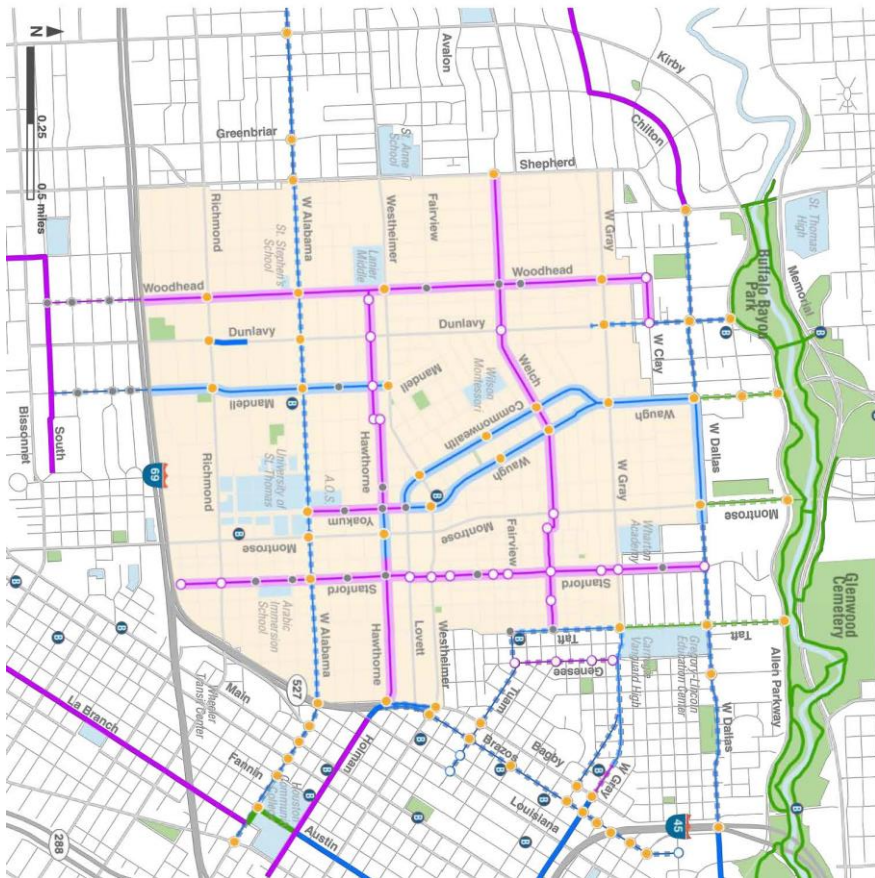
Map 2 Existing and Proposed Land Uses



Map 3 Proposed Walk Bike Montrose Projects

Bike Montrose Priority Network

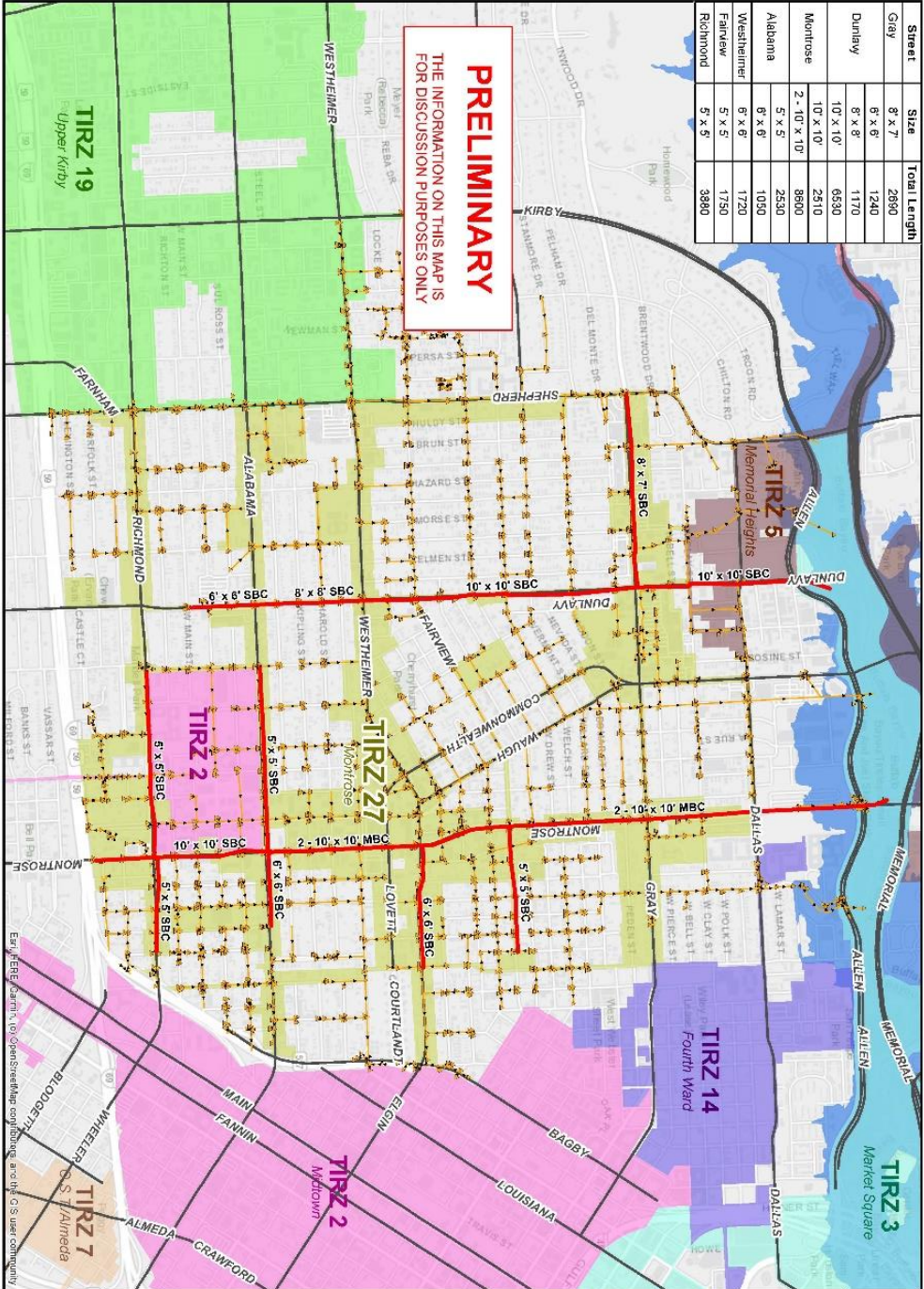
- Existing/Programmed**
 - Off-Street Bikeways
 - Dedicated On-Street Bikeways
 - Neighborhood Safe Street
- TIRZ 27 Priority**
 - Off-Street Bikeways
 - Dedicated On-Street Bikeways
 - Neighborhood Safe Street
- Non-TIRZ Projects**
 - Off-Street Bikeways
 - Dedicated On-Street Bikeways
 - Neighborhood Safe Street
- Signalized Intersection
- All-Way Stop Intersection
- Two-Way Stop
- BCycle Station
- School
- Park



Map 4 Proposed Public Infrastructure Projects

Street	Size	Total Length
Gray	8' x 7'	2690
Dunlavy	8' x 8'	1240
Montrose	10' x 10'	6530
Alabama	10' x 10'	2510
Westheimer	2 - 10' x 10'	8600
Fairview	5' x 5'	2530
Richmond	6' x 6'	1090
	6' x 6'	1720
	5' x 5'	1750
	5' x 5'	3880

PRELIMINARY
THE INFORMATION ON THIS MAP IS FOR DISCUSSION PURPOSES ONLY.



Legend

- Major Streets
- Existing SD Inlet
- Existing SD Pipe
- Proposed SD Trunkline
- TIRZ Boundaries
- TIRZ 13
- TIRZ 14
- TIRZ 16
- TIRZ 19
- TIRZ 2
- TIRZ 27
- TIRZ 3
- TIRZ 5
- TIRZ 7

MONTROSE
THE HOUSTON SUBURBAN CENTER

Proposed Storm Drain Trunklines

Gauge
HOUSTON

City of Houston
Harris County

Scale: 1" = 100' - 325'

Exhibit A-1

Revenue Schedule - Original Zone and 2020 Annexation

TAX INCREMENT REINVESTMENT ZONE: CITY OF HOUSTON (MONTROSE) Projected Assessed Valuations										TAX INCREMENT REINVESTMENT ZONE: CITY OF HOUSTON (MONTROSE) Projected Zone Revenues									
Tax Roll Jan 1 2020	Original Boundary Base Year Value (1)	City Taxable Value - Original Boundaries(2)	Captured Appraised Valuation - Original	Annex 1 Base Year Value 2020	City Taxable Value - Annex 1(2)	Captured Appraised Valuation - Annex 1	Tax Year	Roll Year	City Tax Rate (4)(5)	City Tax Increment Revenues Combined (3)	City Rate of Participation Percentage	City Rate of Participation (Amount)	City Accrued Administrative Services (5%)	Total TIRZ Revenues Available for Projects	Cumulative TIRZ Revenues Available for Projects				
2016	\$ 1,098,766,790	\$ 1,328,292,183	\$ 223,525,393	\$ 14,951,884	\$ 14,951,884	\$ 598,075	2016	2017	0.58642	\$ 1,318,063	100%	\$ 1,318,063	\$ 65,953	\$ 1,253,110	\$ 1,253,110				
2017	\$ 1,098,766,790	\$ 1,432,820,686	\$ 334,053,896	\$ 14,951,884	\$ 14,951,884	\$ 1,866,952	2017	2018	0.58642	\$ 1,912,545	100%	\$ 1,912,545	\$ 95,627	\$ 1,816,918	\$ 3,070,027				
2018	\$ 1,098,766,790	\$ 1,520,182,839	\$ 421,416,043	\$ 14,951,884	\$ 14,951,884	\$ 2,429,648	2018	2019	0.58631	\$ 2,429,648	100%	\$ 2,429,648	\$ 121,482	\$ 2,308,166	\$ 5,378,193				
2019	\$ 1,098,766,790	\$ 1,697,014,519	\$ 598,247,723	\$ 14,951,884	\$ 14,951,884	\$ 3,329,617	2019	2020	0.58732	\$ 3,329,617	100%	\$ 3,329,617	\$ 166,481	\$ 3,163,136	\$ 8,541,329				
2020	\$ 1,098,766,790	\$ 1,886,242,251	\$ 787,475,461	\$ 14,951,884	\$ 14,951,884	\$ 4,335,865	2020	2021	0.58184	\$ 4,335,865	100%	\$ 4,335,865	\$ 216,733	\$ 4,119,132	\$ 12,660,461				
2021	\$ 1,098,766,790	\$ 1,961,691,941	\$ 862,325,151	\$ 14,951,884	\$ 14,951,884	\$ 4,754,587	2021	2022	0.58184	\$ 4,754,587	100%	\$ 4,754,587	\$ 237,729	\$ 4,516,857	\$ 17,177,258				
2022	\$ 1,098,766,790	\$ 2,040,159,619	\$ 941,392,823	\$ 14,951,884	\$ 14,951,884	\$ 5,190,057	2022	2023	0.58184	\$ 5,190,057	100%	\$ 5,190,057	\$ 259,503	\$ 4,930,554	\$ 22,107,812				
2023	\$ 1,098,766,790	\$ 2,121,766,003	\$ 1,022,393,213	\$ 14,951,884	\$ 14,951,884	\$ 5,642,946	2023	2024	0.58184	\$ 5,642,946	100%	\$ 5,642,946	\$ 282,147	\$ 5,360,799	\$ 27,468,611				
2024	\$ 1,098,766,790	\$ 2,206,636,644	\$ 1,107,669,854	\$ 14,951,884	\$ 14,951,884	\$ 6,113,951	2024	2025	0.58184	\$ 6,113,951	100%	\$ 6,113,951	\$ 305,698	\$ 5,808,253	\$ 33,276,864				
2025	\$ 1,098,766,790	\$ 2,294,902,109	\$ 1,196,135,319	\$ 14,951,884	\$ 14,951,884	\$ 6,603,795	2025	2026	0.58184	\$ 6,603,795	100%	\$ 6,603,795	\$ 330,190	\$ 6,273,606	\$ 39,550,470				
2026	\$ 1,098,766,790	\$ 2,386,698,194	\$ 1,287,931,404	\$ 14,951,884	\$ 14,951,884	\$ 7,113,234	2026	2027	0.58184	\$ 7,113,234	100%	\$ 7,113,234	\$ 320,096	\$ 6,793,138	\$ 45,632,285				
2027	\$ 1,098,766,790	\$ 2,482,166,121	\$ 1,383,339,331	\$ 14,951,884	\$ 14,951,884	\$ 7,643,050	2027	2028	0.58184	\$ 7,643,050	100%	\$ 7,643,050	\$ 343,937	\$ 7,300,113	\$ 52,167,033				
2028	\$ 1,098,766,790	\$ 2,581,452,765	\$ 1,482,685,976	\$ 14,951,884	\$ 14,951,884	\$ 8,194,059	2028	2029	0.58184	\$ 8,194,059	100%	\$ 8,194,059	\$ 368,733	\$ 7,821,326	\$ 60,000,000				
2029	\$ 1,098,766,790	\$ 2,684,710,877	\$ 1,585,944,087	\$ 14,951,884	\$ 14,951,884	\$ 8,761,108	2029	2030	0.58184	\$ 8,761,108	100%	\$ 8,761,108	\$ 394,520	\$ 8,366,588	\$ 68,668,991				
2030	\$ 1,098,766,790	\$ 2,792,099,312	\$ 1,693,332,522	\$ 14,951,884	\$ 14,951,884	\$ 9,363,079	2030	2031	0.58184	\$ 9,363,079	100%	\$ 9,363,079	\$ 421,339	\$ 8,941,740	\$ 74,674,324				
2031	\$ 1,098,766,790	\$ 2,903,763,284	\$ 1,805,076,494	\$ 14,951,884	\$ 14,951,884	\$ 9,984,800	2031	2032	0.58184	\$ 9,984,800	100%	\$ 9,984,800	\$ 449,230	\$ 9,535,570	\$ 83,209,694				
2032	\$ 1,098,766,790	\$ 3,019,934,616	\$ 1,921,167,826	\$ 14,951,884	\$ 14,951,884	\$ 10,627,492	2032	2033	0.58184	\$ 10,627,492	100%	\$ 10,627,492	\$ 478,237	\$ 10,149,253	\$ 92,296,200				
2033	\$ 1,098,766,790	\$ 3,140,732,001	\$ 2,041,965,211	\$ 14,951,884	\$ 14,951,884	\$ 11,291,878	2033	2034	0.58184	\$ 11,291,878	100%	\$ 11,291,878	\$ 508,405	\$ 10,783,473	\$ 101,955,886				
2034	\$ 1,098,766,790	\$ 3,286,961,281	\$ 2,167,594,491	\$ 14,951,884	\$ 14,951,884	\$ 11,999,941	2034	2035	0.58184	\$ 11,999,941	100%	\$ 11,999,941	\$ 539,779	\$ 11,453,162	\$ 112,217,679				
2035	\$ 1,098,766,790	\$ 3,397,015,732	\$ 2,298,248,942	\$ 14,951,884	\$ 14,951,884	\$ 12,749,614	2035	2036	0.58184	\$ 12,749,614	100%	\$ 12,749,614	\$ 572,408	\$ 12,177,206	\$ 123,087,425				
2036	\$ 1,098,766,790	\$ 3,552,896,361	\$ 2,434,123,571	\$ 14,951,884	\$ 14,951,884	\$ 13,532,714	2036	2037	0.58184	\$ 13,532,714	100%	\$ 13,532,714	\$ 606,996	\$ 12,925,718	\$ 133,327,866				
2037	\$ 1,098,766,790	\$ 3,674,212,215	\$ 2,575,445,425	\$ 14,951,884	\$ 14,951,884	\$ 14,359,521	2037	2038	0.58184	\$ 14,359,521	100%	\$ 14,359,521	\$ 642,966	\$ 13,716,555	\$ 144,164,342				
2038	\$ 1,098,766,790	\$ 3,821,180,704	\$ 2,722,413,914	\$ 14,951,884	\$ 14,951,884	\$ 15,209,890	2038	2039	0.58184	\$ 15,209,890	100%	\$ 15,209,890	\$ 680,966	\$ 14,528,924	\$ 155,620,695				
2039	\$ 1,098,766,790	\$ 3,974,027,932	\$ 2,875,261,142	\$ 14,951,884	\$ 14,951,884	\$ 16,099,480	2039	2040	0.58184	\$ 16,099,480	100%	\$ 16,099,480	\$ 721,963	\$ 15,377,517	\$ 167,721,721				
2040	\$ 1,098,766,790	\$ 4,132,989,050	\$ 3,034,222,260	\$ 14,951,884	\$ 14,951,884	\$ 17,039,535	2040	2041	0.58184	\$ 17,039,535	100%	\$ 17,039,535	\$ 768,882	\$ 16,268,655	\$ 180,493,205				
2041	\$ 1,098,766,790	\$ 4,296,308,612	\$ 3,199,541,822	\$ 14,951,884	\$ 14,951,884	\$ 18,019,992	2041	2042	0.58184	\$ 18,019,992	100%	\$ 18,019,992	\$ 819,945	\$ 17,200,047	\$ 193,991,967				
2042	\$ 1,098,766,790	\$ 4,470,240,956	\$ 3,371,414,166	\$ 14,951,884	\$ 14,951,884	\$ 19,046,867	2042	2043	0.58184	\$ 19,046,867	100%	\$ 19,046,867	\$ 881,945	\$ 18,164,922	\$ 208,185,897				
2043	\$ 1,098,766,790	\$ 4,649,050,594	\$ 3,550,283,804	\$ 14,951,884	\$ 14,951,884	\$ 20,119,257	2043	2044	0.58184	\$ 20,119,257	100%	\$ 20,119,257	\$ 956,945	\$ 19,163,307	\$ 223,300,402				
2044	\$ 1,098,766,790	\$ 4,835,012,618	\$ 3,736,245,826	\$ 14,951,884	\$ 14,951,884	\$ 21,307,343	2044	2045	0.58184	\$ 21,307,343	100%	\$ 21,307,343	\$ 1,044,945	\$ 20,258,398	\$ 238,636,450				
2045	\$ 1,098,766,790	\$ 5,028,413,123	\$ 3,929,646,333	\$ 14,951,884	\$ 14,951,884	\$ 22,607,392	2045	2046	0.58184	\$ 22,607,392	100%	\$ 22,607,392	\$ 1,149,945	\$ 21,458,447	\$ 255,384,513				

(1) Years 2016-2019 were based on valuations from 2015

(2) Includes 4.0% annual appreciation

(3) 38% Collection

(4) Tax rate was adjusted between 2016 and 2020, reflects actual tax rate

(5) Sourced tax rate from the Houston Chronicle

(6) Annex 1 area was not incorporated with TIRZ 27 prior to 2020. Base data in columns L-Q are generated from information in this document.

Exhibit A-2 Revenue Schedule - Original Zone

TAX INCREMENT REINVESTMENT ZONE, CITY OF HOUSTON (MONTROSE) Projected Assessed Valuations					TAX INCREMENT REINVESTMENT ZONE, CITY OF HOUSTON (MONTROSE) Projected Zone Revenues							
Tax Roll Jan 1	City Taxable Base Value (1)	City Taxable Value (2) (3)	City Captured Appraised Valuation (2)	Tax Year	Tax Coll. Year	City Tax Rate	City Tax Increment Revenues (4)	City Rate of Participation (Percentage)	City Rate of Participation (Amount)	City Accrued Administrative Services (5%)	Total TRZ Revenues Available for Projects	Cumulative TRZ Revenues Available for Projects
2016	\$ 1,098,766,790.00	\$ 1,328,292,183.00	\$ 229,525,393.00	2016	2017	0.58642	\$ 1,319,063.15	100%	\$ 1,576,437.00	\$ 78,821.85	\$ 1,497,615.15	\$ 1,497,615.00
2017	\$ 1,098,766,790.00	\$ 1,432,820,886.00	\$ 334,053,896.00	2017	2018	0.58421	\$ 1,912,544.74	100%	\$ 2,249,648.10	\$ 114,494.90	\$ 2,175,403.10	\$ 3,573,019.00
2018	\$ 1,098,766,790.00	\$ 1,520,182,839.00	\$ 421,416,049.00	2018	2019	0.58831	\$ 2,429,648.10	100%	\$ 2,643,652.00	\$ 132,182.60	\$ 2,511,469.40	\$ 6,184,488.00
2019	\$ 1,098,766,790.00	\$ 1,697,014,519.00	\$ 598,247,729.00	2019	2020	0.56792	\$ 3,329,617.13	100%	\$ 3,011,555.00	\$ 150,577.75	\$ 2,860,977.25	\$ 9,045,465.00
2020	\$ 1,098,766,790.00	\$ 1,886,242,251.00	\$ 787,475,461.00	2020	2021	0.56184	\$ 4,335,865.09	100%	\$ 3,394,174.00	\$ 169,708.70	\$ 3,224,465.30	\$ 12,269,930.00
2021	\$ 1,098,766,790.00	\$ 1,961,691,941.04	\$ 862,925,151.04	2021	2022	0.56184	\$ 4,751,293.50	100%	\$ 3,792,099.00	\$ 189,604.95	\$ 3,602,494.05	\$ 15,872,424.00
2022	\$ 1,098,766,790.00	\$ 2,040,159,618.68	\$ 941,392,828.68	2022	2023	0.56184	\$ 5,183,399.04	100%	\$ 4,205,940.00	\$ 210,297.00	\$ 3,995,643.00	\$ 19,868,067.00
2023	\$ 1,098,766,790.00	\$ 2,121,766,003.43	\$ 1,022,999,213.43	2023	2024	0.56184	\$ 5,632,666.41	100%	\$ 4,656,395.00	\$ 231,816.75	\$ 4,404,518.25	\$ 24,277,585.00
2024	\$ 1,098,766,790.00	\$ 2,206,636,643.57	\$ 1,107,869,853.57	2024	2025	0.56184	\$ 6,099,966.87	100%	\$ 5,083,945.00	\$ 254,197.25	\$ 4,829,747.75	\$ 29,102,333.00
2025	\$ 1,098,766,790.00	\$ 2,294,902,109.31	\$ 1,196,135,319.31	2025	2026	0.56184	\$ 6,585,959.34	100%	\$ 5,549,460.00	\$ 277,473.00	\$ 5,271,987.00	\$ 34,374,320.00
2026	\$ 1,098,766,790.00	\$ 2,386,698,193.68	\$ 1,287,931,403.68	2026	2027	0.56184	\$ 7,091,391.52	90%	\$ 6,382,252.37	\$ 319,112.62	\$ 6,063,139.75	\$ 39,533,045.00
2027	\$ 1,098,766,790.00	\$ 2,482,166,121.49	\$ 1,383,399,331.43	2027	2028	0.56184	\$ 7,617,040.99	90%	\$ 6,855,336.89	\$ 342,766.84	\$ 6,512,570.04	\$ 45,122,263.00
2028	\$ 1,098,766,790.00	\$ 2,581,452,766.29	\$ 1,482,685,976.29	2028	2029	0.56184	\$ 8,163,716.43	90%	\$ 7,347,344.79	\$ 367,367.24	\$ 6,979,977.55	\$ 51,159,194.00
2029	\$ 1,098,766,790.00	\$ 2,684,710,876.94	\$ 1,585,944,086.94	2029	2030	0.56184	\$ 8,732,258.89	90%	\$ 7,859,033.00	\$ 392,951.65	\$ 7,466,081.35	\$ 57,661,748.00
2030	\$ 1,098,766,790.00	\$ 2,792,099,312.01	\$ 1,693,332,522.01	2030	2031	0.56184	\$ 9,323,543.05	90%	\$ 8,391,188.75	\$ 419,559.44	\$ 7,971,629.31	\$ 64,648,547.00
2031	\$ 1,098,766,790.00	\$ 2,903,783,284.49	\$ 1,805,016,494.49	2031	2032	0.56184	\$ 9,938,478.58	90%	\$ 8,944,630.72	\$ 447,231.54	\$ 8,497,399.19	\$ 72,138,963.00
2032	\$ 1,098,766,790.00	\$ 3,019,934,615.87	\$ 1,921,167,825.87	2032	2033	0.56184	\$ 10,578,011.53	90%	\$ 9,520,210.37	\$ 476,010.52	\$ 9,044,199.86	\$ 80,153,140.00
2033	\$ 1,098,766,790.00	\$ 3,140,732,000.51	\$ 2,041,965,210.51	2033	2034	0.56184	\$ 11,243,125.79	90%	\$ 10,118,813.21	\$ 505,940.66	\$ 9,612,872.55	\$ 88,712,029.00
2034	\$ 1,098,766,790.00	\$ 3,266,361,280.53	\$ 2,167,594,490.53	2034	2035	0.56184	\$ 11,934,844.63	90%	\$ 10,741,360.17	\$ 537,068.01	\$ 10,204,292.16	\$ 97,837,418.00
2035	\$ 1,098,766,790.00	\$ 3,397,015,731.75	\$ 2,298,248,941.75	2035	2036	0.56184	\$ 12,654,232.22	90%	\$ 11,388,809.00	\$ 569,440.45	\$ 10,819,368.55	\$ 107,551,967.00
2036	\$ 1,098,766,790.00	\$ 3,532,896,361.02	\$ 2,434,129,571.02	2036	2037	0.56184	\$ 13,402,395.31	80%	\$ 10,721,916.25	\$ 536,095.81	\$ 10,185,820.44	\$ 116,731,767.00
2037	\$ 1,098,766,790.00	\$ 3,674,212,215.48	\$ 2,575,445,425.46	2037	2038	0.56184	\$ 14,180,484.93	80%	\$ 11,344,387.94	\$ 567,219.40	\$ 10,777,168.54	\$ 126,477,999.00
2038	\$ 1,098,766,790.00	\$ 3,821,180,704.08	\$ 2,722,413,914.08	2038	2039	0.56184	\$ 14,989,698.13	80%	\$ 11,991,758.50	\$ 599,587.93	\$ 11,392,170.58	\$ 136,813,319.00
2039	\$ 1,098,766,790.00	\$ 3,974,027,932.24	\$ 2,875,261,142.24	2039	2040	0.56184	\$ 15,831,279.86	80%	\$ 12,665,023.89	\$ 633,251.19	\$ 12,031,772.69	\$ 147,761,292.00
2040	\$ 1,098,766,790.00	\$ 4,132,989,049.53	\$ 3,034,222,259.53	2040	2041	0.56184	\$ 16,706,524.66	80%	\$ 13,365,219.88	\$ 668,260.99	\$ 12,696,958.89	\$ 159,346,423.00
2041	\$ 1,098,766,790.00	\$ 4,298,308,611.51	\$ 3,199,541,821.51	2041	2042	0.56184	\$ 17,616,779.65	80%	\$ 14,093,423.72	\$ 704,671.19	\$ 13,388,752.54	\$ 171,594,199.00
2042	\$ 1,098,766,790.00	\$ 4,470,240,955.58	\$ 3,371,474,165.98	2042	2043	0.56184	\$ 18,563,444.65	80%	\$ 14,850,755.72	\$ 742,537.79	\$ 14,108,217.93	\$ 184,531,126.00
2043	\$ 1,098,766,790.00	\$ 4,649,050,594.11	\$ 3,550,283,804.21	2043	2044	0.56184	\$ 19,547,976.24	80%	\$ 15,638,380.99	\$ 781,919.05	\$ 14,856,461.94	\$ 198,184,769.00
2044	\$ 1,098,766,790.00	\$ 4,833,012,617.98	\$ 3,736,245,827.98	2044	2045	0.56184	\$ 20,571,889.09	80%	\$ 16,457,511.27	\$ 822,875.56	\$ 15,634,635.71	\$ 212,583,797.00
2045	\$ 1,098,766,790.00	\$ 5,028,413,122.70	\$ 3,929,646,332.70	2045	2046	0.56184	\$ 21,636,758.46	80%	\$ 17,309,406.77	\$ 865,470.34	\$ 16,443,936.43	\$ 227,758,027.00
							\$ 311,903,838.16		\$ 262,170,259.19	\$ 13,108,512.96	\$ 249,061,746.23	

(1) Base Value 2015, years 2016-2019 data is based on TIRZ 27 original project plan

(2) Includes 4.0% annual appreciation

(3) 2020 Estimated Equitax City taxable value \$1,929,751,222

(4) 98% Collection

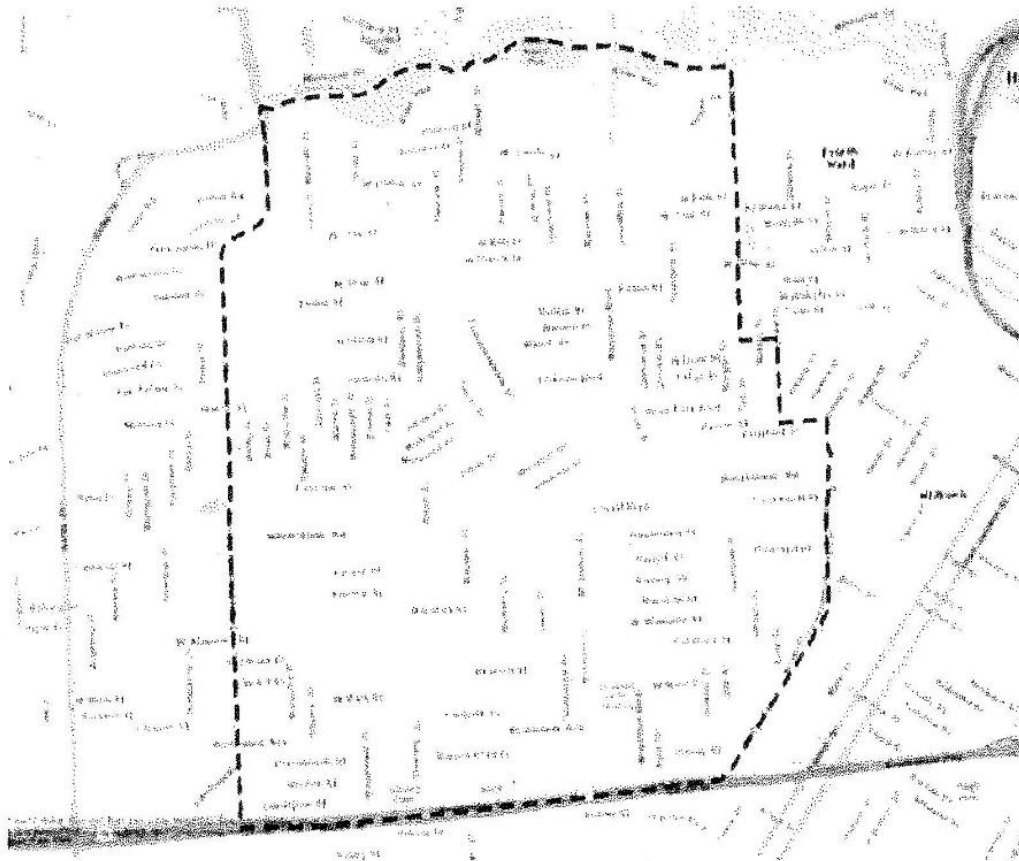
Exhibit A-3 Revenue Schedule - 2020 Annexation

TAX INCREMENT REINVESTMENT ZONE, CITY OF HOUSTON (MONTROSE) Projected Assessed Valuations										TAX INCREMENT REINVESTMENT ZONE, CITY OF HOUSTON (MONTROSE) Projected Zone Revenues									
Tax Roll Jan 1 2020	City Taxable Base Value (1)	City Taxable Value (2)	City Captured Appraised Valuation (2)	Tax Year	Coll. Year	City Tax Rate	City Tax Increment Revenues (3)	City Rate of Participation Percentage)	City Rate of Participation (Amount)	City Accrued Administrative Services (5%)	Total TRZ Revenues Available for Projects	Cumulative TRZ Revenues Available for Projects							
2020	\$14,951,884.00	\$14,951,884.00	\$ -	2020	2021	0.56184	\$ -	100%	\$ -	\$ -	\$ -	\$ -							
2021	\$14,951,884.00	\$15,549,959.36	\$ 598,075.36	2021	2022	0.56184	\$ 3,293.02	100%	\$ 3,293.02	\$ 164.65	\$ 3,128.37	\$ 3,128.37							
2022	\$14,951,884.00	\$16,171,957.73	\$ 1,220,073.73	2022	2023	0.56184	\$ 6,717.77	100%	\$ 6,717.77	\$ 395.89	\$ 6,381.88	\$ 9,510.25							
2023	\$14,951,884.00	\$16,818,836.04	\$ 1,866,952.04	2023	2024	0.56184	\$ 10,279.50	100%	\$ 10,279.50	\$ 513.97	\$ 9,765.52	\$ 19,275.77							
2024	\$14,951,884.00	\$17,491,589.49	\$ 2,539,705.49	2024	2025	0.56184	\$ 13,983.70	100%	\$ 13,983.70	\$ 699.18	\$ 13,284.51	\$ 32,560.29							
2025	\$14,951,884.00	\$18,191,253.06	\$ 3,293,369.06	2025	2026	0.56184	\$ 17,836.07	100%	\$ 17,836.07	\$ 891.80	\$ 16,944.27	\$ 49,504.55							
2026	\$14,951,884.00	\$18,918,903.19	\$ 3,967,019.19	2026	2027	0.56184	\$ 21,842.53	90%	\$ 19,658.28	\$ 982.91	\$ 18,675.37	\$ 68,179.92							
2027	\$14,951,884.00	\$19,675,659.32	\$ 4,723,775.32	2027	2028	0.56184	\$ 26,009.26	90%	\$ 23,408.33	\$ 1,170.42	\$ 22,237.92	\$ 90,417.83							
2028	\$14,951,884.00	\$20,462,685.69	\$ 5,510,801.69	2028	2029	0.56184	\$ 30,342.65	90%	\$ 27,308.39	\$ 1,365.42	\$ 25,942.97	\$ 116,360.80							
2029	\$14,951,884.00	\$21,281,193.12	\$ 6,329,309.12	2029	2030	0.56184	\$ 34,849.38	90%	\$ 31,364.44	\$ 1,568.22	\$ 29,796.22	\$ 146,157.02							
2030	\$14,951,884.00	\$22,132,440.84	\$ 7,180,556.84	2030	2031	0.56184	\$ 39,536.38	90%	\$ 35,582.74	\$ 1,779.14	\$ 33,803.60	\$ 179,960.62							
2031	\$14,951,884.00	\$23,017,738.47	\$ 8,065,854.47	2031	2032	0.56184	\$ 44,410.85	90%	\$ 39,969.77	\$ 1,998.49	\$ 37,971.28	\$ 217,931.90							
2032	\$14,951,884.00	\$23,938,448.01	\$ 8,986,564.01	2032	2033	0.56184	\$ 49,480.31	90%	\$ 44,532.28	\$ 2,226.61	\$ 42,305.66	\$ 260,237.56							
2033	\$14,951,884.00	\$24,895,985.93	\$ 9,944,101.93	2033	2034	0.56184	\$ 54,752.54	90%	\$ 49,277.29	\$ 2,463.86	\$ 46,813.42	\$ 307,050.99							
2034	\$14,951,884.00	\$25,891,825.37	\$ 10,939,941.37	2034	2035	0.56184	\$ 60,235.67	90%	\$ 54,212.10	\$ 2,710.61	\$ 51,501.50	\$ 358,552.48							
2035	\$14,951,884.00	\$26,927,498.38	\$ 11,975,614.38	2035	2036	0.56184	\$ 65,998.12	90%	\$ 59,344.30	\$ 2,967.22	\$ 56,377.09	\$ 414,929.57							
2036	\$14,951,884.00	\$28,004,598.32	\$ 13,052,714.32	2036	2037	0.56184	\$ 71,868.66	80%	\$ 57,494.93	\$ 2,874.75	\$ 54,620.18	\$ 469,549.76							
2037	\$14,951,884.00	\$29,124,782.25	\$ 14,172,898.25	2037	2038	0.56184	\$ 78,036.43	80%	\$ 62,429.15	\$ 3,121.46	\$ 59,307.69	\$ 528,857.44							
2038	\$14,951,884.00	\$30,289,773.54	\$ 15,337,889.54	2038	2039	0.56184	\$ 84,450.91	80%	\$ 67,560.73	\$ 3,378.04	\$ 64,182.69	\$ 593,040.14							
2039	\$14,951,884.00	\$31,501,364.48	\$ 16,549,480.48	2039	2040	0.56184	\$ 91,121.97	80%	\$ 72,897.58	\$ 3,644.88	\$ 69,252.70	\$ 662,292.83							
2040	\$14,951,884.00	\$32,761,419.06	\$ 17,809,535.06	2040	2041	0.56184	\$ 98,059.87	80%	\$ 78,447.90	\$ 3,922.39	\$ 74,525.50	\$ 736,818.33							
2041	\$14,951,884.00	\$34,071,875.83	\$ 19,119,991.83	2041	2042	0.56184	\$ 105,275.29	80%	\$ 84,220.23	\$ 4,211.01	\$ 80,009.22	\$ 816,827.55							
2042	\$14,951,884.00	\$35,434,750.86	\$ 20,482,866.86	2042	2043	0.56184	\$ 112,779.32	80%	\$ 90,223.46	\$ 4,511.17	\$ 85,712.28	\$ 902,539.84							
2043	\$14,951,884.00	\$36,852,140.89	\$ 21,900,256.89	2043	2044	0.56184	\$ 120,583.52	80%	\$ 96,466.81	\$ 4,823.34	\$ 91,643.47	\$ 994,183.31							
2044	\$14,951,884.00	\$38,326,226.53	\$ 23,374,342.53	2044	2045	0.56184	\$ 128,699.88	80%	\$ 102,959.90	\$ 5,148.00	\$ 97,811.91	\$ 1,091,995.21							
2045	\$14,951,884.00	\$39,859,275.59	\$ 24,907,391.59	2045	2046	0.56184	\$ 137,140.90	80%	\$ 109,712.72	\$ 5,485.64	\$ 104,227.08	\$ 1,196,222.29							

1) Base Value 2020
2) Includes 4.0% annual appreciation
3) 98% Collection

Exhibit B
Original Economic Feasibility Study

Community Profile
for the
Economic Feasibility Study
of Neartown-Montrose



INTRODUCTION

Situated to the west and southwest of Downtown Houston and within Council District C, the Neartown-Montrose Study Area is a densely populated urban community established in the early 20th century with a collection of residential neighborhoods, commercial corridors, restaurants, bars and art destinations.

Centered on Commonwealth and Fairview Streets, the 3.27 square mile Study Area is generally bounded by Buffalo Bayou to the north, Taft Street and Spur 527 to the east, Southwest Freeway to the south, and South Shepherd to the west. It is served by a network of thoroughfares and residential streets, primarily Allen Parkway, W. Dallas, W. Gray, Westheimer, W. Alabama and Richmond (east to west), and S. Shepherd, Dunlavy, Waugh and Montrose (north to south).

Due to aging and heavily-used public infrastructure, this area is in need of greater public and private investment. It could greatly benefit from a public financing and development tool such as a Tax Increment Reinvestment Zone, which facilitates street and drainage infrastructure repair/replacement, and mobility improvements (better traffic flow, safer sidewalks and potentially more parking). These improvements will help make the area more appealing to commercial real estate investors, developers and brokers, all the while strengthening the economic well-being and quality of life of the historic community.

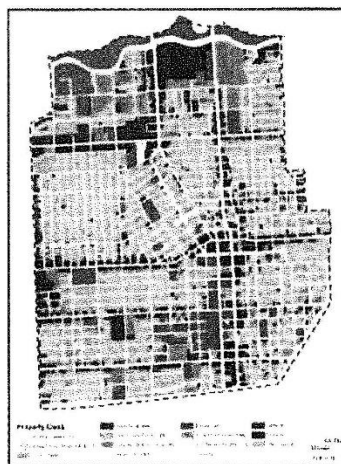
Note: The Study Area is covered primarily by the Harris County Improvement Districts (HCID) No. 6 and 11 (Jointly Montrose Management District) and coincident with the Neartown-Montrose Super Neighborhood (SN 24).

AREA PROFILE

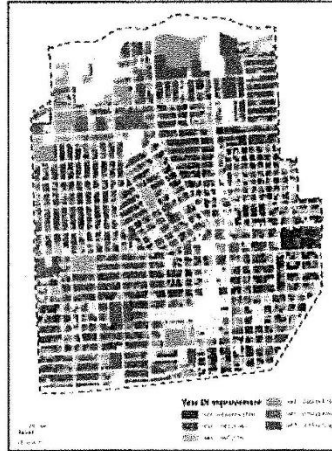
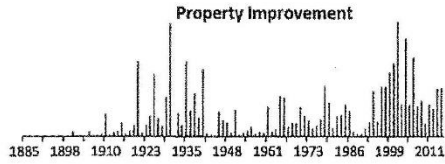
While virtually built-out, the Neartown-Montrose Study Area does have opportunities for redevelopment. Combined with relatively short travel times to Downtown and Midtown, this area is particularly attractive for multi-family, retail and new high-density mixed use redevelopment. Over time, as underutilized or blighted properties are redeveloped, additional economic development opportunities are likely to follow, if they are supported by adequate infrastructure. What is presented here is a community snapshot of the Neartown-Montrose Study Area as it is today.

Property Classification

Real property within the study area is dominated by single-family subdivisions, and commercial and retail corridors, which are mostly developed.



The Study Area experienced a greater frequency of land development and property improvement during the interwar period of the early 20th Century, and again in the late 1990's and 2000's (see Real Property Improvement Map to the right).



Parks and Greenspace

Due to its historic nature and high population density, park and open space is at a premium across most of the Study Area. With mostly small neighborhood parks, residents must travel north to the Buffalo Bayou Park or south to Hermann Park for their extended recreational needs. The Buffalo Bayou Hike and Bike Trail-Tinsley Park offers over 150 acres of space for activity and leisure needs. Local residents have access to seven public parks (specifically Ervan Chew and Autry parks) with 10 acres of collective recreational space.

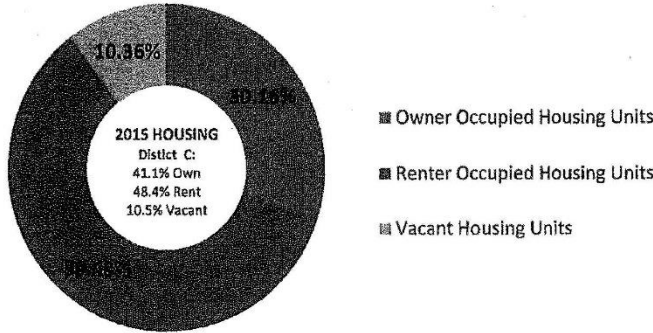
Population and Housing Units

The following table reports population and households for the 2010 census year, 2015 estimated and 2020 projected for the Study Area compared with Council District C as a whole. While occupying only 8.4% of Council District C (38.7 sq. miles), it has 14.6% of the District's total population. Projected annual population growth in the Study Area is slightly lower at (1.74%) than in District C (1.90%) over the 2015-2020 Period. The percent of Owner Occupied Housing Units in the Study Area is nearly 11% lower than in Council District C.

POPULATION, HOUSEHOLDS & HOUSING UNITS

	Neartown-Montrose			Council District C		
	2010	2015	2020	2010	2015	2020
Population	28,957	31,323	34,137	198,838	218,123	239,663
Households	17,069	18,445	20,122	98,158	107,845	118,770

Source: US Census Bureau 2010, ESRI 2015



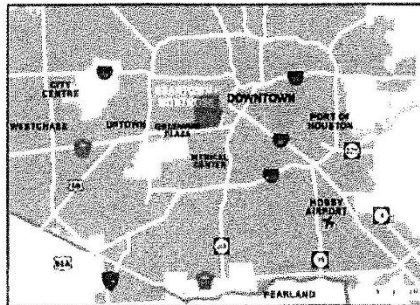
Sources: US Census Bureau 2010, ESRI 2010 and 2015

Population Density

Being part of the urban core and virtually built-out, the area is densely-populated with **8,800** persons per square mile (compared to 5,100 in Council District C, and 3,500 in the City of Houston).

Proximity to Employment Centers

With adjacency to the Southwest Freeway and Allen Parkway / Memorial Drive, the area is within short travel times to some of Houston's major employment centers, such as the Central Business District, Greenway Plaza, Uptown and the Medical Center. The Southwest Freeway exceeds 240,000 vehicles in average daily traffic volume.

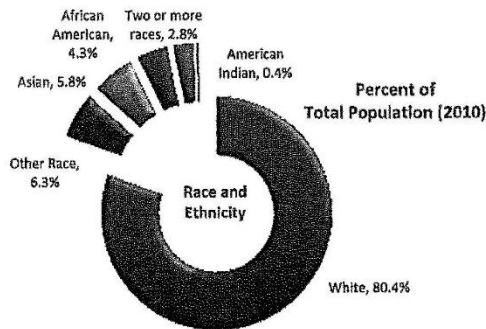


Average drive time from the center of the Study Area to Downtown, a distance of 3.5 miles, is 15 minutes (12 minutes without traffic).

Race, Ethnicity and Origin

The residential population of Neartown-Montrose is mostly White. Nearly 81% of the Area's population in 2010 identified as being White with 22% from any race being of Hispanic Origin.

The Diversity Index, which measures the probability that two people from the same area will be from different race/ethnic groups, is **5.9** in the Study



Area, compared to 6.3 for the U.S. as a whole (on a scale of 0-10, with 10 = Complete Diversity, and 0 = No Diversity).

Median Age

The median age in the Study Area is estimated to be 36.8, slightly younger than the U.S. median age of 37.9.

Median Household Income

Median household income in the area in 2015 is estimated to be above that for the City of Houston as a whole, and is expected to see moderate growth, above 3% per year over the 2015-2020 period.

MEDIAN HOUSEHOLD INCOME (\$000s)							
Nearatown-Montrose		City of Houston		Harris County		All US Households	
2015	2020	2015	2020	2015	2020	2015	2020
(Est.)	(Proj.)	(Est.)	(Proj.)	(Est.)	(Proj.)	(Est.)	(Proj.)
\$65.7	\$80.9	\$43.9	\$51.0	\$56.6	\$70.7	\$53.2	\$60.7

Source: US Census Bureau 2010, ESRI 2015

Home Values

Estimated 2015 home values of owner-occupied homes in the Study Area are strongly priced with the median value being \$461,000 (compared to \$398,000 for District C, and \$200,000 for the U.S). Median home values are expected to grow modestly to \$532,000 by 2020, up 14.6%.

OWNER OCCUPIED HOMES BY VALUE

Value Range	% of Total	
	2015 Est.	2020 Proj.
Less than \$50,000	0.5%	0.2%
\$50,000 - \$199,999	10.9	5.6
\$200,000 - \$299,999	18.4	18.3
\$300,000 - \$499,999	37.8	35.7
\$500,000 - \$749,999	20.1	22.7
\$750,000 - \$999,999	5.6	9.9
\$1,000,000 or more	6.9	7.5
Total	100.0%	100.0%

The Study Area is home to six of the 22 City-designated Historic Districts.

Median Value \$461,000 \$532,000

Source: US Census Bureau 2010; ESRI 2015

Public Safety and Health

Health and safety needs are supported locally by the Metropolitan Multi-Service Center on W. Gray, and the Cherryhurst Community Center. The Study Area is covered by HPD Beats 1A20 and 1A30, with a Storefront on Westheimer. The area is served by Houston Fire Department Station No. 6 at Richmond and Dunlavy.

Education

The primary educational needs of the community are served by Houston ISD, specifically Lamar High School and the High School for Performing and Visual Arts, Lanier Middle School, and two elementary schools. The Study Area is served by the Houston Community College District with the Central Campus located four blocks to the east, in Midtown Houston. The Study Area is

home to Houston's only Catholic University, the University of St. Thomas which offers 36 undergraduate and 18 graduate degree programs in a small school setting.

Currently, the adult population in the area has a high level of educational achievement with 68% having a college or graduate level degree.

**EDUCATION LEVELS
AREA POPULATION 25 YEARS OR OLDER**

Level Achieved	% of Population (25+ years)
Total	25,388
Less than 9 th Grade	2.3%
9 th -12 th Grade, No Diploma	1.9
High school graduate or GED	8.3
Some college, No Degree	16.0
Associate degree	2.9
Bachelor's degree	37.6
Graduate/Professional degree	30.9
Total	100.0%

Source: US Census Bureau, 2010

Occupations of Working Population

Eight out of 10 in the Study Area are engaged in white collar professions, such as executive, management and professional positions, with the remaining 20% employed in blue collar and service professions.

Occupation of Employed Population	% of Employed (16+)
Total	23,789
Professional	35.6%
Management / Business / Financial	24.7
Services	12.8
Sales	11.2
Administrative Support	8.5
Production	2.5
Transportation / Material Moving	2.1
Construction / Extraction	1.6
Total	100.0%

Source: U.S. Census, American Community Survey

Transportation to Work

It is estimated that over three-fourths of area workers drive alone to work, with almost 5.5% carpooling. Only 3.6% of residents utilize public transportation.

MEANS OF TRANSPORTATION TO WORK

Method Used	% of Workers (16+)
Drive alone	76.8%
Carpool	5.5
Public-transportation	3.6
Motorcycle/Bicycle	4.3
Walk	3.7
Other means	1.0
Work at Home	5.0
Total	100.0%

Source: U.S. Census, American Community Survey 2009-2013

With the recent launch of Houston Metro's Reimagining Plan, its system provides transportation options to the Study Area residents. Two north-south routes, 27-Shepherd and 56-Airline/Montrose transit riders south to such places as Rice University and the Texas Medical Center, and north to Greenspoint Transit Center and North Shepherd Park and Ride. Four east-west routes, 25-Richmond, 32-Renwick/San Felipe, 41-Kirby/Polk and 82-Westheimer, transit riders to Downtown, Uptown and destinations beyond. 91% of the Study Area is within a quarter mile or less of a Bus Stop.

Retail Expenditures

2015 forecasts indicate area households will spend \$1.3 billion for retail goods and services.

RETAIL GOODS AND SERVICES EXPENDITURES (\$ MILLIONS)

Products or Services	Amount
Apparel and Services	\$62.4
Computer Hardware, Software & Accessories	7.0
Entertainment & Recreation	78.8
Food	219.0
Alcoholic Beverages	16.7
Nonalcoholic Beverages at Home	12.5
Financial (including vehicle loans)	162.7
Health	14.2
Mortgage Payments	180.3
Home Maintenance & Remodeling	35.8
Home Utilities	114.6
Household Furnishings & Equipment	26.3
Household Operations, Housekeeping	41.3
Insurance	101.5
Personal Care	11.9
School Supplies	4.9
Smoking Products	11.8
Transportation	201.2
Travel	35.2
Total	\$1,338.1

Source: 2011-12 Consumer Expenditure Surveys, BLS, ESRI '15

Area Businesses

There are 2,507 businesses in the Study Area, employing 28,373 workers. Almost 70% of Area businesses support Retail Trade or the Services Industry.

Type of Business	BUSINESSES AND EMPLOYEES			
	Businesses		Employees	
	No.	% of Total	No.	% of Total
Agriculture & Mining	44	1.8%	517	1.8%
Construction	76	3.0	1,006	3.5
Manufacturing	53	2.1	922	3.2
Transpo., Communication & Util.	59	2.4	792	2.8
Wholesale Trade	49	2.0	325	1.1
Retail Trade	636	25.4	6,982	24.6
Real Estate, Finance & Insurance	336	13.4	5,478	19.3
Services	1,108	44.1	11,704	41.3
Government	13	0.5	455	1.6
Unclassified Establishments	133	5.3	190	0.7
Totals	2,507	100.0%	28,373	100.0%

Source: Infogroup, Inc., 2015

Tapestry Segments

According to ESRI's 2015 Community Tapestry (Psychographic) Segmentation, the top two socioeconomic segments are *Metro Renters* (3B) and *Laptops and Lattes* (3A), at 52% and 33% respectively. The third most dominant segment is *Trendsetters* (3C), at 10%. The *Metro Renters* segment is identified as a highly mobile and educated market, typically living alone or with a roommate in older apartment buildings in the urban core of the city. *Metro Renters* are well-educated consumers, with many currently enrolled in college. Most *Metro Renters* live close to their school or place of work, usually walking to get around the city. The *Laptops and Lattes* segment are predominantly single, and well-educated professionals in business, finance, legal, computer, and entertainment occupations. Three out of four have a bachelor's degree or higher. The *Trendsetters* segment is comprised of educated young singles that do not own homes and choose to spend their disposable income on upscale city living and entertainment. Almost half have a bachelor's degree or more. The *Trendsetters* are employed in management, office and administrative support, and sales professions.

The Path Forward

The Neartown-Montrose Study area could benefit from a locally-developed plan to replace aging public infrastructure, while increasing overall mobility and walkability. A plan, over time will improve the economic well-being and quality of life of its residents. A plan that can only succeed through greater public and private investment, and expedited and directed through a public financing tool such as a TIRZ.

The economic development plan for the Study Area will be implemented through the ability to capture and utilize incremental ad valorem tax revenue generated from real property in the

area, known as the captured taxable value. The development and redevelopment in the area is anticipated to occur over 20-30 years and ultimately bring about a greater community through development initiatives created and implemented primarily through public-private investment partnerships.

Data Sources and References:

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