

City of Houston, Texas, Ordinance No. 2013-945

AN ORDINANCE APPROVING AND CREATING THE WESTCHASE ECONOMIC DEVELOPMENT PROGRAM PURSUANT TO CHAPTER 380, TEXAS LOCAL GOVERNMENT CODE; AUTHORIZING AND APPROVING AN ECONOMIC DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF HOUSTON, TEXAS, AND THE WESTCHASE DISTRICT FOR ADMINISTRATION OF THE PROGRAM; CONTAINING FINDINGS AND OTHER PROVISIONS RELATED TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.

* * * * *

WHEREAS, pursuant to Article III, Section 52-a of the Texas Constitution and Chapter 380, Texas Local Government Code, as amended ("Chapter 380"), the City is authorized to establish and provide for the administration of one or more programs, including programs for making loans and grants of public money, to promote state or local economic development and to stimulate business and commercial activity in the City; and

WHEREAS, the Westchase District (the "District"), a political subdivision of the State of Texas, was created to further the public purposes of developing and diversifying the economy of the state, eliminating unemployment and underemployment, and developing or expanding transportation and commerce, and desires to participate with the City in the establishment, implementation, and administration of this economic development program as such participation will aid in accomplishing the purposes for which the District was created; and

WHEREAS, in furtherance of its purpose, the District conducted a study to create an area plan with input from stakeholders and in 2006, adopted the Westchase District Long Range Plan (the "LRP"); and

WHEREAS, to serve the Westchase 380 Area described on **Exhibit "D"** attached hereto and incorporated herein, the District desires to construct or cause to be constructed those public works and improvements described in the LRP; and

WHEREAS, the City desires to encourage development activity pursuant to the LRP and the construction of the public infrastructure anticipated in the LRP; and

WHEREAS, by Ordinance No. 99-674 adopted by City Council on June 20, 1999, the City established a Chapter 380 Program, pursuant to the provisions of Chapter 380; and

WHEREAS, the City now desires to create a separate and additional economic development program (the "Westchase 380 Program") applicable only to that certain area in the western part of the City generally referred to as the Westchase area,

described more particularly in **Exhibit “A”** attached hereto and incorporated herein (the “Westchase Economic Impact Area”); and

WHEREAS, Section 380.001(b)(2) of the Texas Local Government Code provides that the City may “contract with the federal government, the state, a political subdivision of the state, a nonprofit organization, or any other entity for the administration of a program;” and

WHEREAS, the City Council finds that the District is a political subdivision of the State of Texas; and

WHEREAS, the City Council finds that it is appropriate for the District to administer the Westchase 380 Program pursuant to an agreement with the City; and

WHEREAS, the District estimates that it will require a monetary investment over a thirty (30) year period to implement the projects contemplated in the LRP; and

WHEREAS, the District is amenable to working with the City to encourage development in furtherance of the LRP, and the City and the District desire to enter into an economic development agreement pursuant to Section 380.001(b)(2) of the Texas Local Government Code to set forth the terms and conditions of the grant of public funds and the administration and implementation of the Program; and

WHEREAS, the City Council finds that the improvements contemplated in the LRP will have a positive economic impact in the City, enabling the timely development of real property and diversification of the economy, and the elimination of unemployment and underemployment through the retention and growth of ad valorem and personal property tax revenues generated by existing and future commercial development in the Westchase Economic Impact Area; and

WHEREAS, the City Council finds further that the improvements contemplated in the LRP will provide a public benefit to the City by extending and improving existing City rights-of-way and public streets and improving existing public infrastructure components, which will directly result in improved mobility and improvement of blighted conditions and will stimulate economic revitalization in the Westchase 380 Area; and

WHEREAS, the City Council finds that the program benefits offered to qualifying development in the Westchase Economic Impact Area will advance state or local economic development, stimulate new business and commercial investment, diversify the economy, and create new jobs in the City; **NOW, THEREFORE**,

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

Section 1. Findings. That the facts and recitals contained in the preamble of this Ordinance are hereby found and declared to be true and correct and are hereby adopted as part of this Ordinance.

Section 2. Westchase 380 Program. That there is hereby established the Westchase 380 Program pursuant to the provisions of Chapter 380 of the Texas Local Government Code (the "Program"). The purposes of the Program shall be to make loans and grants of public money and provide personnel and services of the City to promote local economic development and to stimulate business and commercial activity in the Westchase Economic Impact Area.

Section 3. Westchase Economic Impact Area. That the Westchase Economic Impact Area is the area shown on **Exhibit "A"** attached hereto and incorporated herein.

Section 4. Program Criteria. That upon submission to the District of an application for project approval, the form of which is attached hereto as **Exhibit "B,"** a project is eligible for the grant of Program benefit if it meets the following criteria:

1. The proposed project is located within the Westchase Economic Impact Area;
2. The proposed project is reviewed by the District and found to be consistent with the list of specific types of projects in the LRP that have been prioritized for development;
3. The District recommends the proposed project to the City for approval by the City's Designated Officer ("DO"), who must be approved by the Mayor and City Council and may be changed from time to time; and
4. The project developer will enter into an agreement with the City, approved by the DO, setting forth the terms applicable to the project and the obligations of the City and the entity constructing the project.

Section 5. Program Term. That the Program shall be in effect until the earlier of December 31, 2043 or the date when all approved project costs have been reimbursed in accordance with the development agreements for such projects. The Program contemplates projects selected from the LRP and prioritized in a capital improvements plan to be constructed over a term of no more than 30 years, in three ten-year segments. The City Council hereby approves the selected projects for the first ten-year segment, which are attached hereto as "**Exhibit "C."**" To continue the Program beyond the first ten-year segment, the City Council must approve a second ten-year segment, and the same is required for a third ten-year segment. In the event that the City Council does not approve an additional ten-year segment, the remaining CIP Improvements in the approved ten-year segment(s) may be pursued, but not those included in any ten-year segment that did not receive approval.

Section 6. Program Source of Payment. That upon completion of the construction of a project undertaken by a non-government entity, the entity constructing the project shall be eligible for reimbursement of approved costs payable from two-thirds (2/3) of the incremental increase in the collections of the City's ad valorem taxes generated from the area described in "**Exhibit "D"** (the "Westchase 380 Area") above the January 1, 2011 base year total taxable value during the Term of the Program.

Section 7. Program Administration. That the District is hereby designated to administer the Program pursuant to Section 380.001(b)(2) of the Texas Local Government Code.

Section 8. Approval of the Economic Development Agreement. That the City Council hereby approves and authorizes the Economic Development Agreement described in the title of this Ordinance, in substantially the form of the document attached hereto as **Exhibit "E"** and incorporated herein by reference.

Section 9. That the Mayor is authorized to execute the Economic Development Agreement and all related documents on behalf of the City.

Section 10. That the City Secretary is hereby authorized to attest to all such signatures and to affix the seal of the City to all such documents.

Section 11. That the Mayor is hereby authorized to take all actions necessary to effectuate the City's intent and objectives in approving such contracts, agreements, or other undertakings described in the title of this Ordinance, in the event of changed circumstances.

Section 12. That the City Attorney is hereby authorized to take all action necessary to enforce all legal obligations under the Economic Development Agreement without further authorization from Council.


Section 13. That there exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED THIS 16th **day of** October, **2013.**

APPROVED this _____ **day of** _____, **2013**

Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is OCT 22 2013


 City Secretary

(Prepared by Legal Department Donna Capps)
 (DRC:drc October 8, 2013) Assistant City Attorney
 (Requested by Andy Icken, Chief Development Officer, Office of the Mayor)
 (L. D. File No. 0341100057001)

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AYE	NO	
✓		MAYOR PARKER
....	COUNCIL MEMBERS
	ABSENT	BROWN
✓		DAVIS
✓		COHEN
✓		ADAMS
✓		MARTIN
✓		HOANG
✓		PENNINGTON
✓		GONZALEZ
✓		RODRIGUEZ
✓		LASTER
✓		GREEN
✓		COSTELLO
✓		BURKS
ABSENT-OUT OF CITY BUSINESS		NORIEGA
ABSENT-ON PERSONAL BUSINESS		BRADFORD
✓		CHRISTIE
CAPTION	ADOPTED	

EXHIBIT "A"
WESTCHASE ECONOMIC IMPACT AREA

Exhibit A
Economic Impact Area

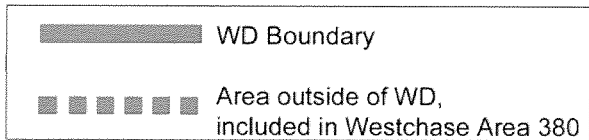
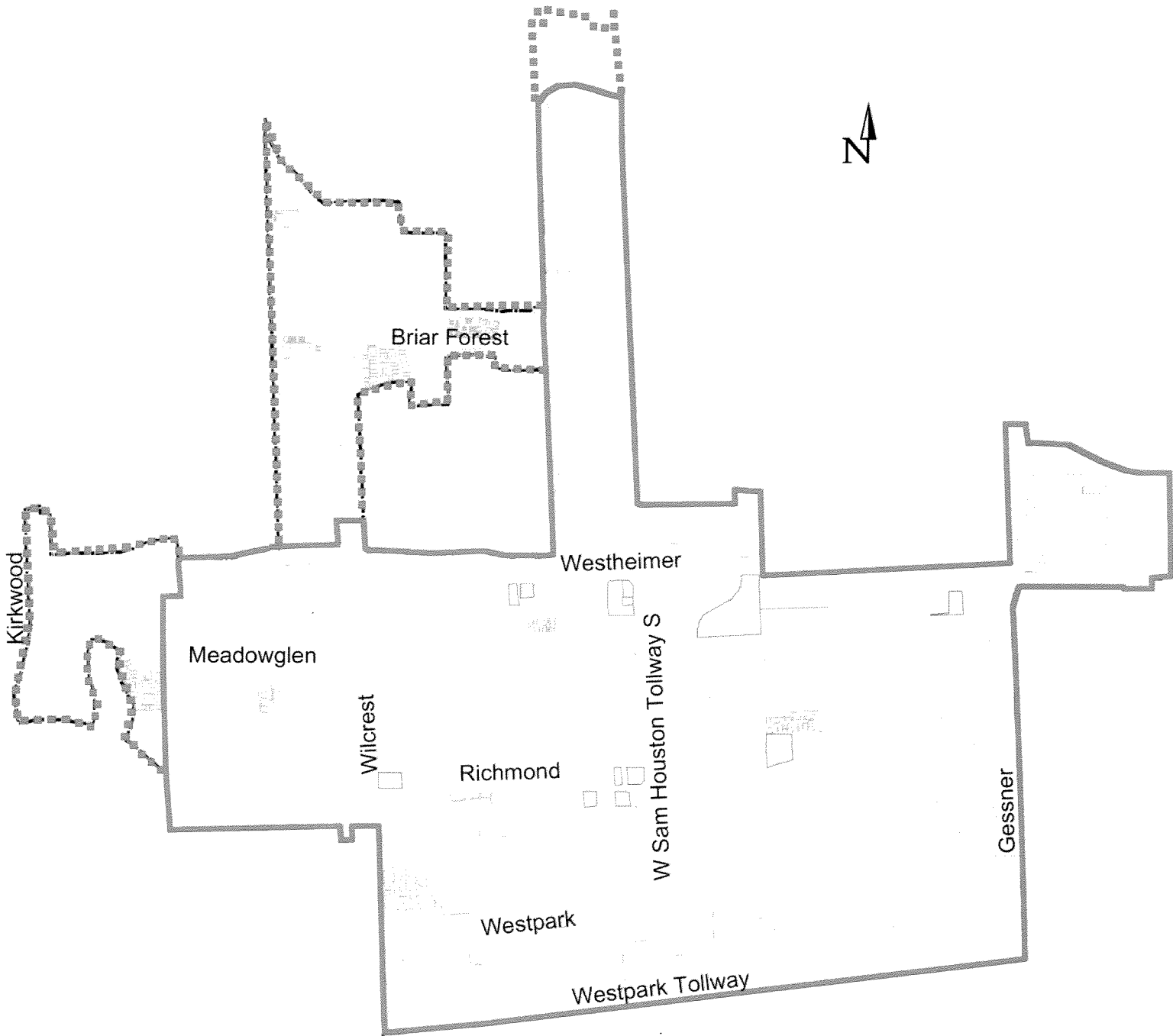


EXHIBIT "B"
APPLICATION FOR PROJECT APPROVAL

Application Form – Westchase 380 Program Project Approval Application

Purpose of the Westchase 380 Program

The Westchase District (the “District”) conducted a study to create an area plan with input from stakeholders and in 2006, adopted the Westchase District Long Range Plan (the “LRP”). The purpose of the Westchase 380 Program is to encourage development activity pursuant to the LRP and the construction of the public infrastructure anticipated in the LRP.

Criteria for Eligibility for Westchase 380 Program Participation

1. All projects must be built within the Westchase Economic Impact Area (map available upon request).
2. Only the costs of public infrastructure listed in the approved Capital Improvements Plan (“CIP”) for this program (available upon request) will be eligible for reimbursement, unless the infrastructure is added to the CIP through City of Houston approval.
3. Projects to be undertaken by a non-governmental entity will be structured as performance-based grants and considered for recommendation only if such entity advances all design and construction costs subject to reimbursement of eligible project costs. If performance levels are not met, reimbursement of project costs will not be made.
4. The entity undertaking a project must agree to provide all information necessary for the District and the City to determine actual costs of the project to assure transparency in the reimbursement/payment process.

Please provide the following and complete the application:

1. Letter from the applicant describing the proposed project, the public infrastructure that will be constructed, the impact of the project on the community and the fiscal impact of the project on the City and must outline the project costs for which reimbursement is requested.
2. Business plan including but not limited to executive summary, company history, historical and pro forma financial information and resumes of the company principals.
3. Phase I Environmental Study for the real property to be developed.
4. Survey of the real property to be developed.
5. Preliminary plans for the proposed real property improvements.
6. Financial statement for the applicant entity for the two preceding years.

EXHIBIT B

Application Date: _____
Applicant _____
Address _____
City, State _____
Phone _____
Email _____

Information on the owner of the real property

Property Address: _____
From HCAD:
Property Legal description: _____
Real Property Account #: _____
Existing Property use: _____
Title / Contract holder: _____

Day phone: _____
Evening / Cell phone: _____
Email: _____

Project Information

Type of development: ___ New Structure
 ___ Renovation / Addition
 ___ Conversion

Brief project description _____

Projected start time _____
Projected completion time _____

How does this project fit into the WD LRP? _____

EXHIBIT B

List the public improvements _____
for which reimbursement is _____
requested. _____

- Checklist of Attachments:
- _____ Completed application
 - _____ Letter from applicant
 - _____ Business plan
 - _____ Phase I environmental study
 - _____ Survey of real property
 - _____ Preliminary project plans
 - _____ Financial statement of applicant (2 years)
 - _____ Renderings (optional)
 - _____ Application Fee

By signing below, the applicant assures that the above information is true and correct and agrees to comply with all regulations applicable to the Westchase District 380 Program.

Signature: _____
Print Name: _____
Date: _____

EXHIBIT "C"
LIST OF PROJECTS IN FIRST TEN-YEAR SEGMENT

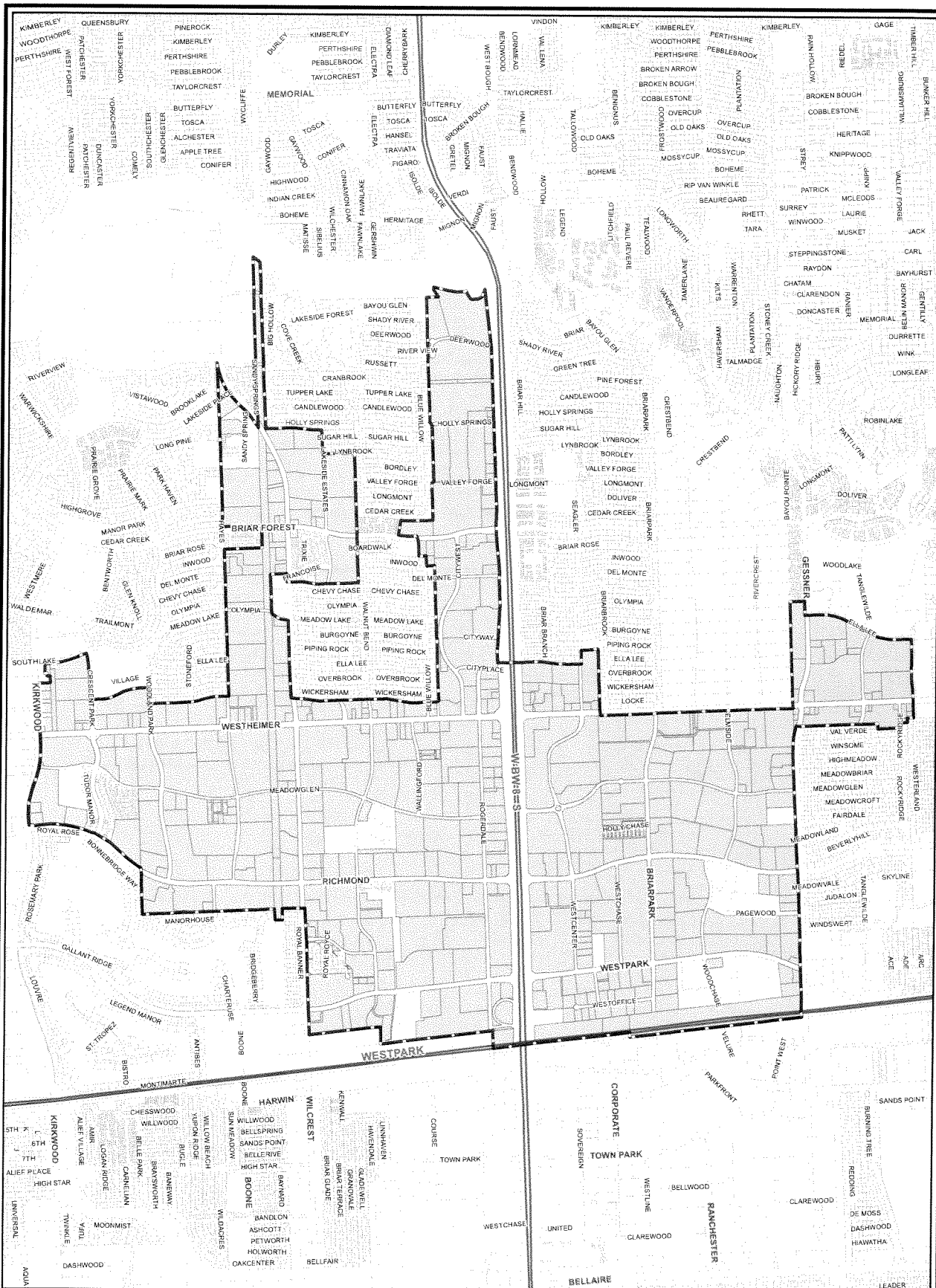
Exhibit C
Capital Improvements Plan

2013-2022 Projects & Limits	Total Project Cost	Proposed Funding Breakdown				Notes
		380 Funding	WD	CoH	Federal Grant	
Festival Park 7-acre park within West8	25,200,000	17,640,000	300,000	5,040,000		Parks Board or City of Houston Parks
Richmond Reconstruction/Widening	12,000,000	9,480,000	120,000	2,400,000		1,220,000 Private sector participation
Walnut Bend Reconstruction	1,000,000	750,000		200,000		1,000,000 Land discount 304,920 sf @ \$330 psf
Westheimer Corridor - Retail					50,000	
Thoroughfare	24,000,000	16,800,000			7,200,000	
Rocky Ridge to Woodland Park						
Westheimer to Richmond	350,000	245,000	24,500			80,500 WCA & private sector participation
CenterPoint Hike & Bike Trail	800,000	640,000	100,000			60,000 Private sector contributions
Wilcrest Landscaping	1,200,000	840,000	120,000		240,000	
Meadowglen Roundabouts	20,345,500	17,293,675		1,017,275		
Elmside & Briarpark						
Gessner to BW8						
Total	84,895,500	63,688,675	664,500	8,657,275	9,524,550	2,360,500
2023-2022 Projects & Limits						
Meadowglen Roundabouts						
Hayes						
Meadowglen Roundabouts						
Rogerdale to Wilcrest						
Meadowglen Signature Street						
Wilcrest to Woodland Park						
Infill Streets						
Various						
Canal						
West8 southeast perimeter (includes trail)						
Canal						
Wilcrest to Rogerdale						
Canal						
Westheimer to Deerwood (includes trail)						
Fitness Park						
3 to 4-acre park, HCC location						
Civic Building						
Total						
2023-2024 Projects & Limits						
Infill Streets						
Various						
MTF Reconstruction						
Various						
Westchase Transit Center						
Public Parking Garage						
3 garages: BW8 & WPTW, Westheimer & Gessner and Westheimer & BW8						
Great Streets - Seagler & Rogerdale						
Pocket Parks						
7 park sites						
Westpark Easement Park						
Icon & Gateway Elements						
Conveyance & Detention canals						
Total						


30-Year Total **84,895,500** **63,688,675** **664,500** **8,657,275** **9,524,550** **2,360,500**

City of Houston Projected Program Revenues			
	WD 2/3's Share	WD 1/3 Share	CoH 1/3 Share
1st 10 yrs Revenue	86,587,972	57,725,314.67	28,862,657
2nd 10 yrs Revenue	217,206,319	144,804,212.67	72,402,106
3rd 10 yrs Revenue	363,773,176	242,515,450.67	121,257,725
Total	667,567,467	445,044,978.00	222,522,489

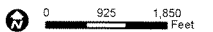
EXHIBIT "D"
WESTCHASE 380 AREA



City of Houston
Proposed Westchase 380 Area

Legend
 Proposed Westchase 380 Area

Source: COHGIS Database
 Date: October 2013
 Reference: pj17308_w_chase_380_fnl



This map is made available for reference purposes only and should not be substituted for a survey product. The City of Houston will not accept liability of any kind in conjunction with its use.



EXHIBIT E
FORM OF ECONOMIC DEVELOPMENT AGREEMENT
BETWEEN THE CITY OF HOUSTON AND THE WESTCHASE DISTRICT

ECONOMIC DEVELOPMENT AGREEMENT

THIS AGREEMENT ("Agreement") is made by and between the **CITY OF HOUSTON, TEXAS**, a Texas home-rule municipal corporation ("City"), and **THE WESTCHASE DISTRICT**, a municipal management district and a political subdivision of the State of Texas organized under Chapter 3802 of the Texas Special District Local Laws Code ("District"), as of the date the City Controller countersigns hereto ("Effective Date").

RECITALS

WHEREAS, the District is a special district created under Article XVI, Section 59 of the Texas Constitution to, among other public purposes, further the public purposes of developing and diversifying the economy of the State, eliminating unemployment and underemployment, and developing or expanding transportation and commerce in the area of the District, including all of the land in the area depicted in **Exhibit A** attached hereto and incorporated herein ("Westchase 380 Area"); and

WHEREAS, the City and the District are authorized to enter into this Agreement pursuant to Section 380.001(b)(2) of the Texas Local Government Code, whereby the City may contract with a political subdivision of the State such as the District for the administration of a program to promote state or local economic development and to stimulate business and commercial activity in the City, and pursuant to the Interlocal Cooperation Act, Chapter 791, Texas Government Code; and

WHEREAS, by City Ordinance No. 2013-____, the City approved a program in accordance with Article III, Chapter 52-a of the Texas Constitution and Chapter 380 of the Texas Local Government Code ("Chapter 380") known as the Westchase 380 Program ("Program") under which the City has the authority to use public funds for the public purposes of promoting local economic development and stimulating business and commercial activity within the City; and

WHEREAS, the City desires to have the District administer the Program and the District desires to administer the Program as provided for herein to advance the public purposes of developing and diversifying the economy of the State, eliminating unemployment or underemployment in the State, and developing or expanding transportation and commerce in the State; and

WHEREAS, to serve the Westchase 380 Area, the District desires to construct or cause to be constructed those public works and improvements described in the District's Long Range Plan ("LRP"), a summary of which is attached hereto as **Exhibit B** and incorporated herein; and

WHEREAS, the District estimates that it will require a monetary investment over a thirty (30) year period to implement the projects contemplated in the LRP in accordance with the terms and conditions of this Agreement; and

WHEREAS, consistent with Article III, Section 52-a of the Texas Constitution, Chapter 380, and other law, and in consideration of the District's desire to construct or cause to be constructed the CIP Improvements (as defined below), the City desires to enter into this Agreement and make a grant to the District as an economic incentive for the District to construct or to cause to be constructed the CIP Improvements to advance the public purposes of developing and diversifying the economy of the State, eliminating unemployment or underemployment in the State, and developing or expanding transportation and commerce in the State; and

WHEREAS, the City recognizes the positive economic impact that the CIP Improvements will bring to the City by enabling the timely development of real property and diversification of the economy, elimination of unemployment and underemployment through the creation and retention of new jobs, the attraction of new businesses, and the retention and growth of the ad valorem and personal property tax revenue generated by existing and future commercial development in the area more particularly described on **Exhibit C**, attached hereto and incorporated herein (the "Economic Impact Area"); and

WHEREAS, the City recognizes that the CIP Improvements will provide a public benefit to the City by extending and improving existing City rights-of-way and public streets, and improving existing public infrastructure components, which will directly result in improved mobility, improvement of blighted conditions and will stimulate economic revitalization within the Westchase 380 Area;

NOW, THEREFORE, for and in consideration of the promises and the mutual agreements set forth herein, the City and the District hereby agree as follows:

ARTICLE I GENERAL TERMS

A. Incorporation of Recitals. The recitals to this Agreement are incorporated herein for all purposes.

B. Definitions and Terms. The terms "Agreement," "Chapter 380," "City," "District," "Economic Impact Area," "Effective Date," "LRP," "Program," and "Westchase 380 Area" have the meanings given to such terms in the Recitals, and the following terms have the following meanings:

"Base Property Tax" means the amount of ad valorem taxes levied and collected by the City attributable to the Westchase 380 Area based on the total taxable value of the property in the Westchase 380 Area as of January 1, 2011.

"CIP" means the capital improvements plan of specific projects contemplated by the LRP that have been prioritized for development attached hereto as **Exhibit D**.

"CIP Improvements" means those public works and improvements set forth on the CIP as amended from time to time in accordance with this Agreement.

“Code” means the City of Houston Code of Ordinances.

“Designated Officer” means the person approved from time to time by the Mayor and City Council to undertake the responsibilities of the City as related to this Agreement. The City hereby approves the City’s Chief Development Officer to serve as the Designated Officer commencing upon the Effective Date of this Agreement.

“Development Agreement” means an agreement between the City and an entity agreeing to undertake design and construction of one or more CIP Improvements.

“Final Plans and Specifications” has the meaning ascribed to it in Article IV, Section I of this Agreement.

“Force Majeure” has the meaning ascribed to it in Article VIII, Section F of this Agreement.

“Parties” or “Party” means the City and the District, the parties to this Agreement.

“Project” means an approved project that includes one or more of the CIP Improvements for which approved Project Costs shall be paid from the Westchase 380 Reimbursement Fund.

“Project Costs” means all past and future costs of design, engineering, acquisition, development, construction, and installation of the CIP Improvements, including (1) all costs of design, engineering, architectural, landscape architectural, planning, materials, labor, survey, construction, testing, laboratory costs, inspection, bond premiums, impact and capital recovery fees, clearing and grading, bidding and other services arising in connection with the design and construction of the CIP Improvements, and (2) all costs incurred in connection with obtaining governmental approvals, certificates, and permits required in connection with the construction of the CIP Improvements.

“Public Works Director” means the Director of the City’s Public Works and Engineering Department or his or her designee.

“Reimbursement Amount” means an amount that is equal to two-thirds (2/3) of the Tax Revenues from tax year 2013 through and including tax year 2042.

“Special Revenue Fund” means the City’s existing fund into which Tax Revenues are deposited and from which the Reimbursement Amount is appropriated to the Program pursuant to this Agreement.

“Tax Revenues” means the incremental increase in the collections of the City’s ad valorem taxes generated in the Westchase 380 Area above the Base Property Tax which are to be deposited into the Special Revenue Fund.

“Term” has the meaning ascribed to it in Article VIII Section A of this Agreement.

“Westchase 380 Reimbursement Fund” means the special fund created by the District into which the Tax Revenues received from the City shall be deposited as described this Agreement.

C. Singular and Plural. Words used herein in the singular, where the context so permits, also include the plural and vice versa.

ARTICLE II REPRESENTATIONS

A. Representations of the City. The City hereby represents to the District that as the date hereof:

The City is a duly created and existing municipal corporation and home rule municipality of the State of Texas under the laws of the State of Texas and is duly qualified and authorized to carry on the governmental functions and operations as contemplated by this Agreement.

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

This Agreement has been duly authorized, executed and delivered by the City and constitutes a legal, valid and binding obligation of the City, enforceable in accordance with its terms except to the extent that (i) the enforceability of such instruments may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws of general application in effect from time to time relating to or affecting the enforcement of creditors’ rights and (ii) certain equitable remedies including specific performance may be unavailable.

The execution, delivery, and performance of this Agreement by the City do not require the consent or approval of any person which has not been obtained.

B. Representations of the District. The District hereby represents to the City that as of the date hereof:

The District is a duly created and existing municipal management district and political subdivision of the State of Texas and is duly qualified and authorized to carry on the governmental functions and operations as contemplated by this Agreement.

The District has the power, authority and legal right under the laws of the State of Texas to enter into and perform this Agreement and the execution, delivery, and performance hereof (i) will not, to the best of its knowledge, violate any applicable judgment, order, law, or regulation, and (ii) do not constitute a default under, or result in

the creation of, any lien, charge, encumbrance, or security interest upon any assets of the District under any agreement or instrument to which the District is a party or by which the District or its assets may be bound or affected.

This Agreement has been duly authorized, executed, and delivered and constitutes a legal, valid, and binding obligation of the District, enforceable in accordance with its terms except to the extent that (i) the enforceability of such instruments may be limited by bankruptcy, reorganization, insolvency, moratorium, or other similar laws of general application in effect from time to time relating to or affecting the enforcement of creditors' rights and (ii) certain equitable remedies including specific performance may be unavailable.

The execution, delivery and performance of this Agreement by the District do not require the consent or approval of any person which has not been obtained.

ARTICLE III PROGRAM, LRP, CAPITAL IMPROVEMENTS PLAN AND CIP IMPROVEMENTS

A. The Program. The purpose of the Program is to encourage and provide for implementation of the LRP. The Program contemplates Projects to be constructed over a term of no more than thirty (30) years. Projects were selected from the LRP and prioritized into a CIP. Projects in the first ten-year segment of the CIP are hereby approved. To continue this Program past the first ten-year segment, the City Council must approve a second ten-year segment, and the same is required for a third ten-year segment. The City will deposit the Reimbursement Amount in the Special Revenue Fund for use in the Program. Such funds may be commingled with other monies of the City in this fund; provided, however, that these funds shall be accounted for separately.

Entities seeking reimbursement for CIP Improvements will make application to the District. The District will perform a preliminary review of applications and recommend meritorious Projects to the Designated Officer for further consideration. The first level of review will be at the sole cost and expense of the District and not reimbursed from the Reimbursement Amount. If approved by the Designated Officer, the District will work with the City to perform a second more in-depth analysis of the Project and to recommend terms for a Development Agreement for the Project. City approval of a Development Agreement is deemed final approval of the Project. Until a Project has received preliminary approval, the Reimbursement Amount will be deposited into the Special Revenue Fund and dedicated for use in this Program. Amounts will be transferred to the District as needed to cover the costs incurred by the District to perform the second level of review. After final approval, plans and specifications prepared in accordance with City standards and ordinances must be submitted and approved. Construction can then commence.

Construction will be managed by either the City or the District as determined for each Project. After completion of construction, costs will be audited to determine the final amount of reimbursement owed for the Project. For Projects to be constructed by an entity such as a developer, the City will transfer monies from Special Revenue Fund

to the Westchase 380 Reimbursement Fund to cover the amount owed as shown by the audit, to the extent of the Reimbursement Amount funds accumulated in the Special Revenue Fund. The District will then reimburse the Project Costs as provided in the Development Agreement. If the funds are not sufficient to pay all Project Costs, the City will continue to transfer the Reimbursement Amount to the District annually until the Project Costs have been fully reimbursed. If the District undertakes CIP Improvements and the Project receives final approval, the City will transfer funds for the District to use to pay Project Costs based on estimated and contract costs but limited to the Reimbursement Amount accumulated in the Special Revenue Fund. If the District borrows funds to undertake a Project, the costs incurred by the District to borrow such funds shall be deemed a Project Cost. The District may include in the borrowing costs interest accrued for a period of up to two (2) years from the final payment on the Project with the rate of such interest to be the actual rate incurred but not to exceed two percent above the highest average interest rate reported by the Daily Bond Buyer in its weekly "20 Bond Index" during the one-month period next preceding the date the final payment for construction of the project was made.

B. The LRP. The Parties acknowledge that the LRP has been developed and adopted by the District based on estimates and information as of the date of its approval and that the needs and costs may change during the term of this Agreement. Therefore, the District may update and amend the LRP from time to time, and such amended LRP will become the approved LRP for purposes of this Agreement upon written approval of the Designated Officer, and the improvements listed therein will become LRP Improvements as defined herein.

C. The CIP. As requested by the City, the District has prioritized construction of certain LRP Improvements into three ten-year segments and developed the CIP. The City hereby approves the CIP for the first ten-year segment. The District is authorized to pursue implementation of the CIP Projects within the approved segment.

D. Modification of CIP. The Parties acknowledge and agree that the CIP and schedule may vary but must be consistent with the LRP. Upon approval by the Designated Officer, the District may add, modify, or remove projects from the CIP and/or change projects within the three ten-year segments of the CIP. The Designated Officer shall have fourteen (14) days to review the proposed modification and provide comments, if any, to the District. Thereafter, the modification, removal, or change shall become effective unless the Designated Officer denies such modification in writing and such notice is received by the District within such time period. No earlier than year seven of a ten-year segment, the District may present an additional ten-year segment of the CIP for approval. If approved by City Council, the District is authorized to pursue implementation of the additional CIP Improvements in the approved segment. If City Council does not approve an additional ten-year segment, the District may pursue the remaining CIP Improvements in the approved ten-year segment but not those included in the new ten-year segment that did not receive approval. This Agreement will continue in full force and effect until all Projects that have received final approval are completed and

all Project Costs are reimbursed in accordance with the Development Agreement applicable to such Project.

ARTICLE IV PROGRAM ADMINISTRATION

A. Administrative Services. The Parties agree that the District will administer the Program on behalf of the City. In administering the Program, District staff will, at the District's sole expense with no reimbursement from the Reimbursement Amount, prepare an application for the District to undertake CIP Improvements, or solicit, accept, analyze, and perform a preliminary review of applications submitted by entities to construct CIP Improvements for a Project. Once the City has given preliminary approval for further analysis of a Project, all out-of-pocket expenses incurred by the District to manage and administer Projects receiving preliminary approval (including, without limitation, consulting, engineering, and auditor fees) will be reimbursed from the Reimbursement Amount.

B. Criteria for Applications. The District will establish guidelines or criteria by which to evaluate applications submitted by entities proposing to construct a Project. Applications must include detailed cost estimates or quotes.

C. Application Process. The District will accept applications from entities seeking reimbursement for CIP Improvements Projects and may submit an application from the District to the City to undertake CIP Improvements. Applicants must complete all forms required by the City and provide all documents and pay all applicable fees as part of the eligibility determination process. The District shall review all applications to construct the CIP Improvements to determine if the applications are consistent with the District's established guidelines, the CIP, and the LRP. For those Projects that the District recommends to the City for approval and reimbursement, the District will submit the applications and any other applicable documents to the City for review and approval by the Designated Officer. The District's recommendations shall include the proposed funding sources for the Project, such as ad valorem property taxes and developer participation contracts.

D. Approval Process. Applications will include estimated Project Costs for each Project that the District recommends to the Designated Officer for approval. The Designated Officer will review the application and, if appropriate, grant preliminary approval for the Project. If a Project is approved by the Designated Officer, the District will work with the City to perform a second, more in-depth analysis of the Project and to recommend terms for a Development Agreement for the Project. Approval of a Development Agreement by the Designated Officer is deemed final approval of the Project. The Project Costs for an approved Project will be reimbursed from the Reimbursement Amount deposited into the Westchase 380 Reimbursement Fund upon completion of the Project, in accordance with the Development Agreement between the City and the entity undertaking the Project. Projects approved by the Designated Officer must meet the City's standards and

specifications for construction and conveyance. For Projects not approved by the Designated Officer, the District will be provided with an explanation for non-approval.

E. Development Agreements. An entity, whether the District or another entity, desiring to undertake the design and construction of one or more CIP Improvements and proposing to be reimbursed for the costs thereof from the Reimbursement Amount must enter into a Development Agreement with the City that sets forth the terms applicable to such Project. The Parties agree that the City may enter into Development Agreements upon such terms and conditions as the City determines to be necessary or desirable, whereby an entity agrees to finance, acquire, and construct, in one or more phases, the CIP Improvements. The City shall negotiate directly with the entity undertaking the Project.

F. Completion. Upon completion of the agreed upon CIP Improvements, all invoices and documents supporting actual costs of the CIP Improvements shall be submitted to the District for auditing. The District will engage an auditor to review such costs to determine the amount owed under the Development Agreement. Such report will be presented to the Designated Officer for approval. Costs of this audit of the Project Costs shall be reimbursed to the District from the Reimbursement Amount.

G. Transfer of Funds. Within sixty (60) days after receipt of the audit report on Project Costs, the City will transfer monies from the Special Revenue Fund to the Westchase 380 Reimbursement Fund to cover the amounts owed as shown by the audit, to the extent of the Reimbursement Amount funds accumulated in the Special Revenue Fund. The District will then reimburse the Project Costs as provided in the Development Agreement. If the funds are not sufficient to pay all Project Costs, the City will continue to transfer the Reimbursement Amount to the District annually until the Project Costs have been fully reimbursed. If the District undertakes CIP Improvements, the City will transfer funds for the District to use to pay Project Costs based on estimated and contract costs but limited to the Reimbursement Amount accumulated in the Special Revenue Fund. The District will deposit such funds into the Westchase 380 Reimbursement Fund and pay the Project Costs from such fund. Should the District fail to complete a Project it has undertaken and for which funds have been transferred, the District agrees to return to the City all remaining funds advanced for the Project undertaken by the District.

H. Accounts and Records. The District will maintain books of records and accounts in which full, true, and proper entries will be made on all dealings, transactions, business, and matters that in any way affect or pertain to the operation of the Program and the allocation and application of the Tax Revenues. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. The District shall provide free access to the books and records during regular business hours to the City or its representatives and shall permit them to examine and audit the same and make copies thereof. The District shall further allow the City and its representatives to inspect all work data, documents, proceedings, and activities related to this Agreement.

I. Standards and Approvals. The plans and specifications for the CIP Improvements shall be subject to the review and approval of all governmental entities with jurisdiction, including the City. An entity undertaking such improvements shall comply with all applicable legal requirements from such jurisdictions. Before construction of any CIP Improvements is commenced, all plans and specifications for the construction of the CIP Improvements shall be submitted to and approved by the Public Works Director. All water wells, water meters, flushing valves, valves, pipes, and appurtenances thereto, must conform to the City's specifications. All water service lines, sewer service lines, lift stations, sewage treatment facilities, road facilities, and appurtenances thereto, must comply with the City's standard plans and specifications as amended from time to time. Prior to construction of any CIP Improvements, written notice stating the date that construction will be commenced must be given to the Public Works Director. Upon the City's review and approval of the plans and specifications for the CIP Improvements, which approval shall not be unreasonably conditioned or withheld, such plans and specifications will be deemed the Final Plans and Specifications. Construction of the CIP Improvements must be in accordance with the Final Plans and Specifications and with the City's applicable standards and specifications. The Public Works Director may conduct periodic, on-the-ground inspections during the progress of the construction and installation of the CIP Improvements.

J. Construction Management. The City shall have the right to oversee and manage the construction of any CIP Improvements, provided, however, that if the City decides it is more efficient to have the District manage construction and if the District agrees to do so, the District shall be paid monthly from the Reimbursement Amount for the costs of such services. If the City manages construction, all change orders to CIP Improvements must be approved by the Public Works Director to be eligible for reimbursement from the Reimbursement Amount. If the District manages construction, the District shall approve change orders, provided that when the aggregate amount of change orders exceeds ten percent of the contract price, the Public Works Director must approve all further change orders, which approval will not be unreasonably conditioned or withheld.

K. Conveyance of the CIP Improvements. Prior to commencement of construction, the Parties will agree in writing regarding the CIP Improvements that will be conveyed to the City, those which cannot be conveyed to the City, and those, if any, that will be owned by the District. As the construction of the CIP Improvements for a Project is completed and the CIP Improvements become operational, the agreed upon CIP Improvements will be conveyed to the City (including rights-of-way). The City acknowledges that the CIP Improvements may include improvements to facilities owned by other governmental entities which cannot be conveyed to the City. As CIP Improvements are completed and prior to conveyance, City representatives may inspect the same and, if the City finds that the same has been completed in accordance with the Final Plans and Specifications and all approved change orders and in accordance with all applicable laws, rules, and regulations, the City will accept the same, in writing, whereupon the accepted CIP Improvements will become the sole property of the City

and will be operated and maintained by the City at its sole expense. For CIP Improvements to be conveyed to the District, District representatives may inspect the same as completed and prior to conveyance, and, if the District finds that the same has been completed in accordance with the Final Plans and Specifications and all approved change orders and in accordance with all applicable laws, rules, and regulations, the District will accept the same, in writing, whereupon the accepted CIP Improvements will become the sole property of the District and will be operated and maintained by the District at its sole expense.

L. Competitive Bidding. Construction contracts for CIP Improvements shall be let on a competitive bidding basis. After preparation of the Final Plans and Specifications and their approvals as required by this Agreement, the entity undertaking the Project shall advertise for or solicit bids (as required by law applicable to the City) for construction as described in the Final Plans and Specifications. The District shall follow the competitive bidding requirements applicable to the District for Projects the District undertakes. The Designated Officer shall be notified of and invited to attend, all pre-bid conferences, bid openings, and the award of contracts in accordance with the notice provisions of this Agreement. The City shall designate from time to time, in writing, the persons who shall be its designated representatives. In the event of the failure of the City to designate representatives, the Public Works Director shall be the City's representative. Notwithstanding the foregoing provisions providing for construction contracts on a competitive bidding basis, in accordance with the requirements of Section 271.114(a), Local Government Code, the City has determined that the "competitive sealed proposals method," in accordance with Section 271.116, Local Government Code, provides the best value for the City and hereby delegates authority to the entity undertaking a Project as its designated representative to take any and all actions required to implement such method. Such entity reserves the right to reject all proposals and re-advertise for proposals if the proposals are not acceptable to the entity. The City acknowledges that the rules of the Texas Commission on Environmental Quality do not allow the District to use the competitive sealed proposal method as provided in Section 271.116.

M. Payment and Performance Bonds. Payment and performance bonds as required by Chapter 2253, Texas Government Code shall be provided for all CIP Projects. The District and the City shall be dual obligees for each performance bond. The performance bond(s) must be in a form approved by the City Attorney and issued by a corporate surety authorized and admitted to write surety bonds in Texas. If the amount of the bond exceeds \$100,000.00, the surety must be listed on the current list of accepted sureties on federal bonds published by the United States Treasury Department or reinsured for any liability in excess of \$1,000,000.00 by a reinsurer listed on the U.S. Treasury list.

N. Utilization of Local Contractors and Suppliers. The City will require entities to exercise commercially reasonable efforts to utilize local contractors and suppliers in the construction of the CIP Improvements, with a goal of at least thirty percent (30%) of the total dollar amount of all construction contracts and supply agreements being paid to local contractors and suppliers. A contractor or supplier shall be considered as local if it

has maintained an office within the City for at least one (1) year. The City acknowledges that the District does not have the legal authority under competitive bidding rules to give preference to local contractors and suppliers.

O. Participation of Disadvantaged Business Enterprises. An entity constructing CIP Improvements is encouraged to review the City's Minority and Women Business Enterprise ("MWBE") program as set forth in Chapter 15, Article V of the City of Houston Code of Ordinances and the requirements for good faith efforts on file with the City's Office of Business Opportunity ("OBO"). In the construction of the CIP Improvements, an entity shall make good faith efforts to award the maximum number of subcontracts or supply agreements to entities that are certified by the City as MWBEs.

ARTICLE V DISTRICT OBLIGATIONS

In consideration of the City's agreeing to pay the District the Reimbursement Amount in accordance with the terms, provisions, and conditions of this Agreement, the District agrees to fulfill the following conditions in order to receive the Reimbursement Amount:

A. Westchase 380 Reimbursement Fund. The District shall deposit transfers of the Reimbursement Amount into the Westchase 380 Reimbursement Fund and use the monies in the Westchase 380 Reimbursement Fund only as allowed by this Agreement. Any monies received from investing and reinvesting the monies paid by the City to the District shall remain in the Westchase 380 Reimbursement Fund until used by the District for one of the purposes permitted by this Agreement. Monies in the Westchase 380 Reimbursement Fund may be invested and reinvested by the District only in investments authorized by the Public Funds Investment Act (Chapter 2256, Texas Government Code). Monies on deposit in the Westchase 380 Reimbursement Fund will be secured by the depository bank in accordance with the provisions of the Public Funds Collateral Act (Chapter 2257, Texas Government Code). The District shall make prompt payments on each eligible Project in accordance with the terms of the applicable Development Agreement and subject to availability of funds in the Westchase 380 Reimbursement Fund. Funds available in the Westchase 380 Reimbursement Fund may be used to make periodic payments during construction for an approved Project undertaken by the District, with the shortfall in such amount, if any, being subject to future reimbursement upon receipt of additional funds into the Westchase 380 Reimbursement Fund.

B. Audits. After the end of each of the District's fiscal years during the Term of this Agreement (beginning with the fiscal year or fraction thereof during which this Agreement is executed), the District will (i) have an audit prepared by an independent certified public accountant for that fiscal year, and (ii) prepare an annual report containing information on the amount and source of revenue in the Westchase 380 Reimbursement Fund and the amounts and purposes of the expenditures from the Westchase 380 Reimbursement Fund. The District shall furnish an annual report and a copy of the audit without cost to the City within one hundred thirty-five (135) days after

the end of each of the District's fiscal years during the Term. Out-of-pocket costs incurred by the District to prepare the audit and other required reports are payable from the Westchase 380 Reimbursement Fund.

ARTICLE VI DUTIES AND RESPONSIBILITIES OF THE CITY

A. Deposit of Reimbursement Amount. By June 1, 2014, and by June 1 of each year of this Agreement until expiration of the Term, the City shall deposit the Reimbursement Amount into the Special Revenue Fund for the benefit of the Program. All Reimbursement Amount funds are committed for use in the Program and will be free and clear of all other encumbrances except for use in the Program. Tax Revenues not received by the City by June 1 of a calendar year will be deposited periodically between the annual transfers into the Special Revenue Fund for the benefit of the Program. The City is unconditionally obligated to deposit the Reimbursement Amount into the Special Revenue Fund and the monies are committed to use in the Program. Such deposits are not subject to any reduction, whether offset or otherwise. The City shall not be obligated to make deposit any amount in excess of the Reimbursement Amount. Interest earned on the Program funds deposited in the Special Revenue Fund shall belong to the City and shall not be committed to the Program. The City agrees to provide the District annual reports on the Tax Revenues collected and the Reimbursement Amount deposited into the Special Revenue Fund to allow the District to confirm the City's compliance with its duties hereunder.

B. Reimbursement Amount. The Reimbursement Amount may be modified by mutual agreement of the Mayor, or the Mayor's designee, and the District if the City requests modifications or additions to the CIP Improvements that will result in an increase in the costs of the CIP Improvements that exceeds, or is anticipated to exceed, the Reimbursement Amount. Except as otherwise provided in this section, the City shall not reimburse any Project Costs for CIP Improvements that exceed the Reimbursement Amount.

C. Transfers of Funds to the District. For Projects to be constructed by an entity such as a developer, the City will transfer monies from Special Revenue Fund to the Westchase 380 Reimbursement Fund to cover the amount owed as shown by the audit of Project Costs to the extent of the Reimbursement Amount funds accumulated in the Special Revenue Fund. Such transfer will be made within sixty (60) days of submission of the audit to the Designated Officer. The District will then reimburse the Project Costs as provided in the Development Agreement. If the funds are not sufficient to pay all Project Costs, the City will continue to transfer the Reimbursement Amount to the District annually by June 1 of each year until the Project Costs have been fully reimbursed. If the District undertakes CIP Improvements, the City will transfer funds for the District to use to pay Project Costs based on estimated and contract costs but limited to the Reimbursement Amount accumulated in the Special Revenue Fund. Such transfer will be made within sixty (60) days of the approval of a Development Agreement between the City and the District.

D. Obligations of City to be Absolute. The obligation of the City to make the payments set forth in this Agreement shall be absolute and unconditional during the term of this Agreement, and the City will not suspend or discontinue any payments provided for in this Agreement and will not terminate this Agreement for any cause, including, without limiting the generality of the foregoing, the failure of the District to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Agreement except as provided in Article VIII. Nothing contained in this Article shall be construed to release the District from performance of any of the agreements on its part contained in this Agreement, and in the event the District shall fail to perform any such agreement on its part, the City may institute such action against the District as the City may deem necessary to compel performance so long as this action does not abrogate the obligations of the City to make the payments set forth in this Agreement to enable the District to meet the obligations of Development Agreements.

ARTICLE VII ADDRESS AND NOTICE

Any and all notices and communications under this Agreement shall be mailed by first-class mail, or delivered, to the District at the following address:

Westchase District
10375 Richmond, Suite 1175
Houston, Texas 77042
Attention: Vice President and Chief Operating Officer

With a copy to:

Jeanne H. McDonald
Attorney for the Westchase District
2277 Plaza Drive, Suite 280
Sugar Land, TX 77479
Attention: Jeanne H. McDonald

Any and all notices and communications under this Agreement shall be mailed by first-class mail, or delivered, to the City at the following address:

Designated Officer
Office of the Mayor
City of Houston
P.O. Box 1562
Houston, Texas 77251

And

Director, Public Works and Engineering Department
City of Houston, Texas
P.O. Box 1562
Houston, Texas 77251-1562

With a copy to:

City Attorney
City of Houston, Texas
900 Bagby, 4th Floor
City Hall Annex
Houston, Texas 77002

ARTICLE VIII TERM, DEFAULT AND REMEDY

A. Term. This Agreement shall be effective as of the Effective Date and shall continue in effect until the earlier of December 31, 2043 or when all Project Costs have been fully reimbursed for all completed Projects in accordance with the applicable Development Agreement.

B. Payment Default. The City agrees that its failure to pay the District the Reimbursement Amount as and when due is an event of default ("Payment Default") and that the District shall be entitled to any and all of the remedies available in this Article or otherwise at law or equity.

C. General Events of Default. A Party shall be deemed in default under this Agreement (which shall be deemed a breach hereunder) if such Party fails to materially perform, observe or comply with any of the commitments, covenants, agreements, or obligations set forth in this Agreement or if any of its representations contained in this Agreement are false. The District's failure to construct any portion of the CIP Improvements shall not constitute an event of default.

D. Notice. Before the failure of any Party to perform its obligations under this Agreement, except in the case of a Payment Default, is deemed to be a breach of this Agreement, the Party claiming such failure shall give written notice to the Party alleged to have failed to perform of the alleged failure and shall demand performance. No breach of this Agreement, except for a Payment Default, may be found to have occurred if performance has commenced to the reasonable satisfaction of the complaining Party within thirty (30) days of the receipt by the defaulting Party of such notice.

E. Remedies. If the City fails to perform its obligations hereunder in substantial compliance with this Agreement (other than the financial obligations, which shall be in strict compliance) and, if such default remains uncured for a period of sixty (60) days after notice thereof is given, the District shall have all rights and remedies to which it is entitled under this Agreement and under all applicable laws and at equity. Notwithstanding anything in this Agreement which is or may appear to be to the contrary, nothing in this Agreement shall be construed as a waiver of the City's or the District's immunity from suit or liability. If the District fails to satisfy any of the conditions and obligations hereunder that must be fulfilled in order for the District to receive the Reimbursement Amount, and if any such condition or other obligation remains unsatisfied for a period of sixty (60) days after notice shall have been given, then the

City, as its sole and exclusive remedy (as expressly provided herein) may terminate this Agreement by written notice to the District. Notwithstanding anything in this Agreement which is or may appear to be to the contrary, nothing in this Agreement shall be construed as a waiver of the District's immunity from suit.

F. Force Majeure. Notwithstanding anything in this Agreement which is or may appear to be to the contrary, if the performance of any covenant or obligation to be performed hereunder by any Party (except for a Payment Default) is delayed as a result of circumstances which are beyond the reasonable control of such Party (which circumstances may include, without limitation, pending or threatened litigation, acts of God, war, acts of civil disobedience, fire or other casualty, shortage of materials, adverse weather conditions [such as, by way of illustration and not limitation, severe rain storms or below-freezing temperatures, hurricanes, or tornadoes], labor action, strikes, or similar acts), the time for such performance shall be extended by the amount of time of such delay ("Force Majeure").

ARTICLE IX GENERAL PROVISIONS

A. Time of the Essence. Time is of the essence of this Agreement. The Parties will make every reasonable effort to expedite the subject matters hereof and acknowledge that the successful performance of this Agreement requires their continued cooperation.

B. Amendments and Waivers. Any provision of this Agreement may be amended or waived if such amendment or waiver is in writing and is approved by the District and the City. No course of dealing on the part of the Parties nor any failure or delay by the Parties with respect to exercising any right, power or privilege pursuant to this Agreement shall operate as a waiver thereof, except as otherwise provided in this Section.

C. 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 provisions of this Agreement and, to that end, all provisions, covenants, agreements or portions of this Agreement are declared to be severable.

D. Successors and Assigns. No Party may assign its rights or obligations hereunder without the consent of the other Party.

E. 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 hereto. 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.

F. Applicable Law. 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, and any actions concerning this Agreement shall be brought in either the State Courts of Harris County, Texas or the United States District Court for the Southern District of Texas.

G. Entire Agreement. This 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.

H. 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.

I. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

J. Interpretation. This Agreement has been jointly negotiated by the Parties and shall not be construed against a Party because that Party may have assumed primary responsibility for the drafting of this Agreement.

[EXECUTION PAGE FOLLOWS]

IN TESTIMONY OF WHICH this instrument has been executed in multiple counterparts, each of equal dignity and effect, on behalf of the District and the City effective as of the Effective Date.

CITY:

CITY OF HOUSTON, a Texas home-rule municipal corporation

Mayor

Date: _____

ATTEST/SEAL:

City Secretary

Date: _____

COUNTERSIGNED:

City Controller

Date: _____

APPROVED AS TO FORM:

Assistant City Attorney
LD No. 0341100057001

DISTRICT:

THE WESTCHASE DISTRICT, a political subdivision of the State of Texas

By: _____

Name: _____

Title: _____

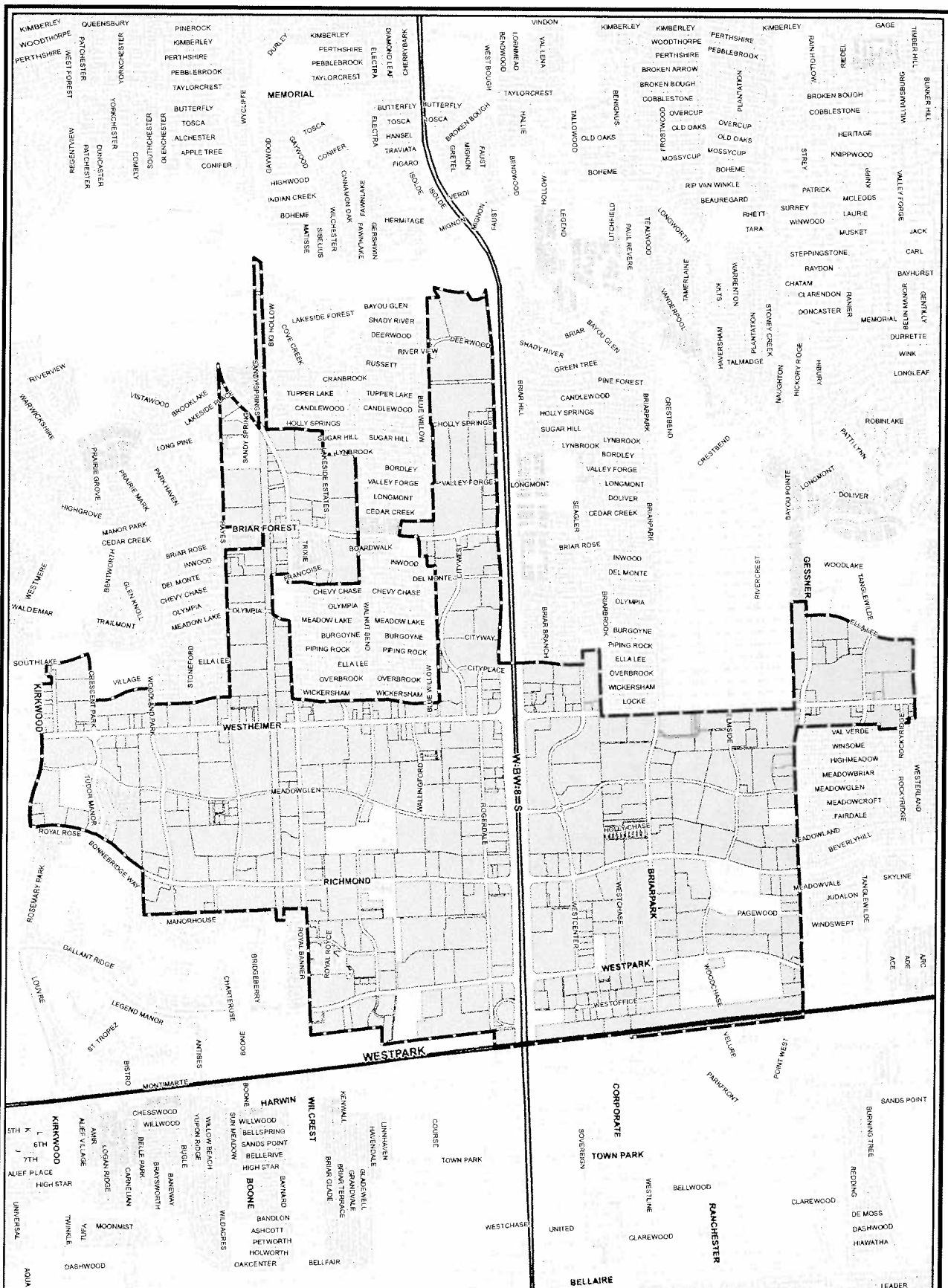
ATTEST

Name: _____


Title: _____

Date: _____

Exhibit A
Westchase 380 Area



**City of Houston
Proposed Westchase 380 Area**

Legend
 Proposed Westchase 380 Area

Source: COGIS Database
 Date: October 2013
 Reference: pj17308_w_chase_380_fnl



This map is made available for reference purposes only and should not be submitted for a survey product. The City of Houston will not accept liability of any kind in conjunction with its use.



Exhibit B
Westchase District
Long Range Plan Project Summary

Detention Improvements

- Conveyance canal upgrades, creation and extension

Mobility and Parking Enhancements

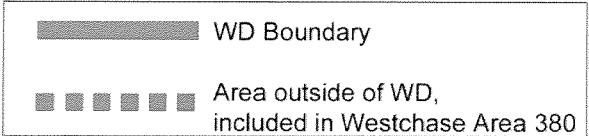
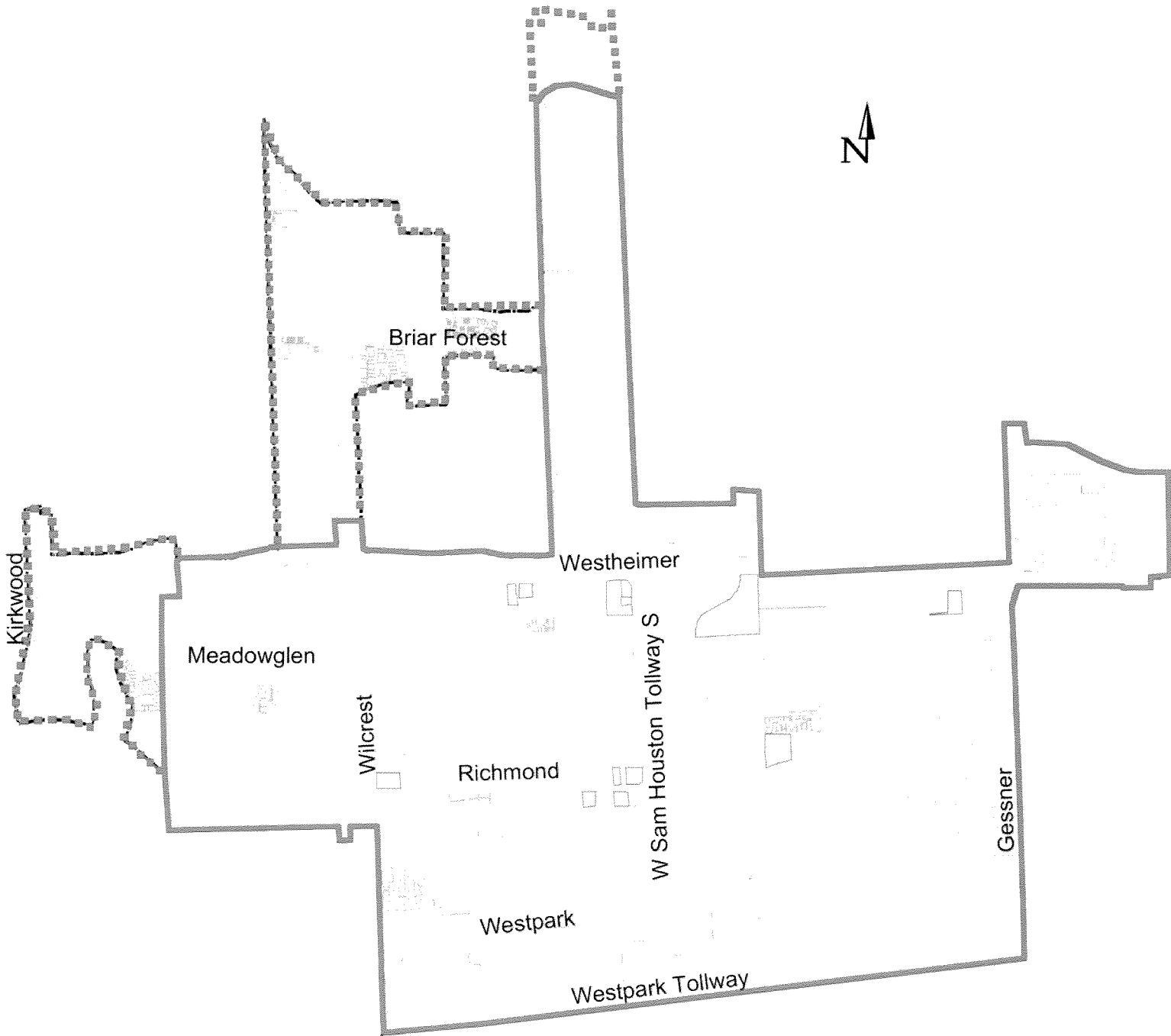
- Bicycle and Pedestrian Enhancements
- Improve Parking Options
 - Parking Garages
 - On-street Parking
- Roadway Reconstruction
- Transit Center
- Street Creation
- Street Transformation

Open and Community Gathering Spaces

- Civic Buildings
- Esplanade Landscaping
- Icon and Gateway Elements
- Parks
- Trails

(Related appurtenances and water, sewer and drainage improvements associated with these projects are included as categories of projects.)

Exhibit C
Economic Impact Area



**Exhibit D
Capital Improvements Plan**

2013-2022 Projects & Limits	Total Project Cost	Proposed Funding Breakdown				Notes
		380 Funding	WD	CoH	Federal Grant	
Festival Park 7-acre park within West8	25,200,000	17,640,000	300,000	5,040,000		Parks Board or City of Houston Parks 1,220,000 Private sector participation 1,000,000 Land discount 304,920 sf @\$30 psf
Richmond Reconstruction/Widening	12,000,000	9,480,000	120,000	2,400,000		
Walnut Bend Reconstruction	1,000,000	750,000		200,000		
Westheimer Corridor - Retail	24,000,000	16,800,000		7,200,000		
CenterPoint Hike & Bike Trail	350,000	245,000	24,500			80,500 WCA & private sector participation
Wilcrest Landscaping	800,000	640,000	100,000			60,000 Private sector contributions
Meadowglen Roundabouts	1,200,000	840,000	120,000			
Meadowglen Signature Street	20,345,500	17,293,675		1,017,275	2,034,550	
Total	84,895,600	63,688,675	664,500	8,657,275	9,524,550	2,360,500
2023-2027 Projects & Limits						
Meadowglen Roundabouts						
Haves						
Meadowglen Signature Street						
Rogerdale to Wilcrest						
Meadowglen Signature Street						
Wilcrest to Woodland Park						
Infill Streets						
Various						
Canal						
West8 southeast perimeter (includes trail)						
Canal						
Wilcrest to Rogerdale						
Canal						
Westheimer to Deerwood (includes trail)						
Fitness Park						
3 to 4-acre park, HCC location						
Total						
2033-2042 Projects & Limits						
Infill Streets						
Various						
MTF Reconstruction						
Various						
Westchase Transit Center						
Public Parking Garage						
3 garages: BW8 & WPTW, Westheimer & Gessner and Westheimer & BW8						
Great Streets - Seagler & Rogerdale						
Pocket Parks						
7 park sites						
Westpark Easement Park						
Icon & Gateway Elements						
Conveyance & Detention canals						
Total						

30-Year Total **84,895,600** **63,688,675** **664,500** **8,657,275** **9,524,550** **2,360,500**

City of Houston Projected Program Revenues

	WD 2/3's Share	CoH 1/3 Share
1st 10 yrs Revenue	66,587,972	28,862,857
2nd 10 yrs Revenue	217,206,319	72,402,106
3rd 10 yrs Revenue	363,773,176	121,257,725
Total	667,567,467	222,522,688