



Downtown
Redevelopment
Authority

Board of Directors Meeting

October 13, 2026

Tax Increment Reinvestment Zone, Number Three
City of Houston

**DOWNTOWN
HOUSTON+**

Board of Directors Meeting
October 13, 2026

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**MINUTES OF THE REGULAR MEETING
OF THE
DOWNTOWN REDEVELOPMENT AUTHORITY**

September 8, 2026

The Board of Directors (the “Board”) of the Downtown Redevelopment Authority (the “Authority”) convened in regular session, in person and open to the public, at the Authority’s office, located at 1221 McKinney Street, Suite 4250, Houston, TX 77010, on September 8, 2026, and the roll was called of the duly constituted officers and members of the Board, to wit:

Curtis Flowers	Chair
Barry Mandel	Secretary
Michael Ereti	Director
James Harrison	Director
Kimberly Lambert-Thomas	Director
Ryan LeVasseur	Director
Kirby Liu	Director
Scott McCready	Director
Tiko Reynolds-Hausman	Director

and all of said persons were present at the meeting, except Director Liu. Also present were Allen Douglas, Executive Director (“ED”); Kris Larson, President; Jana Gunter, Director of Finance; Kimberley Mickelson, Director of Law; and staff members Brett DeBord, Sandra Gonzalez, Jacque Gonzalez-Garcia, Cassie Hoeprich, Justin Jenkins, Allie Johnson, Alyssa Mason, Jamie Perkins, Albert Sanchez, Sydney Sepulveda, and Ann Taylor, all with the Authority.

Additional attendees included Clark Lord with Greenberg Traurig, LLP, outside counsel to the Authority; Captain Countryman and Officer Lawrence with the Houston Police Department; Thien-Tam Do with the City of Houston; Jasmine McCloud and Emily Alvarez with the Office of State Representative Jolanda Jones.

INTRODUCTIONS & QUORUM

Curtis Flowers chaired the meeting. Barry Mandel served as Secretary. Introductions and roll call for the Board occurred, and a quorum was confirmed present. Chair Flowers called the meeting to order at 12:11 PM.

Chair Flowers welcomed new Board members Kimberly Lambert-Thomas, Ryan LeVasseur, and Scott McCready.

PUBLIC COMMENT

Pursuant to the Texas Open Meetings Act, Chair Flowers recited the required statement regarding public comments and called for public comment. Jasmine McCloud with the Office of State Representative Jolanda Jones addressed the Board, offering the office’s assistance as needed and announcing an upcoming community event on Thursday, September 10, 2026, at 6:30 PM at Greater Missionary Baptist Church.

MINUTES OF PREVIOUS MEETING

The Board considered approving the minutes of the regular June 9, 2026 meeting. Chair Flowers called for comments or changes. Hearing none, he then called for a motion, moved by Director Reynolds-Hausman and seconded by Director McCready, and the minutes of the June 9, 2026 meetings were approved as presented.

MUNICIPAL SERVICES & INITIATIVES UPDATE

Chair Flowers invited Captain Countryman and Officer Lawrence to share updates on municipal services and initiatives downtown. Following a brief introduction by Allen Douglas, Officer Lawrence led the presentation. Questions were asked and discussion ensued. No action was required.

FINANCE MATTERS

Check Registers – June, July & August 2026

Chair Flowers invited Jana Gunter to present the Finance Summary and Check Registers for the months of June, July, and August 2026. Ms. Gunter reviewed the June, July, and August 2026 check registers. Questions were asked and discussion ensued.

A motion was called to ratify and accept the June, July, and August 2026 check registers as presented. It was moved by Director Harrison and seconded by Secretary Mandel, and the Board ratified and accepted the June, July, and August 2026 check registers as presented.

Interim Financial Statements and Investment Report – 4Q/FY26

Ms. Gunter presented the interim Financial Statements and the Investment Report for 4Q/FY26. No questions were raised, and no discussion occurred.

A single motion was called to accept the interim Financial Statements and the Investment Report for 4Q/FY26 as presented. It was moved by Director Harrison and seconded by Secretary Mandel, and the Board accepted the interim Financial Statements and the Investment Report for 4Q/FY26 as presented.

REVIEW OF DRAFT FY26 AUDITED FINANCIALS

Chair Flowers announced that the draft FY26 Audited Financial Statements are still being finalized and were not ready for review at the September meeting. The item was pulled from the agenda and will be presented at the October 13, 2026 Board meeting. No action was taken.

COOL & CONNECTED CORRIDORS/PRECINCT 2 GRANT IMPLEMENTATION

Chair Flowers invited Cassie Hoeprich and Sydney Sepulveda to provide an update and presentation on the Cool & Connected Corridors/Precinct 2 Grant Implementation. Questions were asked and discussion ensued. No action was required.

TRANQUILITY PARK UPDATE

Chair Flowers invited Cassie Hoeprich and Jacque Gonzalez-Garcia to provide an update on the Tranquility Park project. Questions were asked and discussion ensued. Mr. Douglas offered to send the presentation slides to the Board. No action was required.

STRATEGIC ALIGNMENT UPDATES

The Strategic Alignment Updates on the prior month's cross-organizational projects were not presented at the meeting. The slide deck and updates will be sent to the Board. No action was required.

NEXT MEETING

Chair Flowers announced the following upcoming meeting and noted that he will be unable to attend:

- Board of Directors – Tuesday, October 13th at 12:00 PM

OTHER BUSINESS

No further business was brought forth to the Board.

ADJOURNMENT

With no further business to come before the Board, a motion was called to adjourn. The motion was moved by Secretary Mandel and seconded by Director Harrison, and the Board adjourned at 1:42 PM.

Barry Mandel, Secretary
Downtown Redevelopment Authority
("Authority")

DRAFT

**MINUTES OF THE REGULAR MEETING
OF THE
TAX INCREMENT REINVESTMENT ZONE NUMBER THREE**

September 8, 2026

The Board of Directors (the "Board") of the Tax Increment Reinvestment Zone Number Three (the "Zone") convened in regular session, in person and open to the public, at the Zone's office, located at 1221 McKinney Street, Suite 4250, Houston, TX 77010, on September 8, 2026, and the roll was called of the duly constituted officers and members of the Board, to wit:

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Additional attendees included Clark Lord with Greenberg Traurig, LLP, outside counsel to the Zone; Captain Countryman and Officer Lawrence with the Houston Police Department; Thien-Tam Do with the City of Houston; Jasmine McCloud and Emily Alvarez with the Office of State Representative Jolanda Jones.

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Barry Mandel, Secretary
Tax Increment Reinvestment Zone Number
Three ("Zone")

DRA FIRST QTR 2026 FINANCIAL SUMMARY

10/13/2026

**DOWNTOWN
HOUSTON+**

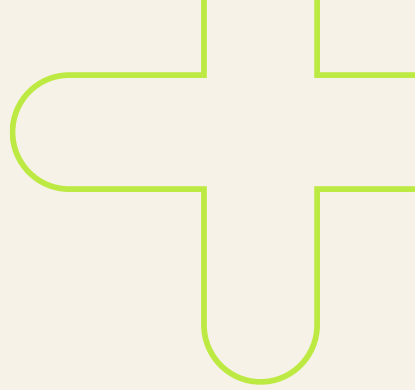
STATEMENT OF NET POSITION

SEPTEMBER 30, 2026

- Assets
 - Cash and Investments \$31.5M
 - Other Receivables and Prepaid Expenses - \$19.6M
 - DRA 2026 Tax Increment Receivable \$5.3M
 - Precinct 1 Harris Co. 2025 Tax Increment Pass-Through \$14.1M
 - HDMD support for DLI - \$180K
- Liabilities
 - Accounts Payable and Accrued Expenses - \$3.4M
 - DLI and Economic Development Grants Outstanding - \$1.5M
 - Accounts Payable - \$1.5M (includes \$1.4M due to the City for Precinct 1 Harris Co. Homelessness support)
 - Bonds Payable due Aug 2027 - \$2.91M

STATEMENT OF ACTIVITIES

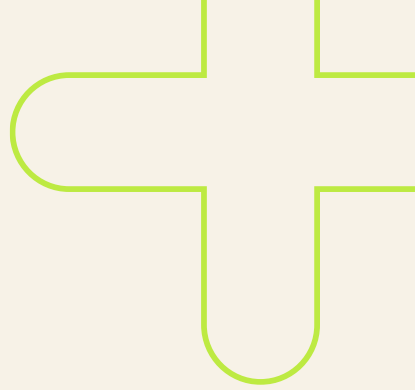
FIRST QUARTER ENDED SEPTEMBER 30, 2026



- Net increment revenue is based on 2026 property values and is forecasted by the City. The forecast is 19.3% lower than the prior year because the HISD tax increment expired.
- Interest income outperformed expectations by \$77K

STATEMENT OF ACTIVITIES

FIRST QUARTER ENDED SEPTEMBER 30, 2026



- Project Costs are \$791K - \$2.9M under Budget -The variance is primarily due to committed funds that have not yet been spent.
 - Tranquillity Park \$773K
 - Precinct 2 Match - Bayou Frontage \$497K
 - Congress Street Bridge \$506K
 - Pedestrian Lighting and Connectivity \$369K
 - Façade Improvements \$250K
 - Trebly Park \$101K
 - Economic Development \$181K

FIRST QUARTER 2027

CASH INVESTMENT REPORT

	7/1/2026	Net Changes	9/30/2026	Simple Interest Yield
JP Morgan Chase	\$1,432K	(\$1,217K)	\$215K	
Logic Increment	\$18,075K	(\$1,684K)	\$16,391K	3.8326%
Texas Class	\$9,575K	\$102K	\$9,677K	3.8412%
Debt Service: Morgan Stanley Investment Fund	\$4,364K	(\$3,573K)	\$791K	2.7038%
Bond Reserve: Morgan Stanley Investment Fund	\$4,366K	\$39K	\$4,405K	2.7038%
Pledged Funds: BNY Mellon	\$3K	\$-	\$3K	
Totals	\$37,815K	(\$6,333K)	\$31,482K	

CHECK REGISTER

September 2026

- Total checks issued were \$370K
 - Central Houston, Inc. - \$145K – Admin Contractor
 - Wiedenbach Brown - \$70K – Globe Pendants – Tranquillity Park
 - Talon Construction LLC - \$35K – Custom Grates – Tranquillity Park
 - Piper Faust - \$38K – Art Consultant – Tranquillity Park
 - Greenberg Traurig, LLP - \$19K – Pct 1 bond issuance review and request
 - Carr Riggs & Ingram - \$19K – 2026 audit fees
 - Para Integration LLC - \$19K – Security cameras – Market Square Park

**DOWNTOWN
HOUSTON+**

DRA--Main Street Market Sq Redevelopment Auth

Check register

September 2026

Date	Vendor	Amount
Account no: 515270879		
9/10/2026	VEN-01070--Greenberg Traurig, LLP	19,250.00
9/10/2026	VEN-00917--HVJ Associates, Inc	126.00
9/10/2026	VEN-00185--Pfeiffer & Son, LTD.	394.00
9/10/2026	VEN-00664--Piper Faust	14,181.82
9/10/2026	VEN-00785--Talon Construction LLC	12,306.42
9/11/2026	VEN-00180--Para Integration LLC	18,183.00
9/11/2026	VEN-00180--Para Integration LLC	770.00
9/11/2026	VEN-00185--Pfeiffer & Son, LTD.	3,012.43
9/11/2026	VEN-00664--Piper Faust	10,000.00
9/14/2026	VEN-00032--Central Houston, Inc	144,591.44
9/16/2026	VEN-00028--Carr Riggs & Ingram	19,260.00
9/16/2026	VEN-00664--Piper Faust	14,181.82
9/16/2026	VEN-00318--STERLING EXPRESS SERVICES	34.00
9/16/2026	VEN-00785--Talon Construction LLC	34,600.00
9/16/2026	VEN-00751--The Goodman Corporation	9,062.66
9/23/2026	VEN-01070--Greenberg Traurig, LLP	182.50
9/23/2026	VEN-01075--Wiedenbach Brown	70,083.00
		370,219.09

Downtown Redevelopment Authority
Statement of Net Position
September 30, 2026 and September 30, 2025

	<u>09/30/26</u>	<u>09/30/25</u>
Assets		
Cash	\$ 214,722	\$ 213,832
Investments - Debt Service	5,198,973	5,761,545
Investments - General	26,058,943	28,930,931
Tax Increments Receivable	19,408,049	6,305,548
Other Receivables & Prepaid Expenses	181,672	294,784
Capital Assets, Net	8,678,161	9,266,318
Cost of Issuance	259,338	289,552
Total Assets	<u><u>\$ 59,999,858</u></u>	<u><u>\$ 51,062,510</u></u>
Liabilities		
Accounts Payable & Accrued Expenses	\$ 3,403,194	\$ 2,627,923
Accrued Interest Payable	127,032	138,111
Lease Liabilities Due in One Year	344,918	338,788
Lease Liabilities Due After One Year	9,207,149	9,666,012
Bonds Payable Due in One Year	2,910,000	2,770,000
Bonds Payable Due After One Year	31,180,287	34,313,428
Total Liabilities	<u><u>47,172,580</u></u>	<u><u>49,854,262</u></u>
Net Position		
Net Position	12,827,278	1,208,248
Total Liabilities & Net Position	<u><u>\$ 59,999,858</u></u>	<u><u>\$ 51,062,510</u></u>

Downtown Redevelopment Authority
Statement of Activities
For the First Quarter ended September 30, 2026

	2027	2027	2027	Fav (Unfav)
	1Q Actual	YTD Actual	YTD Budget	Variance
Revenues				
Tax Increments	\$ 5,590,378	\$ 5,590,378	\$ 5,667,356	(76,978)
Other Revenues	96	96	-	96
Interest Income	327,094	327,094	250,000	77,094
Total Revenues	\$ 5,917,568	\$ 5,917,568	\$ 5,917,356	\$ 212
Transfers				
Administrative Fees	279,519	279,519	283,368	3,849
HISD Adjustment	-	-	-	-
	279,519	279,519	283,368	3,849
Net Revenues	\$ 5,638,049	\$ 5,638,049	\$ 5,633,988	\$ 4,061
Expenses				
Project Costs	791,045	791,045	3,649,954	2,858,909
Municipal Services	-	-	-	-
Professional Fees	38,693	38,693	30,500	(8,193)
Administrative Contractor	131,505	131,505	137,500	5,995
Insurance	985	985	-	(985)
Office Expense	4,183	4,183	5,000	817
Interest Expense - Bonds	349,055	349,055	388,359	39,304
Cost of Issuance	55,816	55,816	59,971	4,155
Total Expenses	\$ 1,371,282	\$ 1,371,282	\$ 4,271,284	\$ 2,900,003
Change in Net Position	4,266,767	4,266,767	1,362,704	2,904,064
Net Position Beginning of Year		8,560,511	8,560,511	-
Net Position End of Period		\$ 12,827,278	\$ 9,923,215	\$ 2,904,064

Downtown Redevelopment Authority
Statement of Activities
For the First Quarter ended September 30, 2026 and September 30, 2025

	2027	2026	Fav (Unfav)
	YTD Actual	YTD Actual	Variance
Revenues			
Tax Increments	\$ 5,590,378	\$ 7,759,557	(2,169,179)
Other Revenues	96	652	(556)
Interest Income	327,094	420,475	(93,381)
Total Revenues	\$ 5,917,568	\$ 8,180,684	\$ (2,263,116)
Transfers			
Administrative Fees	279,519	301,257	21,738
HISD Adjustment	-	1,152,752	1,152,752
	279,519	1,454,009	1,174,490
Net Revenues	\$ 5,638,049	\$ 6,726,675	\$ (1,088,626)
Expenses			
Project Costs	791,045	2,508,959	1,717,914
Municipal Services	-	-	-
Professional Fees	38,693	45,675	6,982
Administrative Contractor	131,505	97,186	(34,318)
Insurance	985	808	(177)
Office Expense	4,183	2,426	(1,757)
Interest Expense - Bonds	349,055	382,016	32,961
Cost of Issuance	55,816	59,971	4,155
Total Expenses	\$ 1,371,282	\$ 3,097,042	\$ 1,725,760
Change in Net Position	4,266,767	3,629,633	637,134
Net Position Beginning of Year	8,560,511	(2,421,386)	10,981,897
Net Position End of Period	\$ 12,827,278	\$ 1,208,248	\$ 11,619,031

Downtown Redevelopment Authority
Project Cost Detail
For the First Quarter ended September 30, 2026

	2027 YTD Actual	2027 YTD Budget	Fav (Unfav) Variance
Project Costs			
Capital Improvement Projects			
More Space Main Street 2.0	28,767	\$ 56,850	\$ 28,083
Trebly Park	69,267	170,537	101,270
Market Square Park	28,282	50,275	21,993
Congress Street Bridge	31,844	538,050	506,206
NHHIP Civic Opportunities	43,891	37,500	(6,391)
Pedestrian Lighting and Connectivity	70,909	440,375	369,466
Tranquillity Park	288,603	1,061,638	773,035
Precinct 2 Match - Bayou Frontage	15,847	512,775	496,928
Warehouse District Match	-	61,250	61,250
Total Capital Improvement Projects	577,410	\$ 2,929,249	\$ 2,351,840
Buffalo Bayou Park	-	-	-
806 Main/JW Marriott	-	-	-
Hotel Laura	-	-	-
Holiday Inn/Savoy Hotel	-	-	-
723 Main/AC Hotel	-	-	-
Downtown Living Initiative	-	-	-
Economic Development/Retail Program	40,393	221,250	180,857
Texaco Building/The Star	-	-	-
SkyHouse Houston	-	-	-
Fairfield Block 334	-	-	-
Hines Market Square	-	-	-
Market Square Tower	-	-	-
SkyHouse Main	-	-	-
Fairfield Residential	-	-	-
Post HTX	-	-	-
Hike & Bike Trails East of Allens Landing	-	-	-
Downtown Launchpad	136,901	124,455	(12,446)
Façade Improvements	-	250,000	250,000
Parks Collaborative	-	-	-
Preserve Affordable Housing	-	-	-
Project Costs - Undesignated	36,342	125,000	88,658
Total Developer/Project Reimbursements	213,636	\$ 720,705	\$ 507,069
Total Project Costs	791,045	\$ 3,649,954	\$ 2,858,909

**DOWNTOWN REDEVELOPMENT AUTHORITY
INVESTMENT REPORT, THIRD QUARTER FYE 2025
FOR THE PERIOD JULY 1, 2026 THROUGH SEPTEMBER 30, 2026**

FUND	BEGINNING BAL. BOOK VALUE	BEGINNING BAL. MARKET VALUE	GAIN (LOSS) TO MARKET FILE	INTEREST EARNED / ACCRUED THIS PERIOD	NET DEPOSITS OR (WITHDRAWALS)	ENDING BALANCE BOOK VALUE	ENDING BALANCE MARKET VALUE	ENDING BALANCE % OF PORTFOLIO	SIMPLE INTEREST YIELD	WT AVG MAT. DAYS
<u>OPERATING</u>										
JP MORGAN CHASE OPERATING	1,432,146.94	1,432,146.94	0.00	0.00	(1,217,424.81)	214,722.13	214,722.13	0.68%	N/A	1
JP MORGAN CHASE BOND OPERATING	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	N/A	1
TOTAL JPM	1,432,146.94	1,432,146.94	0.00	0.00	(1,217,424.81)	214,722.13	214,722.13	0.68%		
<u>POOLED INVESTMENT FUNDS</u>										
LOGIC PUBLIC FUNDS	18,074,656.45	18,074,656.45	0.00	166,101.45	(1,850,000.00)	16,390,757.90	16,390,757.90	52.06%	3.8326%	50
TEXAS CLASS	9,575,055.03	9,575,055.03	0.00	102,151.22	0.00	9,677,206.25	9,677,206.25	30.74%	3.8412%	49
TOTAL POOLED	27,649,711.48	27,649,711.48	0.00	268,252.67	(1,850,000.00)	26,067,964.15	26,067,964.15	82.80%		
<u>REPURCHASE AGREEMENTS</u>										
BAYERISCHE LANDESBANK	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%		
TOTAL BLB	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%		
<u>DEBT SERVICE</u>										
MORGAN STANLEY INVESTMENT FUND	4,364,150.00	4,364,150.00	0.00	28,519.36	(3,601,700.00)	790,969.36	790,969.36	2.51%	2.7038%	1
<u>BOND RESERVE</u>										
MORGAN STANLEY INVESTMENT FUND	4,365,400.00	4,365,400.00	0.00	39,343.25	0.00	4,404,743.25	4,404,743.25	13.99%	2.7038%	1
<u>PLEDGED FUNDS</u>										
BANK OF NEW YORK MELLON	3,260.00	3,260.00	0.00	0.00	0.00	3,260.00	3,260.00	0.01%	N/A	1
<u>PROJECT FUNDS</u>										
BANK OF NEW YORK MELLON	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	N/A	1
TOTAL BNY	8,732,810.00	8,732,810.00	0.00	67,862.61	(3,601,700.00)	5,198,972.61	5,198,972.61	16.51%		
GRAND TOTAL	37,814,668.42	37,814,668.42	0.00	336,115.28	(6,669,124.81)	31,481,658.89	31,481,658.89	100%		

AGENDA ITEM	FY26 Draft Audit Report
FIRM	Carr, Riggs & Ingram, LLC
REQUEST	Review and discuss the current draft of the FY26 Audit Report for year ending June 30, 2026.
ITEM HISTORY	5/13/2025 – DRA/ TIRZ #3 is in a three (3) year retention agreement with Carr, Riggs & Ingram. 10/7/2025 – The Budget & Finance Committee met to review the Draft FY25 Audit Report and determine a recommended action to present to the Board.
ACTION ITEM	Authorize approval of the drafted FY26 DRA/TIRZ3 audit report as presented.
CONTACTS	Carr, Riggs & Ingram, LLC: Alyssa Hill, Partner DRA: Jana Gunter, Director of Finance DRA: Allen Douglas, Executive Director

**Main Street Market Square
Redevelopment Authority
d/b/a Downtown Redevelopment Authority**

REQUIRED COMMUNICATIONS

June 30, 2026

DRAFT



September XX, 2026

The Board of Directors and Management
Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority

We are pleased to present the results of our audit of the 2026 financial statements of Main Street Market Square Redevelopment Authority, d/b/a Downtown Redevelopment Authority (the Authority).

This report to the Board of Directors and management summarizes our audit, the reports issued and various analyses and observations related to the Authority's accounting and reporting. The document also contains the communications required by our professional standards.

Our audit was designed, primarily, to express opinions on the Authority's 2026 basic financial statements. We considered the Authority's current and emerging business needs, along with an assessment of risks that could materially affect the financial statements, and aligned our audit procedures accordingly. We conducted the audit with the objectivity and independence that you expect. We received the full support and assistance of the Authority's personnel.

At Carr, Riggs & Ingram, LLC (CRI), we are continually evaluating the quality of our professionals' work in order to deliver audit services of the highest quality that will meet or exceed your expectations. We encourage you to provide any feedback you believe is appropriate to ensure that we do not overlook a single detail as it relates to the quality of our services.

This report is intended solely for the use of the Board of Directors and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate this opportunity to work with you. If you have any questions or comments, please contact me at 832-333-7403 or ahill@CRIadv.com.

Very truly yours,

Alyssa Hill
Partner



As discussed with the Board of Directors and management during our planning process, our audit plan represented an approach responsive to the assessment of risk for the Authority. Specifically, we planned and performed our audit to:

- Perform audit services, as requested by the Board of Directors, in accordance with auditing standards generally accepted in the United States of America and the standards in order to express opinions on the Authority's financial statements for the year ended June 30, 2026;
- Communicate directly with the Board of Directors and management regarding the results of our audit procedures;
- Address with the Board of Directors and management any accounting and financial reporting issues;
- Anticipate and respond to concerns of the Board of Directors and management, and
- Address other audit-related projects as they arise and upon request.

We have audited the financial statements of the governmental activities and each major fund of Main Street Market Square Redevelopment Authority, d/b/a Downtown Redevelopment Authority (the Authority) as of and for the year ended June 30, 2026, and have issued our report thereon dated September XX, 2026. Professional standards require that we provide you with the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
Auditor's responsibility under Generally Accepted Auditing Standards	As stated in our engagement letter dated July 27, 2026, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP) and to report on the fairness of supplementary information as described in the engagement letter when considered in relation to the financial statements as a whole. Our audit of the financial statements does not relieve you or management of your responsibilities. As part of our audit, we considered the internal control of the Authority. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.



MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
Client's responsibility	Management, with oversight from those charged with governance, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position and changes in financial position in conformity with the applicable framework. Management is responsible for the design and implementation of programs and controls to prevent and detect fraud. Management is responsible for overseeing nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.
Planned scope and timing of the audit	Our initial audit plan was not significantly altered during our fieldwork.
Management judgments and accounting estimates <i>The process used by management in forming particularly sensitive accounting estimates and the basis for the auditor's conclusion regarding the reasonableness of those estimates.</i>	See section titled "Accounting Policies, Judgment, and Sensitive Estimates & CRI Comments on Quality".
Potential effect on the financial statements of any significant risks and exposures <i>Major risks and exposures facing the Authority and how they are disclosed.</i>	No such risks or exposures were noted other than those disclosed in the notes to the basic financial statements.
Significant difficulties encountered in the audit <i>Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.</i>	We encountered no significant difficulties in dealing with management in performing and completing our audit.



MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditor's judgment about the quality of accounting principles	Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. Effective July 1, 2025, the Authority adopted the provisions of GASB Statement No. 103, Financial Reporting Model Improvements, and GASB Statement No. 104, Disclosure of Certain Capital Assets. There were no significant impacts of implementing these statements. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were related to tax increment contract revenue bonds and leases included in note 2 to the financial statements and note 5 - contracts and development agreements. The Authority's financial statement disclosures are neutral, consistent, and clear.
Disagreements with management <i>Disagreements, whether or not subsequently resolved, about matters significant to the financial accounting, reporting, or auditing matter, that could be significant to the financial statements or auditor's report. This does not include those that came about based on incomplete facts or preliminary information.</i>	We are pleased to report that no such disagreements arose during the course of our audit.
Other findings or issues <i>Matters significant to oversight of the financial reporting practices by those charged with governance, including any circumstances that could affect the form or content of the report. For example, an entity's failure to obtain the necessary type of audit, such as one under Government Auditing Standards, in addition to GAAS.</i>	None noted.



MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
Matters arising from the audit that were discussed with, or the subject of correspondence with, management <i>Business conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.</i>	None noted.
Corrected and uncorrected misstatements <i>All significant audit adjustments arising from the audit, whether or not recorded by the Authority, that could individually or in the aggregate have a significant effect on the financial statements. We should also inform the Board of Directors about uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented, that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Any internal control deficiencies that could have prevented the misstatements.</i>	See section titled "Summary of Audit Adjustments".
Major issues discussed with management prior to retention <i>Any major accounting, auditing or reporting issues discussed with management in connection with our initial or recurring retention.</i>	Discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
Consultations with other accountants <i>When management has consulted with other accountants about significant accounting or auditing matters.</i>	To our knowledge, there were no such consultations with other accountants.
Written representations <i>A description of the written representations the auditor requested (or a copy of the representation letter).</i>	See "Management Representation Letter" section.
Internal control deficiencies <i>Any significant deficiencies or material weaknesses in the design or operation of internal control that came to the auditor's attention during the audit.</i>	See "Internal Control Findings" section.



MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
Fraud and illegal acts <i>Fraud involving the Authority's management or those responsible for internal controls, or causing a material misstatement of the financial statements, where the auditor determines there is evidence that such fraud may exist. Any illegal acts coming to the auditor's attention involving senior management and any other illegal acts, unless clearly inconsequential.</i>	We are unaware of any fraud or illegal acts involving management or causing material misstatement of the financial statements.
Significant unusual accounting transactions <i>Auditor communication with governance to include auditor's views on policies and practices management used, as well as the auditor's understanding of the business purpose.</i>	No significant unusual accounting transactions were noted during the year.
Other information in documents containing audited financial statements <i>The external auditor's responsibility for information in a document containing audited financial statements, as well as any procedures performed and the results.</i>	Our responsibility related to documents (including annual reports, websites, etc.) containing the financial statements is to read the other information to consider whether: • Such information is materially inconsistent with the financial statements; and • We believe such information represents a material misstatement of fact. We have not been provided any such items to date and are unaware of any other documents that contain the audited financial statements.
Required Supplementary information <i>The auditor's responsibility for required supplementary information accompanying the financial statements, as well as any procedures performed and the results.</i>	Required supplementary information (RSI) accompanying the financial statements was subjected to certain limited procedures, including inquiries of management regarding the methods for preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the Authority's basic financial statements. However, we did not audit the RSI and do not express an opinion or provide any assurances on the RSI.



MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
Supplementary information <i>The auditor's responsibility for supplementary information accompanying the financial statements, as well as any procedures performed and the results.</i>	Other supplementary information which accompanies the basic financial statements but is not RSI, was subject to certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures. The supplementary information includes an in relation opinion to the basic financial statements as a whole.

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Accounting Policies, Judgement, and Sensitive Estimates & CRI Comments on Quality



We are required to communicate our judgments about the quality, not just the acceptability, of the Authority's accounting principles as applied in its financial reporting. We are also required to communicate critical accounting policies and sensitive accounting estimates. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The Board of Directors may wish to monitor throughout the year the process used to compute and record these accounting estimates. The table below summarizes our communications regarding these matters.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	AUDITOR'S CONCLUSIONS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Leases	The Authority determines its estimated incremental borrowing rate to calculate the present value of the lease payments and the lease term at inception of the lease.	X	Judgment in this area relates to the determination of the incremental borrowing rate and likelihood of options to extend or terminate the lease at commencement of leases under GASB Statement No. 87.	The Authority's policies are in accordance with all applicable accounting guidelines.

Summary of Audit Adjustments



During the course of our audit, we accumulate differences between amounts recorded by the Authority and amounts that we believe are required to be recorded under GAAP reporting guidelines. Those adjustments are either recorded (corrected) by the Authority or passed (uncorrected). Uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even if, in the auditor's judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

There were no unrecorded misstatements.

Recorded adjustments:

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1			
To reclassify insurance paid in CY from debt issuance cost to insurance expense.			
5440-00	Insurance Expense	52,418.00	
7302-00	Cost of Issuance Amortization-2015		52,418.00
Total		52,418.00	52,418.00
Adjusting Journal Entries JE # 2			
To reclassify interest and amortization expenses from project costs			
505.400	CRI - Interest Expense – Leases	200,882.00	
999.100	CRI - Depreciation Expense - Leases	588,157.00	
5550-00	Project Expense		789,039.00
Total		789,039.00	789,039.00
Adjusting Journal Entries JE # 3			
PBC entry to reclassify the project's portion of contract expenses			
5550-00	Project Expense	1,080,293.00	
8100-02	Contract Expense - Admin DRA		1,080,293.00
Total		1,080,293.00	1,080,293.00
Adjusting Journal Entries JE # 4			
PBC entry to adjust retainage.			
2015	Retainage payable	12,006.00	
2015	Retainage payable	29,895.00	
5550-00	Project Expense	12,006.00	
5550-00	Project Expense	29,895.00	
2015	Retainage payable		41,901.00
2105	Accrued Expenses		41,901.00
Total		83,802.00	83,802.00

Summary of Audit Adjustments



Recorded adjustments: (Continued)

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 5			
To adjust county tax increment			
1221	Tax Increment Receivable	13,916,933.00	
4355	Est Tax Increment Revenues	189,744.00	
5251-00	Homelessness transfer	1,409,719.00	
2000	Accounts Payable		1,409,719.00
4351-00	Tax Increment Revenue - County		14,097,190.00
4902-00	Transfers-Admin Fees Adjustments (Contra)		9,487.00
Total		15,516,396.00	15,516,396.00

QUALITATIVE MATERIALITY CONSIDERATIONS

In evaluating the materiality of audit differences when they do arise, we consider both quantitative and qualitative factors, for example:

- Whether the difference arises from an item capable of precise measurement or whether it arises from an estimate, and, if so, the degree of imprecision inherent in the estimate.
- Whether the difference masks a change in earnings or other trends.
- Whether the difference changes a net decrease in assets to addition, or vice versa.
- Whether the difference concerns an area of the Authority's operating environment that has been identified as playing a significant role in the Authority's operations or viability.
- Whether the difference affects compliance with regulatory requirements.
- Whether the difference has the effect of increasing management's compensation – for example, by satisfying requirements for the award of bonuses or other forms of incentive compensation.
- Whether the difference involves concealment of an unlawful transaction.



Will be added

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The Board of Directors and Management
Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority

In planning and performing our audit of the financial statements of the governmental activities and major funds of Main Street Market Square Redevelopment Authority, d/b/a Downtown Redevelopment Authority (the Authority) as of and for the year ended June 30, 2026, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given those limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been detected.

This communication is intended solely for the information and use of the Board of Directors and management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Houston, Texas
September XX, 2026

**Main Street Market Square
Redevelopment Authority
d/b/a Downtown Redevelopment Authority**

FINANCIAL STATEMENTS

June 30, 2026



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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Houston, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Main Street Market Square Redevelopment Authority, d/b/a Downtown Redevelopment Authority (the Authority), a component of the City of Houston, Texas, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Authority as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The budgetary comparison schedule – all funds, schedule of operating expenses and capital expenditures, and the schedule of estimated project costs to actual costs (supplementary information), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Houston, Texas

October XX, 2026

Main Street Market Square Redevelopment Authority d/b/a Downtown Redevelopment Authority Management's Discussion and Analysis

This Management's Discussion and Analysis of Main Street Market Square Redevelopment Authority, d/b/a Downtown Redevelopment Authority (the Authority), provides an overview of the Authority's financial performance including comparative data for the year ended June 30, 2026 with the year ended June 30, 2025 and a brief explanation for significant changes between fiscal years. Since the Management's Discussion and Analysis is designed to focus on current activities, resulting changes and current known facts, please read in conjunction with the Authority's basic financial statements and the notes to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. According to the definition in Governmental Accounting Standards Board, the Authority qualifies as a special purpose government with one program – redevelopment of certain areas located in the Central Business District of the City of Houston, Texas.

The Authority's financial report contains basic financial statements. The financial statements present the Authority's finances at both an overall and detailed level.

Government-wide statements, which use the *economic resources measurement focus and accrual basis of accounting*, are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private sector business. The Statement of Net Position includes all of the Authority's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between them presented as net position. Over time, increases or decreases in the Authority's net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The fund financial statements report information about the Authority using the *current financial resources measurement focus and modified accrual basis of accounting*, which only accounts for revenues that are measurable and available within the current period or soon enough thereafter to pay liabilities of the current period. The governmental funds do not report nonfinancial assets, such as capital assets, or certain other long-term items, such as revenue bonds, but they do report the flows of current financial resources related to those items; for example, the proceeds from issuing bonds, as well as principal and interest payments on bonds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The Authority has two governmental funds including the general fund, the Authority's main operating fund, and a debt service fund to record the repayment of outstanding bonds.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with the similar information presented for governmental activities in the government-wide financial statements. Adjustments are provided to reconcile the government-wide statements to the fund statements. Explanations for the reconciling items are provided as part of the basic financial statements.

Main Street Market Square Redevelopment Authority d/b/a Downtown Redevelopment Authority Management's Discussion and Analysis

The next section of this financial report contains notes to financial statements, which delve deeper into the Authority's finances as reported in the financial statements. The information in the notes is as important to understanding the Authority's finances as the information in the financial statements. The Authority uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements (such as certain commitments or contingencies).

FINANCIAL SUMMARY AND DETAILED ANALYSIS

- On November 11, 2025, the Authority's Board approved an Interlocal Participation Agreement with Harris County and a resolution adopting the Ninth Amended Project Plan and Reinvestment Zone Financing Plan (Plan). The Agreement and amended Plan recognize the continued and expanded participation of Harris County Precinct 1 in the Authority's tax increment fund. Prior to the County's participation, these tax revenues were deposited into the City of Houston's general fund and were not specifically available for investment within Downtown. The County's participation allows these revenues to be dedicated to eligible projects and improvements within the Downtown core in accordance with the Plan and the Interlocal Agreement.
- Since creation of Reinvestment Zone Number Three (Main Street Market Square TIRZ) in 1995, and the expansion of the Zone in 1998, 2005, 2007, 2011 and 2019 the appraised value for real property located within the Zone has increased to approximately \$570 million, \$2.9 billion, \$86 million, \$115 million, \$2.2 billion, \$46 million for the original (Part A), and expanded zones (Part B, Part D, Part F, Part G and Part I) areas, respectively. This total increase of approximately \$4.2 billion over the base years has been generated due to multiple developments of housing and commercial projects offset by decreased land values due to property value protests throughout the Zone.
- The Authority paid \$2,390,452 in fiscal year 2026 to the City of Houston for Municipal Services in the Zone that were allocated to support the City budget, including \$980,000 dedicated to the City's Police Department Overtime Program.

During fiscal year 2026, the Authority funded the following capital projects:

- The Authority completed the Allen Parkway reconstruction project in 2017 and turned operation and maintenance of the improvements over to the City of Houston. During fiscal year 2019, the Authority board determined that the area needed special attention as a major gateway into downtown and agreed to take over maintenance responsibility for an initial three-year period which has now been extended to 2027. A total of \$149,377 was spent during the fiscal year 2026.
- The Authority substantially completed Trebly Park (formerly known as the Southern Downtown Pocket Park) in January 2023. The park was the fourth major capital project funded through the Authority's 2015 bond offering. The Authority paid \$311,469 in current-year expenditures related to the project. During 2026, the final installment of \$40,825 for the shade structures was paid to Talon Construction, LLC, the general contractor, \$9,826 per month in rent to the landlord for the long-term ground lease, and \$38,281 in admin contractor expense paid to Central Houston, Inc. The Authority also paid \$105,934 in property taxes on the site.

Main Street Market Square Redevelopment Authority d/b/a Downtown Redevelopment Authority Management's Discussion and Analysis

- The Authority paid \$917,852 for the design and construction of the new kiosk at Market Square Park in 2026. The former vendor Niko Nikos departed the park in 2025, and the new vendor Petite Lucie occupied the new kiosk in 2026. The largest expenditure was \$601,315 paid to Talon Construction, LLC as general contractor. \$108,256 was paid to C&T Design & Equipment for food service equipment, \$95,915 was paid to Central Houston, Inc. for administrative contract services, and \$112,366 was paid for signage, pavers, and miscellaneous supplies.
- The Authority continued its funding for the North Houston Highway Improvement Project with a contribution of \$250,000 to Central Houston Civic Improvement, \$133,060 for administrative contract services to Central Houston, Inc., and \$10,253 for planning and design. The purpose of these funds is to further develop the civic opportunities that may be achieved through parks, hike-and-bike trails, enhanced landscaping, and understory uses adjacent to TxDOT's new freeway alignment.
- More Space Main Street (Main Street Promenade) is an approximately 11-block public-realm improvement project designed to enhance pedestrian mobility and safety along Main Street in Downtown Houston and support street-level activity and outdoor uses. The Authority, together with its affiliate, the Houston Downtown Management District (HDMD), participated in the project, with HDMD funding all construction costs. In 2026, the Authority incurred \$1,936,224 in project-related costs. These costs included \$546,540 for planning and design services provided by Walter P. Moore; \$362,288 to Jerdon Enterprise, L.P., including a \$300,000 completion bonus and miscellaneous repairs along Main Street; \$320,678 to Central Houston, Inc. for administrative contract services; \$283,375 to Project Surveillance, Inc. for field observation services; \$128,450 to Block by Block for flagging services; and \$98,584 to The Goodman Corporation for administration of HDMD's Federal Transit Administration grant compliance requirements. The remaining \$196,309 consisted of other project-related costs, including signage, bollard fabrication and painting, testing and inspection services, electrical services, and repairs.
- Tranquillity Park is undergoing a phased transformation intended to reposition the prominent civic space adjacent to Houston City Hall as a more welcoming, active, and vibrant daily destination. The initiative advances the Mayor's vision for a refreshed park while preserving its important role within Downtown Houston's civic landscape. In 2026, the Authority incurred \$1,140,912 in project-related costs. These costs included \$572,657 to Jerdon Enterprise, L.P. for decking the fountains, \$213,086 to Pfeiffer & Sons, LDT, for electrical, \$107,189 to Gulf Coast Pavers for pavers, \$90,015 to Hardy & Hardy for power washing, \$83,000 to Wiedenbach Brown for lighting, \$42,545 to Piper Faust for art installation consulting, and \$32,420 for landscaping services, electrical supplies, and planning and design services.
- Pedestrian Lighting and Connectivity is a major initiative of the Authority focused on investing in pedestrian lighting, corridor improvements, wayfinding, and other public-realm enhancements throughout Downtown Houston. The initiative is complemented by the Cool + Connected Corridors project along Texas Avenue, which integrates lighting and wayfinding with trees, native landscaping, shade structures, and furnishings to improve pedestrian comfort and connectivity. During 2026, the Authority incurred \$4,113,799 in project-related costs, including \$1,519,865 to Jerdon Enterprise, L.P. for construction; \$1,449,853 to Root Lab LLC for shade structures; \$383,724 to Green Theory for furnishings; \$246,026 to Wiedenbach Brown for lighting; \$194,376 to Central

Main Street Market Square Redevelopment Authority d/b/a Downtown Redevelopment Authority Management's Discussion and Analysis

Houston, Inc. for administrative contract services; \$145,250 to Moon Papas Art for underpass lighting and design; and \$113,435 to SWA Group for planning and design. The remaining \$61,270 consisted of art installation consulting, power washing, trees, engineering services, and other project-related costs.

- At the request of the City of Houston, the Downtown Redevelopment Authority (DRA) funded the design, engineering, and construction of the Montrose Bridge at Allen Parkway. The project provides a safe and accessible pedestrian and bicycle connection across Allen Parkway, linking residents and visitors to Buffalo Bayou Park from the newly constructed Ismaili Center on Montrose Boulevard. The bridge construction was incorporated into a larger construction agreement between the Montrose Redevelopment Authority/TIRZ#27 and its contractor, allowing the project to benefit from economies of scale. The DRA's total project cost was \$1,257,740, including \$1,208,705 reimbursed to the Montrose Redevelopment Authority/TIRZ 27 for project costs and \$49,035 paid to Central Houston, Inc. for administrative contract services.

During fiscal year 2026, the Authority funded the following developer/project reimbursements:

- The Authority paid \$3,077,675 to the Buffalo Bayou Partnership in accordance with the economic development agreement for the continued operation of project facilities at Buffalo Bayou Park.
- The Authority paid \$686,847 to the Coalition for the Homeless to support two affordable housing pipelines for sheltering Downtown's homeless population. This included the Sobering Center through the Houston Recovery Center and the Rapid Resolution Program managed by The Beacon.
- The Authority entered into an agreement in 2012 with Rusk at San Jacinto Partners, LP for the historic preservation and redevelopment of the Texas Company Building into a luxury residential tower with 286 units named The Star. The Authority accrued \$234,657 for reimbursements related to the 2025 tax year.
- The Authority entered into an agreement in 2013 with 806 Main Hotel, LLC for the historic preservation and redevelopment of the Carter Building into the J. W. Marriott Hotel. The Authority paid \$252,255 for reimbursements related to the 2025 tax year.
- The Authority entered into an agreement in 2014 with HA Hotel Partners to provide an economic development grant for the construction of the Hotel Alessandra in the GreenStreet development. The 223-room luxury hotel was completed and opened in October of 2017. The hotel suspended operations in January 2021 due to the impacts of the COVID pandemic. The hotel has reopened as The Laura and was eligible for payments to resume in 2023 for the 2022 tax year. The Authority accrued \$88,262 for reimbursements related to the 2025 tax year.
- In 2012, the Authority created a program called the Downtown Living Initiative (DLI) which was designed to incentivize residential development in the Zone. Developers were eligible to receive a rebate equal to 75% of the incremental City of Houston ad valorem taxes generated by the project upon completion for a fifteen-year period up to a maximum of \$15,000 per residential unit. As of the end of the year, seven residential projects were open and submitted requests for reimbursement. The Authority paid installments to: Market Square Tower for \$475,970, Fairfield

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Block 334 for \$110,198, Fairfield Block 337 for \$200,537, Skyhouse Houston for \$208,999, Skyhouse Main for \$207,480 and Aris Market Square for \$334,074.

- In June 2016, the Authority board approved an economic development agreement with Supreme Bright Houston LLC for the development of a 194-room Marriott AC Collection Hotel at 723 Main Street. The agreement provides a 50% rebate of the annual incremental City of Houston ad valorem taxes for a time period of ten years or an amount not to exceed \$1,171,750. The hotel opened in July 2019. The Authority accrued \$54,154 for reimbursements related to the 2025 tax year.
- In November of 2018, the Authority board approved an economic development agreement with 401 Franklin St, LTD for restoration and redevelopment of the Barbara Jordon Post Office building to develop a mixed-use project called Post HTX. The site, on the northwest side of downtown, is now a hub of visual and immersive art, entertainment, cultural exhibition, shopping, dining, commercial office space, and a rooftop farm/garden. The agreement provides a 75% rebate of the annual incremental City of Houston ad valorem taxes up to a cap of \$23 million for the project. The site was completed in fiscal year 2022 and became eligible for funding in fiscal year 2023. The Authority accrued \$253,055 for reimbursements related to the 2025 tax year.
- In November of 2019, the Authority board entered into a lease agreement with Amegy Bank to establish the 10th floor of 1801 Main as an innovation hub, named The Downtown Launchpad, intended as a component of the City's push for an Innovation Corridor along the METRO red line. The goal of the Downtown Launchpad is to bring together in one space all the life-cycle components necessary to create companies and generate local jobs in the innovation sector. Transitioning out of the pandemic, the model of innovation most effective for the Launchpad space compelled the Authority to involve educational institutions. During fiscal year 2026, the Authority entered into an agreement with the University of Houston - Downtown to occupy the space by providing a career center, continuing education, and an urban crime data center. The Authority paid \$493,824 for this project.
- In November of 2019, the Authority board approved capital project support to the Buffalo Bayou Partnership for the construction of hike & bike trails east of Allen's Landing on the southern bank of Buffalo Bayou in the amount of \$2 million. Part of the target area for the project remains paused while Harris County Flood Control addresses embankment subsidence and soil reclamation. There was no funding provided by the Authority in fiscal year 2026 for this project.

**Main Street Market Square Redevelopment Authority
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Management's Discussion and Analysis**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

The Statement of Net Position includes all assets and liabilities using the accrual basis of accounting. The following table reflects condensed information on the Authority's net deficit at June 30:

	2026	2025
Assets		
Capital assets, net	\$ 8,825,200	\$ 9,413,357
Current and other assets:		
Cash and investments	37,814,668	44,081,651
Tax increment and other receivables	14,598,109	958,269
Other assets	270,043	299,805
Total assets	61,508,020	54,753,082
Liabilities		
Accounts payable and interest payable	6,365,430	7,283,533
Lease liabilities - due in one year	458,864	450,710
Lease liabilities - due after one year	9,207,148	9,666,012
Bonds payable - due in one year	2,770,000	2,635,000
Bonds payable - due after one year	34,146,072	37,139,213
Total liabilities	52,947,514	57,174,468
Net Position		
Restricted for debt service	8,178,918	8,326,387
Restricted by County agreement	12,687,471	-
Unrestricted (accumulated deficit)	(12,305,883)	(10,747,773)
Total net position	\$ 8,560,506	\$ (2,421,386)

Tax increment funds not needed for immediate operations are invested in Texas public funds investment pools (LOGIC and Texas CLASS) or money market funds. All investments of the Authority are allowable under the Authority's investment policy and the Public Funds Investment Act. Total operating cash was \$1,432,147, debt service cash and investments were \$8,732,810, and general fund investments were \$27,649,711 at June 30, 2026. Total operating cash was \$2,559,592, debt service investments were \$8,924,272, and general fund investments were \$32,597,787 at June 30, 2025. The decrease in cash and investments is due to spending of available funds on the Authority's capital improvement plan.

Tax increments are based on calendar year taxes which are then received the next fiscal year. Tax increment receivables of \$14,097,190 at June 30, 2026, represent payments due from Harris County. The increase in tax increment receivables from 2025 to 2026 relates to the new Interlocal Agreement with the County which increased the County's participation in the Zone.

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Other accounts receivable of \$500,919 at June 30, 2026, are due from the Houston Downtown Management District for its share of the Downtown Living Initiative grants.

Capital assets of the Authority include \$11,765,985 of leased assets upon adoption of GASB Statement No. 87, \$2,940,785 of accumulated amortization expense, for a net capital asset balance of \$8,825,200 which decreased from 2025 as a result of annual amortization of the right-to-use assets.

Other assets include costs of premiums paid for credit enhancement insurance for the Series 2015 Bonds which are amortized over the life of the bonds (through fiscal year 2035). The net unamortized balance at June 30, 2026 and 2025 was \$266,892 and \$297,106, respectively. Other assets also include prepaid expenses totaling \$3,151 and \$2,699 at June 30, 2026 and 2025, respectively for insurance premiums.

Accounts payable and accrued expenses on June 30, 2026, of \$5,811,532 mainly represent grant payments due of \$2,090,487, capital project expenditures of \$2,019,970, payments due to the City of Houston for homelessness fund of \$1,409,719 and payments due to administrative contractor for staffing of \$249,454. Accounts payable and accrued expenses on June 30, 2025, of \$6,685,648 represent grant payments due of \$4,492,386, City of Houston municipal services of \$1,870,982, capital project expenditures of \$318,455 and payments due to the administrative contractor for staffing of \$3,825. Retainage payable at June 30, 2026 and 2025 totaled \$41,902 and \$15,261, respectively. Accrued interest at June 30, 2026 and 2025, totaled \$553,892 and \$597,885, respectively. At June 30, 2026 and 2025 the lease liability outstanding was \$9,666,012 and \$10,116,722, respectively.

Unrestricted net position represents that which can be used to finance day-to-day operations without the constraints established by debt covenants or other external agreements. The Authority has used bond and loan proceeds to pay various project costs during previous fiscal years and has increased its debt for new projects with the Series 2015 bond issue, causing the Authority to have an accumulated deficit. At June 30, 2026 and 2025, the Authority has an unrestricted net deficit of \$12,305,877 and \$10,747,773, respectively. As noted below in the Statement of Activities table, the Authority's revenues exceeded expenses which resulted in net position as of fiscal year end June 30, 2026. The Authority had net position restricted for debt service of \$8,178,918 and \$8,326,387 at June 30, 2026 and 2025, respectively, and net position restricted by the County's Interlocal Agreement of \$12,687,471 and \$0 at June 30, 2026 and 2025, respectively.

Statement of Activities

The Statement of Activities presents the operating results of the Authority. The following table reflects condensed information on the Authority's operations for the years ended June 30:

	2026	2025
Revenues		
Tax increments	\$ 33,943,613	\$ 21,147,384
Investment earnings and other revenues	1,751,076	1,430,646
Total revenues	35,694,689	22,578,030

**Main Street Market Square Redevelopment Authority
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Management's Discussion and Analysis**

	2026	2025
Expenses		
Current	\$ 4,762,611	\$ 2,635,151
Capital outlay	18,256,948	11,764,775
Debt service	1,693,238	1,830,614
Total expenses	24,712,797	16,230,540
 Change in net position	 10,981,892	 6,347,490
Net deficit - beginning of year	(2,421,386)	(8,768,876)
 Net position - end of year	 \$ 8,560,506	 \$ (2,421,386)

Through fiscal year 2025, the City of Houston (the City), Harris County Flood Control District, Harris County Hospital District, and Port of Houston (collectively, the County) and Houston Independent School District (HISD) have agreed, subject to certain limitations, to deposit to the Tax Increment Fund established for the Zone, a certain percentage of tax collections arising from their respective taxation of the increase, if any, in the appraised value of real property located in the Zone since a designated base year. Tax increments deposited into the Tax Increment Fund are based on the current tax rates or the portion of a tax rate that an entity has agreed to pay to the Zone.

In fiscal year 2026, an amendment was made to the Interlocal Agreement between the Authority, Harris County (the County), the City and Main Street Market Square TIRZ. As per the amended agreement the Authority received \$14,097,190 of tax increment related to the County's tax year 2025 participation. In accordance with the amended agreement, 10%, or \$1,409,719, is designated for homelessness initiatives; 10%, or \$1,409,719, is designated for maintenance and operations; and the remaining \$11,277,752 is available for eligible capital improvements. The Authority serves as custodian of these funds and is responsible for ensuring that they are used in accordance with the approved Project Plan. The City remits tax increments collected by the City, the County and HISD on an annual basis. The Authority's tax increments increased approximately 61% from the prior year primarily due to County Tax increment based on the amended Interlocal Agreement.

In 2026, the Authority received a \$500,000 grant to support the Downtown Cool Connected Corridors project. Other revenues include interest earnings from investments totaling approximately \$1.2 million and \$1.4 million during 2026 and 2025, respectively.

The overall increase in government activity expenses is a result of ongoing project costs in the Authority's approved capital improvement plan, recognition of \$1.4 million for the City's homelessness initiatives (paid from the County's tax increment), and an approximate \$500,000 increase under the Municipal Services Cost agreement.

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Management's Discussion and Analysis**

Project costs include the following for the years ended June 30:

	2026	2025
Capital Improvement Projects		
Pedestrian Lighting Improvements	\$ 4,143,695	\$ 492,674
More Space Main Street 2.0	1,936,224	1,967,392
Montrose Bridge at Allen Parkway	1,257,740	101,362
Tranquillity Park	1,140,912	-
Market Square Park	929,858	4,802
Trebley Park (Southern Downtown Pocket Park)	433,155	1,413,150
NHHIP Civic Opportunities	393,313	439,903
Allen Parkway Reconstruction	149,377	164,233
Precinct 2 Match - Bayou Footage	46,803	-
Road Resurfacing, Design & Engineering	-	125,591
Downtown Living Initiative 2.0	-	105,776
Undesignated	-	97,768
Office Conversion Incentive Program	-	50,667
Total Capital Improvement Projects	10,431,077	4,963,318
Historic Preservation		
806 Main (JW Marriott)	\$ 252,255	\$ 345,223
The Star Residential	234,657	411,216
Economic Development Agreements		
Buffalo Bayou Park	3,077,675	2,937,810
Future Project Development	945,237	-
Preserve Affordable Housing	686,847	-
Downtown Launchpad	494,326	514,055
Market Square Tower Residential	475,970	650,774
Aris Market Square Residential	334,074	378,745
Post HTX	253,055	369,627
SkyHouse Houston Residential	208,999	239,774
SkyHouse Main Residential	207,480	243,311
Economic Development Retail	202,145	140,747
Fairfield 1810 Residential	200,537	286,202
Block 334 Residential	110,198	134,935
Hotel Alessandra/Laura	88,262	77,100
723 Main (Marriot AC Collection Hotel)	54,154	44,113
1616 Main (Holiday Inn Hotel)	-	27,825
Total Project Costs	\$ 18,256,948	\$ 11,764,775

See financial highlights beginning on page 5 for more detail on significant project costs incurred by the Authority.

Main Street Market Square Redevelopment Authority d/b/a Downtown Redevelopment Authority Management's Discussion and Analysis

Other current operating costs include the following for the years ended June 30:

	2026	2025
Administrative services	\$ 739,665	\$ 516,609
Legal fees	110,673	145,975
Insurance	55,746	59,653
Accounting and auditing	24,150	23,220
Consulting	18,778	9,296
Office expense	13,423	9,417
Total other operating costs	\$ 962,435	\$ 764,170

In fiscal years 2026 and 2025, the Authority paid \$2,390,452 and \$1,870,982, respectively, to the City under the Authority's Municipal Service Costs Agreement. In addition, in fiscal year 2026, the Authority also recognized expense of \$1,409,719 for the City's homelessness initiatives that will be transferred to the City upon receipt of the County tax increment.

FINANCIAL ANALYSIS OF THE AUTHORITY'S GOVERNMENTAL FUNDS

At the end of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of approximately \$33.9 million which is approximately \$4.1 million lower than the prior fiscal year. The decrease was due to using prior available funds for current year projects. \$30.2 million is committed or assigned to various historic preservation, parks and recreation, retail and economic development projects, and infrastructure/mobility projects of the Authority. The debt service fund at year end totaled \$8.7 million and is approximately \$190,000 lower than prior fiscal year and is restricted to indicate that it is committed to pay debt service. As of June 30, 2026, the Authority has a net deficit for unassigned fund balance amounting to \$4,932,189.

SIGNIFICANT CAPITAL ASSETS AND LONG-TERM FINANCING ACTIVITY

As of June 30, 2026, the Authority had \$8,825,200 in leased capital assets, net of accumulated amortization of \$2,940,785. The Authority lease liabilities associated with the leased capital assets totaled \$9,666,012 at June 30, 2026. Capital assets constructed by the Authority in the public domain are conveyed to the City of Houston upon completion. Leasehold improvements constructed by the Authority are conveyed to the landlord upon expiration or termination of the lease agreement.

In May of 2015, the Authority issued \$41,505,000 in Tax Increment Contract Revenue Bonds (Series 2015 Bonds). The bonds have a series of maturities from 2022 through 2035. \$2,635,000 in principal payments were required in fiscal year 2026, as well as the Authority recorded \$1,462,142 in interest expense, and amortized \$30,214 in issuance costs plus an additional expense of \$52,418 to Build America Mutual Assurance Company. Total bonds outstanding decreased 7% to \$36.9 million in 2026.

Additional information on the Authority's capital assets and long-term debt can be found in the notes to the basic financial statements.

Main Street Market Square Redevelopment Authority d/b/a Downtown Redevelopment Authority Management's Discussion and Analysis

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

The Authority anticipates a 3% increase in the costs attributed to the operation and implementation of the TIRZ Project and Financing Plan. The TIRZ/Authority has an agreement with Central Houston, Inc. for administrative and professional services support.

At the inception of the Authority in 1995, the participating taxing jurisdictions contributed a portion of their tax increment to support the activities of the Authority and Tax Increment Reinvestment Zone No. 3 (TIRZ #3). In fiscal year 2026, the participating taxing jurisdictions included the City of Houston, Harris County, and the Houston Independent School District (HISD). Pursuant to applicable state legislation, HISD's participation in the Authority and TIRZ #3 expired in 2026. As a result, the Authority will no longer receive tax increment revenue from HISD in future fiscal years.

The Authority has been working with the City of Houston and TxDOT on the North Houston Highway Improvement Project (NHHIP). The NHHIP represents a unique opportunity to develop multiple civic enhancements beyond the freeway construction itself that will promote economic development and provide enjoyment for the community as a whole for years to come. As part of that effort, a new bond offering will be considered in the future.

The Authority will also continue to assist in economic development projects, historic facade restorations, capital improvement projects and residential development efforts.

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This financial report is designed to provide a general overview of the Main Street Market Square Redevelopment Authority's finances for all those with an interest in the government's finances and to show the Authority's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Mr. Allen Douglas, Executive Director, 1221 McKinney, Suite 4250, Houston, Texas 77010.

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Statement of Net Position**

<i>June 30, 2026</i>	<u>Primary Government</u> Governmental Activities
Assets	
Cash and cash equivalents	\$ 1,432,147
Investments	27,649,711
Tax increment receivables	14,097,190
Other receivables	500,919
Restricted assets	
Cash and cash equivalents	3,260
Investments	8,729,550
Capital assets, net	8,825,200
Other assets	270,043
Total assets	61,508,020
Liabilities	
Accounts payable	5,811,538
Interest payable	553,892
Lease liabilities	
Due in one year	458,864
Due after one year	9,207,148
Bonds payable	
Due in one year	2,770,000
Due after one year	34,146,072
Total liabilities	52,947,514
Net Position	
Restricted for debt service	8,178,918
Restricted by County agreement	12,687,471
Unrestricted (accumulated deficit)	(12,305,883)
Total net position	\$ 8,560,506

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

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Statement of Activities**

			Net (Expense) Revenue and Changes in Net Position
<i>For the year ended June 30, 2026</i>			
		Program Revenues	Primary Government
Functions/Programs	Expenses	Operating Grants and Contributions	Governmental Activities
Primary Government			
Governmental activities	\$ 24,712,797	\$ 500,000	\$ (24,212,797)
Total governmental activities	24,712,797	500,000	(24,212,797)
General revenues and transfers			
Tax increments			33,943,613
Investment earnings			1,251,076
Total general revenues			35,194,689
Change in net position			10,981,892
Net deficit, beginning of year			(2,421,386)
Net position, end of year			\$ 8,560,506

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

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Balance Sheet – Governmental Funds**

<i>June 30, 2026</i>	General Fund	Debt Service Fund	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 1,432,147	\$ -	\$ 1,432,147
Investments	27,649,711	-	27,649,711
Tax increment receivables	14,097,190	-	14,097,190
Other receivables	500,919	-	500,919
Restricted assets			
Cash and cash equivalents	-	3,260	3,260
Investments	-	8,729,550	8,729,550
Other assets	3,151	-	3,151
Total assets	\$ 43,683,118	\$ 8,732,810	\$ 52,415,928
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts payable	\$ 4,359,917	\$ -	\$ 4,359,917
Deferred inflow of resources			
Deferred tax increment revenue	14,097,190	-	14,097,190
Fund balances			
Restricted	-	8,732,810	8,732,810
Committed	23,015,206	-	23,015,206
Assigned	7,143,000	-	7,143,000
Unassigned	(4,932,189)	-	(4,932,189)
Total fund balances	25,226,011	8,732,810	33,958,821
Total liabilities, deferred inflows of resources and fund balances	\$ 43,683,118	\$ 8,732,810	\$ 52,415,928

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

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position**

June 30, 2026

Total fund balances - governmental funds	\$ 33,958,821
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	8,825,200
Long-term liabilities and related interest are not due and payable in the current period and therefore are not reported in the funds	(47,135,976)
Cost of issuance for the premiums on credit enhancement insurance are amortized over the life of the bonds in the government-wide statements	266,892
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds	(1,451,621)
Tax increment revenues are not available for current period expenditures and therefore are deferred in the funds	14,097,190
Net position of governmental activities	\$ 8,560,506

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

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Statement of Revenues, Expenditures and Changes
in Fund Balances - Governmental Funds**

<i>For the year ended June 30, 2026</i>	General Fund	Debt Service	Total Governmental Funds
Revenues			
Tax increments	\$ 15,966,127	\$ 4,172,813	\$ 20,138,940
Investment earnings and other revenues	1,751,076	-	1,751,076
Total revenues	17,717,203	4,172,813	21,890,016
Expenditures			
Current:			
Consultants	850,338	-	850,338
Administrative support/office expenses	56,351	-	56,351
Insurance	55,746	-	55,746
Municipal services	2,390,452	-	2,390,452
Capital outlay	18,092,860	-	18,092,860
Debt Service:			
Principal payments on bonds	-	2,635,000	2,635,000
Interest expense	200,882	1,729,275	1,930,157
Total expenditures	21,646,629	4,364,275	26,010,904
Excess of expenditures over revenues	(3,929,426)	(191,462)	(4,120,888)
Fund balance, beginning of year	29,155,443	8,924,272	38,079,715
Fund balance, end of year	\$ 25,226,017	\$ 8,732,810	\$ 33,958,827

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

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities**

<i>For the year ended June 30,</i>	<i>2026</i>
Net change in fund balance - total governmental funds	\$ (4,120,888)
Amounts reported for governmental activities in the statement of activities are different because:	
Tax increment revenues in the statement of activities that do not provide current financial resources are not reported in funds	13,804,673
Governmental funds report capital outlays as expenditures while governmental activities report depreciation/amortization expense to allocate those financial expenditures over the life of the assets	(588,157)
The issuance of long-term debt provides current financial resources in the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.	
Repayment of bond principal	2,635,000
Repayment of lease liabilities	450,710
Amortization of bond premium	223,141
Cost of issuance - credit enhancement insurance	(30,214)
Some expenditures reported in the governmental funds are not reported as expenses in the statement of activities as they were reported when the liability was incurred, regardless of the timing of the related cash flow	(1,392,367)
Change in net position of governmental activities	\$ 10,981,898

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

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Notes to Basic Financial Statements**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Main Street Market Square Redevelopment Authority, d/b/a Downtown Redevelopment Authority (the Authority), is a not-for-profit local government corporation, created on June 30, 1999 under the laws of the State of Texas, and operating under Chapter 431, Texas Transportation Code, and Chapter 394, Texas Local Government Code. The Authority was created by the City of Houston (the City) pursuant to Resolution No. 1999-39 to aid, assist and act on the behalf of the City in the performance of the City's obligations with respect to Reinvestment Zone Number Three, City of Houston, Texas (Main Street Market Square TIRZ or Zone).

City of Houston Reinvestment Zone Number Three

Reinvestment Zone Number Three, City of Houston, Texas, also known as the Main Street Market Square Tax Increment Reinvestment Zone (the Zone) was created by City Council on December 13, 1995 under Chapter 311, Texas Tax Code, as a tax increment reinvestment zone (TIRZ). The Zone originally consisted of nine city blocks around Market Square Park in Downtown Houston (Part A). In 1998, the City approved the expansion of the Zone by adding approximately 65 blocks primarily along Main Street (Part B), and in 1999, the City amended and restated the goals and objectives of the Part A and Part B Plans and incorporated changes regarding HISD's participation in the Zone (Part C). In 2005, the City approved the addition of two city blocks to facilitate and support the development of a mixed-use retail and office complex known as the GreenStreet project (Part D). In 2007, the Zone was expanded to include the city blocks encompassing City Hall, the Julia Ideson Building, the Central Library, City Hall Annex, Sam Houston Park, and certain Buffalo Bayou parkland east of Sabine Street (Part E). In 2011, the Zone was expanded to include approximately 300 acres of land, including the 158-acre existing City park extending west of Downtown from Sabine Street to Shepherd Drive and other areas to the northwest of Downtown (Part F). The fifth amendment in 2011 (Part F), also established an economic development program, as authorized by Chapter 380 of the Texas Local Government Code, to fund maintenance and operations for the project known as Buffalo Bayou Park. In 2019, the City approved expansion of the Zone to include five areas contiguous with the current boundaries of the Zone to facilitate civic opportunities that will arise as a result of the North Houston Highway Improvement Project (Part G). In 2020, Sam Houston Park was de-annexed from TIRZ #3 and incorporated into another zone. In 2022, the City approved the expansion of the Zone to include approximately 10 acres bounded by Allen Parkway, Stanford, Taft, and McKinney streets and appurtenant to the Zone via Allen Parkway as a northern terminus (Part I). The plan provides for the opportunity to engage in the public enhancement and public improvement of a proposed mixed-used development poised to engage with the Buffalo Bayou Park, one of Houston's premier public assets whose operation and maintenance costs are substantially covered through annual installments from the Zone.

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Notes to Basic Financial Statements**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity

As required by accounting principles generally accepted in the United States of America, these basic financial statements represent all the funds of the Main Street Market Square Redevelopment Authority, d/b/a Downtown Redevelopment Authority. The Authority is a component unit of the City of Houston. Component units are legally separate entities for which the primary government is financially accountable. The City appoints voting Board Members and approves the Authority's budget. There are no separate legal entities that are a part of the Authority's reporting entity. In evaluating the Authority as a reporting entity, management has considered all potential component units in accordance with Section 2100: Defining the Financial Reporting Entity of the Governmental Accounting Standards Board (GASB) Codification.

The accounting policies of the Authority conform to generally accepted accounting principles (GAAP) as applied to governmental units. The more significant accounting policies used by the Authority are described below.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Authority does not have any component units or business-type activities.

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and enterprise funds are reported as separate columns in the fund financial statements. The Authority has two governmental funds: the general fund and the debt service fund. The Authority does not have any proprietary or fiduciary funds.

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Notes to Basic Financial Statements**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Tax increments are recognized as revenues in the year for which the related taxes are levied. Grants and similar items are recognized as revenue as soon as all eligibility and timing requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and proceeds from sale of capital assets are reported as other financing sources.

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated.

Fund Financial Statements

The fund financial statements provide information about the Authority's funds. The Authority reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the Authority. It accounts for all activities except those required to be accounted for in other funds.

Debt Service Fund - The debt service fund accounts for the accumulation of financial resources for the payment of principal and interest on bonds issued by the Authority. City tax increments from the expanded area of the TIRZ are pledged for the payment of principal and interest on the Authority's bonds.

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Notes to Basic Financial Statements**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information

Budgetary Basis of Accounting

The Board adopted an unappropriated budget for the combined governmental funds of the Authority for the year ended June 30, 2026. The budget was submitted and approved by the City. The unappropriated budget is based on projected tax increment revenues and is prepared according to the Authority's Project Plan. The budget may be amended during the year, as determined necessary, by the Board of Directors. As the budget is not legally adopted, as defined by GASB, the budgetary comparison schedule is presented as supplementary information.

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance

Cash and Cash Equivalents

The Authority's cash and cash equivalents are considered to be cash on hand, and demand deposits held in banks with original maturities of three months or less from the date of acquisition.

Investments

Investments consist of various U.S. Government securities and investments pools. Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS) and Local Government Investment Cooperative (LOGIC) are both local government investment pools created under the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code.

Investments in Texas CLASS and LOGIC for the Authority meet all the specified criteria in GASBSC Section 150: Investment to qualify to elect to measure their investments at amortized cost. Accordingly, the value of the Authority's position in the pools is equal to the value of the pooled shares.

Restricted Assets

Certain amounts of cash, cash equivalents and investments are restricted by revenue bond ordinances or enabling legislation. Restricted asset accounts have been established to account for the sources and uses of these limited use assets as follows:

Bond debt service accounts – Includes certain proceeds from issuance of tax increment bonds set aside for the repayment of bonds obligations as set forth in the bond indentures.

Receivables

Tax Increment receivables – Amounts due from the City are recorded for annual tax increments not collected before year-end. As of June 30, 2026, the Authority believes all tax increment receivables are fully collectible, and, accordingly, no allowance has been created.

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Notes to Basic Financial Statements**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (Continued)

Receivables (Continued)

Other receivables – Amounts due from the other entities under grants or agreements not collected before year-end. As of June 30, 2026, the Authority believes all other receivables are fully collectible, and, accordingly, no allowance has been created.

Due to and Due from Other Funds

Interfund receivable and payables arise from interfund transactions and are recorded by all funds affected in the period in which the transaction occurred. These receivables and payable are eliminated in the Statement of Net Position.

Leases

Lease contracts that provide the Authority with control of a non-financial asset for a period of time in excess of twelve months are reported as a leased asset with a related lease liability in the government-wide financial statements. The lease liability is recorded at the present value of the future lease payments. The leased asset is recorded for the same amount as the related lease liability plus any prepayment and indirect cost to place the asset in service. Leased assets are amortized by the straight-line method over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment. In the fund financial statements, the leased asset used in the governmental fund operations is accounted for as a capital outlay expenditure of the appropriate governmental fund upon acquisition and the related lease liability is reported as other financing sources.

Deferred Outflows/Inflow of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority had no deferred outflows as of June 30, 2026.

In addition to liabilities, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. For the Authority, deferred inflow of resources includes tax increment revenue which is only reported on the governmental funds balance sheet, and represents receivables which were not collected within the available period. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Notes to Basic Financial Statements**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (Continued)

Other Assets

Costs of issuance for the premiums on credit enhancement insurance related to the Tax Increment Contract Revenue Bonds, Series 2015, are being amortized using the straight-line method over the life of the bonds in the government-wide statements.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. In accordance with GASBC Section 130: *Interest Costs – Imputation*, bond issuance costs are expensed in the period incurred except for prepaid insurance costs.

In the governmental fund financial statements, bond premiums and discounts, as well as bond issuance costs, are expensed during the current period. The debt proceeds are reported as other financing sources. Premiums received on debt issuances and discounts on debt issuances as well as payment to refunded bond escrow agent, when applicable, are reported as other financing uses. The payments of principal and interest are reported as expenditures.

Categories and Classification of Net Position and Fund Balance

Net position flow assumption – Sometimes the Authority will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumptions – Sometimes the Authority will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Notes to Basic Financial Statements**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (Continued)

Categories and Classification of Net Position and Fund Balance (Continued)

Fund balance policies – Fund balance of governmental funds is reported in various classifications based on the nature of any limitations requiring the use of resources for specific purposes. The Authority itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASBC Section 1800, Classification and Terminology, specifies the following classifications:

Nonspendable fund balance – amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. The Authority did not have any nonspendable resources as of June 30, 2026.

Restricted fund balance – amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the tax increment contract revenue bonds and are restricted through debt covenants.

Committed fund balance – amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Authority's Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance – amounts that are constrained by the Authority's intent to be used for a specific purpose but do not meet the criteria to be classified as committed. This intent can be expressed by the Board of Directors or through the Board of Directors delegating this responsibility to the Authority's Executive Director through the budgetary process. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned – includes the residual fund balance for the General Fund.

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Notes to Basic Financial Statements**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses

Program revenues – Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Tax increment revenue and interest earnings are reported as general revenues rather than as program revenues.

Tax increments – Tax increments represent a certain percentage of tax collections arising from their taxation of the increase, if any, in the appraised value of real property located in the Main Street Market Square TIRZ since January 1 of each respective year for the original area and each annexed area. The City, Houston Independent School District (HISD) have agreed to deposit to the established Tax Increment Fund no later than May 1st of each year. Harris County (County) has agreed to deposit to the established Tax Increment Fund no later than August 31st of each year.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, **October XX, 2026**, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Issued and Implemented Accounting Pronouncements

The Governmental Accounting Standards Board has issued statements that became effective in the current year. The recently implemented statements are as follows:

GASB Statement No. 103, Financial Reporting Model Improvements. The objective of this Statement is to improve key components of the financial reporting blueprint to enhance its effectiveness in providing essential information and to address certain application issues. The Statement requires changes to management's discussion and analysis to make it easier to read and understand and to focus on explaining the reasons why balances and results of operation have changed. The Statement also provides more explicit definitions of operating and nonoperating revenues and expenses and changes the presentation of nonoperating revenues and expenses in the proprietary funds statement of revenues, expenses, and changes in fund net position. The new standards also (1) combine extraordinary items and special items into a single category, unusual or infrequent items, and clarify how they should be reported; (2) limits the reporting of major component unit information to the face of the government-wide financial statements, if it does not reduce their readability, or in combining financial statements following the fund financial statements; and (3) requires that budgetary comparisons be presented as required supplementary information, eliminating the option to present them as basic financial statements. There were no significant impacts of implementing this Statement.

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Notes to Basic Financial Statements**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

GASB Statement No. 104, Disclosure of Certain Capital Assets. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. In addition to existing requirements regarding the level of detail with which notes to financial statements should disclose intangible right-to-use lease and subscription-based information technology arrangements (SBITA) assets, the Statement requires that (1) intangible right-to-use assets recognized by government operators in a public-public partnership should be disclosed by major class of underlying asset; (2) other types of intangible assets should be disclosed by major class; and (3) right-to-use assets should be disclosed separately from owned assets of the same type. The Statement also establishes that capital assets held for sale are those a government has decided to sell and whose sale within a year of the financial statement date is probable. Capital assets held for sale should be disclosed together with other capital assets of the same class. Governments also should disclose in notes the historical cost and accumulated depreciation (or amortization) of capital assets held for sale, as well as the carrying amount of debt for which they are pledged as collateral, by major class of asset for governmental and business-type activities. There were no significant impacts of implementing this Statement.

The Governmental Accounting Standards Board has issued a statement that will become effective in future years. This statement is as follows:

GASB Statement No. 105, Subsequent Events. The objective of this Statement is to enhance the consistency with which the standards for reporting subsequent events are applied, thereby better meeting the information needs of financial statement users. The Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued (that is, when the financial statements are complete in a form and format that complies with generally accepted accounting principles and approvals necessary for issuance have been obtained), rather than the date the financial statements are issued. The date through which subsequent events have been evaluated should be disclosed. A recognized subsequent event provides evidence of conditions that existed at the financial statement date that inform accounting estimates reported as of the financial statement date and should be reflected in those estimates. A nonrecognized subsequent event results in a significant effect (favorable or unfavorable) that is recognized or disclosed in the basic financial statements in the reporting period in which the event occurs and is one of the following: a debt-related transaction; government combination or a disposal of government operations; a change to the legally separate entities that compose the financial reporting entity; or a transaction or other event that is of such a nature that disclosure is essential to a user's analysis for making decisions or assessing accountability. Governments will be required to disclose a description of the nonrecognized event and its effect and an estimate of the amount of the effect (or the reason why an estimate cannot be made).

The Authority is evaluating the requirements of the above statement and the impact on reporting.

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Notes to Basic Financial Statements**

Note 2: DETAIL NOTES ON ALL FUNDS

Deposits and Investments

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. At June 30, 2026, the carrying amount of the Authority's deposits totaled \$1,435,407 and the bank balances totaled \$5,125,890 at JP Morgan Chase and \$3,260 at Bank of New York Mellon, which approximates fair value. The amount in excess of federal deposit insurance of \$4,875,890 at June 30, 2026 was uncollateralized due to the timing of deposits received.

The Board of Directors has adopted a written investment policy regarding the investments of its funds as defined in the Public Funds Investment Act of 1997 (the Act) (Chapter 2256, Texas Government Code). Such investments include (1) obligations of the United States or its agencies; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of the State of Texas or the United States or their respective agencies; (4) certificates of deposit; (5) commercial paper that complies with the Act; and (6) repurchase agreements that complies with the Act.

At June 30, 2026, the Authority held \$27,649,711 in investment pools, comprising of LOGIC and Texas CLASS. The debt service reserves, totaling \$8,729,550, have been invested in the Morgan Stanley ILF Govt/Inst Money Market Fund.

Investments that are obligations of or guaranteed by the U.S. Government do not require disclosure of credit quality. The Authority's money market funds are recorded at fair value and mature in less than one year. The Authority's investment in Texas CLASS and LOGIC are each rated AAAM by Standard & Poors. LOGIC maintains a weighted average maturity of 60 days or less, with a maximum weighted average maturity of 13 months for any individual security. Texas CLASS maintains a weighted average maturity of 49 days or less, with a maximum weighted average maturity of 75 days for any individual security. The Authority considers the investments in Texas CLASS and LOGIC to have maturities of less than one year due to the fact the share position can usually be redeemed each day at the discretion of the Authority, unless there has been a significant change in value. As of June 30, 2026, the Authority held deposits of \$9,575,055 in Texas CLASS and \$18,074,656 in LOGIC.

Texas CLASS and LOGIC are specifically tailored to meet Texas state and local government investment objectives of preservation of principal, daily liquidity and competitive yield. The programs seek to maintain a constant dollar objective and fulfills all requirements of the Texas Public Funds Investment Act for local government investment pools.

Under GASBC Section 150: Investments, if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates) in notes to the financial statements. As of June 30, 2026, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the Authority's access to 100 percent of their account value in its external investment pool.

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Notes to Basic Financial Statements**

Note 2: DETAIL NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

Credit Risk - Credit risk is the possibility that the issuer of a security will fail to make timely payments of interest or principal. To minimize credit risk, Texas CLASS and LOGIC investment policies restrict investments of the portfolio into designated investments only. Market risk is the potential for a decline in market value generally due to, but not limited exclusively to, rising interest rates.

Interest Rate Risk - Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. In accordance with the Authority's investment policy, the Authority limits its exposure to interest rate risk by structuring its portfolio to provide safety and liquidity of funds while maximizing yields for operating funds not immediately needed. The investment policy limits the maximum maturity on any investments to three (3) years.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The Authority's investment policy does not limit the amount of funds that may be invested in any authorized investment.

Restricted Deposits and Investments

Certain amounts of cash and investments are restricted by covenants set forth in the indenture for the Series 2015 Bond. A summary of these restricted assets held in cash and U.S. Government Securities on June 30, 2026 are as follows:

	Cash and Cash Equivalents	Money Market Fund	Total
Debt service funds	\$ 3,260	\$ 8,729,550	\$ 8,732,810

Capital Assets

Capital asset activity for the year ended June 30, 2026 was as follows:

	Balance at July 1, 2025	Additions	Retirements	Balance at June 30, 2026
Right to use land	\$ 9,579,411	\$ -	\$ -	\$ 9,579,411
Right to use office space	2,186,574	-	-	2,186,574
Total capital assets	11,765,985	-	-	11,765,985
Less: accumulated amortization	(2,352,628)	(588,157)	-	(2,940,785)
	\$ 9,413,357	\$ (588,157)	\$ -	\$ 8,825,200

Amortization expense for the year ended June 30, 2026 totaled \$588,157 and is reported as capital outlay expenses in the accompanying statement of revenue, expenditures and changes in fund balances – governmental funds.

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Notes to Basic Financial Statements**

Note 2: DETAIL NOTES ON ALL FUNDS (Continued)

Long-Term Liabilities

Tax Increment Contract Revenue Bonds

A summary of changes in Tax Increment Contract Revenue Bonds follows:

Balance at July 1, 2025	\$ 37,580,000
Additions	-
Retirements	(2,635,000)
Balance at June 30, 2026	34,945,000
Current portion	\$ 2,770,000

Tax Increment Contract Revenue Bonds at June 30, 2026 consist of the following:

	Outstanding Balance
2015 debt series total principal payable	\$ 34,945,000
Unamortized premium	1,971,072
Total bonds payable	\$ 36,916,072

In May of 2015, the Authority issued \$41,505,000 in Tax Increment Contract Revenue Bonds (Series 2015 Bonds). The bonds were issued at a premium of \$4,462,805 and have a series of maturities from 2022 through 2035. For the year ended June 30, 2026, the Authority incurred \$2,635,000 and \$1,729,275 in principal and interest (net of insurance amortization), respectively, and amortized \$30,214 in issuance costs.

Bonds maturing on or after September 1, 2016, are subject to redemption at the option of the Authority at a price equal to par value plus accrued interest. In 2025, the Authority began paying additional insurance premiums required for bonds not redeemed. The Series 2015 Bonds bear interest at rates between 4% and 5%, resulting in an average interest rate of 4.14% and have semi-annual interest payments due March 1 and September 1.

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Notes to Basic Financial Statements**

Note 2: DETAIL NOTES ON ALL FUNDS (Continued)

Long-Term Liabilities (Continued)

Tax Increment Contract Revenue Bonds (Continued)

Principal and interest payments are due as follows:

Fiscal Year	Principal	Interest	Total
2027	\$ 2,770,000	\$ 1,553,436	\$ 4,323,436
2028	2,910,000	1,416,036	4,326,036
2029	3,060,000	1,271,577	4,331,577
2030	3,215,000	1,119,779	4,334,779
2031	3,380,000	960,207	4,340,207
2032-2036	19,610,000	2,108,511	21,718,511
	\$ 34,945,000	\$ 8,429,546	\$ 43,374,546

The Series 2015 issuance required a Debt Service Reserve Fund in the amount of \$4,365,400 in addition to the Debt Service Fund of \$4,364,150 required at June 30, 2026 for short term principal and interest payments due on the 2015 bond obligations during fiscal year 2027. The Debt Service Fund was fully funded in June 2026 with receipt of the City's tax increment.

Leases

On April 14, 2018, a ground lease agreement was executed between the Legacy Trust Company, N.A., Successor Trustee of the Anna B. Williams Combined Trust, Legare H. Bethea Combined Trust and Shirley B. Morgan Combined Trust, and Broadway National Bank, Successor Trustee of the Legare H. Bethea Trust "L" (the Lessors), and the Authority. The ground lease covers 44,878 square feet (approximately ¾ block) of land in the southern portion of downtown bounded by Fannin, Leeland, Bell, and San Jacinto Streets. The lease commenced on April 1, 2019, with a 30-year term. At the commencement date, the Authority began payment of rent of \$29,666 per month which is subject to a 10% escalation once every five years.

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Notes to Basic Financial Statements**

Note 2: DETAIL NOTES ON ALL FUNDS (Continued)

Long-Term Liabilities (Continued)

Leases (Continued)

The Authority has two renewal options of ten years each. The Authority is not reasonably certain the renewal options will be exercised. The Authority is currently constructing improvements on the property to convert the site to a public park. In accordance with the terms of the lease agreement, these improvements will automatically pass to the lessor without payment or consideration of any kind upon expiration or termination of this agreement.

At the time of the initial measurement, there was no interest rate specified in the original lease agreement. The Authority has used the Authority's estimated incremental borrowing rate of 2.09% to discount the annual lease payments to recognize the leased asset (right to use land) and the related lease liability as of July 1, 2021 totaling \$9,579,411. At June 30, 2026 the balance on the lease liability totaled \$8,658,023.

The principal and interest payments of \$208,260 and \$183,332, respectively, for the year ended June 30, 2026 have been reported as capital outlay and interest expense, respectively, in the accompanying governmental funds revenues, expenditures and changes in fund balances.

On February 13, 2020, a lease agreement was executed between Zions Bancorporation, N.A., a national banking association, d/b/a Amegy Bank and the Authority. The lease covers the 10th floor of the Amegy Bank building located at 1801 Main Street of 16,982 square feet of rented space to be an Innovation Hub known as the Downtown Launchpad. The lease commenced on June 19, 2020, with a 10-year term. At the commencement date, the Authority began payment of rent of \$15.31 base rent per square foot (lease payment) plus a proportionate share of building operating expenses (non-lease component). In accordance with GASB 87, the non-lease components have been excluded in the measurement of the lease liability. There is no escalation of the base rent. The Authority has an option for one renewal term of five years. The Authority is not reasonably certain this renewal option will be exercised.

At the time of the initial measurement, there was no interest rate specified in the original lease agreement. The Authority has used the Authority's estimated incremental borrowing rate of 1.54% to discount the annual lease payments to recognize the leased asset (right to use office space) and the related lease liability as of July 1, 2021 totaling \$2,186,574. At June 30, 2026 the balance on the lease liability totaled \$1,007,989. The principal and interest payments of \$242,450 and \$17,550, respectively, for the year ended June 30, 2026 have been reported as capital outlay and interest expense, respectively, in the accompanying governmental funds revenues, expenditures and changes in fund balances.

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Notes to Basic Financial Statements**

Note 2: DETAIL NOTES ON ALL FUNDS (Continued)

Long-Term Liabilities (Continued)

Leases (Continued)

Annual requirements to amortize the lease liabilities and related interest are as follows:

<i>For the years ending June 30,</i>	Principal	Interest	Total
2027	\$ 458,864	\$ 192,727	\$ 651,591
2028	467,170	184,421	651,591
2029	485,437	175,944	661,381
2030	523,990	166,761	690,751
2031	271,762	158,989	430,751
2032-2036	1,546,431	704,240	2,250,671
2037-2041	1,953,360	522,377	2,475,737
2042-2046	2,428,748	294,564	2,723,312
2047-2049	1,530,250	\$45,748	1,575,998
	\$ 9,666,012	\$ 2,445,771	\$ 12,111,783

A summary of changes in the Authority's lease liabilities follows:

Balance at July 1, 2025	\$ 10,116,722
Additions	-
Retirements	(450,710)
Balance at June 30, 2026	\$ 9,666,012
Current portion, lease liabilities	\$ 458,864

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Notes to Basic Financial Statements**

Note 2: DETAIL NOTES ON ALL FUNDS (Continued)

Fund Balances – Governmental Funds

As of June 30, 2026, fund balances of the governmental funds are classified as follows:

	General Fund	Debt Service Fund	Total
Restricted for			
Debt service	\$ -	\$ 8,732,810	\$ 8,732,810
Committed to			
Roadways and streets	150,000	-	150,000
Infrastructure/mobility improvements	2,283,900	-	2,283,900
Real property improvements	1,949,333	-	1,949,333
Historic preservation	1,347,664	-	1,347,664
Parks and recreation	7,430,897	-	7,430,897
Retail/economic development	9,853,412	-	9,853,412
Assigned to			
Historic preservation	500,000	-	500,000
Infrastructure/mobility improvements	143,000	-	143,000
Parks and recreation	6,500,000	-	6,500,000
Unassigned	(4,932,189)	-	(4,932,189)
	\$ 25,226,017	\$ 8,732,810	\$ 33,958,827

Note 3: TAX INCREMENTS

The City, Harris County (the County) and the Houston Independent School District (HISD) (each a Participant) has agreed to deposit to the Tax Increment Fund established for the Main Street Market Square TIRZ (the Tax Increment Fund) a certain percentage of tax collections arising from their taxation of the increase, if any, in the appraised value of real property (Captured Appraised Value) located in the Main Street Market Square TIRZ since January 1 of each respective year for the following areas within the Zone:

1995	Original Area (Part A)
1998	Expanded Area (Part B)
2005	Expanded Area (Part D)
2011	Expanded Area (Part F)
2019	Expanded Area (Part G)
2022	Expanded Area (Part I)

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Notes to Basic Financial Statements**

Note 3: TAX INCREMENTS (Continued)

The land annexed to the Zone in 2007 for Part E is all publicly owned and is not presently taxed. Similarly, most of the land annexed in 2011 for Part F is publicly owned and only a small portion of the property annexed by the Zone is subject to property tax. Part G de-annexed the area known as Sam Houston Park. It did not alter the project costs, goals or the Financial Plan for the Zone.

The amount of a Participant's tax increment contribution for a year is the amount of property taxes levied by the Participant for that year on the Captured Appraised Value of real property taxable by the Participant and located in the Main Street Market Square TIRZ.

Tax Increments must be deposited into the Tax Increment Fund established for the Main Street Market Square TIRZ no later than the 90th day after the delinquency date for the Participant's property taxes. Thus, Tax Increments are due to be deposited by May 1st annually except for the County that has agreed to deposit tax increments by August 31st annually.

The City has agreed to pay 100% of their Tax Increments into the Tax Increment Fund for all parts of the Zone; however, the City is not obligated to pay to the Authority an amount that exceeds the budget approved by City Council for the then current fiscal year. For purposes of Part A of the Zone, Participants also include Harris County, Harris County Flood Control, Harris County Hospital District, Harris County Port of Houston Authority (the County Authorities), and HISD. The County Authorities have agreed to pay 100% of their Tax Increment to the Tax Increment Fund up to the earlier of the collection of the Tax Year 2025 payment or payment of a total contribution of \$8,500,000. The part A cap for the County Authorities was reached in fiscal year 2018. HISD's participation ends with the collection of the Tax Year 2025 payment. In addition, Tax Increments arising from Part A of the Zone are pledged to the payment of amounts due under an agreement among the TIRZ, the City and the Houston Housing Finance Corporation (HHFC) dated September 11, 1996, as amended, to redevelop the historic Rice Hotel into residential units. The HHFC loan was paid in full as of June 30, 2021.

The City and HISD are Participants in Part B of the Zone. The County Authorities do not participate in Part B. HISD's participation ends with the collection of the Tax Year 2025 payment.

In addition to the City, Participants in expanded Part D of the Zone (the two GreenStreet blocks) include Harris County and Harris County Flood Control (the County Authorities). The County Authorities have agreed to pay 51% of their Tax Increment to the Tax Increment Fund up to the earlier of the collection of the Tax Year 2025 payment, payment of a total contribution of \$8,500,000, or a maximum Captured Appraised Value of \$200,700,000 is reached. HISD does not participate in Part D. The City's Tax Increments are based on \$.0231 per \$100 valuation of the Captured Appraised Value for Part D of the Zone rather than the current tax rate.

The City is the sole Participant in Part E, F, G and I of the Zone; however, as mentioned previously much of the land included in these expansions is publicly owned and not subject to property tax.

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Notes to Basic Financial Statements**

Note 3: TAX INCREMENTS (Continued)

On August 25, 2025, the County's Participation Agreement (the Agreement) was amended to provide for the County's continued participation in the TIRZ. The County shall participate in the TIRZ through annual tax increment payments, to the extent authorized by law, by remitting to the Tax Increment Fund one hundred percent (100%) of the funds actually collected with respect to the Captured Appraised Value from the County's total taxable value of all real property taxable by the County and located within the Boundary of the TIRZ for a year, as established by Harris County Appraisal District from the County's total ad valorem tax rate (less the portion of the County's tax rate levied for debt service, and not including any taxes levied by the County on behalf of the Harris County Flood Control District, Harris County Hospital District, Port of Houston Authority, or similar entities) (the "County Tax Increment Participation"), for the tax years 2025 through tax year 2042, inclusive for the area of the TIRZ that is located within Precinct 1.

The Authority is dependent upon Tax Increments. Default by any of the governmental entities involved in the Zone would impact the Authority's ability to repay its outstanding bonds and other obligations.

The Authority's tax increment revenue, as reflected in the Statement of Activities, was received from the following Participants for the year ended June 30, 2026:

	City of Houston	Houston ISD	Harris County	Total
Total tax increment	\$ 17,923,376	\$ 4,018,685	\$ 14,097,190	\$ 36,039,251
Retainage for administrative cost	(896,169)	(25,000)	-	(921,169)
Set-aside for educational facilities	-	(1,174,469)	-	(1,174,469)
Net tax increment	\$ 17,027,207	\$ 2,819,216	\$ 14,097,190	\$ 33,943,613

The Authority's tax increment revenues, as reflected in the governmental funds, was received from the following Participants for the year ended June 30, 2026:

	City of Houston	Houston ISD	Harris County	Total
Total tax increment	\$ 17,923,376	\$ 4,018,685	307,913	\$ 22,249,974
Retainage for administrative cost	(896,169)	(25,000)	(15,396)	(936,565)
Set-aside for educational facilities	-	(1,174,469)	-	(1,174,469)
Net tax increment	\$ 17,027,207	\$ 2,819,216	\$ 292,517	\$ 20,138,940

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Notes to Basic Financial Statements**

Note 4: RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; personal injuries; and natural disasters. The risk of loss is covered by commercial insurance. There have been no significant reductions in insurance coverage and no settlements.

Note 5: CONTRACTS AND DEVELOPMENT AGREEMENTS

The Authority has entered into various developer agreements whereby the developers agreed to advance money to renovate and operate historic structures, construct retail and residential improvements and other projects. All property is owned by the developers.

Municipal Service Costs Agreement

The Authority, the Zone, and the City entered into an agreement whereby the Authority will pay to the City incremental costs of providing increased municipal services incurred as a result of the creation of the Zone or the development or redevelopment of the land in the Zone. Payment of the incremental service costs is from the City's Tax Increment and is limited to the available Tax Increment received by the Authority as defined in the agreement and the amount included in the Authority's annual approved budget. If the City's available Tax Increment is not sufficient in any year to pay the amount included in the approved budget, the amount due will accrue without interest. The agreement renews annually on June 30.

Buffalo Bayou Partnership

In January 2012, the Authority, Buffalo Bayou Partnership (the Partnership), Harris County Flood Control District and the City entered into a project facilities agreement. The Authority is obligated under this agreement for start-up costs totaling \$581,000 and annual City Project Facility Fees (annual fee) through December 31, 2043. The annual fee is \$2,063,653 and is increased annually based on increases in the Employment Cost Index. Payments are made semi-annually no later than January 10 and July 10 of each calendar year. The Park opened in October 2015, and payment of the annual fee commenced in January 2016. Fiscal year 2019 marked the first review of operating and maintenance expenditures as required in the agreement. No changes were made to the calculation of the Authority's annual payment; however, the park was severely damaged by Hurricane Harvey and the Authority agreed to provide a one-time payment of \$375,000 to the Buffalo Bayou Partnership to replenish the Capital Maintenance Fund which had been completely depleted for the repairs to the park after Hurricane Harvey.

Downtown Living Initiative

In 2012, the Authority created a program called the Downtown Living Initiative (DLI) which was designed to incentivize residential development in the Zone. Developers were eligible to receive a rebate equal to 75% of the incremental City of Houston ad valorem taxes generated by the project upon completion for a fifteen-year period up to a maximum of \$15,000 per residential unit. The program was closed in accordance with the ordinance which created it on June 30, 2016.

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Notes to Basic Financial Statements**

Note 5: CONTRACTS AND DEVELOPMENT AGREEMENTS (Continued)

Downtown Living Initiative (Continued)

Seven Downtown Living Initiative agreements were executed from the program's inception in 2012 through the end of fiscal year 2016. The first grant was approved by the Authority under this program to SkyHouse Houston for development of a 24-story, 336-unit high-rise residential tower on Block 350. The maximum grant available for this project over the term of the grant is approximately \$5 million. Construction was completed on this project, and it opened in 2014. The 12th installment under the grant was accrued in fiscal year 2026.

A second grant was approved under the Downtown Living Initiative and a historic preservation grant was given to Rusk at San Jacinto Partners, LP for redevelopment of the 97-year-old Texas Company building at 1111 Rusk aka "The Star" into 286 luxury apartment units. The maximum grant available for this project over the term of the grant is approximately \$12.1 million. The project was completed in 2017. The ninth installment under the grant was estimated and accrued in fiscal year 2026.

A third grant was approved under the Downtown Living Initiative to Alliance Realty Partners, LLC for a 207-unit midrise multifamily residential building located on Block 334. The maximum grant available for this project over the term of the grant is approximately \$3.1 million. The project was completed in 2016. The tenth installment under the grant was accrued in fiscal year 2026.

A fourth grant was authorized in 2014 under the Downtown Living Initiative program for development of a 33-story, 274-unit high rise residential tower by Hines at Market Square Park aka Aris Market Square, which completed construction in 2018. The maximum grant available for this project over the term of the grant is approximately \$4.1 million. The eighth installment under the grant was accrued in fiscal year 2026.

A fifth grant was approved under the Downtown Living Initiative to BMS Market Square, now Woodbranch Tower aka Market Square Tower, for development of a 40-story, 463-unit high rise residential building which completed construction in 2016. The maximum grant available for this project over the term of the grant is approximately \$6.9 million. The tenth installment under the grant was paid in fiscal year 2026.

A sixth grant was approved under this program to SkyHouse Main for the development of a 338-unit high rise residential tower on block 368. The maximum grant available for this project over the term of the grant is approximately \$5 million. The project was completed in 2016. The tenth installment under the grant was accrued in fiscal year 2026.

A seventh grant was approved by the Authority under this program to FF Realty II LLC for the development of a 290-unit midrise residential tower on block 387. The maximum grant available for this project over the term of the grant is approximately \$4.4 million. The project was completed in 2022. The third installment was accrued in fiscal year 2026.

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Notes to Basic Financial Statements**

Note 5: CONTRACTS AND DEVELOPMENT AGREEMENTS (Continued)

1616 Main Street/Holiday Inn Hotel

The Authority entered into an economic development agreement with HDT Hotel, LLC for renovation of the former Savoy Hotel. The Authority has reimbursed \$500,000 in street level improvements and will provide an incremental tax rebate over a 10-year period for development of a full-service 213-room Holiday Inn at 1616 Main. The project was completed in the fall of 2015. The total amount of incremental tax rebate is estimated to be \$5 million over the term of the grant.

806 Main/JW Marriott Hotel

The Authority entered into an agreement with Pearl Hospitality to reimburse up to \$2.3 million in infrastructure improvements and to provide an incremental tax rebate over a 25-year period for development of a 323-room JW Marriott hotel at 806 Main on the corner of Main and Rusk. The project completed construction and the infrastructure payment was made during the fiscal year 2015. The total amount of incremental tax rebate is capped at \$9.5 million over the term of the grant.

GreenStreet/Hotel Alessandra

The Hotel Alessandra is a 227-room luxury hotel constructed as an addition to the GreenStreet project. The Authority entered into an economic development agreement with HA Hotel Partners, LP to rebate 50% of the annual incremental City of Houston ad valorem taxes from the project for a 10-year period. The hotel was completed and opened in October 2017.

The hotel was required to create at least twenty-five new full-time jobs and 6,016 square feet of retail space for soft goods in order to receive the rebate. The hotel closed during 2021, reopened as Hotel Laura, and became eligible for the rebate in 2023. The seventh installment of the rebate was accrued in fiscal year 2026.

723 Main/AC Hotel

In June 2016 the Authority entered into an Economic Development Agreement with Supreme Bright Houston, LLC for the development of a 194-room the AC Hotel located at 723 Main Street. The grant is a reimbursement of 50% of the City portion of the incremental ad valorem taxes for a time period of ten years or an amount not to exceed \$1,171,750. The terms require the creation of at least fifty new full-time jobs and that the project retain the Marriott flag or equivalent. Construction was completed and the hotel opened in July 2019.

Post HTX

In November 2018, the Authority board approved an economic development agreement with 401 Franklin St., LTD for restoration and redevelopment of the Barbara Jordon Post Office building to develop a mixed-use project called Post HTX. The agreement provides a 75% rebate of the annual incremental City of Houston ad valorem taxes from the project up to a maximum amount of \$23 million. Construction was completed in December 2021. The fourth rebate payment was accrued in fiscal year 2026.

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Notes to Basic Financial Statements**

Note 5: CONTRACTS AND DEVELOPMENT AGREEMENTS (Continued)

Buffalo Bayou Partnership Hike & Bike Trails East of Allen's Landing

The Buffalo Bayou Partnership and the Houston Parks Board are expanding the trail system along the bayou on the north side of downtown east of Allen's Landing, including blocks 6 and 7, purchased by the City. In February 2019 the Authority board agreed to provide financial support for construction in the amount of \$2 million over two years. The project has been delayed due to the subsidence of the bayou and environmental issues.

Consultants

The Authority has entered into agreements with various consultants to provide professional services.

Administrative Agreement

The Authority has entered into an administrative agreement with Central Houston, Inc. for executive management, general administrative support, project management and development, construction management and other services as may be deemed necessary by the Authority's Board of Directors in the course of its various activities. The Authority paid Central Houston, Inc. \$1,819,958 for these services for the year ended June 30, 2026.

SUPPLEMENTARY INFORMATION

DRAFT

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Budgetary Comparison Schedule – All Funds**

	Original and final budgeted amounts	Actual amounts (budgetary basis)	Variance with final budget
<i>For the year ended June 30, 2026</i>			
Budgetary fund balance - beginning of year	\$ 27,169,546	\$ 38,079,715	\$ 10,910,169
Resources			
Tax increments	30,597,259	22,240,487	(8,356,772)
Grant proceeds	-	500,000	500,000
Interest income	1,000,000	1,251,076	251,076
Total available resources	58,766,805	62,071,278	3,304,473
Expenses			
Management consulting services	674,500	962,435	(287,935)
Project costs and capital expenditures	33,637,123	18,092,860	15,544,263
Debt service	4,402,914	4,565,157	(162,243)
Other interfund transfers:			
HISD educational facilities	4,739,377	1,174,469	3,564,908
Municipal services - public safety	2,539,198	2,390,452	148,746
Administrative fees	1,144,256	927,078	217,178
Total uses of resources	47,137,368	28,112,451	19,024,917
Budgetary fund balance - end of year	\$ 11,629,437	\$ 33,958,827	\$ 22,329,390
Note that this schedule is prepared on budgetary basis, but it is not different from Generally Accepted Accounting Principles (GAAP) in presentation, except as noted below:			
Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenses			
Sources/inflows of resources:			
Actual amounts (budgetary basis)			\$ 62,071,278
Differences - budget to GAAP			
The fund balance at the beginning of the year is a budgetary resource			
current year revenue for financial reporting purposes			(38,079,715)
Budgeted revenues include HISD educational facilities transfers and City administrative charges while the Authority's funds report revenues net of these transfers			(2,101,547)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances			\$ 21,890,016
Uses/outflows of resources			
Actual amounts (budgetary basis)			\$ 28,112,451
Differences - budget to GAAP			
Budgeted expenditures include HISD educational facilities transfers and city administrative charges while the Authority's funds report revenues net of these transfers			(2,101,547)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances			\$ 26,010,904

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Schedule of Operating Expenses and Capital Expenditures**

<i>For the year ended June 30, 2026</i>	Vendor	Budget	Actual Expenditures	Variance
<u>Management Consulting Services</u>				
Administrative Support	Central Houston, Inc.	\$ 580,000	\$ 739,665	\$ (159,665)
Office Expenses	Various	20,000	13,423	6,577
Insurance	Philadelphia Insurance Companies	7,500	3,328	4,172
	Build America Mutual Assurance Company	-	52,418	(52,418)
Auditor	Carr Riggs & Ingram	25,000	24,150	850
Plan Amendment Services	Hawes Hill & Associates LLP	-	5,000	(5,000)
Disclosure Annual Reporting	Masterson Advisors LLC	-	3,500	(3,500)
Bond Trustee Services	Bank of New York Mellon	1,500	3,339	(1,839)
1099 Tax Filings	NCTP-CPA's	-	289	(289)
Taxroll Advisor (UTS)	Utility Tax Services	8,500	6,650	1,850
Total administration and overhead		642,500	851,762	(209,262)
Legal	Bracewell & Giuliani LLP	32,000	61,973	(29,973)
	Greenberg Traurig, LLP		48,700	(48,700)
Total management consulting services		\$ 674,500	\$ 962,435	\$ (287,935)

Capital Expenditures and Developer/Project Reimbursements

Developer/Project Reimbursements:

Aris Market Square Residential	HM Market Square, LLC	\$ 390,107	\$ 334,074	\$ 56,033
Buffalo Bayou Park	Buffalo Bayou Partnership	2,965,591	3,077,675	(112,084)
The Star Residential	Rusk@San Jacinto Partners, LP	423,552	234,657	188,895
806 Main (JW Marriott)	806 Main Hotel, LLC	355,580	252,255	103,325
Economic Development Retail	Central Houston, Inc.	500,000	202,145	297,855
SkyHouse Houston Residential	SPSU9 - North Tower	246,967	208,999	37,968
SkyHouse Main Residential	SPSU9 - South Tower	250,610	207,480	43,130
Block 334 Residential	Fairfield Block 334, LP	138,983	110,198	28,785
Market Square Tower Residential	Woodbranch Tower LLC	670,297	475,970	194,327
Hotel Alessandra/Laura	HA Hotel Partners, LP	79,413	88,262	(8,849)
1616 Main (Holiday Inn Hotel)	HDT Hotel, LLC	28,660	-	28,660
Fairfield Residential	Fairfield 1810 Main LP.	294,788	200,537	94,251
Hike and Bike Trails East of Allens Landing	Buffalo Bayou Partnership	1,000,000	-	1,000,000
Post HTX	Central Houston, Inc.	380,716	253,055	127,661

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Schedule of Operating Expenses and Capital Expenditures (Continued)**

<i>For the year ended June 30, 2026</i>	Vendor	Budget	Actual Expenditures	Variance
Future Project Development	EV Bolt Inc.		\$ 23,359	
	Jerdon Enterprise		13,550	
	NRG		2,989	
	Pfeiffer & Son		5,219	
	Street Art for Mankind Corp		240,197	
	The Goodman Corporation		10,663	
	Gurrola Reprographics, Inc.		630	
	Hardy & Hardy		600	
	Hibrid Engineering, LLC		124,592	
	HVJ Associates Inc.		156,150	
	Jerdon Enterprise, L.P.		27,117	
	Kennedy Brand Media		300	
	Procore Technologies, Inc.		31,724	
	Project Surveillance, Inc.		159,675	
	Taylor Waterproofing, Inc.		11,687	
	The Goodman Corporation		133,930	
	Today's Landscape		2,857	
Total Future Project Development		\$ 1,000,000	945,239	\$ 54,761
723 Main (Marriott AC Collection Hotel)		45,436	54,154	(8,718)
Façade Improvements		1,000,000	-	1,000,000
Parks Collaborative		1,000,000	-	1,000,000
Preserve Affordable Housing	Coalition for the Homeless	1,000,000	686,847	313,153
Downtown Launchpad	Amegy Bank - Operating Network Solutions		493,782 42	
Total Downtown Launchpad		550,000	493,824	56,176
Total Developer/ Project Reimbursements		12,320,700	7,825,371	4,495,329
<i>Capital Improvement Projects:</i>				
T-0302 Market Square Park	All Air Solutions		14,500	
	Aria Signs & Design, LLC		30,460	
	Central Houston, Inc.		95,915	
	C&T Design & Equipment		108,256	
	Gensler		21,317	
	Gulf Coast Pavers, Inc.		10,193	
	Reign Home Innovations		7,346	
	Talon Construction LLC		601,315	
	UES Professional Solutions 44, LLC		3,762	
	Wholesale Electric Supply		609	
	Doggett Warehouse Solutions		17,000	
	RP Visual Solutions		4,283	
	Westaurant Store		960	
	McMaster - Carr		515	
	Houston Health Department		1,421	
Total T-0302 Market Square Park		580,301	917,852	(337,551)

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Schedule of Operating Expenses and Capital Expenditures (Continued)**

<i>For the year ended June 30, 2026</i>	Vendor	Budget	Actual Expenditures	Variance
T-0307 Trebly Park (Southern Downtown Pocket Park)	Talon Construction, LLC		\$ 40,825	
	Legacy Trust- Rent		70,730	
	Central Houston, Inc.		38,281	
	Broadway Bank-Rent		47,177	
	Ann Harris Bennett - Property Tax		105,934	
	Houston Downtown Management District		8,522	
Total T-0307 Trebly Park (Southern Downtown Pocket Park)		\$ 1,115,837	311,469	\$ 804,368
T-0319 Allen Parkway	Houston Downtown Management District	150,000	149,377	623
T-0320 More Space Main Street	All Padlocks		928	
	Aaa Flexible Pipe Cleaning Co. Inc.		1,212	
	Block by Block		128,450	
	Blumenthal		24,775	
	Central Houston, Inc.		320,678	
	Crest Printing		1,264	
	Jerdon Enterprise, L.P.		362,288	
	Kennedy Brand Media		2,100	
	Neon Electric Corporation		9,497	
	Pfeiffer & Son, LTD		46,230	
	Project Surveillance, Inc.		283,375	
	Strategic Coating Solutions LLC		900	
	The Goodman Corporation		98,584	
	The Moonshiners		5,024	
	Thomas Printworks		12,824	
	Today's Landscape		9,567	
	UES Professional Solutions 44, LLC		38,108	
	Underground Planet Art Studio, LLC		16,500	
	Up Art Studio		27,250	
	Walter P. Moore		546,540	
	CenterPointEnergy		44	
	Gurrola Reprographics		86	
Total T-0320 More Space Main Street		2,768,280	1,936,224	832,056
T-0326 NHHIP Civic Opportunities	Central Houston Civic Improvement		250,000	
	Nearmap US Inc.		9,461	
	SWA Group		792	
	Central Houston, Inc.		133,060	
Total T-0326 NHHIP Civic Opportunities		477,173	393,313	83,860
T-0336 EADO Cap Park Sequestered Funds		3,852,996	-	3,852,996
T-0337 Montrose Bridge at Allen Parkway	TIRZ 27 - Montrose RA		1,208,705	
	Central Houston, Inc.		49,035	
Total T-0337 Montrose Bridge at Allen Parkway		1,234,574	1,257,740	(23,166)

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Schedule of Operating Expenses and Capital Expenditures (Continued)**

<i>For the year ended June 30, 2026</i>	Vendor	Budget	Actual Expenditures	Variance
T-338 Tranquillity Park	Aggregate Technologies		\$ 1,200	
	Gulf Coast Pavers		107,189	
	Hardy & Hardy		90,015	
	Hibrid Engineering, LLC		7,600	
	Jerdon Enterprise, LP		572,657	
	Pfeiffer & Son, LTD		213,086	
	Piper Faust		42,545	
	Wholesale Electric Supply		2,554	
	Associated Landscape Services		10,000	
	Wiedenbach Brown		83,000	
	LeonLite		11,066	
Total T-338 Tranquillity Park		\$ -	1,140,912	\$ (1,140,912)
T-0339 Pedestrian Lighting Improvements	Bartlett Tree Experts		1,480	
	Environmental Design, Inc.		13,990	
	Gurrola Reprographics, Inc.		2,834	
	HJV Associates, Inc.		6,984	
	Central Houston, Inc.		194,376	
	Jerdon Enterprise, LP		1,519,865	
	Root Lab LLC		1,449,853	
	Wiedenbach Brown		246,026	
	Green Theory		383,724	
	Hardy & Hardy		11,500	
	SWA		113,435	
	Moon Papas Art		145,250	
	Pfeiffer & Son, LTD		9,482	
	Piper Faust		15,000	
Total T-0339 Pedestrian Lighting Improvements		3,908,075	4,113,799	(205,724)
T-0340 Office Conversion Incentive Program		2,034,541	-	2,034,541
T-0341 Downtown Living Initiative 2.0		3,075,905	-	3,075,905
T-343 Precinct 2 Match - Bayou Footage	Central Houston, Inc.	2,098,741	46,803	2,051,938
T-0399 Concrete Panel Replacement		20,000	-	20,000
Total capital expenditures		21,316,423	10,267,489	11,048,934
Total capital expenditures and developer/project reimbursements		\$ 33,637,123	\$ 18,092,860	\$ 15,544,263

**Main Street Market Square Redevelopment Authority
d/b/a Downtown Redevelopment Authority
Schedule of Estimated Project Costs to Actual Costs
July 6, 1999 (Date of Inception) through June 30, 2026**

	Estimated Total Costs (a)	Total Expenditures	Remaining Balance
Project costs			
Infrastructure improvements			
Roadways and streets	\$ 47,500,000	\$ 65,230,062	\$ (17,730,062)
Infrastructure, mobility, transit improvements	43,334,450	38,315,967	5,018,483
Total Infrastructure improvements	90,834,450	103,546,029	(12,711,579)
Real property improvements	57,520,266	24,030,736	33,489,530
Parking facilities	10,156,417	-	10,156,417
Historic preservation improvements	26,351,008	19,406,435	6,944,573
Parks and recreational	273,044,167	21,041,428	252,002,739
Theater district improvements	11,504,799	15,751,884	(4,247,085)
Cultural and public facility improvements	10,000,000	1,503,555	8,496,445
Economic development programs	166,800,000	74,470,731	92,329,269
Institutional facilities	22,000,000	10,678,800	11,321,200
Total project costs	668,211,107	270,429,598	397,781,509
Operating and financing costs			
Financing costs	48,930,000	33,752,939	15,177,061
Administration	16,934,426	10,429,110	6,505,316
Total operating and financing costs	65,864,426	44,182,049	21,682,377
Educational facilities	82,541,820	55,976,503	26,565,317
Project plan total	\$ 816,617,353	\$ 370,588,150	\$ 446,029,203

(a) Costs for the life of the Zone as provided in the Project Plan and Reinvestment Zone Financing Plan. This includes costs for both original and annexed areas in the Zone. The estimated total costs are reported based on the Authority's 8th Amendment to the Project Plan and Reinvestment Zone Financing Plan that was approved by City Council in December 2022.

PROJECT NAME	Project Plan and Reinvestment Zone Financing Plan
PROJECT PLAN	Ninth Amended Project Plan and Reinvestment Zone Financing Plan ("Plan Package")
REQUEST	That the DRA Board authorize a request to City Council – through the execution of the necessary Board Resolution and Certificate – to recognize and incorporate into the DRA Project Plan and Reinvestment Zone Financing Plan the continued participation by Harris County Precinct 1 in the TIRZ#3 tax increment fund.
DESCRIPTION	The Ninth Amended Project Plan, referred to as the Part J Plan, was created to acknowledge and plan the implementation of the July 2026 Tri-Party Agreement between the City, County, and DRA. That Tri-Party Agreement, authorized by the DRA in June 2026, enables Precinct 1 to collect County tax increment through continued participation in TIRZ#3 at 100% for all non-exempt properties within the boundaries of the TIRZ through the current life of the TIRZ, set to end on December 31, 2043. The Project Plan identifies the uses toward which those County funds will be placed. The continuation and expansion of participation by Harris County Precinct 1 in TIRZ#3 permits projects identified by Precinct 1, such as the design and construction of a three-block public park on the border of Buffalo Bayou in Downtown, to move forward using County tax increment funds. County participation will also generate tax increment for the City of Houston's Affordable Housing Fund (10%) and the operation and administration of the increment funds by the County (10%). Currently booked at approximately \$14M yearly, the County increment may be bonded against and must involve projects directed toward the benefit of property within TIRZ#3 through a process involving both the City and the DRA.
PROJECT HISTORY	The City has approved eight prior amendments to the Zone's initial Plan created by Houston City Council on December 13, 1995. The last approved amendment, the Part I Plan, was approved by the Board on December 14, 2022, and involved the annexation of property along Allen Parkway for resiliency infrastructure work prior to SCI building its corporate headquarters. A Ninth Amended Project Plan, Part J, was approved by the DRA in November 2025 to take into account the 2025 Tri-Party Agreement between the City, County, and DRA for County participation in TIRZ#3. That version was not put before City Council and in the interim the DH+ staff leadership worked with the City and the County to amend the Tri-Party Agreement to include bonding capacity for the increment funds and refine the project submission process. This revised Ninth Amended Project Plan now reflects the 2026 Tri-Party Agreement as amended.

ACTION ITEM

Recommend the DRA Board authorize the adoption of the Ninth Amended Project Plan and Reinvestment Zone Financing Plan through the execution of the necessary Board Resolution and Certificate to present to the City Council.

CONTACTS

CHI: Kris Larson, President

CHI: Allen Douglas, Chief Operating Officer & DRA Executive Director

**REINVESTMENT ZONE NUMBER THREE
CITY OF HOUSTON, TEXAS**

MAIN STREET/MARKET SQUARE ZONE

Ninth Amended
Project Plan and Reinvestment Zone Financing Plan

October 13, 2026

**REINVESTMENT ZONE NUMBER THREE
CITY OF HOUSTON, TEXAS**

MAIN STREET/MARKET ZONE

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REINVESTMENT ZONE NUMBER THREE, CITY OF HOUSTON, TEXAS

Ninth Amended Project Plan and Reinvestment Zone Financing Plan

Introduction:

Reinvestment Zone Number Three, City of Houston, Texas, also known as the Main Street/Market Square Tax Increment Reinvestment Zone (“TIRZ #3,” or “Zone”) was created by Houston City Council (“City”) on December 13, 1995, by Ordinance No. 95-1323, pursuant to Chapter 311 of the Texas Tax Code, in an area comprising nine blocks around Market Square Park in Downtown Houston (“Downtown”). The primary goals of the Zone were, and are, to alleviate blight, deteriorated street and site conditions, and obsolete transit services and facilities, and encourage the sound growth of the residential, retail, and commercial sectors in Downtown through the design and construction of improved streetscape enhancements, pedestrian amenities, public utility system upgrades, parkland improvements, and historic preservation, as well as through economic development incentives clearly in the public interest.

Section One:

The Part A Plan:

The City adopted the Part A Project Plan and Reinvestment Zone Financing Plan on September 11, 1996, by Ordinance No. 96-911 (“Part A Plan”). The Part A Plan called for the construction of 905 new residential units, retail, commercial and office development totaling approximately 188,000 square feet, and included provisions for public parking. Project costs enunciated in the Part A Plan included streetscape enhancements, improvements to Buffalo Bayou, financial assistance for the Rice Hotel, acquisition and rehabilitation of historic structures, and affordable housing.

The Part B Plan:

On November 11, 1998, the Board of Directors of the Zone recommended that the City expand the original Zone boundaries by adding approximately 65 blocks located primarily along Main Street. The annexation of additional territory into the Zone and adoption of the First Amendment to the Project Plan and Reinvestment Zone Financing Plan (“Part B Plan”) was approved by the City on December 16, 1998, by Ordinance No. 1998-1205, pursuant to Chapter 431 of the Transportation Code & Chapter 394 of the Local Government Code. Subsequently, on June 30, 1999, by resolution No. 1999-0039, the City approved the creation of the Main Street/Market Square Redevelopment Authority, now d/b/a Downtown Redevelopment Authority (“Authority”). The Authority was established to assist the City and the Zone Board of Directors in implementing the Part A and Part B plans. The Part B plan restated the goals and objectives included in the Part A Plan and added several new project costs, including streetscape enhancement, transit street improvements, parking facilities to support retail development, theater district improvements, cultural and public facility improvements, and educational facilities.

The second amendment to the Zone’s Project Plan was approved by City Council on August 11, 1999, by Ordinance No. 1999-828. The second amended plan restated and further defined the fundamental goals and objectives identified in the Part A and Part B Plans. The primary intent of the second amended plan was to incorporate changes to Houston Independent School District’s

("HISD") participation in the Zone following an amendment to the Interlocal Participation Agreement among HISD, the City, and the Zone, approved by the City on August 18, 1999, pursuant to Ordinance No. 1999-914. The changes included an increase in project costs for educational facilities and historic preservation. New project costs included in the second amended plan included provisions for public parking facilities and transit-related infrastructure improvements. No changes occurred to the boundaries of the Zone as part of the second amended plan.

The Part C Plan:

The third amendment to the Zone's Project Plan, the Part C Plan, was approved by City Council on September 14, 2005, by Ordinance No. 2005-1050. The Part C Plan restated and further defined the fundamental goals and objectives identified in the Part A and Part B Plans. In addition, the Part C Plan provided for enlargement of the Zone's boundaries by the addition of two city blocks to facilitate and support the development of the Houston Pavilions project ("Pavilions"). The Pavilions is a mixed-use retail and office complex developed to stimulate major investment in the southeastern portion of Downtown. New project costs included in the Part C Plan provided for residential site development, parks and plazas, retail development, institutional facility improvements, property acquisition, and land assembly.

The Part D Plan:

The fourth amendment to the Zone's Project Plan, the Part D Plan, was approved by City Council on December 12, 2007, by Ordinance No. 2007-1423. The Part D Plan enlarged the Zone by the addition of city blocks encompassing City Hall, the Julia Ideson Building, the Central Library, City Hall Annex, Sam Houston Park, and the adjacent Buffalo Bayou parklands. This enlargement of the Zone supported the Julia Ideson Building expansion and other, future institutional facilities.

The Part E Plan:

The Part E Plan is referenced in the Fifth Amendment to the Reinvestment Zone Project Plan and Reinvestment Zone Financing Plan; however, in order to align references to the various plan parts, Part E is now incorporated into Part F. Any reference to Part E in Ordinance No. 2011-989, is now incorporated into Part F herein.

The Part F Plan:

The fifth amendment to the Zone's Project Plan, the Part F Plan, was approved by City Council on November 16, 2011, by Ordinance No. 2011-989. The Part F plan provided for an economic development program, authorized by Chapter 380 of the Texas Local Government Code, to fund maintenance and operations for Buffalo Bayou Park ("Project"). The Project included improvements to Buffalo Bayou Park, a 158-acre linear public park extending west of Downtown from the Sabine Street Bridge to the Shepherd Drive Bridge. Improvements included natural landscaping, site work, water features, trails, footpaths, and pedestrian lighting. Other enhancements included special lighting, pavilions, gardens, entry portals, art, special destinations, and limited concessions.

The Part G Plan:

The sixth amendment to the Zone's Project Plan, the Part G Plan, was approved by City Council on December 10, 2019, by Ordinance No. 2019-983. The Part G Plan provides for the enhancement

of and improvements to the approximately 395 acres of land added to the Zone's boundaries contemporaneously with the sixth amendment, and includes the areas covered by the Part A, Part B, Part C, Part D, Part E, and Part F Plans. Public improvements in the Part G Plan are in relationship to the goals, objectives, and project costs included in the original and amended Plans. Project costs are primarily intended for projects within the boundaries of the Zone.

Pursuant to Texas Tax Code Section 311.010(e), the Zone amended the Project Plan to annex five distinct mappings contiguous with the Zone: (1) the underdeveloped, but burgeoning warehouse district on the north side of downtown, encompassing segments of Interstate 45 to Crockett, and Interstate 10 as the northern boundary terminating at Providence Street to the north with a contained, bounded annexation of the area marked by Interstate 69 from Providence Street and terminating at Pierce Street; (2) an area of the Skyline District in the southwest quadrant of Downtown sweeping between Pierce and Bell westward to Andrews Street; (3) an area of the Allen's Landing district in the west southwest quadrant of downtown bordered by Allen Parkway on the north, Bagby, Clay and Shaw Streets on the east, Andrews Street on the south, and Interstate 45 on the west; (4) an infill area bounded by Memorial and Houston Streets, and the Union Pacific Rail line, that will expand the Zone boundary west to encompass City municipal and administrative services buildings; and, (5) a five block "keyhole" addition at the heart of the Zone, bounded by Prairie, Milam, Rusk, Main, Texas and Travis (Blocks 58, 67, 68, 81, 82) composed of commercial structures. Optimizing opportunities in these five areas of annexation closely tracks the findings and goals enunciated in Plan Downtown to invigorate connectivity between Downtown and abutting neighborhoods, and to support and enhance Downtown's businesses, residential attraction, and walkability.

The Part H Plan:

The seventh amendment to the Zone's Project Plan, the Part H Plan, was approved by City Council on December 9, 2020, by Ordinance No. 2020-1049. The Part H Plan provides for the de-annexation of the area known as Sam Houston Park to enable the annexation of that same public property into neighboring TIRZ #14. The de-annexation by TIRZ #3 allowed TIRZ #14 to celebrate and promote a historical continuity between Houston's historic Fourth Ward, the Antioch Baptist Church & Park, and the story of Houston's early growth through the development and diversity represented in Sam Houston Park and its historic holdings. This de-annexation was the only change brought by the Part H Plan and did not alter the project costs, goals or Financial Plan for the Zone enunciated in the Part G Plan authorized by City Council on December 10, 2019, in Ordinance 2019-983.

The Part I Plan:

The eighth amendment to the Zone's Project Plan, the Part I Plan, was approved by City Council on December 14, 2022 by Ordinance No. 2022-1003. The Part I Plan provided for the annexation, of an approximately ten (10) acre area bounded by Allen Parkway, Stanford, Taft, and McKinney streets and appurtenant to the Zone via Allen Parkway as the northern terminus. The Part I Plan provided for the opportunity to engage in the public enhancement and public improvement of a proposed mixed-use development poised to engage with the Buffalo Bayou Park, one of Houston's premier public assets whose operation and maintenance costs are substantially covered through annual installments from the Zone. The public improvements proposed for the mixed-use development also redounded to the benefit of the surrounding residential neighborhood and the Downtown core. The proposed public improvements in the Part I Plan were in relationship to the

goals, objectives, and project costs included in the original and amended Plans and the Strategic Alignment Plan recently adopted by the Downtown Redevelopment Authority. Project costs are intended for projects within the boundaries of the Zone.

Section Two

The Part J Plan:

The City, the Zone, and the Authority now propose the ninth amendment to the Zone's Project Plan and Reinvestment Zone Financing Plan, the Part J Plan. The Part J Plan provides for an extension in the duration and scope of Harris County's participation in the TIRZ by Harris County Precinct One.

The Part A Plan contemplated the participation of Harris County into the Zone. The Interlocal Agreements between the City, TIRZ #3, the Authority, and Harris County were approved by City Council through Ordinance 2001-0301, approved on April 4, 2001, and as amended, Ordinance No. 2005-1052 which reflected the participation of Harris County, Harris County Hospital District, Harris County Flood Control, and Harris County Port Authority. The County's participation terminated December 31, 2025, under these agreements.

On July 24, 2025, City Council approved an Amended and Restated County Participation agreement ("Tri-Party Agreement") between Harris County ("the County"), the City of Houston, TIRZ#3, and the Authority, Ordinance No. 2025-0640.

On July 29, 2026, City Council approved a Second Amended and Restated Interlocal Agreement ("Second Amended Tri-Party Agreement") that terminates the original Tri-Party agreement. The Second Amended Tri-Party Agreement brings Harris County Precinct One's tax increment generated within the boundaries of TIRZ#3 into full participation at 100% through December 31, 2043. The County Increment will be allocated between operation and administration (10%), the City of Houston's Affordable Housing Fund (10%) and the remaining increment will go into the County Project Account to be used for projects identified by Precinct One in discussion with the City and the Authority. The only project currently identified in the Second Amended Tri-Party Agreement is the development of blocks 4, 13 & 22 into a park.

Proposed Goals for the Improvements in the Zone

Goal 1: Create and enhance urban assembly areas for public gathering and activity through community partnership.

The Zone seeks to leverage Downtown's adjacency to the Buffalo Bayou as an integral part of the Downtown experience, and to enhance parks and urban assembly areas, and to cultivate nature across Downtown, including its urban forest and other greenspace elements that will encourage pedestrian vibrancy in and around Downtown and ensure that vibrancy within the City's block-face grid. The proposed Plan provides the Zone with the unheralded opportunity to extend its mandate toward park development and urban walkability through partnership with Harris County Precinct One as a means of leveraging opportunities for shared strategies to improve Downtown Houston. This Plan will facilitate in funding park improvements and future projects in alignment with Harris County Precinct One, the TIRZ, and the City of Houston.

Goal 2: Support the Creation and Rehabilitation of Affordable Housing within and outside the Zone boundaries.

Support the creation, preservation, and rehabilitation of affordable and supportive housing for all households, including low- and moderate-income residents, extremely low-income individuals, and unhoused persons and families. Affordable Housing Projects shall include Project Costs for both: (i) physical residential structures that meet affordability criteria for various very low, low and moderate income level populations; and (ii) housing assistance for the unhoused, in either case demonstrably benefitting the TIRZ that are located either within the boundaries of the TIRZ or outside the TIRZ boundaries; provided that any such affordable housing outside the TIRZ boundaries must provide a clear and demonstrable benefit to the TIRZ.

Other Project Plan Provisions

A. Project Plan

Existing Uses of Land (Texas Tax Code §311.011 (b)(1)): Map 2 attached hereto depicts the existing land and proposed uses in the Original, Annexed areas of the Zone. The existing and proposed land uses include multi-family residential, commercial, office, public and institutional, transportation and utility, park and open spaces, and undeveloped land 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 performed in conformance with the City's existing rules and regulations. There are no proposed changes to any City ordinance, master plan, or building code in the Part I Plan.

Estimated Non-Project Costs (Texas Tax Code §311.011 (b)(3)): There are no estimated non-project costs to the Part J Plan.

Method of Relocating Persons to be Displaced, if any, as a Result of Implementing the Plan (Texas Tax Code §311.011 (b)(4)): It is not anticipated that any residents will be displaced by the Part J Plan.

B. Reinvestment Zone Financing Plan

Estimated Project Costs (Texas Tax Code §311.011(c)(1)): Exhibit 1 (attached) details the proposed public improvement and administrative project costs. The dollar amounts are approximate and may be amended from time to time by City Council. The financing costs are a function of project financing needs and will vary with market conditions from the estimates shown on Exhibit 1.

Proposed Kind, Number, and Location of all Proposed Public Works or Public Improvements to be Financed in the Zone (Texas Tax Code §311.011(c)(2)): These details are described throughout the Plan and involve roadway, drainage, water, wastewater, streetscape, pedestrian and bike, trails, and parks and recreation facilities improvements and support for affordable housing initiatives.

Economic Feasibility Study and Finding of Feasibility (Texas Tax Code §311.011(c)(3)): The incremental revenue estimates are projected as sufficient to cover the costs of the proposed redevelopment and infrastructure improvements in the Zone. The Plan estimates total project costs over the life of the Zone at \$1.2 billion. Through June 30, 2025, \$348.7 million has been spent on

projects with \$871 million remaining in project costs. Revenues are sufficient to fund project costs through the life of Zone. The Zone and the City find and determine that the Part A Plan, Part B Plan, Part C Plan, Part D Plan, Part E Plan, Part F, Part G Plan, Part I Plan and Part J Plan are economically feasible.

Estimated Amount of Bond 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 will 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 attached revenue and project schedules, 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. TY 1996 was the base year for the Zone and TY 2043 is the termination date. As outlined in Exhibit 2, over \$990 million of increment is estimated to be generated by the Zone for use in funding project costs. This figure is calculated using an estimated collection rate of 98% and a City contribution of \$0.519190/\$100 of assessed valuation in the Original, 1999, 2007, 2011, 2019 and 2022 Annexed Areas. The City is also contributing \$0.23100/\$100 of assessed valuation in the 2005 Annexed Area. An HISD contribution of \$.8783/\$100 of assessed valuation in the Original and 1998 Annexed Areas is also included in the increment calculation along with 100% of a Harris County Precinct One contribution of \$0.334540/\$100 (M&O rate) of assessed valuation in the Original, 1999, 2005, 2007, 2011, 2019 and 2022 Annexed areas.

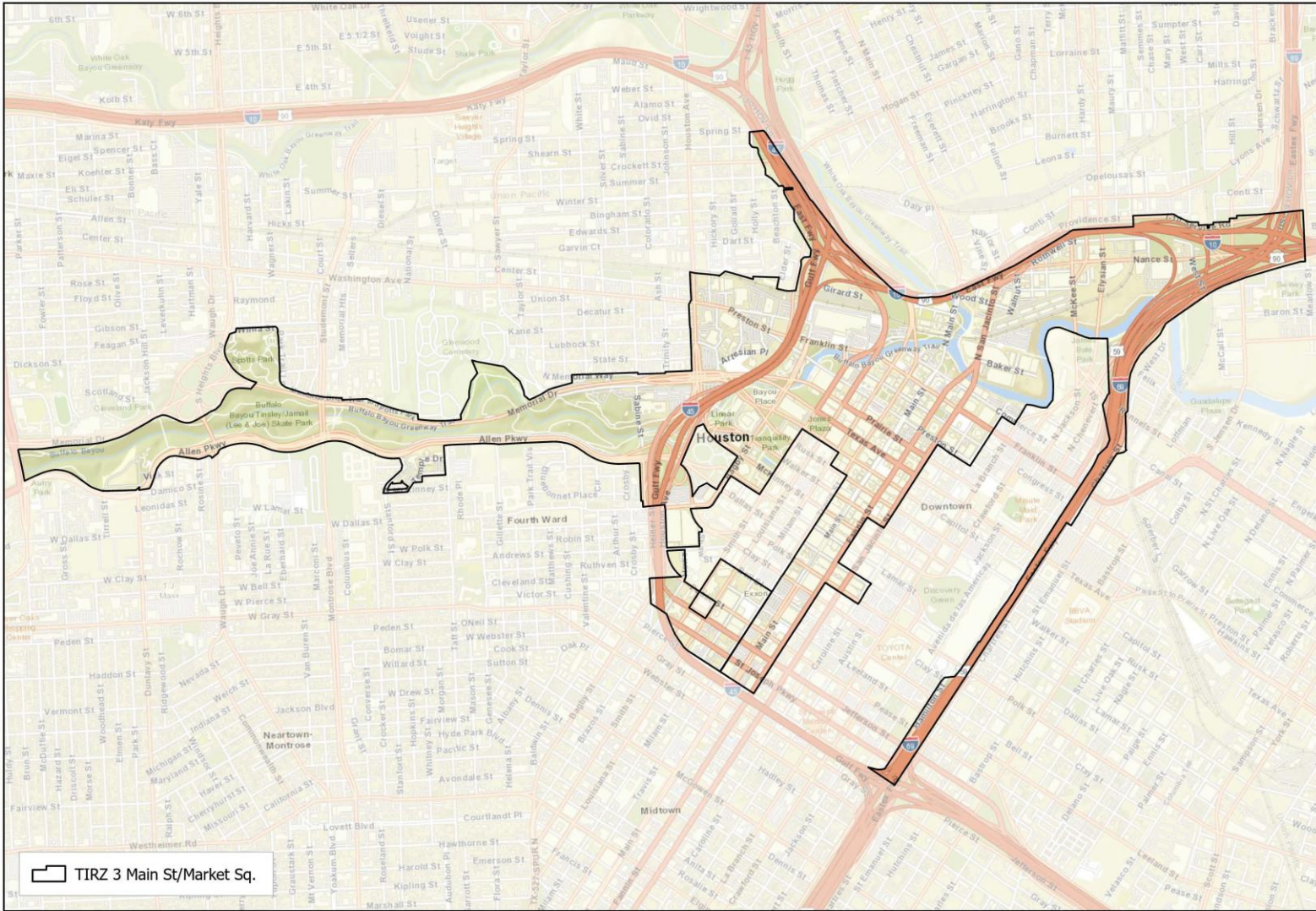
Current Total Appraised Value of Taxable Real Property (Texas Tax Code §311.011 (c)(7)): The current projected appraised value of taxable real property in the Zone, as of November 1, 2025, was \$6,079,831,852.

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 Exhibit 2 and Exhibits 2A-2Q.

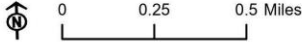
Zone Duration (Texas Tax Code §311.011 (c)(9)): When the Zone was initially created by City Council on September 11, 1996, its duration was established at 30 years. On November 16, 2011, City Council granted the Zone's request to extend the duration of the Zone to December 31, 2043.

MAPS AND EXHIBITS

Map 1 – Existing Boundary



City of Houston, HPB, Esri, HERE, Garmin, INCREMENT P, NGA, USGS
HCAD | Map Date: 11/4/2025



Map 2 – Proposed and Existing Land Uses TIRZ #3



Exhibit 1 – Project Costs Schedule

	1996 Plan Estimated Costs	1998 Plan Estimated Costs	1999 Plan Estimated Costs	2005 Plan Estimated Costs	2007 Plan Estimated Costs	2011 Plan Estimated Costs	2019 Plan Estimated Costs	2026 Plan Estimated Costs	Costs Through 6/30/2025	Remaining Costs
Infrastructure Improvements										
Roadways and Street Improvements	\$ 2,000,000	\$ 11,675,000	\$ 11,675,000	\$ 7,100,000	\$ 7,100,000	\$ 23,164,730	\$ 47,500,000	\$ 100,000,000	\$ 65,080,685	\$ 34,919,315
Transit Improvements	.	\$ 16,000,000	\$ 22,750,000	\$ 18,000,000	\$ 18,000,000	\$ 17,669,720	\$ 43,334,450	\$ 50,000,000	\$ 30,931,504	\$ 19,068,496
Drainage								\$ 30,000,000	\$ -	\$ 30,000,000
Total Infrastructure Improvements	\$ 2,000,000	\$ 27,675,000	\$ 34,425,000	\$ 25,100,000	\$ 25,100,000	\$ 40,834,450	\$ 90,834,450	\$ 180,000,000	\$ 96,012,189	\$ 83,987,811
Total Other Project Costs										
Real Property Improvements	\$ 23,750,000	\$ 23,750,000	\$ 18,750,000	\$ 18,750,000	\$ 47,750,000	\$ 47,500,000	\$ 57,520,266	\$ 60,000,000	\$ 24,030,736	\$ 35,969,264
Parking Facilities		\$ 15,000,000	\$ 15,000,000	\$ 3,100,000	\$ 3,100,000	\$ 10,156,417	\$ 10,156,417	\$ 10,156,417		\$ 10,156,417
Historic Preservation Improvements	\$ 1,500,000	\$ 9,000,000	\$ 16,500,000	\$ 13,500,000	\$ 18,500,000	\$ 26,351,008	\$ 26,351,008	\$ 26,351,008	\$ 18,919,523	\$ 7,431,485
Parks and Recreational Facilities Improvements	\$ 4,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 26,300,000	\$ 32,044,167	\$ 273,044,167	\$ 510,000,000	\$ 19,632,028	\$ 490,367,972
Theater District Improvements		\$ 11,500,000	\$ 11,500,000	\$ 11,500,000	\$ 11,500,000	\$ 11,504,779	\$ 11,504,799	\$ 15,000,000	\$ 14,610,972	\$ 389,028
Cultural and Public Facilities Improvements						\$ 10,000,000	\$ 10,000,000	\$ 40,000,000	\$ 1,503,555	\$ 38,496,445
Property Acquisition/Land Assemblage						\$ 10,000,000				
Economic Development Programs				\$ 14,300,000	\$ 14,300,000	\$ 166,800,000	\$ 166,800,000	\$ 166,800,000	\$ 66,721,411	\$ 100,078,589
Institutional Facilities					\$ 19,500,000	\$ 22,000,000	\$ 22,000,000	\$ 22,000,000	\$ 10,678,800	\$ 11,321,200
Affordable Housing Improvements			\$ 5,000,000	\$ 7,375,000	\$ 20,000,000	\$ 20,266		\$ 41,000,000		\$ 41,000,000
Financing Costs	\$ 2,000,000			\$ 21,650,000	\$ 10,650,000	\$ 21,650,000	\$ 48,930,000	\$ 48,930,000	\$ 32,290,797	\$ 16,639,203
Zone Administration	\$ 750,000	\$ 1,891,000	\$ 1,891,000	\$ 1,891,000	\$ 6,750,000	\$ 6,934,426	\$ 16,934,426	\$ 16,934,426	\$ 9,466,675	\$ 7,467,751
Educational Facilities Project Costs		\$ 32,182,656	\$ 82,541,820	\$ 82,541,820	\$ 82,541,820	\$ 82,541,820	\$ 82,541,820	\$ 82,541,820	\$ 54,802,034	\$ 27,739,786
Project Plan Total	\$ 34,000,000	\$ 130,998,656	\$ 195,607,820	\$ 209,707,820	\$ 285,991,820	\$ 488,337,333	\$ 816,617,353	\$ 1,219,713,671	\$ 348,668,720	\$ 871,044,951

Exhibit 1A – Detailed Overview of Plan Amendments

Part A Plan

Estimated Project Costs \$34,000,000

Adopted by City Council by Ordinance 1996-0911 on 9/11/96

Streetscape Enhancements

\$2,000,000

Deleted in Part B

Public streetscape enhancements to serve a residential population and concerns for enhanced security, including but not limited to lighting, walks, landscaping and related street furniture. Improvements in addition to and integrated with street reconstruction by METRO. *Status: Deleted and replaced by Second Amended Plan (Part B) dated August 9, 1999.*

Buffalo Bayou Riverwalk

\$4,000,000

Market research identified waterfront amenities and recreational greenbelts as key amenities for potential residents. A riverwalk along the south bank of Buffalo Bayou takes advantage of existing structures lining the stream and connects Sesquicentennial Park and Allen's Landing. Improvements included walkways and access point landscaping. *Status: No change in scope; carry forward into revised plan.*

Preparation of Residential Development Sites

\$5,000,000

Plan provided utilities, public parking and eligible developer reimbursements associated with residential/mixed use development and redevelopment supporting new construction consisting of 640 dwelling units on sites currently occupied by surface parking lots. Approximately 2,000 structured parking spaces are anticipated to serve the residents and public visitors. Many of these spaces integrated into residential development projects. *Status: No change in scope; carry forward into revised plan.*

Rice Hotel Financial Assistance

\$18,750,000

The Zone provided assistance in the conversion of the preexisting Rice Hotel building into a mixed-use development providing 345 residential units, ground-level retail space and parking facilities. *Status: No change in scope; carry forward into revised plan.*

Acquisition/Rehabilitation of Historic Structures

\$1,500,000

Preservation and restoration of smaller historic structures through acquisition/ resale and/or rehabilitation of roofs, other structural elements, and facades. Projects allow for retail and other services for area residents. *Status: No change in scope; carry forward into revised plan.*

Part B Plan

Estimated Project Costs \$130,998,656

Adopted by City Council by Ordinance 1998-1205 on 12/16/98

Estimated Project Costs \$195,607,820

Adopted by City Council by Ordinance 1999-0828 on 8/11/99

City adopted a restated Part C Plan to 1) incorporate changes in HISD participation and 2) restate and redefine goals and objectives of Part A and Part B plan.

Streetscape Enhancements

\$11,675,000

Reduced to \$7,100,000 in Part C

Initially, streetscape enhancements and sidewalk vault improvements for streets not included in METRO Transit Streets or Cotswold projects. After adoption of Part C, includes roadway improvements such as storm sewer inlets and leads, curbs/gutters and pavement resurfacing. *Status: No change in scope; carry forward into revised plan.*

Transit Streets \$16,000,000
Reduced to \$10,000,000 in Part C
Main Street improvements in conjunction with METRO's new rail installation. *Status: No carry forward.*

Public Parking Facilities \$15,000,000
Deleted in Part C
TIRZ funding to supplement garage development to promote retail and residential development in Market Square and Main Street areas. *Status: Deleted and replaced by The 2005 Plan. No carry forward.*

Transit Center and Super-Stop \$6,775,000
Reduced to \$2,500,000 in Part C
Provide 1) local match financing to secure METRO's federal grant for cost of Transit Center and 2) co-funding of development of Superstop. *Status: Scope changed (delete Transit Center component); \$2.2M expended against reduced cost. carry forward into revised plan.*

Acquisition/Rehabilitation of Historic Structures \$15,000,000
Reduced to \$12,000,000 in Part C
Funding to acquire, lease, and/or sell properties or participate with property owners to promote development of underutilized historic buildings for residential and/or commercial uses, enhancing existing pedestrian/retail environment. *Status: No change in current scope; Carry forward into revised plan.*

Education Facilities \$82,541,820
Educational facilities improvements as provided in Chapter 311 of the Texas Tax Code for projects located inside or outside the Zone. These facilities will be provided in accordance with Interlocal Agreement with HISD. *Status: No change in current scope; Carry forward into revised plan.*

Buffalo Bayou Improvements \$6,000,000
Reduced to \$2,300,000 in Part D
Scope as initially conceived provided continuation of Part A Riverwalk improvements. Scope reduced in The 2007 Plan. *Status: No change in current scope; Carry forward into revised plan.*

Theater District Improvements \$11,500,000
With others, provide funding for improvements to Theater District streets, sidewalks, public spaces and/or cultural/public buildings. *Status: No change in current scope. Carry forward into revised plan.*

Part C Plan

Estimated Project Costs \$209,707,820

Adopted by City Council by Ordinance 2005-1050 on 9/14/05

Economic Development Grant \$8,800,000

Zone enlarged to facilitate development of mixed use retail, residential and office complex. The Zone provided funding support to *Houston Pavilion* project in an effort to stimulate major investment within the CBD. *Status: No change in scope, carry forward into revised plan.*

Retail Parking Facilities \$5,500,000

The Zone provided funding support for the *Houston Pavilion's* project parking facilities. The project included upgrades to the existing garage to meet retail standards for safety and welfare of the general

public and included air right access, safety lighting, interior way finding, landscaping and ingress/egress modifications. *Status: No change in scope; carry forward into revised plan.*

Public Parking Facilities \$3,100,000

Parking facilities originally identified in Part B to serve the retail core. Part C provided funding for a second parking facility in another area of the Zone. *Status: No change in scope; carry forward into revised plan. Status.*

Transit Streets and Facilities \$5,500,000

Continued public investment in transit improvements that serve the Zone, which could include roadway infrastructure, utilities, site preparation, and related right-of-way acquisition associated with transit improvements. *Status: No change in scope; carry forward into revised plan.*

Affordable Housing \$2,375,000
Increased to \$15,000,000 in Part D

Increasingly, affordable housing for the downtown workforce has emerged as an important public policy issue. Zone funding can promote private, public, and non-profit developers to integrate affordable housing into their residential development within the downtown area. *Status: No change in scope; carry forward into revised plan.*

Part D Plan

Estimated Project Costs \$285,991,820

Adopted by City Council by Ordinance 2007-1423 on 12/12/07

Residential Site Development \$5,000,000

Additional \$5M project funding for residential site development into areas annexed beyond original area, providing utilities and developer reimbursements for residential development. *Status: No change in scope; carry forward into revised plan.*

Parks, Plazas and Streetscapes \$20,000,000

Development or redevelopment of parks and plazas within an expanded Zone to include, but not limited to, public streetscape improvements, street furniture, and landscaping along the public right-of-way. *Status: No change in scope; carry forward into revised plan.*

Retail/Residential Development \$14,000,000

Promote development of street-level retail and residential development within the Central Business District. *Status: No change in scope; carry forward into revised plan.*

Institutional Facilities \$19,500,000

Completed project: expansion and restoration of the Julia Ideson Building of the Central Library. Other public institution projects are to be considered. *Status: No change in scope; carry forward into revised plan.*

Property Acquisitions/Land Assemblage \$10,000,000

To promote further redevelopment within the Zone. *Status: No change in scope; carry forward into revised plan.*

Acquisition/Rehabilitation of Historic Structures \$5,000,000

To promote further redevelopment within the Zone. *Status: No change in scope; carry forward into revised plan.*

Part F Plan

Estimated Project Costs \$488,337,353

Adopted by City Council by Ordinance 2011-989 on November 16, 2011

Roadways & Street Improvements \$22,500,000

To develop and or sponsor projects that improves mobility throughout the downtown area. Identified projects may include but are not limited to lighting, milling, paving, overlaying, curb, gutter and utilities. *Status: No change in current scope; Carry forward into revised plan.*

Infrastructure Mobility & Transit Improvements \$18,334,450

Continued public investment in transit improvements that serve the Zone, which could include roadway infrastructure, utilities, site preparation, lighting, landscaping, furniture, signage, related right-of-way acquisition associated with transit improvements, and other public amenities. *Status: No change in current scope; Carry forward into revised plan.*

Residential & Retail Development \$57,520,266

Funding assistance on residential/mixed use projects that will revitalize the retail market and promote development/redevelopment of street-level retail within the Central Business District. Zone funding can encourage private, public, and non-profit developers to integrate "Workforce Housing" into their residential development within the downtown area. *Status: No change in current scope; Carry forward into revised plan.*

Parking Facilities Development \$10,156,417

Identified projects will assist in providing additional parking to serve patrons, workers, visitors and residents of the Central Business District and spur retail and residential development. *Status: No change in current scope; Carry forward into revised plan.*

Historic Preservation \$26,351,008

To preserve the historic significance of Downtown Houston; the Zone has created a Historic Preservation Program to grant funds to developers to restore the facades of historically significant buildings, placement of historical markers, fixtures, lighting and art. *Status: No change in current scope; Carry forward into revised plan.*

Parks, Plaza & Recreational Facilities \$32,044,167

Zone funding will encourage the development or redevelopment of parks, green space and plazas within the Zone to create a pedestrian friendly oasis and an amenity to the surrounding businesses/retail/residential communities. These projects will promote other area improvements and economic growth. *Status: No change in current scope; Carry forward into revised plan.*

Theater District Improvements \$11,504,779

To develop and or sponsor public improvement projects that will include but are not limited to lighting, installation of sidewalks, public spaces, signage, street furniture, signage and the installation of

landscaping or other public amenities. **Status: No change in current scope; Carry forward into revised plan.**

Cultural & Public Facilities Improvements \$10,000,000

To develop and or sponsor projects that improves the quality of life for residents, workers and visitors of the CBD. **Status: No change in current scope; Carry forward into revised plan.**

Economic Development Programs \$166,800,000

Pursuant to the authority granted by Section 311.010(h), Texas Tax Code. The Zone has established an Economic Development Program to promote, develop and diversify the economy of the Zone, eliminate unemployment and underemployment in the Zone, and develop or expand transportation, business and commercial activity within the Zone. **Status: No change in current scope; Carry forward into revised plan.**

Institutional Facilities Improvements/Development \$22,000,000

The Authority will partner with private philanthropic fundraising efforts to improve institutional facilities of the participating taxing authorities of the Zone. **Status: No change in current scope; Carry forward into revised plan.**

Educational Facilities \$82,541,820

Educational facilities improvements as provided in Chapter 311 of the Texas Tax Code for Projects Located inside or outside the Zone. These facilities will be provided in accordance with the Interlocal Agreement with HISD. **Status: No change in current scope; Carry forward into revised plan.**

Part G Plan
Estimated Project Costs \$816,617,353

Roadways & Streets \$47,500,000

To develop and or sponsor projects that improve mobility throughout the Zone. Identified projects may include but are not limited to bridges and surface street connections required as a result of NHHIP development, lighting, milling, paving, overlaying, curb, gutter, and utilities work. **Increased from Plan F.**

Infrastructure, Mobility, Transit Improvement \$43,334,450

Continued investment in public transit improvements that serve the expanded Zone, which could include improvements associated with NHHIP development, roadway infrastructure, utilities, site preparation, lighting, landscaping, furniture, signage, related right-of-way acquisition associated with transit improvements and associated public amenities. **Increased from Plan F.**

Real Property Improvements \$57,520,266

To develop and or sponsor projects to enhance and revitalize the expanded Zone, to promote ground-floor retail, fund and encourage public and non-profit developers to integrate workforce housing into residential developments within the Zone.

Parking Facilities \$10,156,417

Identified projects will assist in providing additional parking to serve patrons, workers, visitors and residents of the expanded Zone to stimulate retail and residential development providing ease of access to City's amenities. **Carried forward from Plan F.**

Historic Preservation Improvements \$26,351,008

Funding to participate with property owners to promote development of underutilized historic buildings for residential and/or commercial uses, enhancing existing pedestrian and retail environment.

Parks & Recreational Facilities Improvements \$273,044,167

Funding to capture the civic opportunities resulting from the NHHIP, attentive to enhancing the connections between the Zone and adjacent communities and concentrated on amenities at the edges of Downtown. Identified projects may include, but are not limited to, an EaDo cap public assemblage joining Downtown to the East End, a signature linear park situated on the Pierce Elevated decommissioned as a result of the NHHIP, plazas, parks, and gateways joining Downtown and an enhanced Buffalo Bayou to the Second, Third, Fourth and Fifth Wards.

Theater District Improvements \$11,504,799

To develop and or sponsor public improvement projects that will include but are not limited to lighting, installation of sidewalks, public spaces, signage, street furniture, and the installation of landscaping or other public amenities. **Carried forward from Plan F.**

Cultural & Public Facility Improvements \$10,000,000

To develop and or sponsor projects that improve the quality of life for residents, workers, and visitors of the expanded Downtown Zone. **Carried forward from Plan F.**

Economic Development Programs \$166,800,000

Pursuant to the authority granted by Section 311.010(h), Texas Tax Code, the Zone has established an Economic Development Program to promote, develop and diversify the economy of the Zone, eliminate unemployment and underemployment in the Zone, and develop or expand transportation, business and commercial activity within the expanded Zone. **Carried forward from Plan F.**

Institutional Facilities \$22,000,000

The Authority will partner with private philanthropic fundraising efforts to capture opportunities to develop and or improve institutional facilities of the participating taxing authorities of the Zone. Identified projects may include but are not limited to facilities housing and supporting the administrative arms of City governance and situated on the western edge of the Zone. **Carried forward from Plan E.**

Educational Facilities \$82,541,820

Educational facilities improvements as provided in Chapter 311 of the Texas Tax Code for projects inside or outside the Zone. These facilities will be provided in accordance with Interlocal Agreement with HISD. **Carried forward from Plan B.**

Financing Costs \$48,930,000
Estimating Financing Costs for parts A, B, C, D, E, F and G as described in Exhibit 1

Zone Administration \$16,934,426
Estimated Administration Costs for parts A, B, C, D, E, F and G as described in Exhibit 1

Part H Plan
Estimated Project Costs: Unchanged from Part G Plan

The de-annexation of Sam Houston Park is not estimated to affect the project costs of the Zone's projects.

Part I Plan
Estimated Project Costs: Unchanged from Part H Plan

Part J Plan
Estimated Project Costs \$1,219,713,671

Roadways & Streets \$100,000,000

To develop and or sponsor projects that improve mobility throughout the Zone. Identified projects may include but are not limited to bridges and surface street connections required as a result of NHHIP development, lighting, milling, paving, overlaying, curb, gutter, and utilities work. **Increased from Plan G.**

Drainage \$25,000,000

To develop and or sponsor projects that improve drainage throughout the Zone. **Increased from Plan G.**

Real Property Improvements \$60,000,000

To develop and or sponsor projects to enhance and revitalize the expanded Zone, to promote ground-floor retail, fund and encourage public and non-profit developers to integrate workforce housing into residential developments within the Zone. Increase from Plan G.

Parking Facilities \$10,156,417

Identified projects will assist in providing additional parking to serve patrons, workers, visitors and residents of the expanded Zone to stimulate retail and residential development providing ease of access to City's amenities. **Carried forward from Plan G.**

Historic Preservation Improvements \$26,351,008

Funding to participate with property owners to promote development of underutilized historic buildings for residential and/or commercial uses, enhancing existing pedestrian and retail environment. Carried forward from Plan G.

Parks & Recreational Facilities Improvements \$350,000,000

Funding to capture the civic opportunities resulting from the NHHIP, attentive to enhancing the connections between the Zone and adjacent communities and concentrated on amenities at the edges of Downtown. Identified projects may include, but are not limited to, an EaDo cap public assemblage joining Downtown to the East End, a signature linear park situated on the Pierce Elevated decommissioned as a result of the NHHIP, plazas, parks, and gateways joining Downtown and an enhanced Buffalo Bayou to the Second, Third, Fourth and Fifth Wards. Increased from Plan G, adding funding for Parks as part of Harris County's participation and contribution to public parks that enhance the quality of life for all citizens.

Theater District Improvements \$15,000,000

To develop and or sponsor public improvement projects that will include but are not limited to lighting, installation of sidewalks, public spaces, signage, street furniture, and the installation of landscaping or other public amenities. **Carried forward from Plan G.**

Cultural & Public Facility Improvements \$10,000,000

To develop and or sponsor projects that improve the quality of life for residents, workers, and visitors of the expanded Downtown Zone. **Carried forward from Plan G.**

Economic Development Programs \$166,800,000

Pursuant to the authority granted by Section 311.010(h), Texas Tax Code has established an Economic Development Program to promote, develop and diversity the economy of the Zone, eliminate unemployment and underemployment in the Zone, and develop or expand transportation, business and commercial activity within the expanded Zone. **Carried forward from Plan G.**

Institutional Facilities \$22,000,000

The Authority will partner with private philanthropic fundraising efforts to capture opportunities to develop and/or improve institutional facilities of the participating taxing authorities of the Zone. Identified projects may include but are not limited to facilities housing and supporting the administrative arms of City governance and situated on the western edge of the Zone. **Carried forward from Plan G.**

Affordable Housing \$41,000,000

Support the creation, preservation, and rehabilitation of affordable and supportive housing for all households, including low- and moderate-income residents, extremely low-income individuals, and unhoused persons and families. Affordable Housing Projects shall include Project Costs for both: (i) physical residential structures that meet affordability criteria for various very low, low and moderate income level populations; and (ii) housing assistance for the unhoused, in either case demonstrably benefitting the TIRZ that are located either within the boundaries of the TIRZ or outside the TIRZ boundaries; provided that any such affordable housing outside the TIRZ boundaries must provide a clear and demonstrable benefit to the TIRZ.

Educational Facilities \$82,541,820

Educational facilities improvements as provided in Chapter 311 of the Texas Tax Code for projects inside or outside the Zone. These facilities will be provided in accordance with Interlocal Agreement with HISD.
Carried forward from Plan B.

<u>Financing Costs</u>	\$48,930,000
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Estimating Financing Costs for parts A, B, C, D, E, F, G, H, I and J as described in Exhibit 1

<u>Zone Administration</u>	\$16,934,426
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Estimated Administration Costs for parts A, B, C, D, E, F, G, H, I, and J as described in Exhibit 1

Exhibit 2 – Estimated Net Revenue Schedule of All Participating Jurisdictions

Incremental Revenues						Total Transfers				County Increment			Zone Revenue Available for City Zone Projects	Cumulative Zone Revenue Available for City Zone Projects
Tax Year	Coll. Year	City of Houston	Houston ISD	Harris County	Total Revenues	Admin Fee 5%	Municipal Services Fee	Educational Facilities	ISD Admin Fee	City Affordable Housing (10%)	County Operations & Administration (10%)	County Capital Projects		
2025	2026	\$20,923,924	\$4,036,713	\$14,776,791	\$39,737,428	\$1,046,196	\$1,971,008	\$1,612,386	\$25,000	\$1,477,679	\$1,477,679	\$11,821,433	\$20,306,047	\$20,306,047
2026	2027	\$21,807,576	\$4,036,713	\$15,385,420	\$41,229,709	\$1,090,379	\$1,971,008	\$1,612,386	\$25,000	\$1,538,542	\$1,538,542	\$12,308,336	\$21,145,516	\$41,451,563
2027	2028	\$22,717,737	\$0	\$16,012,307	\$38,730,044	\$1,135,887	\$1,971,008	\$0	\$0	\$1,601,231	\$1,601,231	\$12,809,845	\$19,610,843	\$61,062,406
2028	2029	\$23,655,204		\$16,658,001	\$40,313,204	\$1,182,760	\$1,971,008			\$1,665,800	\$1,665,800	\$13,326,400	\$20,501,436	\$81,563,841
2029	2030	\$24,620,794		\$17,323,065	\$41,943,859	\$1,231,040	\$1,971,008			\$1,732,307	\$1,732,307	\$13,858,452	\$21,418,747	\$102,982,588
2030	2031	\$25,615,352		\$18,008,082	\$43,623,434	\$1,280,768	\$1,971,008			\$1,800,808	\$1,800,808	\$14,406,465	\$22,363,577	\$125,346,165
2031	2032	\$26,639,747		\$18,713,649	\$45,353,396	\$1,331,987	\$1,971,008			\$1,871,365	\$1,871,365	\$14,970,919	\$23,336,752	\$148,682,917
2032	2033	\$27,694,874		\$19,440,383	\$47,135,257	\$1,384,744	\$1,971,008			\$1,944,038	\$1,944,038	\$15,552,306	\$24,339,122	\$173,022,039
2033	2034	\$28,781,655		\$20,188,919	\$48,970,573	\$1,439,083	\$1,971,008			\$2,018,892	\$2,018,892	\$16,151,135	\$25,371,564	\$198,393,603
2034	2035	\$29,901,039		\$20,959,911	\$50,860,949	\$1,495,052	\$1,971,008			\$2,095,991	\$2,095,991	\$16,767,929	\$26,434,979	\$224,828,582
2035	2036	\$31,054,004		\$21,754,033	\$52,808,037	\$1,552,700	\$1,971,008			\$2,175,403	\$2,175,403	\$17,403,226	\$27,530,296	\$252,358,878
2036	2037	\$32,241,559		\$22,571,978	\$54,813,537	\$1,612,078	\$1,971,008			\$2,257,198	\$2,257,198	\$18,057,583	\$28,658,473	\$281,017,350
2037	2038	\$33,464,740		\$23,414,462	\$56,879,202	\$1,673,237	\$1,971,008			\$2,341,446	\$2,341,446	\$18,731,570	\$29,820,495	\$310,837,845
2038	2039	\$34,724,616		\$24,282,221	\$59,006,837	\$1,736,231	\$1,971,008			\$2,428,222	\$2,428,222	\$19,425,777	\$31,017,377	\$341,855,222
2039	2040	\$36,022,289		\$25,176,012	\$61,198,301	\$1,801,114	\$1,971,008			\$2,517,601	\$2,517,601	\$20,140,809	\$32,250,167	\$374,105,389
2040	2041	\$37,358,892		\$26,096,617	\$63,455,509	\$1,867,945	\$1,971,008			\$2,609,662	\$2,609,662	\$20,877,293	\$33,519,939	\$407,625,328
2041	2042	\$38,735,593		\$27,044,840	\$65,780,433	\$1,936,780	\$1,971,008			\$2,704,484	\$2,704,484	\$21,635,872	\$34,827,805	\$442,453,133
2042	2043	\$40,153,595		\$28,021,510	\$68,175,105	\$2,007,680	\$1,971,008			\$2,802,151	\$2,802,151	\$22,417,208	\$36,174,907	\$478,628,041
2043	2044	\$41,614,137		\$29,027,479	\$70,641,617	\$2,080,707	\$1,971,008			\$2,902,748	\$2,902,748	\$23,221,984	\$37,562,422	\$516,190,463
		\$577,727,327	\$8,073,427	\$404,855,678	\$990,656,431	\$28,886,366	\$37,449,152	\$3,224,772	\$50,000	\$40,485,568	\$40,485,568	\$323,884,542	\$516,190,463	

Exhibit 2A – City of Houston – Original Area

Projected Value

Tax Roll Jan 1	Base Year	Total Taxable Value	Captured Appraised Value
2025	\$22,231,380	\$558,765,511	\$536,534,131
2026	\$22,231,380	\$575,528,476	\$553,297,096
2027	\$22,231,380	\$592,794,331	\$570,562,951
2028	\$22,231,380	\$610,578,161	\$588,346,781
2029	\$22,231,380	\$628,895,505	\$606,664,125
2030	\$22,231,380	\$647,762,371	\$625,530,991
2031	\$22,231,380	\$667,195,242	\$644,963,862
2032	\$22,231,380	\$687,211,099	\$664,979,719
2033	\$22,231,380	\$707,827,432	\$685,596,052
2034	\$22,231,380	\$729,062,255	\$706,830,875
2035	\$22,231,380	\$750,934,122	\$728,702,742
2036	\$22,231,380	\$773,462,146	\$751,230,766
2037	\$22,231,380	\$796,666,011	\$774,434,631
2038	\$22,231,380	\$820,565,991	\$798,334,611
2039	\$22,231,380	\$845,182,971	\$822,951,591
2040	\$22,231,380	\$870,538,460	\$848,307,080
2041	\$22,231,380	\$896,654,613	\$874,423,233
2042	\$22,231,380	\$923,554,252	\$901,322,872
2043	\$22,231,380	\$951,260,879	\$929,029,499

Projected Zone Revenues (Original Zone)

Tax Year	Coll. Year	City of Houston Tax Rate	City Zone Collection	Cumulative Zone Revenue
2025	2026	\$ 0.519190	\$2,729,919	\$2,729,919
2026	2027	\$ 0.519190	\$2,815,210	\$5,545,129
2027	2028	\$ 0.519190	\$2,903,060	\$8,448,189
2028	2029	\$ 0.519190	\$2,993,545	\$11,441,733
2029	2030	\$ 0.519190	\$3,086,745	\$14,528,478
2030	2031	\$ 0.519190	\$3,182,740	\$17,711,219
2031	2032	\$ 0.519190	\$3,281,616	\$20,992,835
2032	2033	\$ 0.519190	\$3,383,458	\$24,376,293
2033	2034	\$ 0.519190	\$3,488,355	\$27,864,648
2034	2035	\$ 0.519190	\$3,596,399	\$31,461,047
2035	2036	\$ 0.519190	\$3,707,685	\$35,168,732
2036	2037	\$ 0.519190	\$3,822,309	\$38,991,041
2037	2038	\$ 0.519190	\$3,940,371	\$42,931,412
2038	2039	\$ 0.519190	\$4,061,976	\$46,993,388
2039	2040	\$ 0.519190	\$4,187,229	\$51,180,617
2040	2041	\$ 0.519190	\$4,316,239	\$55,496,856
2041	2042	\$ 0.519190	\$4,449,120	\$59,945,975
2042	2043	\$ 0.519190	\$4,585,987	\$64,531,962
2043	2044	\$ 0.519190	\$4,726,960	\$69,258,922

\$69,258,922

Notes & Assumptions:

Assumes 3% annual growth rate

Assumes 98% collection rate

2025 Taxable Value used

2024 City tax rate used

Assumes 100% city participation

Exhibit 2B – City of Houston 1999 Annexation Area

Projected Value				Projected Zone Revenues (1999 Annex)				
Tax	Base	Total Taxable Value	Captured Appraised Value			City of	City	
Roll	Year			Tax	Coll.	Houston	Zone	Cumulative
Jan 1	1999			Year	Year	Tax Rate	Collection	Zone Revenue
2025	\$186,145,320	\$2,870,949,893	\$2,684,804,573	2025	2026	\$ 0.519190	\$13,660,452	\$13,660,452
2026	\$186,145,320	\$2,957,078,390	\$2,770,933,070	2026	2027	\$ 0.519190	\$14,098,679	\$27,759,131
2027	\$186,145,320	\$3,045,790,741	\$2,859,645,421	2027	2028	\$ 0.519190	\$14,550,053	\$42,309,185
2028	\$186,145,320	\$3,137,164,464	\$2,951,019,144	2028	2029	\$ 0.519190	\$15,014,968	\$57,324,153
2029	\$186,145,320	\$3,231,279,398	\$3,045,134,078	2029	2030	\$ 0.519190	\$15,493,831	\$72,817,984
2030	\$186,145,320	\$3,328,217,780	\$3,142,072,460	2030	2031	\$ 0.519190	\$15,987,059	\$88,805,043
2031	\$186,145,320	\$3,428,064,313	\$3,241,918,993	2031	2032	\$ 0.519190	\$16,495,085	\$105,300,128
2032	\$186,145,320	\$3,530,906,242	\$3,344,760,922	2032	2033	\$ 0.519190	\$17,018,351	\$122,318,479
2033	\$186,145,320	\$3,636,833,430	\$3,450,688,110	2033	2034	\$ 0.519190	\$17,557,315	\$139,875,794
2034	\$186,145,320	\$3,745,938,433	\$3,559,793,113	2034	2035	\$ 0.519190	\$18,112,448	\$157,988,242
2035	\$186,145,320	\$3,858,316,585	\$3,672,171,265	2035	2036	\$ 0.519190	\$18,684,235	\$176,672,477
2036	\$186,145,320	\$3,974,066,083	\$3,787,920,763	2036	2037	\$ 0.519190	\$19,273,176	\$195,945,653
2037	\$186,145,320	\$4,093,288,066	\$3,907,142,746	2037	2038	\$ 0.519190	\$19,879,785	\$215,825,438
2038	\$186,145,320	\$4,216,086,708	\$4,029,941,388	2038	2039	\$ 0.519190	\$20,504,592	\$236,330,029
2039	\$186,145,320	\$4,342,569,309	\$4,156,423,989	2039	2040	\$ 0.519190	\$21,148,143	\$257,478,172
2040	\$186,145,320	\$4,472,846,388	\$4,286,701,068	2040	2041	\$ 0.519190	\$21,811,001	\$279,289,173
2041	\$186,145,320	\$4,607,031,780	\$4,420,886,460	2041	2042	\$ 0.519190	\$22,493,744	\$301,782,917
2042	\$186,145,320	\$4,745,242,733	\$4,559,097,413	2042	2043	\$ 0.519190	\$23,196,970	\$324,979,888
2043	\$186,145,320	\$4,887,600,015	\$4,701,454,695	2043	2044	\$ 0.519190	\$23,921,293	\$348,901,181
							\$348,901,181	
Notes & Assumptions:								
Assumes 3% annual growth rate								
Assumes 98% collection rate								
2025 Taxable Value used								
2024 City tax rate used								
Assumes 100% city participation								

Exhibit 2C – City of Houston 2005 Annexed Area

Projected Value

Tax Roll Jan 1	Base Year 2005	Total Taxable Value	Captured Appraised Value
2025	\$7,570,600	\$86,291,092	\$78,720,492
2026	\$7,570,600	\$88,879,825	\$81,309,225
2027	\$7,570,600	\$91,546,220	\$83,975,620
2028	\$7,570,600	\$94,292,606	\$86,722,006
2029	\$7,570,600	\$97,121,384	\$89,550,784
2030	\$7,570,600	\$100,035,026	\$92,464,426
2031	\$7,570,600	\$103,036,077	\$95,465,477
2032	\$7,570,600	\$106,127,159	\$98,556,559
2033	\$7,570,600	\$109,310,974	\$101,740,374
2034	\$7,570,600	\$112,590,303	\$105,019,703
2035	\$7,570,600	\$115,968,012	\$108,397,412
2036	\$7,570,600	\$119,447,052	\$111,876,452
2037	\$7,570,600	\$123,030,464	\$115,459,864
2038	\$7,570,600	\$126,721,378	\$119,150,778
2039	\$7,570,600	\$130,523,019	\$122,952,419
2040	\$7,570,600	\$134,438,710	\$126,868,110
2041	\$7,570,600	\$138,471,871	\$130,901,271
2042	\$7,570,600	\$142,626,027	\$135,055,427
2043	\$7,570,600	\$146,904,808	\$139,334,208

Projected Zone Revenues (2005 Annex)

Tax Year	Coll. Year	City of Houston Tax Rate	City Zone Collection	Cumulative Zone Revenue
2025	2026	\$ 0.231000	\$178,207	\$178,207
2026	2027	\$ 0.231000	\$184,068	\$362,275
2027	2028	\$ 0.231000	\$190,104	\$552,379
2028	2029	\$ 0.231000	\$196,321	\$748,701
2029	2030	\$ 0.231000	\$202,725	\$951,426
2030	2031	\$ 0.231000	\$209,321	\$1,160,747
2031	2032	\$ 0.231000	\$216,115	\$1,376,861
2032	2033	\$ 0.231000	\$223,112	\$1,599,974
2033	2034	\$ 0.231000	\$230,320	\$1,830,294
2034	2035	\$ 0.231000	\$237,744	\$2,068,037
2035	2036	\$ 0.231000	\$245,390	\$2,313,427
2036	2037	\$ 0.231000	\$253,266	\$2,566,693
2037	2038	\$ 0.231000	\$261,378	\$2,828,071
2038	2039	\$ 0.231000	\$269,734	\$3,097,805
2039	2040	\$ 0.231000	\$278,340	\$3,376,144
2040	2041	\$ 0.231000	\$287,204	\$3,663,348
2041	2042	\$ 0.231000	\$296,334	\$3,959,683
2042	2043	\$ 0.231000	\$305,738	\$4,265,421
2043	2044	\$ 0.231000	\$315,425	\$4,580,846

\$4,580,846

Notes & Assumptions:

Assumes 3% annual growth rate
Assumes 98% collection rate
2025 Taxable Value used
2024 City tax rate used
Assumes 100% city participation

Exhibit 2D – City of Houston 2007 Annexed Area

Projected Value

Tax Roll Jan 1	Base Year 2018	Total Taxable Value	Captured Appraised Value
2025	\$ -	\$ -	\$ -
2026	\$ -	\$ -	\$ -
2027	\$ -	\$ -	\$ -
2028	\$ -	\$ -	\$ -
2029	\$ -	\$ -	\$ -
2030	\$ -	\$ -	\$ -
2031	\$ -	\$ -	\$ -
2032	\$ -	\$ -	\$ -
2033	\$ -	\$ -	\$ -
2034	\$ -	\$ -	\$ -
2035	\$ -	\$ -	\$ -
2036	\$ -	\$ -	\$ -
2037	\$ -	\$ -	\$ -
2038	\$ -	\$ -	\$ -
2039	\$ -	\$ -	\$ -
2040	\$ -	\$ -	\$ -
2041	\$ -	\$ -	\$ -
2042	\$ -	\$ -	\$ -
2043	\$ -	\$ -	\$ -

Projected Zone Revenues (2007 Annex)

Tax Year	Coll. Year	City of Houston Tax Rate	City Zone Collection	Cumulative Zone Revenue
2025	2026	\$ 0.519190	\$ -	\$ -
2026	2027	\$ 0.519190	\$ -	\$ -
2027	2028	\$ 0.519190	\$ -	\$ -
2028	2029	\$ 0.519190	\$ -	\$ -
2029	2030	\$ 0.519190	\$ -	\$ -
2030	2031	\$ 0.519190	\$ -	\$ -
2031	2032	\$ 0.519190	\$ -	\$ -
2032	2033	\$ 0.519190	\$ -	\$ -
2033	2034	\$ 0.519190	\$ -	\$ -
2034	2035	\$ 0.519190	\$ -	\$ -
2035	2036	\$ 0.519190	\$ -	\$ -
2036	2037	\$ 0.519190	\$ -	\$ -
2037	2038	\$ 0.519190	\$ -	\$ -
2038	2039	\$ 0.519190	\$ -	\$ -
2039	2040	\$ 0.519190	\$ -	\$ -
2040	2041	\$ 0.519190	\$ -	\$ -
2041	2042	\$ 0.519190	\$ -	\$ -
2042	2043	\$ 0.519190	\$ -	\$ -
2043	2044	\$ 0.519190	\$ -	\$ -

\$ -

Notes & Assumptions:

Assumes 3% annual growth rate

Assumes 98% collection rate

2025 Taxable Value used

2024 City tax rate used

Assumes 100% city participation

Exhibit 2F – City of Houston 2011 Annexed Area

Projected Value

Tax Roll Jan 1	Base Year 2020	Total Taxable Value	Captured Appraised Value
2025	\$27,178,349	\$115,079,174	\$87,900,825
2026	\$27,178,349	\$118,531,549	\$91,353,200
2027	\$27,178,349	\$122,087,496	\$94,909,147
2028	\$27,178,349	\$125,750,121	\$98,571,772
2029	\$27,178,349	\$129,522,624	\$102,344,275
2030	\$27,178,349	\$133,408,303	\$106,229,954
2031	\$27,178,349	\$137,410,552	\$110,232,203
2032	\$27,178,349	\$141,532,869	\$114,354,520
2033	\$27,178,349	\$145,778,855	\$118,600,506
2034	\$27,178,349	\$150,152,220	\$122,973,871
2035	\$27,178,349	\$154,656,787	\$127,478,438
2036	\$27,178,349	\$159,296,490	\$132,118,141
2037	\$27,178,349	\$164,075,385	\$136,897,036
2038	\$27,178,349	\$168,997,647	\$141,819,298
2039	\$27,178,349	\$174,067,576	\$146,889,227
2040	\$27,178,349	\$179,289,603	\$152,111,254
2041	\$27,178,349	\$184,668,292	\$157,489,943
2042	\$27,178,349	\$190,208,340	\$163,029,991
2043	\$27,178,349	\$195,914,590	\$168,736,241

Projected Zone Revenues (2011 Annex)

Tax Year	Coll. Year	City of Houston Tax Rate	City Zone Collection	Cumulative Zone Revenue
2025	2026	\$ 0.519190	\$447,245	\$447,245
2026	2027	\$ 0.519190	\$464,811	\$912,056
2027	2028	\$ 0.519190	\$482,904	\$1,394,959
2028	2029	\$ 0.519190	\$501,539	\$1,896,499
2029	2030	\$ 0.519190	\$520,734	\$2,417,233
2030	2031	\$ 0.519190	\$540,505	\$2,957,737
2031	2032	\$ 0.519190	\$560,868	\$3,518,605
2032	2033	\$ 0.519190	\$581,843	\$4,100,448
2033	2034	\$ 0.519190	\$603,447	\$4,703,895
2034	2035	\$ 0.519190	\$625,699	\$5,329,594
2035	2036	\$ 0.519190	\$648,618	\$5,978,212
2036	2037	\$ 0.519190	\$672,225	\$6,650,437
2037	2038	\$ 0.519190	\$696,541	\$7,346,978
2038	2039	\$ 0.519190	\$721,585	\$8,068,563
2039	2040	\$ 0.519190	\$747,381	\$8,815,945
2040	2041	\$ 0.519190	\$773,951	\$9,589,896
2041	2042	\$ 0.519190	\$801,319	\$10,391,215
2042	2043	\$ 0.519190	\$829,507	\$11,220,721
2043	2044	\$ 0.519190	\$858,540	\$12,079,262

\$12,079,262

Notes & Assumptions:

Assumes 3% annual growth rate

Assumes 98% collection rate

2025 Taxable Value used

2024 City tax rate used

Assumes 100% city participation

Exhibit 2G – City of Houston 2019 Annexed Area

Projected Value

Tax Roll Jan 1	Base Year 2025	Total Taxable Value	Captured Appraised Value
2025	\$1,405,177,415	\$2,159,788,893	\$754,611,478
2026	\$1,405,177,415	\$2,224,582,560	\$819,405,145
2027	\$1,405,177,415	\$2,291,320,037	\$886,142,622
2028	\$1,405,177,415	\$2,360,059,638	\$954,882,223
2029	\$1,405,177,415	\$2,430,861,427	\$1,025,684,012
2030	\$1,405,177,415	\$2,503,787,270	\$1,098,609,855
2031	\$1,405,177,415	\$2,578,900,888	\$1,173,723,473
2032	\$1,405,177,415	\$2,656,267,914	\$1,251,090,499
2033	\$1,405,177,415	\$2,735,955,952	\$1,330,778,537
2034	\$1,405,177,415	\$2,818,034,630	\$1,412,857,215
2035	\$1,405,177,415	\$2,902,575,669	\$1,497,398,254
2036	\$1,405,177,415	\$2,989,652,939	\$1,584,475,524
2037	\$1,405,177,415	\$3,079,342,527	\$1,674,165,112
2038	\$1,405,177,415	\$3,171,722,803	\$1,766,545,388
2039	\$1,405,177,415	\$3,266,874,487	\$1,861,697,072
2040	\$1,405,177,415	\$3,364,880,722	\$1,959,703,307
2041	\$1,405,177,415	\$3,465,827,144	\$2,060,649,729
2042	\$1,405,177,415	\$3,569,801,958	\$2,164,624,543
2043	\$1,405,177,415	\$3,676,896,017	\$2,271,718,602

Projected Zone Revenues (2019 Annex)

Tax Year	Coll. Year	City of Houston Tax Rate	City Zone Collection	Cumulative Zone Revenue
2025	2026	\$ 0.519190	\$3,839,510	\$3,839,510
2026	2027	\$ 0.519190	\$4,169,184	\$8,008,694
2027	2028	\$ 0.519190	\$4,508,749	\$12,517,443
2028	2029	\$ 0.519190	\$4,858,500	\$17,375,943
2029	2030	\$ 0.519190	\$5,218,744	\$22,594,687
2030	2031	\$ 0.519190	\$5,589,795	\$28,184,482
2031	2032	\$ 0.519190	\$5,971,978	\$34,156,459
2032	2033	\$ 0.519190	\$6,365,626	\$40,522,085
2033	2034	\$ 0.519190	\$6,771,084	\$47,293,169
2034	2035	\$ 0.519190	\$7,188,705	\$54,481,874
2035	2036	\$ 0.519190	\$7,618,855	\$62,100,729
2036	2037	\$ 0.519190	\$8,061,910	\$70,162,639
2037	2038	\$ 0.519190	\$8,518,256	\$78,680,895
2038	2039	\$ 0.519190	\$8,988,292	\$87,669,187
2039	2040	\$ 0.519190	\$9,472,430	\$97,141,618
2040	2041	\$ 0.519190	\$9,971,092	\$107,112,710
2041	2042	\$ 0.519190	\$10,484,714	\$117,597,423
2042	2043	\$ 0.519190	\$11,013,744	\$128,611,167
2043	2044	\$ 0.519190	\$11,558,645	\$140,169,812

\$140,169,812

Notes & Assumptions:

Assumes 3% annual growth rate

Assumes 98% collection rate

2025 Taxable Value used

2024 City tax rate used

Assumes 100% city participation

Exhibit 2H – City of Houston – 2022 Annex

Projected Value

Tax Roll Jan 1	Base Year 2022	Total Taxable Value	Captured Appraised Value
2025	\$32,597,365	\$46,078,022	\$13,480,657
2026	\$32,597,365	\$47,460,363	\$14,862,998
2027	\$32,597,365	\$48,884,174	\$16,286,809
2028	\$32,597,365	\$50,350,699	\$17,753,334
2029	\$32,597,365	\$51,861,220	\$19,263,855
2030	\$32,597,365	\$53,417,056	\$20,819,691
2031	\$32,597,365	\$55,019,568	\$22,422,203
2032	\$32,597,365	\$56,670,155	\$24,072,790
2033	\$32,597,365	\$58,370,260	\$25,772,895
2034	\$32,597,365	\$60,121,367	\$27,524,002
2035	\$32,597,365	\$61,925,008	\$29,327,643
2036	\$32,597,365	\$63,782,759	\$31,185,394
2037	\$32,597,365	\$65,696,242	\$33,098,877
2038	\$32,597,365	\$67,667,129	\$35,069,764
2039	\$32,597,365	\$69,697,143	\$37,099,778
2040	\$32,597,365	\$71,788,057	\$39,190,692
2041	\$32,597,365	\$73,941,699	\$41,344,334
2042	\$32,597,365	\$76,159,950	\$43,562,585
2043	\$32,597,365	\$78,444,748	\$45,847,383

Projected Zone Revenues (2022 Annex)

Tax Year	Coll. Year	City of Houston Tax Rate	City Zone Collection	Cumulative Zone Revenue
2025	2026	\$ 0.519190	\$68,590	\$68,590
2026	2027	\$ 0.519190	\$75,624	\$144,214
2027	2028	\$ 0.519190	\$82,868	\$227,083
2028	2029	\$ 0.519190	\$90,330	\$317,413
2029	2030	\$ 0.519190	\$98,016	\$415,428
2030	2031	\$ 0.519190	\$105,932	\$521,360
2031	2032	\$ 0.519190	\$114,086	\$635,446
2032	2033	\$ 0.519190	\$122,484	\$757,930
2033	2034	\$ 0.519190	\$131,134	\$889,064
2034	2035	\$ 0.519190	\$140,044	\$1,029,108
2035	2036	\$ 0.519190	\$149,221	\$1,178,328
2036	2037	\$ 0.519190	\$158,673	\$1,337,002
2037	2038	\$ 0.519190	\$168,409	\$1,505,411
2038	2039	\$ 0.519190	\$178,437	\$1,683,848
2039	2040	\$ 0.519190	\$188,766	\$1,872,614
2040	2041	\$ 0.519190	\$199,405	\$2,072,019
2041	2042	\$ 0.519190	\$210,363	\$2,282,381
2042	2043	\$ 0.519190	\$221,649	\$2,504,030
2043	2044	\$ 0.519190	\$233,274	\$2,737,305

\$2,737,305

Notes & Assumptions:

Assumes 3% annual growth rate
Assumes 98% collection rate
2025 Taxable Value used
2024 City tax rate used
Assumes 100% city participation

Exhibit 2I – County – Original Area

Projected Value

Tax Roll Jan 1	Base Year	Total Taxable Value	Captured Appraised Value
2025	\$22,231,380	\$540,309,192	\$518,077,812
2026	\$22,231,380	\$556,518,468	\$534,287,088
2027	\$22,231,380	\$573,214,022	\$550,982,642
2028	\$22,231,380	\$590,410,442	\$568,179,062
2029	\$22,231,380	\$608,122,756	\$585,891,376
2030	\$22,231,380	\$626,366,438	\$604,135,058
2031	\$22,231,380	\$645,157,432	\$622,926,052
2032	\$22,231,380	\$664,512,154	\$642,280,774
2033	\$22,231,380	\$684,447,519	\$662,216,139
2034	\$22,231,380	\$704,980,945	\$682,749,565
2035	\$22,231,380	\$726,130,373	\$703,898,993
2036	\$22,231,380	\$747,914,284	\$725,682,904
2037	\$22,231,380	\$770,351,713	\$748,120,333
2038	\$22,231,380	\$793,462,264	\$771,230,884
2039	\$22,231,380	\$817,266,132	\$795,034,752
2040	\$22,231,380	\$841,784,116	\$819,552,736
2041	\$22,231,380	\$867,037,640	\$844,806,260
2042	\$22,231,380	\$893,048,769	\$870,817,389
2043	\$22,231,380	\$919,840,232	\$897,608,852

Projected Zone Revenues (Original Zone)

Tax Year	Coll. Year	Harris County M&O Tax Rate	County Zone Collection	City Affordable Housing (10%)	County Operations & Administration (10%)	Capital Projects	Cumulative Zone Revenue
2025	2026	\$ 0.334540	\$1,698,514	\$169,851	\$169,851	\$1,358,811	\$1,698,514
2026	2027	\$ 0.334540	\$1,751,656	\$175,166	\$175,166	\$1,401,325	\$3,450,170
2027	2028	\$ 0.334540	\$1,806,392	\$180,639	\$180,639	\$1,445,114	\$5,256,562
2028	2029	\$ 0.334540	\$1,862,771	\$186,277	\$186,277	\$1,490,216	\$7,119,333
2029	2030	\$ 0.334540	\$1,920,840	\$192,084	\$192,084	\$1,536,672	\$9,040,173
2030	2031	\$ 0.334540	\$1,980,652	\$198,065	\$198,065	\$1,584,522	\$11,020,825
2031	2032	\$ 0.334540	\$2,042,258	\$204,226	\$204,226	\$1,633,806	\$13,063,083
2032	2033	\$ 0.334540	\$2,105,712	\$210,571	\$210,571	\$1,684,570	\$15,168,795
2033	2034	\$ 0.334540	\$2,171,070	\$217,107	\$217,107	\$1,736,856	\$17,339,866
2034	2035	\$ 0.334540	\$2,238,389	\$223,839	\$223,839	\$1,790,711	\$19,578,255
2035	2036	\$ 0.334540	\$2,307,727	\$230,773	\$230,773	\$1,846,182	\$21,885,982
2036	2037	\$ 0.334540	\$2,379,146	\$237,915	\$237,915	\$1,903,316	\$24,265,127
2037	2038	\$ 0.334540	\$2,452,707	\$245,271	\$245,271	\$1,962,165	\$26,717,834
2038	2039	\$ 0.334540	\$2,528,474	\$252,847	\$252,847	\$2,022,779	\$29,246,308
2039	2040	\$ 0.334540	\$2,606,515	\$260,652	\$260,652	\$2,085,212	\$31,852,823
2040	2041	\$ 0.334540	\$2,686,897	\$268,690	\$268,690	\$2,149,518	\$34,539,720
2041	2042	\$ 0.334540	\$2,769,691	\$276,969	\$276,969	\$2,215,752	\$37,309,411
2042	2043	\$ 0.334540	\$2,854,968	\$285,497	\$285,497	\$2,283,974	\$40,164,379
2043	2044	\$ 0.334540	\$2,942,803	\$294,280	\$294,280	\$2,354,243	\$43,107,182
			\$43,107,182	\$4,310,718	\$4,310,718	\$34,485,746	

Notes & Assumptions:

Assumes 3% annual growth rate

Assumes 98% collection rate

2025 Taxable Value used

2024 County M&O rate used

Assumes 100% county participation (M&O rate ONLY)

Exhibit 2J – County – 1999 Annex

Projected Value

Tax Roll Jan 1	Base Year 1999	Total Taxable Value	Captured Appraised Value
2025	\$186,145,320	\$2,906,805,965	\$2,720,660,645
2026	\$186,145,320	\$2,994,010,144	\$2,807,864,824
2027	\$186,145,320	\$3,083,830,448	\$2,897,685,128
2028	\$186,145,320	\$3,176,345,362	\$2,990,200,042
2029	\$186,145,320	\$3,271,635,723	\$3,085,490,403
2030	\$186,145,320	\$3,369,784,794	\$3,183,639,474
2031	\$186,145,320	\$3,470,878,338	\$3,284,733,018
2032	\$186,145,320	\$3,575,004,688	\$3,388,859,368
2033	\$186,145,320	\$3,682,254,829	\$3,496,109,509
2034	\$186,145,320	\$3,792,722,474	\$3,606,577,154
2035	\$186,145,320	\$3,906,504,148	\$3,720,358,828
2036	\$186,145,320	\$4,023,699,272	\$3,837,553,952
2037	\$186,145,320	\$4,144,410,251	\$3,958,264,931
2038	\$186,145,320	\$4,268,742,558	\$4,082,597,238
2039	\$186,145,320	\$4,396,804,835	\$4,210,659,515
2040	\$186,145,320	\$4,528,708,980	\$4,342,563,660
2041	\$186,145,320	\$4,664,570,249	\$4,478,424,929
2042	\$186,145,320	\$4,804,507,357	\$4,618,362,037
2043	\$186,145,320	\$4,948,642,577	\$4,762,497,257

Projected Zone Revenues (1999 Annex)

Tax Year	Coll. Year	Harris County M&O Tax Rate	County Zone Collection	City Affordable Housing (10%)	County Operations & Administration (10%)	Capital Projects	Cumulative Zone Revenue
2025	2026	\$ 0.334540	\$8,919,664	\$891,966	\$891,966	\$7,135,731	\$8,919,664
2026	2027	\$ 0.334540	\$9,205,562	\$920,556	\$920,556	\$7,364,450	\$18,125,227
2027	2028	\$ 0.334540	\$9,500,038	\$950,004	\$950,004	\$7,600,030	\$27,625,264
2028	2029	\$ 0.334540	\$9,803,347	\$980,335	\$980,335	\$7,842,678	\$37,428,611
2029	2030	\$ 0.334540	\$10,115,756	\$1,011,576	\$1,011,576	\$8,092,604	\$47,544,367
2030	2031	\$ 0.334540	\$10,437,537	\$1,043,754	\$1,043,754	\$8,350,029	\$57,981,903
2031	2032	\$ 0.334540	\$10,768,971	\$1,076,897	\$1,076,897	\$8,615,177	\$68,750,874
2032	2033	\$ 0.334540	\$11,110,348	\$1,111,035	\$1,111,035	\$8,888,279	\$79,861,222
2033	2034	\$ 0.334540	\$11,461,967	\$1,146,197	\$1,146,197	\$9,169,574	\$91,323,189
2034	2035	\$ 0.334540	\$11,824,134	\$1,182,413	\$1,182,413	\$9,459,307	\$103,147,324
2035	2036	\$ 0.334540	\$12,197,167	\$1,219,717	\$1,219,717	\$9,757,733	\$115,344,490
2036	2037	\$ 0.334540	\$12,581,390	\$1,258,139	\$1,258,139	\$10,065,112	\$127,925,880
2037	2038	\$ 0.334540	\$12,977,140	\$1,297,714	\$1,297,714	\$10,381,712	\$140,903,020
2038	2039	\$ 0.334540	\$13,384,762	\$1,338,476	\$1,338,476	\$10,707,810	\$154,287,783
2039	2040	\$ 0.334540	\$13,804,614	\$1,380,461	\$1,380,461	\$11,043,691	\$168,092,396
2040	2041	\$ 0.334540	\$14,237,060	\$1,423,706	\$1,423,706	\$11,389,648	\$182,329,456
2041	2042	\$ 0.334540	\$14,682,480	\$1,468,248	\$1,468,248	\$11,745,984	\$197,011,937
2042	2043	\$ 0.334540	\$15,141,263	\$1,514,126	\$1,514,126	\$12,113,010	\$212,153,200
2043	2044	\$ 0.334540	\$15,613,809	\$1,561,381	\$1,561,381	\$12,491,047	\$227,767,009
			\$227,767,009	\$22,776,701	\$22,776,701	\$182,213,607	

Notes & Assumptions:

Assumes 3% annual growth rate

Assumes 98% collection rate

2025 Taxable Value used

2024 County M&O rate used

Assumes 100% county participation (M&O rate ONLY)

Exhibit 2K – County – 2005 Annex

Projected Value

Tax Roll Jan 1	Base Year 2005	Total Taxable Value	Captured Appraised Value
2025	\$7,570,600	\$177,151,453	\$169,580,853
2026	\$7,570,600	\$182,465,997	\$174,895,397
2027	\$7,570,600	\$187,939,976	\$180,369,376
2028	\$7,570,600	\$193,578,176	\$186,007,576
2029	\$7,570,600	\$199,385,521	\$191,814,921
2030	\$7,570,600	\$205,367,087	\$197,796,487
2031	\$7,570,600	\$211,528,099	\$203,957,499
2032	\$7,570,600	\$217,873,942	\$210,303,342
2033	\$7,570,600	\$224,410,161	\$216,839,561
2034	\$7,570,600	\$231,142,465	\$223,571,865
2035	\$7,570,600	\$238,076,739	\$230,506,139
2036	\$7,570,600	\$245,219,041	\$237,648,441
2037	\$7,570,600	\$252,575,613	\$245,005,013
2038	\$7,570,600	\$260,152,881	\$252,582,281
2039	\$7,570,600	\$267,957,468	\$260,386,868
2040	\$7,570,600	\$275,996,192	\$268,425,592
2041	\$7,570,600	\$284,276,077	\$276,705,477
2042	\$7,570,600	\$292,804,360	\$285,233,760
2043	\$7,570,600	\$301,588,490	\$294,017,890
2044			

Projected Zone Revenues (2005 Annex)

Tax Year	Coll. Year	Harris County M&O Tax Rate	County Zone Collection	City Affordable Housing (10%)	County Operations & Administration (10%)	Capital Projects	Cumulative Zone Revenue
2025	2026	\$ 0.334540	\$555,969	\$55,597	\$55,597	\$444,776	\$555,969
2026	2027	\$ 0.334540	\$573,393	\$57,339	\$57,339	\$458,715	\$1,129,363
2027	2028	\$ 0.334540	\$591,340	\$59,134	\$59,134	\$473,072	\$1,720,702
2028	2029	\$ 0.334540	\$609,824	\$60,982	\$60,982	\$487,859	\$2,330,527
2029	2030	\$ 0.334540	\$628,864	\$62,886	\$62,886	\$503,091	\$2,959,390
2030	2031	\$ 0.334540	\$648,474	\$64,847	\$64,847	\$518,779	\$3,607,864
2031	2032	\$ 0.334540	\$668,673	\$66,867	\$66,867	\$534,938	\$4,276,537
2032	2033	\$ 0.334540	\$689,478	\$68,948	\$68,948	\$551,582	\$4,966,015
2033	2034	\$ 0.334540	\$710,907	\$71,091	\$71,091	\$568,725	\$5,676,922
2034	2035	\$ 0.334540	\$732,979	\$73,298	\$73,298	\$586,383	\$6,409,901
2035	2036	\$ 0.334540	\$755,713	\$75,571	\$75,571	\$604,570	\$7,165,613
2036	2037	\$ 0.334540	\$779,129	\$77,913	\$77,913	\$623,303	\$7,944,742
2037	2038	\$ 0.334540	\$803,247	\$80,325	\$80,325	\$642,598	\$8,747,989
2038	2039	\$ 0.334540	\$828,089	\$82,809	\$82,809	\$662,471	\$9,576,078
2039	2040	\$ 0.334540	\$853,676	\$85,368	\$85,368	\$682,941	\$10,429,754
2040	2041	\$ 0.334540	\$880,031	\$88,003	\$88,003	\$704,025	\$11,309,785
2041	2042	\$ 0.334540	\$907,177	\$90,718	\$90,718	\$725,741	\$12,216,962
2042	2043	\$ 0.334540	\$935,137	\$93,514	\$93,514	\$748,109	\$13,152,098
2043	2044	\$ 0.334540	\$963,935	\$96,394	\$96,394	\$771,148	\$14,116,034
			\$14,116,034	\$1,411,603	\$1,411,603	\$11,292,827	

Notes & Assumptions:

Assumes 3% annual growth rate

Assumes 98% collection rate

Assumes 98% collection rate

2024 County M&O rate used

Assumes 100% county participation (M&O rate ONLY)

Exhibit 2L – County – 2007 Annex

Projected Value

Tax Roll Jan 1	Base Year 2018	Total Taxable Value	Captured Appraised Value
2025	\$ -	\$ -	\$ -
2026	\$ -	\$ -	\$ -
2027	\$ -	\$ -	\$ -
2028	\$ -	\$ -	\$ -
2029	\$ -	\$ -	\$ -
2030	\$ -	\$ -	\$ -
2031	\$ -	\$ -	\$ -
2032	\$ -	\$ -	\$ -
2033	\$ -	\$ -	\$ -
2034	\$ -	\$ -	\$ -
2035	\$ -	\$ -	\$ -
2036	\$ -	\$ -	\$ -
2037	\$ -	\$ -	\$ -
2038	\$ -	\$ -	\$ -
2039	\$ -	\$ -	\$ -
2040	\$ -	\$ -	\$ -
2041	\$ -	\$ -	\$ -
2042	\$ -	\$ -	\$ -
2043	\$ -	\$ -	\$ -

Projected Zone Revenues (2007 Annex)

Tax Year	Coll. Year	Harris County M&O Tax Rate	County Zone Collection	Cumulative Zone Revenue
2025	2026	\$ 0.334540	\$ -	\$ -
2026	2027	\$ 0.334540	\$ -	\$ -
2027	2028	\$ 0.334540	\$ -	\$ -
2028	2029	\$ 0.334540	\$ -	\$ -
2029	2030	\$ 0.334540	\$ -	\$ -
2030	2031	\$ 0.334540	\$ -	\$ -
2031	2032	\$ 0.334540	\$ -	\$ -
2032	2033	\$ 0.334540	\$ -	\$ -
2033	2034	\$ 0.334540	\$ -	\$ -
2034	2035	\$ 0.334540	\$ -	\$ -
2035	2036	\$ 0.334540	\$ -	\$ -
2036	2037	\$ 0.334540	\$ -	\$ -
2037	2038	\$ 0.334540	\$ -	\$ -
2038	2039	\$ 0.334540	\$ -	\$ -
2039	2040	\$ 0.334540	\$ -	\$ -
2040	2041	\$ 0.334540	\$ -	\$ -
2041	2042	\$ 0.334540	\$ -	\$ -
2042	2043	\$ 0.334540	\$ -	\$ -
2043	2044	\$ 0.334540	\$ -	\$ -

\$ -

Notes & Assumptions:

Assumes 3% annual growth rate

Assumes 98% collection rate

2025 Taxable Value used

2024 County M&O rate used

Assumes 100% county participation (M&O rate ONLY)

Exhibit 2M – County – 2011 Annex

Projected Value

Tax Roll Jan 1	Base Year 2011	Total Taxable Value	Captured Appraised Value
2025	\$27,178,349	\$123,806,454	\$96,628,105
2026	\$27,178,349	\$127,520,648	\$100,342,299
2027	\$27,178,349	\$131,346,267	\$104,167,918
2028	\$27,178,349	\$135,286,655	\$108,108,306
2029	\$27,178,349	\$139,345,255	\$112,166,906
2030	\$27,178,349	\$143,525,612	\$116,347,263
2031	\$27,178,349	\$147,831,381	\$120,653,032
2032	\$27,178,349	\$152,266,322	\$125,087,973
2033	\$27,178,349	\$156,834,312	\$129,655,963
2034	\$27,178,349	\$161,539,341	\$134,360,992
2035	\$27,178,349	\$166,385,521	\$139,207,172
2036	\$27,178,349	\$171,377,087	\$144,198,738
2037	\$27,178,349	\$176,518,400	\$149,340,051
2038	\$27,178,349	\$181,813,952	\$154,635,603
2039	\$27,178,349	\$187,268,370	\$160,090,021
2040	\$27,178,349	\$192,886,421	\$165,708,072
2041	\$27,178,349	\$198,673,014	\$171,494,665
2042	\$27,178,349	\$204,633,204	\$177,454,855
2043	\$27,178,349	\$210,772,200	\$183,593,851
2044			

Projected Zone Revenues (2011 Annex)

Tax Year	Coll. Year	Harris County M&O Tax Rate	County Zone Collection	City Affordable Housing (10%)	County Operations & Administration (10%)	Capital Projects	Cumulative Zone Revenue
2025	2026	\$ 0.334540	\$316,794	\$31,679	\$31,679	\$253,436	\$316,794
2026	2027	\$ 0.334540	\$328,971	\$32,897	\$32,897	\$263,177	\$645,766
2027	2028	\$ 0.334540	\$341,514	\$34,151	\$34,151	\$273,211	\$987,280
2028	2029	\$ 0.334540	\$354,432	\$35,443	\$35,443	\$283,546	\$1,341,712
2029	2030	\$ 0.334540	\$367,738	\$36,774	\$36,774	\$294,191	\$1,709,450
2030	2031	\$ 0.334540	\$381,444	\$38,144	\$38,144	\$305,155	\$2,090,894
2031	2032	\$ 0.334540	\$395,560	\$39,556	\$39,556	\$316,448	\$2,486,454
2032	2033	\$ 0.334540	\$410,100	\$41,010	\$41,010	\$328,080	\$2,896,554
2033	2034	\$ 0.334540	\$425,076	\$42,508	\$42,508	\$340,061	\$3,321,630
2034	2035	\$ 0.334540	\$440,501	\$44,050	\$44,050	\$352,401	\$3,762,131
2035	2036	\$ 0.334540	\$456,390	\$45,639	\$45,639	\$365,112	\$4,218,521
2036	2037	\$ 0.334540	\$472,754	\$47,275	\$47,275	\$378,204	\$4,691,275
2037	2038	\$ 0.334540	\$489,610	\$48,961	\$48,961	\$391,688	\$5,180,885
2038	2039	\$ 0.334540	\$506,972	\$50,697	\$50,697	\$405,577	\$5,687,857
2039	2040	\$ 0.334540	\$524,854	\$52,485	\$52,485	\$419,883	\$6,212,711
2040	2041	\$ 0.334540	\$543,273	\$54,327	\$54,327	\$434,618	\$6,755,983
2041	2042	\$ 0.334540	\$562,244	\$56,224	\$56,224	\$449,795	\$7,318,227
2042	2043	\$ 0.334540	\$581,784	\$58,178	\$58,178	\$465,427	\$7,900,011
2043	2044	\$ 0.334540	\$601,911	\$60,191	\$60,191	\$481,529	\$8,501,922
			\$8,501,922	\$850,192	\$850,192	\$6,801,538	

Notes & Assumptions:

Assumes 3% annual growth rate

Assumes 98% collection rate

2025 Taxable Value used

2024 County M&O rate used

Assumes 100% county participation (M&O rate ONLY)

Exhibit 2N – County – 2019 Annex

Projected Value

Tax Roll Jan 1	Base Year 2025	Total Taxable Value	Captured Appraised Value
2025	\$1,405,177,415	\$2,159,066,432	\$753,889,017
2026	\$1,405,177,415	\$2,223,838,425	\$818,661,010
2027	\$1,405,177,415	\$2,290,553,578	\$885,376,163
2028	\$1,405,177,415	\$2,359,270,185	\$954,092,770
2029	\$1,405,177,415	\$2,430,048,291	\$1,024,870,876
2030	\$1,405,177,415	\$2,502,949,739	\$1,097,772,324
2031	\$1,405,177,415	\$2,578,038,231	\$1,172,860,816
2032	\$1,405,177,415	\$2,655,379,378	\$1,250,201,963
2033	\$1,405,177,415	\$2,735,040,760	\$1,329,863,345
2034	\$1,405,177,415	\$2,817,091,983	\$1,411,914,568
2035	\$1,405,177,415	\$2,901,604,742	\$1,496,427,327
2036	\$1,405,177,415	\$2,988,652,884	\$1,583,475,469
2037	\$1,405,177,415	\$3,078,312,471	\$1,673,135,056
2038	\$1,405,177,415	\$3,170,661,845	\$1,765,484,430
2039	\$1,405,177,415	\$3,265,781,700	\$1,860,604,285
2040	\$1,405,177,415	\$3,363,755,151	\$1,958,577,736
2041	\$1,405,177,415	\$3,464,667,806	\$2,059,490,391
2042	\$1,405,177,415	\$3,568,607,840	\$2,163,430,425
2043	\$1,405,177,415	\$3,675,666,075	\$2,270,488,660

Projected Zone Revenues (2019 Annex)

Tax Year	Coll. Year	Harris County M&O Tax Rate	County Zone Collection	City Affordable Housing (10%)	County Operations & Administration (10%)	Capital Projects	Cumulative Zone Revenue
2025	2026	\$ 0.334540	\$2,471,619	\$247,162	\$247,162	\$1,977,295	\$2,471,619
2026	2027	\$ 0.334540	\$2,683,974	\$268,397	\$268,397	\$2,147,179	\$5,155,593
2027	2028	\$ 0.334540	\$2,902,699	\$290,270	\$290,270	\$2,322,159	\$8,058,291
2028	2029	\$ 0.334540	\$3,127,986	\$312,799	\$312,799	\$2,502,388	\$11,186,277
2029	2030	\$ 0.334540	\$3,360,031	\$336,003	\$336,003	\$2,688,025	\$14,546,308
2030	2031	\$ 0.334540	\$3,599,038	\$359,904	\$359,904	\$2,879,230	\$18,145,346
2031	2032	\$ 0.334540	\$3,845,215	\$384,521	\$384,521	\$3,076,172	\$21,990,560
2032	2033	\$ 0.334540	\$4,098,777	\$409,878	\$409,878	\$3,279,022	\$26,089,338
2033	2034	\$ 0.334540	\$4,359,946	\$435,995	\$435,995	\$3,487,957	\$30,449,284
2034	2035	\$ 0.334540	\$4,628,951	\$462,895	\$462,895	\$3,703,160	\$35,078,235
2035	2036	\$ 0.334540	\$4,906,025	\$490,603	\$490,603	\$3,924,820	\$39,984,260
2036	2037	\$ 0.334540	\$5,191,412	\$519,141	\$519,141	\$4,153,129	\$45,175,671
2037	2038	\$ 0.334540	\$5,485,360	\$548,536	\$548,536	\$4,388,288	\$50,661,031
2038	2039	\$ 0.334540	\$5,788,127	\$578,813	\$578,813	\$4,630,501	\$56,449,158
2039	2040	\$ 0.334540	\$6,099,976	\$609,998	\$609,998	\$4,879,981	\$62,549,134
2040	2041	\$ 0.334540	\$6,421,181	\$642,118	\$642,118	\$5,136,945	\$68,970,315
2041	2042	\$ 0.334540	\$6,752,023	\$675,202	\$675,202	\$5,401,618	\$75,722,338
2042	2043	\$ 0.334540	\$7,092,789	\$709,279	\$709,279	\$5,674,231	\$82,815,127
2043	2044	\$ 0.334540	\$7,443,779	\$744,378	\$744,378	\$5,955,023	\$90,258,906
			\$90,258,906	\$9,025,891	\$9,025,891	\$72,207,125	

Notes & Assumptions:

Assumes 3% annual growth rate

Assumes 98% collection rate

2025 Taxable Value used

2024 County M&O rate used

Assumes 100% county participation (M&O rate ONLY)

Exhibit 20 – County – 2022 Annex

Projected Value

Tax Roll Jan 1	Base Year 2025	Total Taxable Value	Captured Appraised Value
2025	\$32,597,365	\$280,952,470	\$248,355,105
2026	\$32,597,365	\$289,381,044	\$256,783,679
2027	\$32,597,365	\$298,062,475	\$265,465,110
2028	\$32,597,365	\$307,004,350	\$274,406,985
2029	\$32,597,365	\$316,214,480	\$283,617,115
2030	\$32,597,365	\$325,700,915	\$293,103,550
2031	\$32,597,365	\$335,471,942	\$302,874,577
2032	\$32,597,365	\$345,536,100	\$312,938,735
2033	\$32,597,365	\$355,902,183	\$323,304,818
2034	\$32,597,365	\$366,579,249	\$333,981,884
2035	\$32,597,365	\$377,576,626	\$344,979,261
2036	\$32,597,365	\$388,903,925	\$356,306,560
2037	\$32,597,365	\$400,571,043	\$367,973,678
2038	\$32,597,365	\$412,588,174	\$379,990,809
2039	\$32,597,365	\$424,965,819	\$392,368,454
2040	\$32,597,365	\$437,714,794	\$405,117,429
2041	\$32,597,365	\$450,846,238	\$418,248,873
2042	\$32,597,365	\$464,371,625	\$431,774,260
2043	\$32,597,365	\$478,302,774	\$445,705,409

Projected Zone Revenues (2022 Annex)

Tax Year	Coll. Year	Harris County M&O Tax Rate	County Zone Collection	City Affordable Housing (10%)	County Operations & Administration (10%)	Capital Projects	Cumulative Zone Revenue
2025	2026	\$ 0.334540	\$814,230	\$81,423	\$81,423	\$651,384	\$814,230
2026	2027	\$ 0.334540	\$841,863	\$84,186	\$84,186	\$673,491	\$1,656,093
2027	2028	\$ 0.334540	\$870,325	\$87,033	\$87,033	\$696,260	\$2,526,419
2028	2029	\$ 0.334540	\$899,641	\$89,964	\$89,964	\$719,713	\$3,426,060
2029	2030	\$ 0.334540	\$929,836	\$92,984	\$92,984	\$743,869	\$4,355,896
2030	2031	\$ 0.334540	\$960,938	\$96,094	\$96,094	\$768,750	\$5,316,834
2031	2032	\$ 0.334540	\$992,972	\$99,297	\$99,297	\$794,378	\$6,309,806
2032	2033	\$ 0.334540	\$1,025,967	\$102,597	\$102,597	\$820,774	\$7,335,773
2033	2034	\$ 0.334540	\$1,059,952	\$105,995	\$105,995	\$847,962	\$8,395,725
2034	2035	\$ 0.334540	\$1,094,957	\$109,496	\$109,496	\$875,966	\$9,490,682
2035	2036	\$ 0.334540	\$1,131,012	\$113,101	\$113,101	\$904,809	\$10,621,694
2036	2037	\$ 0.334540	\$1,168,148	\$116,815	\$116,815	\$934,519	\$11,789,842
2037	2038	\$ 0.334540	\$1,206,399	\$120,640	\$120,640	\$965,119	\$12,996,241
2038	2039	\$ 0.334540	\$1,245,797	\$124,580	\$124,580	\$996,637	\$14,242,038
2039	2040	\$ 0.334540	\$1,286,377	\$128,638	\$128,638	\$1,029,101	\$15,528,414
2040	2041	\$ 0.334540	\$1,328,174	\$132,817	\$132,817	\$1,062,539	\$16,856,589
2041	2042	\$ 0.334540	\$1,371,226	\$137,123	\$137,123	\$1,096,980	\$18,227,814
2042	2043	\$ 0.334540	\$1,415,568	\$141,557	\$141,557	\$1,132,455	\$19,643,383
2043	2044	\$ 0.334540	\$1,461,242	\$146,124	\$146,124	\$1,168,993	\$21,104,624
			\$21,104,624	\$2,110,462	\$2,110,462	\$16,883,700	

Notes & Assumptions:

Assumes 3% annual growth rate

Assumes 98% collection rate

2025 Taxable Value used

2024 County M&O rate used

Assumes 100% county participation (M&O rate ONLY)

Exhibit 2P – Houston ISD Original Area

Tax Year	Base Value (1997)	Lesser of:			Collection Rate	Tax Rate	Increment Revenue	Educational Facilities	Admin Fee	Net Revenue
		Captured Appraised Value		Project Plan Appraised Value						
		Projected Value	Captured Appraised Value							
2025	\$22,851,140	\$559,180,511	\$536,329,371	\$71,810,000	98.00%	0.878300	\$618,093	\$258,516	\$12,500	\$347,077
2026	\$22,851,140	\$581,547,731	\$558,696,591	\$71,810,000	98.00%	0.878300	\$618,093	\$258,516	\$12,500	\$347,077
							\$1,236,186	\$517,032	\$25,000	\$694,154

Notes & Assumptions:

Houston ISD ends participation in Tax Year 2026

Exhibit 2Q – Houston ISD Annexed Area

Tax Year	Base Value (1999)	Lesser of:			Collection Rate	Tax Rate	Increment Revenue	Educational Facilities	Admin Fee	Net Revenue
		Captured Appraised Value		Project Plan Appraised Value						
		Projected Value	Captured Appraised Value							
2025	\$186,182,350	\$2,906,805,965	\$2,720,623,615	\$397,175,000	98.00%	0.878300	\$3,418,620	\$1,353,870	\$12,500	\$2,052,250
2026	\$186,182,350	\$2,994,010,144	\$2,807,827,794	\$397,175,000	98.00%	0.878300	\$3,418,620	\$1,353,870	\$12,500	\$2,052,250
							\$6,837,241	\$2,707,740	\$25,000	\$4,104,501

Notes:

Houston ISD ends participation in Tax Year 2026

Assumes 4% annual growth rate

Assumes 98% collection rate

RESOLUTION ADOPTING THE NINTH AMENDED PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN FOR REINVESTMENT ZONE NUMBER THREE, CITY OF HOUSTON, TEXAS; REQUESTING THE CITY OF HOUSTON’S APPROVAL OF THE NINTH AMENDED PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN; AND CONTAINING OTHER PROVISIONS RELATED THERETO

WHEREAS, the City of Houston, Texas (the “City”) created Reinvestment Zone Number Three, City of Houston, Texas (the “Zone”) as a reinvestment zone pursuant to Ordinance 1995-1323 and Chapter 311, Texas Tax Code, as amended, and appointed its Board of Directors (the “Board”); and

WHEREAS, the City authorized the creation of the Downtown Redevelopment Authority (the “Authority”) to assist and act on behalf of the City in the performance of the City’s governmental and proprietary functions with respect to the common good and general welfare of the Zone and neighboring areas; and

WHEREAS, the Zone adopted, and the City approved, by City Ordinance No. 1996-911, a Project Plan and Reinvestment Zone Financing Plan for the Zone, which was amended by City Ordinance Nos. 1998-1205, 1999-828, 2005-1050, 2007-1423, 2011-989, 2019-984, 2020-1049, and 2022-1003 (collectively, the “Plan”); and

WHEREAS, Section 311.011(e), Texas Tax Code, as amended, provides that the Zone may adopt an amendment to the Plan at any time, and such amendment takes effect upon approval by the City Council of the City; and

WHEREAS, the Authority desires to recommend that the Zone adopt the Ninth Amended Project Plan and Reinvestment Zone Financing Plan (the “Ninth Amendment”), attached hereto as **Exhibit A**, to reflect the continued participation of Harris County in the Zone’s tax increment fund pursuant to the Second Amended and Restated Interlocal Agreement among the City, Harris County (the “County”), the Zone, and the Authority, including the financing of projects identified by Harris County Precinct 1 through the issuance of bonds or other obligations secured by the County’s tax increment, and the tracking of such projects pursuant to the related Interlocal Project Agreement; and to otherwise retain the list of project costs, estimated project costs and revenue schedules, and the boundaries of the Zone as enunciated and authorized in the Zone’s prior amended project plans; and

WHEREAS, the Authority has reviewed the Ninth Amendment and has determined that such Ninth Amendment should be adopted and submitted to the City Council of the City for approval;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DOWNTOWN REDEVELOPMENT AUTHORITY, THAT:

1. All of the matters and facts recited in the preamble of this Resolution are true and correct.

2. The Authority hereby adopts and recommends that the Zone adopt the Ninth Amendment in substantially the form attached hereto as **Exhibit A**, and hereby determines that such plan is feasible. The Board hereby submits the Ninth Amendment to the City Council of the City and requests that the City Council of the City approve the Ninth Amendment.

3. The Chair, Secretary, and other officers and members of the Authority, and the Authority's consultants and attorneys are hereby directed and authorized to take such further action, provide such certifications, and prepare such correspondence as they determine is reasonably necessary to secure the approval from the City of the Ninth Amendment in accordance with Chapter 311, Texas Tax Code, as amended.

PASSED AND APPROVED the 13th day of October 2026.

Curtis Flowers
Chair, Board of Directors

Downtown Redevelopment Authority /
Tax Increment Reinvestment Zone Number
Three, City of Houston, Texas

Barry Mandel
Secretary, Board of Directors

Downtown Redevelopment Authority /
Tax Increment Reinvestment Zone Number
Three, City of Houston, Texas

Exhibit A

Ninth Amended Project Plan and Reinvestment Zone Financing Plan
for Tax Increment Reinvestment Zone Number Three
City of Houston, Texas

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

I, the undersigned officer of the Board of Directors of the Downtown Redevelopment Authority, hereby certify as follows:

1. The Board of Directors of the Downtown Redevelopment Authority convened in regular session on the 13th day of October 2026, at the regular meeting place thereof, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Curtis Flowers	Chair
Barry Mandel	Secretary
Michael Ereti	Director
James Harrison	Director
Kimberly Lambert-Thomas	Director
Ryan LeVasseur	Director
Kirby Liu	Director
Scott McCready	Director
Tiko Reynolds-Hausman	Director

and all of said persons were present, except those who were absent as reflected in the official meeting minutes, thus constituting a quorum. The offices of Vice Chair and Treasurer/Investment Officer were vacant at the time of the meeting. Whereupon, among other business, the following was transacted at the meeting: a written

RESOLUTION ADOPTING THE NINTH AMENDED PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN FOR REINVESTMENT ZONE NUMBER THREE, CITY OF HOUSTON, TEXAS; REQUESTING THE CITY OF HOUSTON’S APPROVAL OF THE NINTH AMENDED PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN; AND CONTAINING OTHER PROVISIONS RELATED THERETO

was introduced for the consideration of the Board. It was then duly moved and seconded that the Resolution be adopted, and after due discussion, the motion, carrying with it the adoption of the Resolution, prevailed and carried unanimously.

2. That a true, full, and correct copy of the aforesaid Resolution adopted at the meeting described in the above and foregoing paragraph is attached to this certificate; that the Resolution has been duly recorded in the Board’s minutes of the meeting; that the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Board as indicated therein; that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that the Resolution would be introduced and

considered for adoption at the meeting, and each of the officers and members consented, in advance, to the holding of the meeting for such purpose; that the meeting was open to the public as required by law; and that public notice of the time, place and subject of the meeting was given as required by Chapter 551, Texas Government Code.

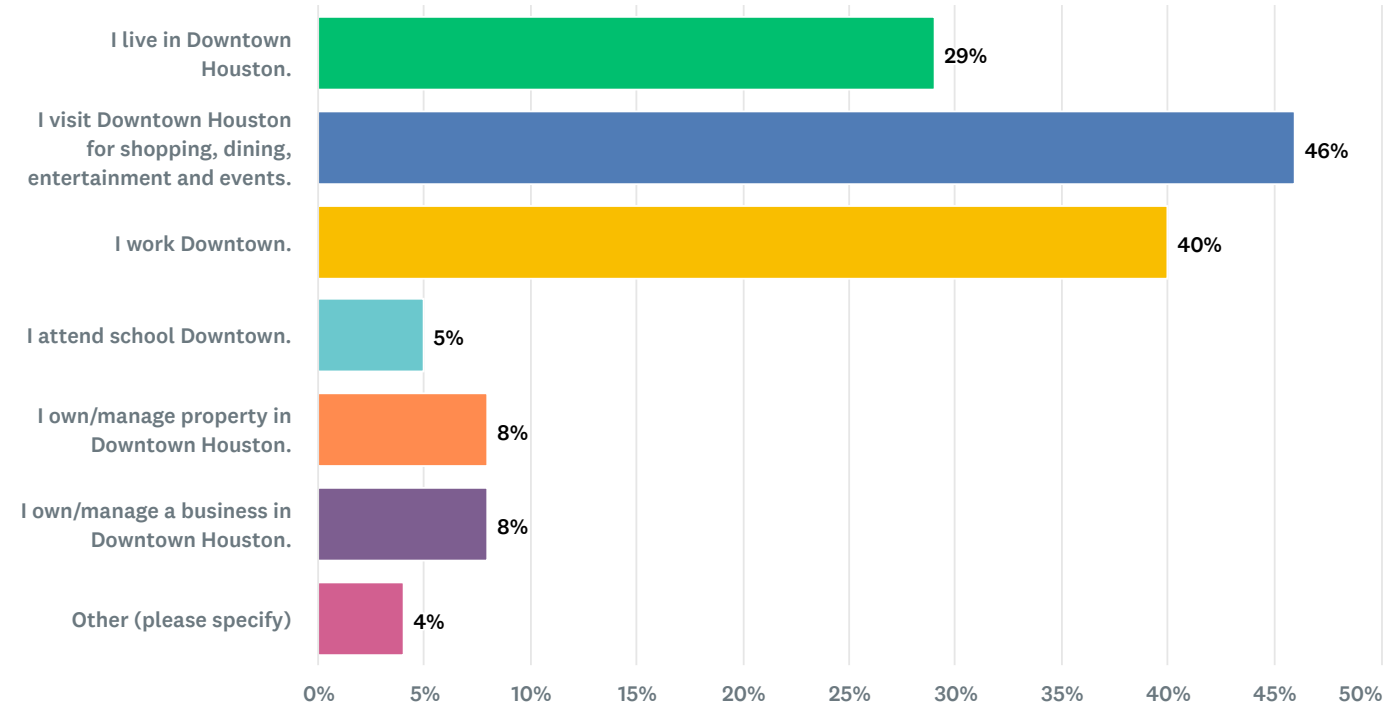
SIGNED this 13th day of October 2026.

Barry Mandel
Secretary, Board of Directors

Downtown Redevelopment Authority /
Tax Increment Reinvestment Zone Number
Three, City of Houston, Texas

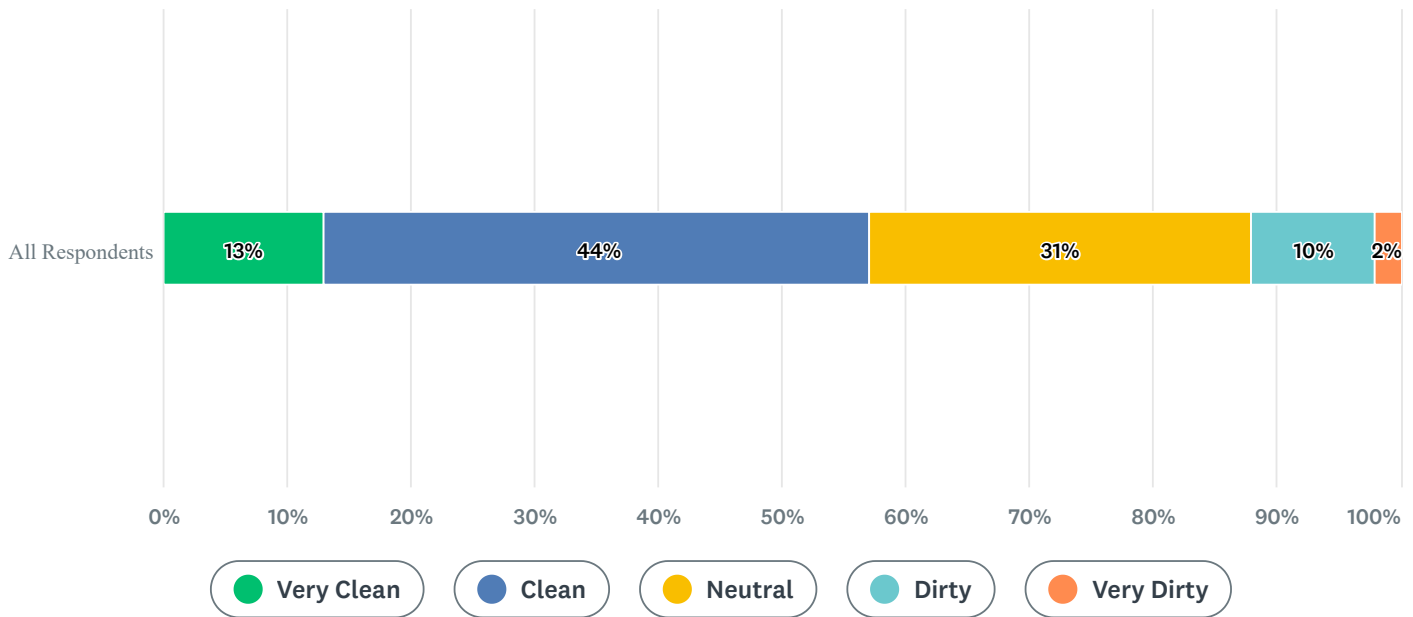
Q1 1026 responses

Which of the following BEST characterizes your primary interest(s) in Downtown Houston? (Select all that apply) (Required)

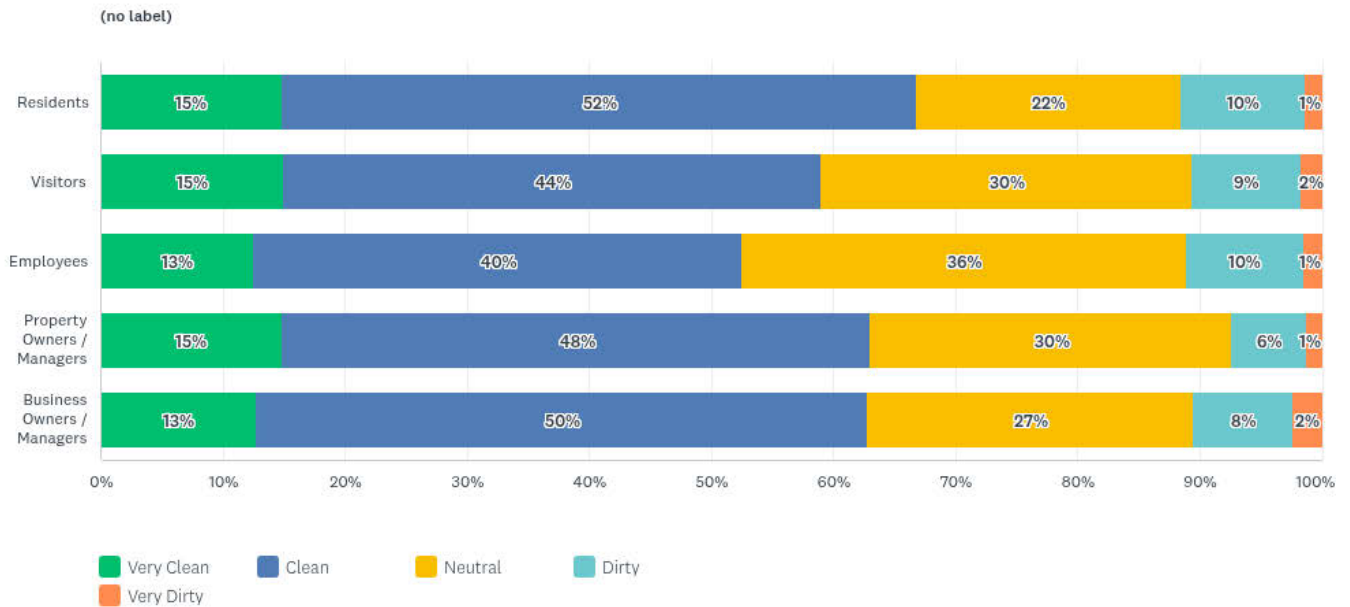


Q2 1022 responses

How would you describe the cleanliness of Downtown?

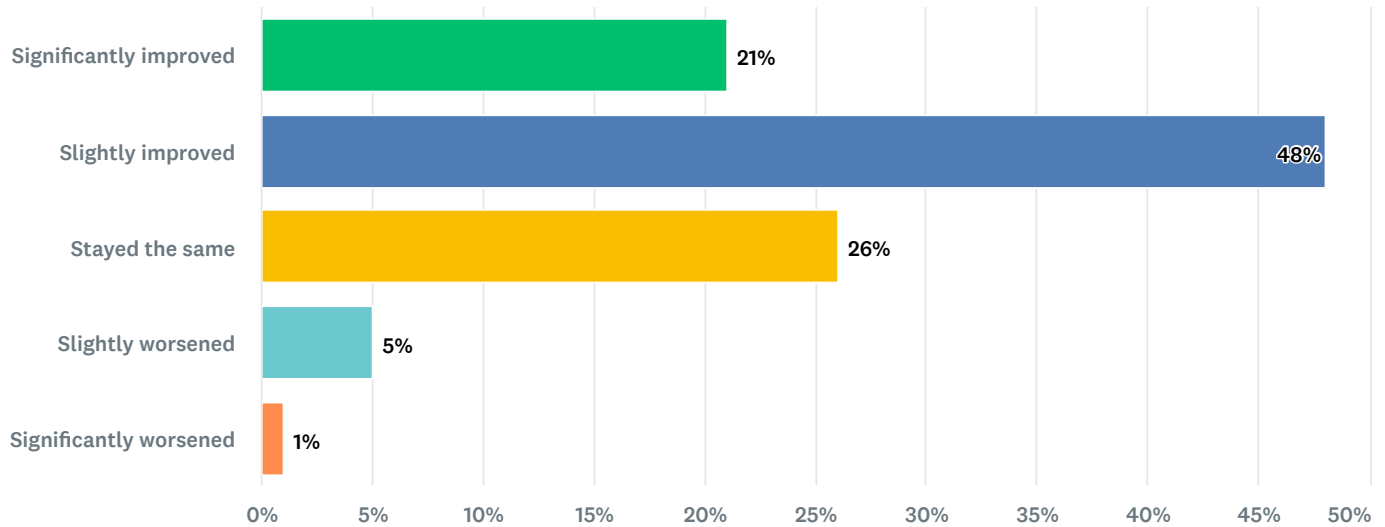


Q2 How would you describe the cleanliness of Downtown?

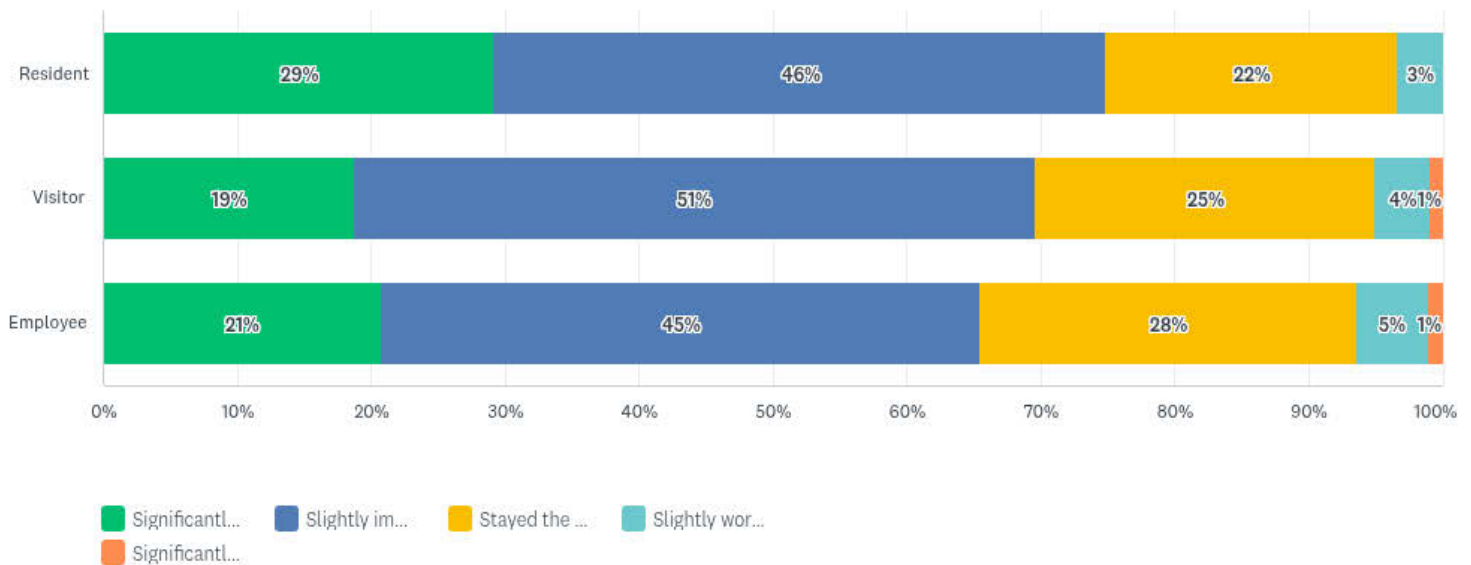


Q3 1025 responses

In your opinion, has cleanliness in Downtown Houston improved or worsened compared to one year ago?

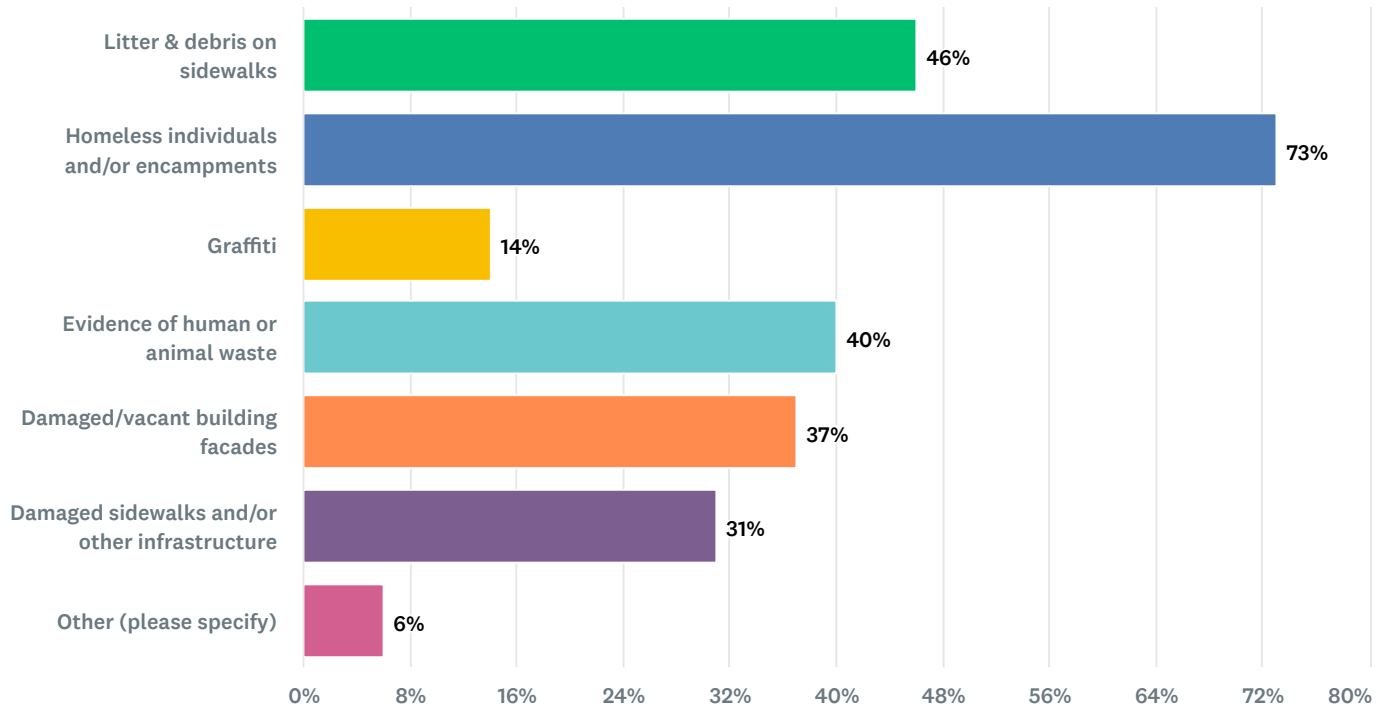


Q3 In your opinion, has cleanliness in Downtown Houston improved or worsened compared to one year ago?

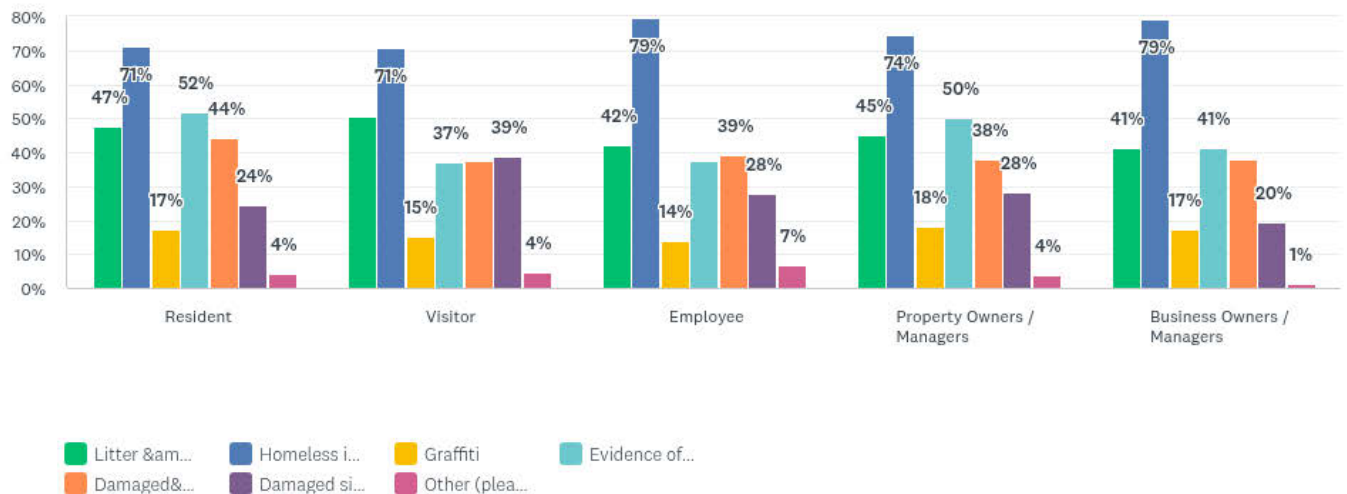


Q4 1026 responses

What are the top 3 factors negatively influencing your perception of cleanliness in Downtown Houston? (Select Up to 3)

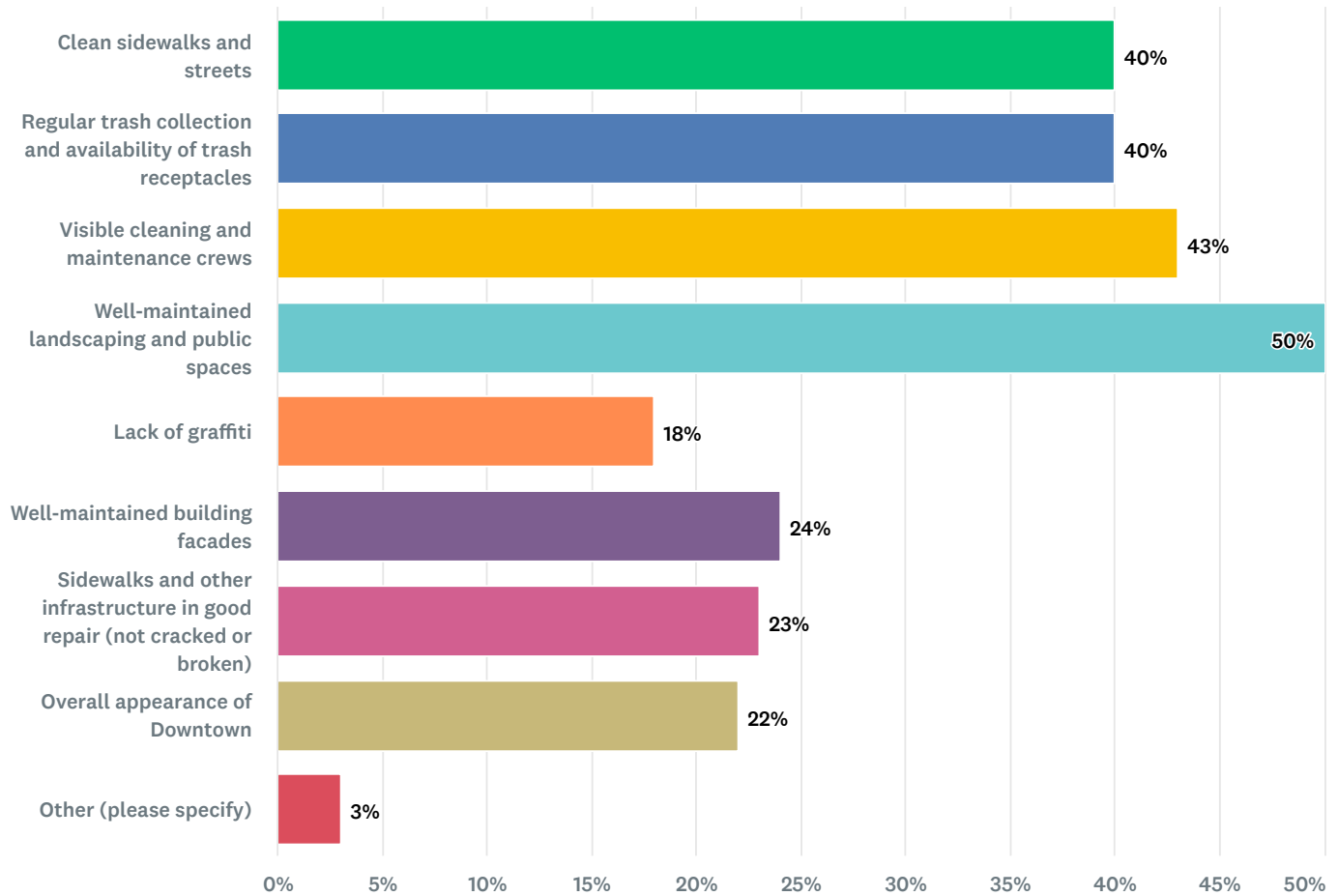


Q4 What are the top 3 factors negatively influencing your perception of cleanliness in Downtown Houston? (Select Up to 3)

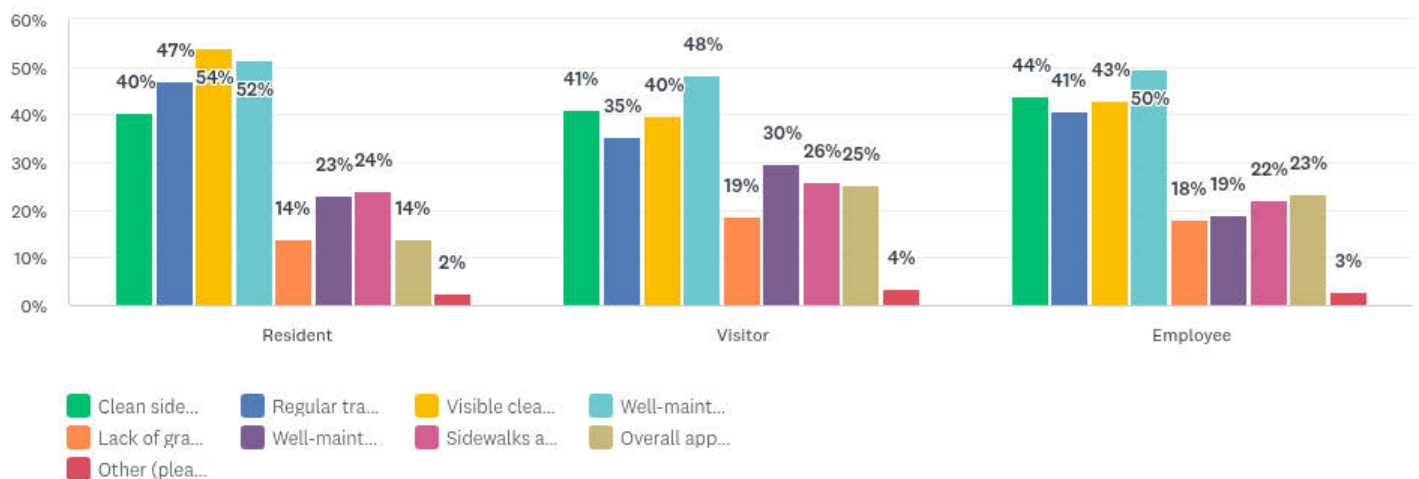


Q5 1026 responses

What are the top 3 factors positively influencing your perception of cleanliness in Downtown Houston? (Select Up to 3)

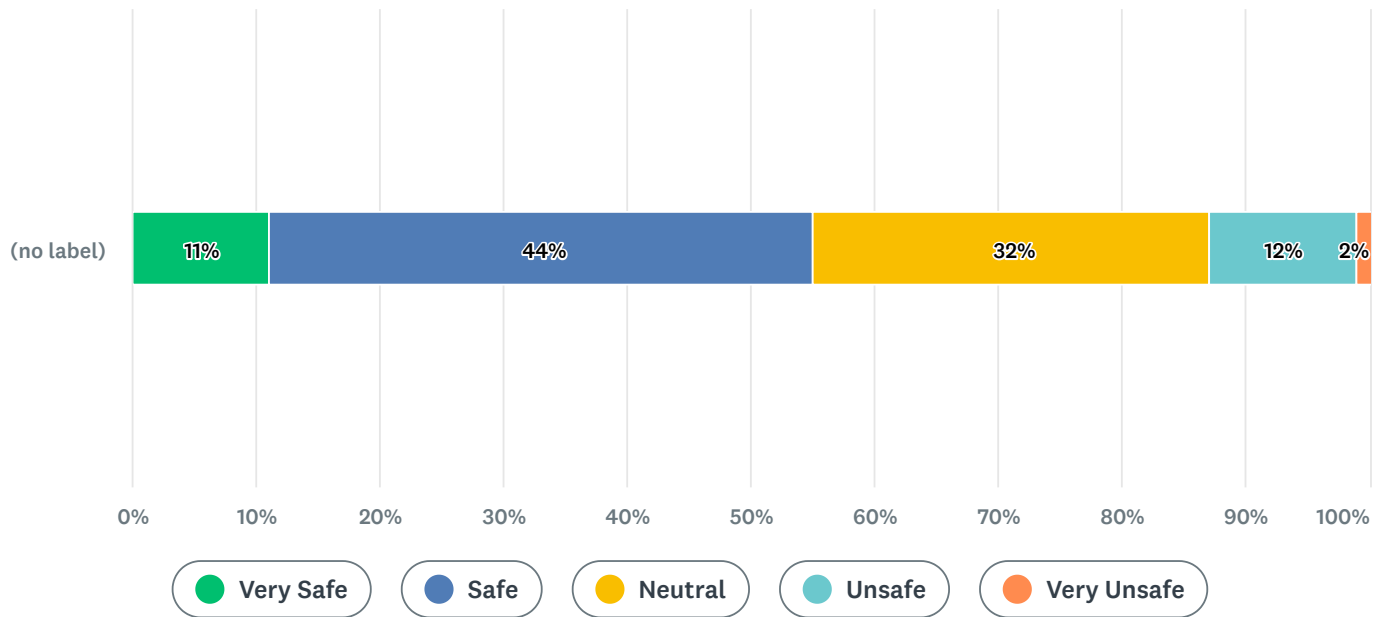


Q5 What are the top 3 factors positively influencing your perception of cleanliness in Downtown Houston? (Select Up to 3)

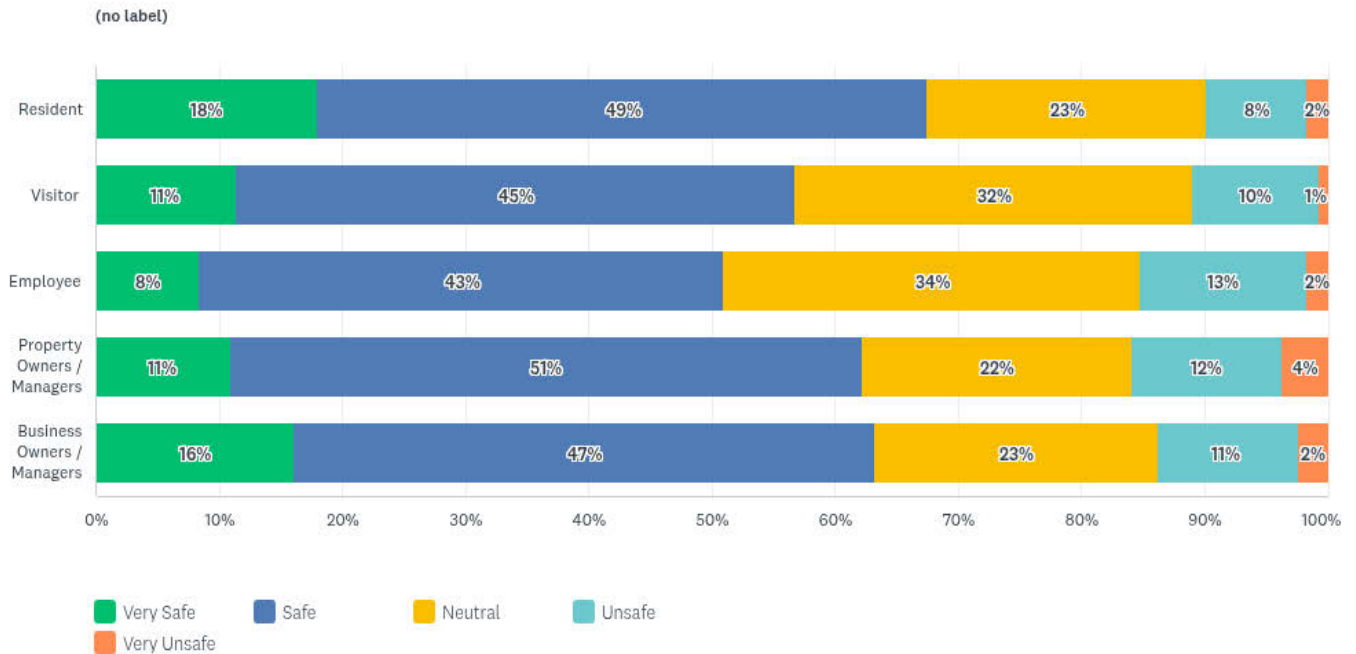


Q6 1025 responses

How safe do you feel Downtown?

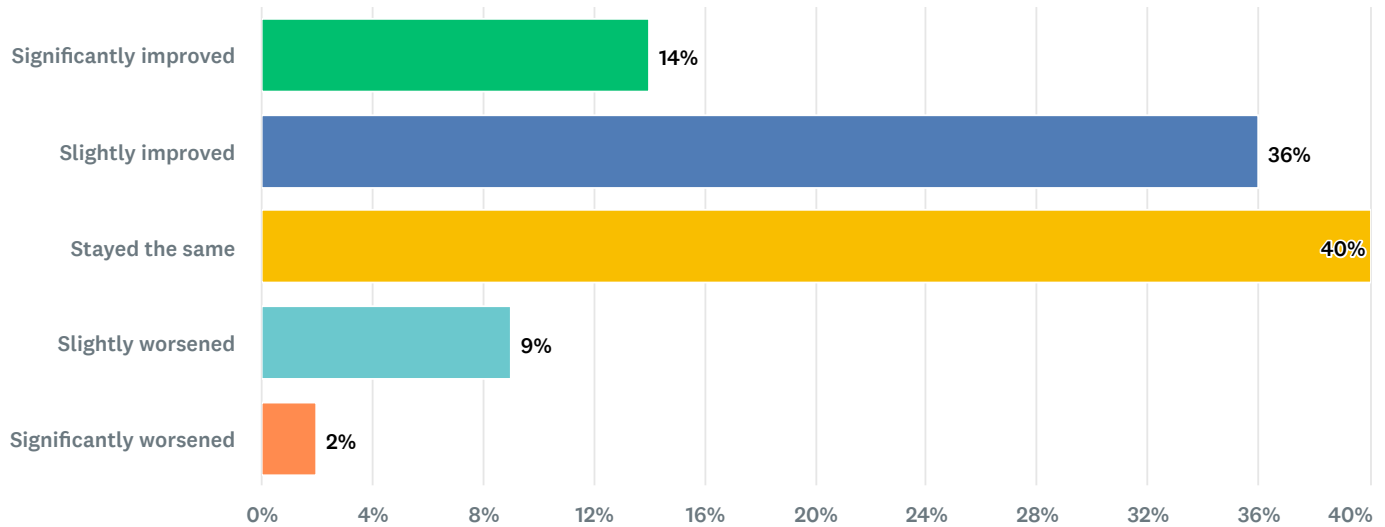


Q6 How safe do you feel Downtown?

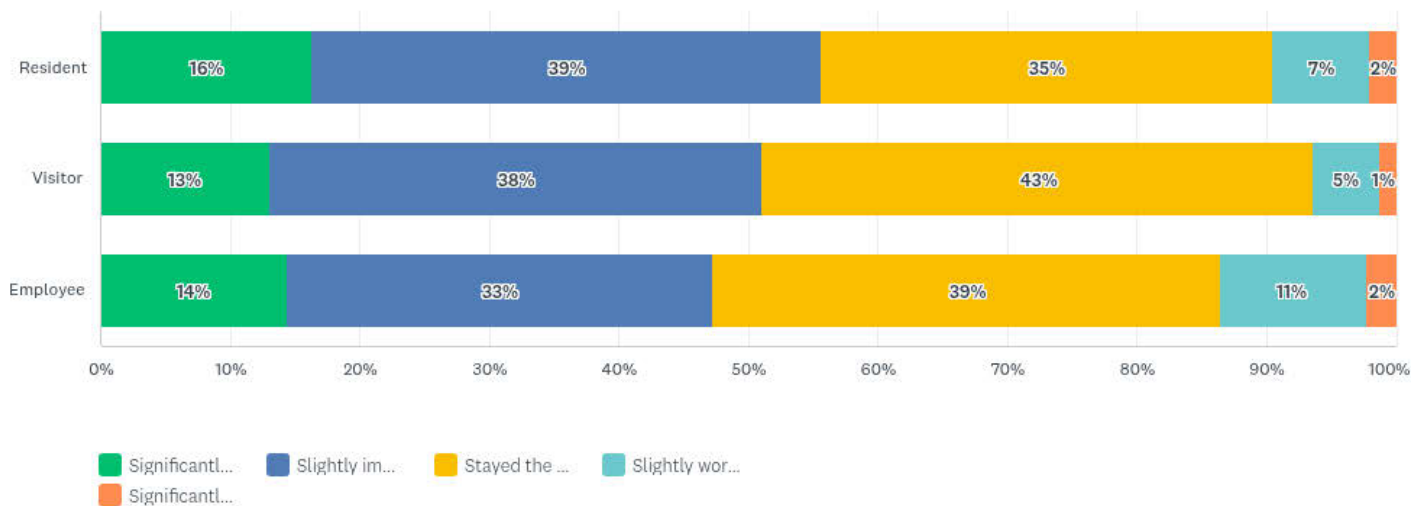


Q7 1025 responses

Has your perception of safety in Downtown Houston improved or worsened compared to one year ago?

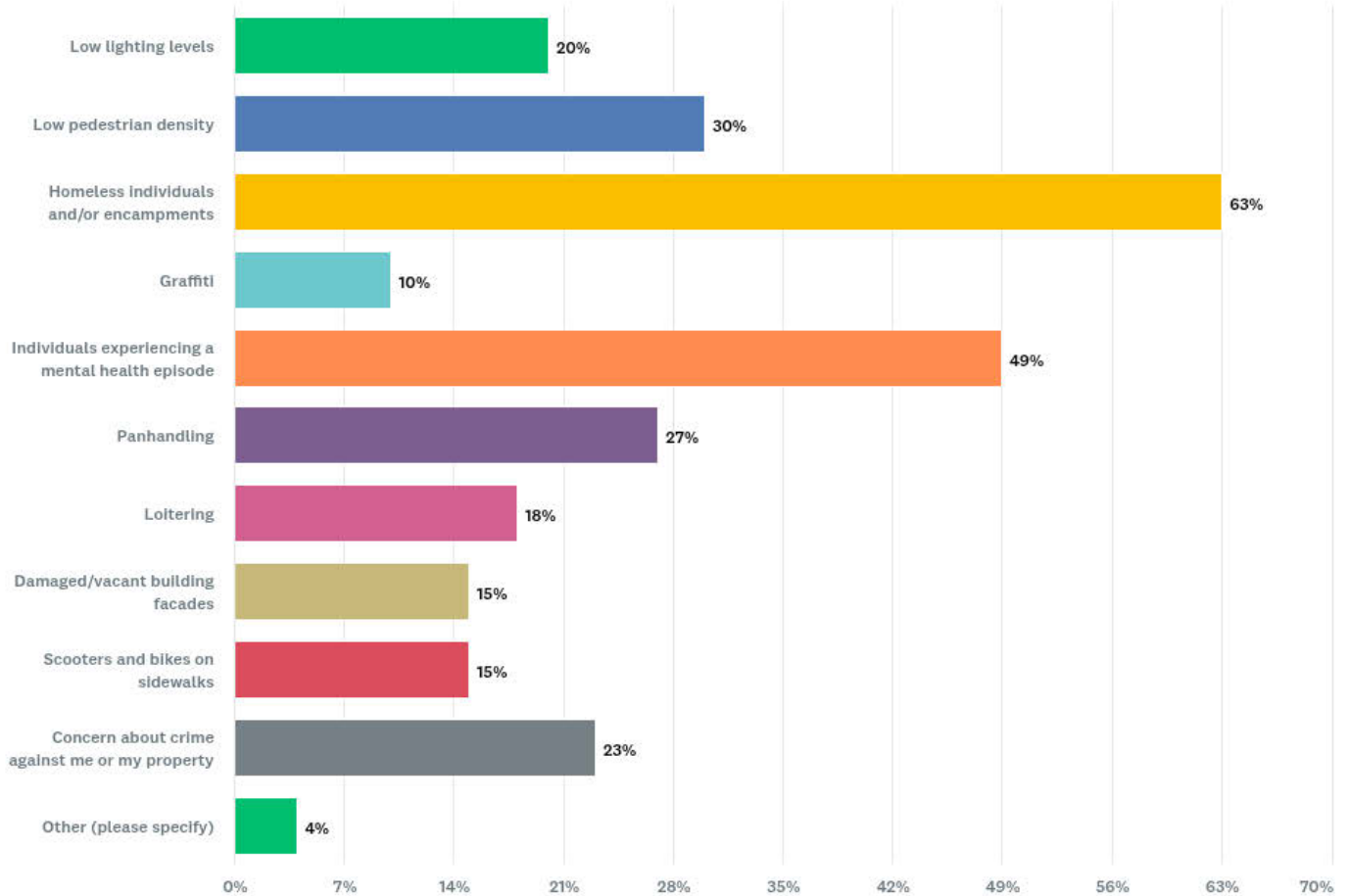


Q7 Has your perception of safety in Downtown Houston improved or worsened compared to one year ago?

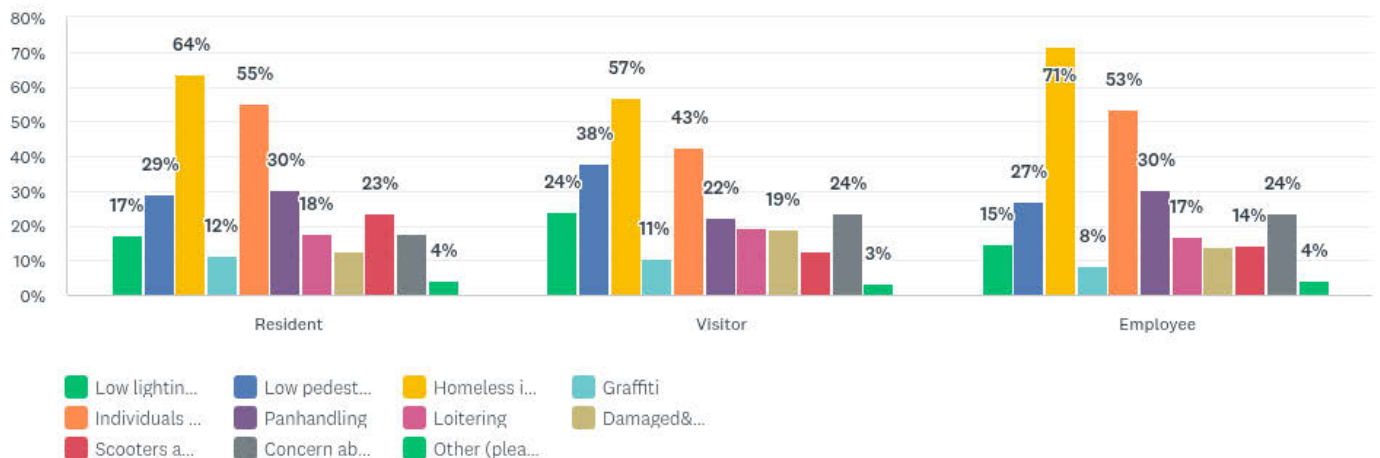


Q8 1026 responses

What are the top 3 factors negatively influencing your perception of safety in Downtown Houston?
(Select Up to 3)

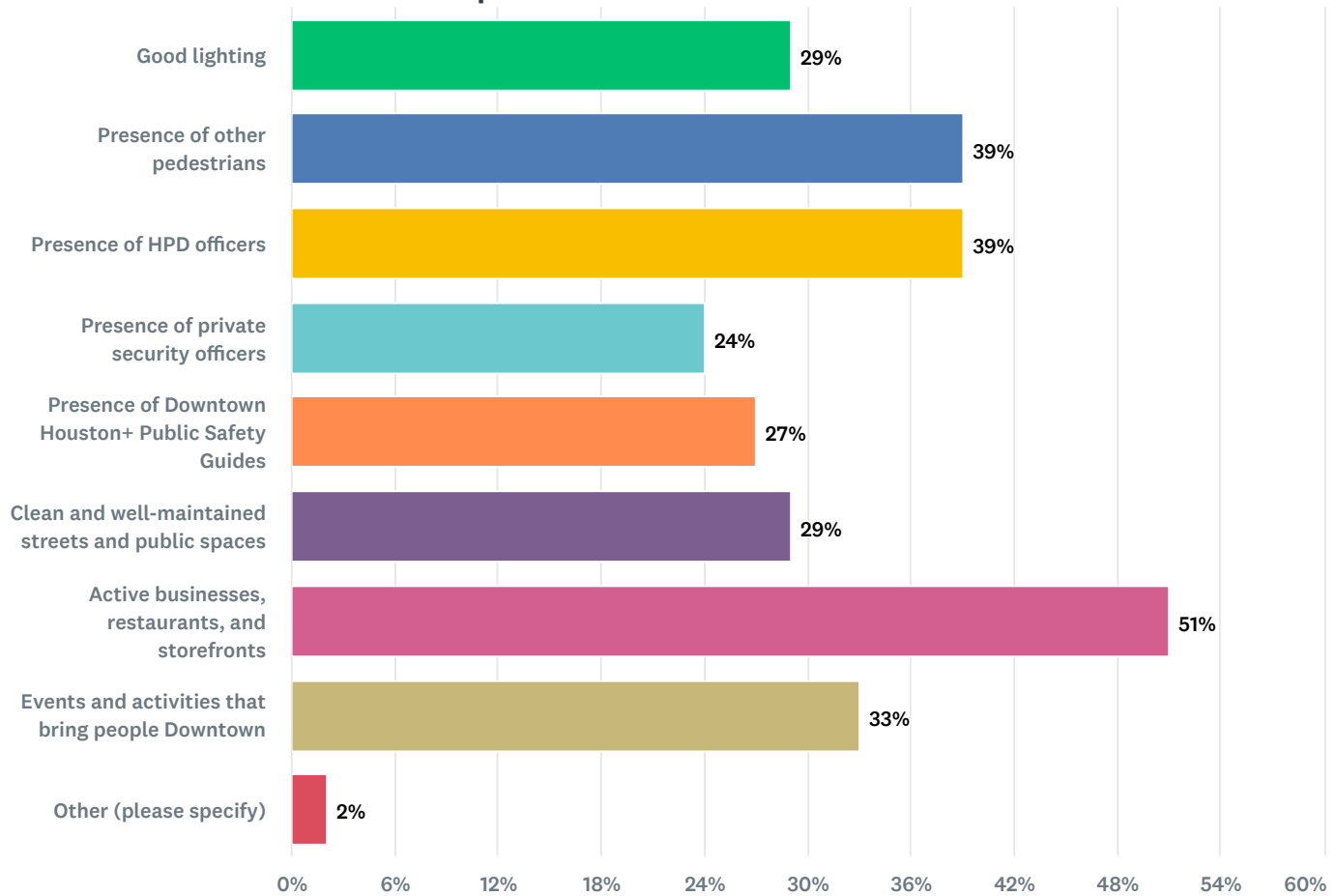


Q8 What are the top 3 factors negatively influencing your perception of safety in Downtown Houston? (Select Up to 3)

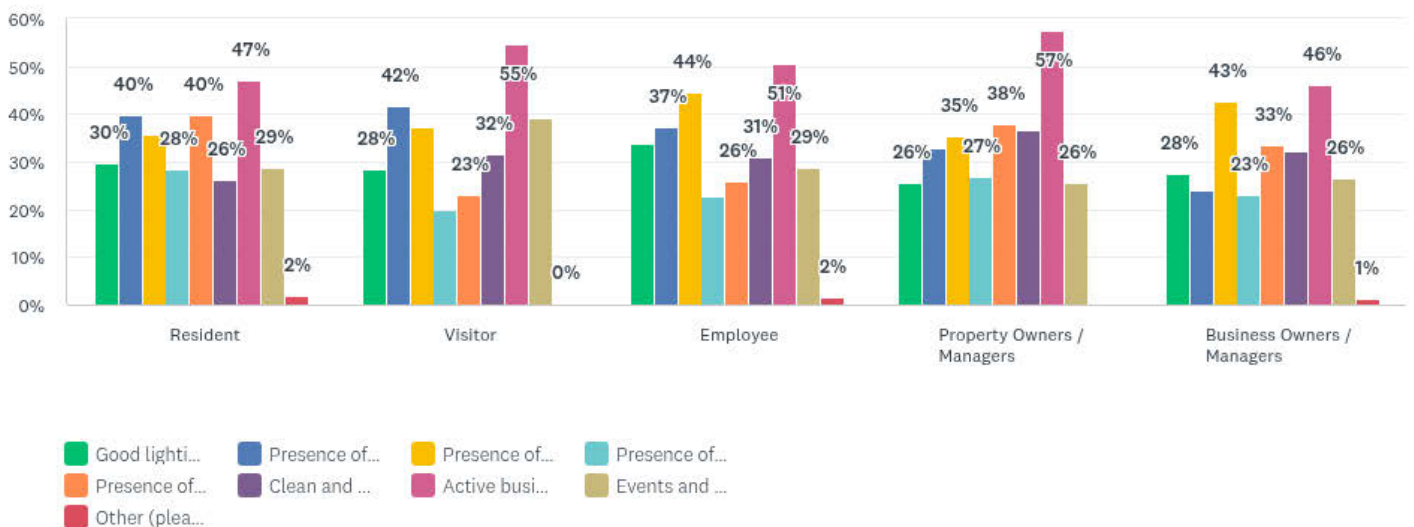


Q9 1026 responses

What are the top 3 factors positively influencing your perception of safety in Downtown Houston? (Select Up to 3)

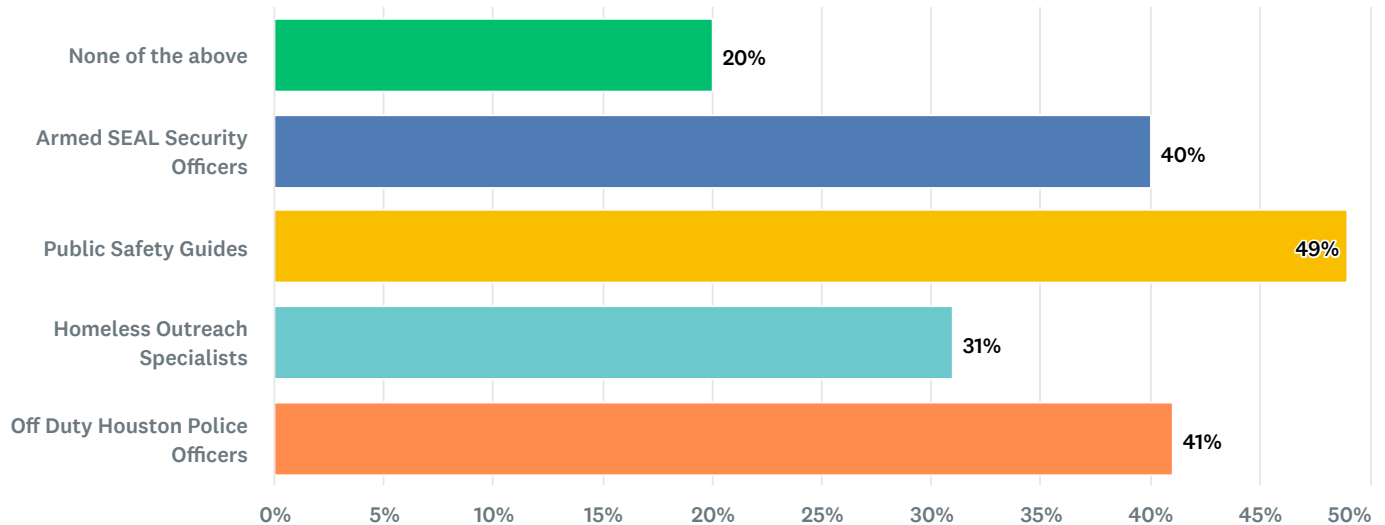


Q9 What are the top 3 factors positively influencing your perception of safety in Downtown Houston? (Select Up to 3)

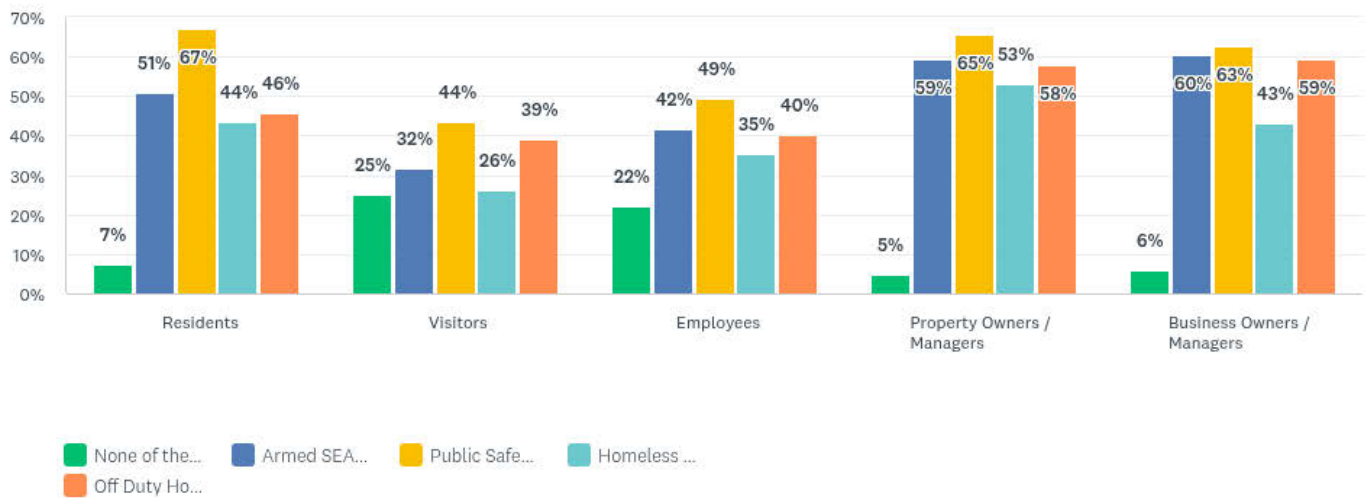


Q10 1022 responses

Of the Downtown Houston+ public safety services pictured below, which were you aware of, prior to taking this survey? (Select all that apply)

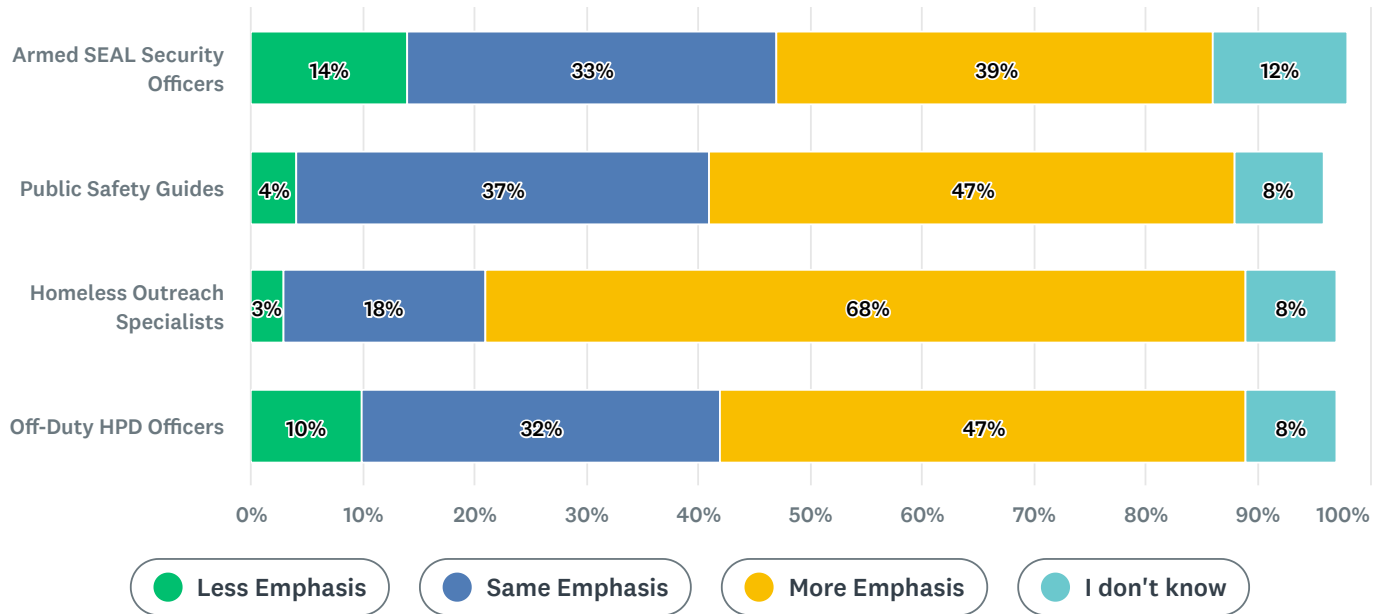


Q10 Of the Downtown Houston+ public safety services pictured below, which were you aware of, prior to taking this survey? (Select all that apply)

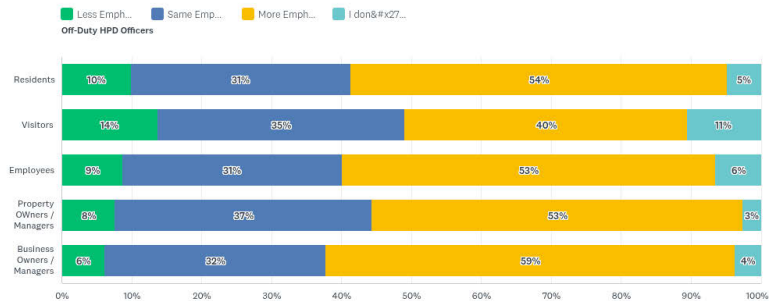
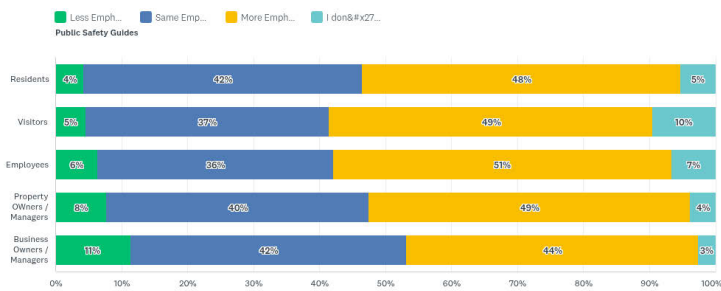
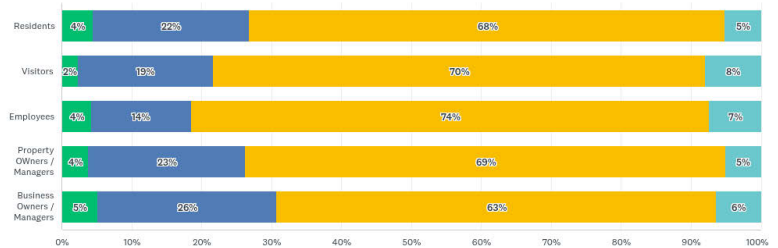
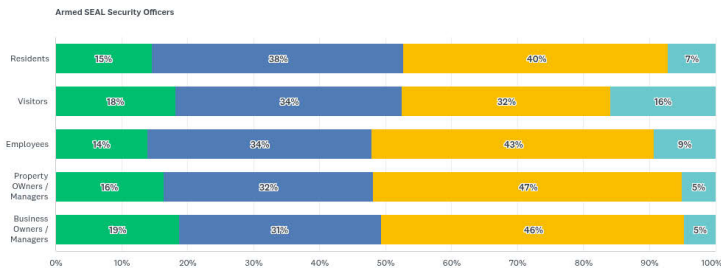


Q11 1025 responses

In your opinion, how much emphasis should be placed on each component of Downtown Houston's security program moving forward?

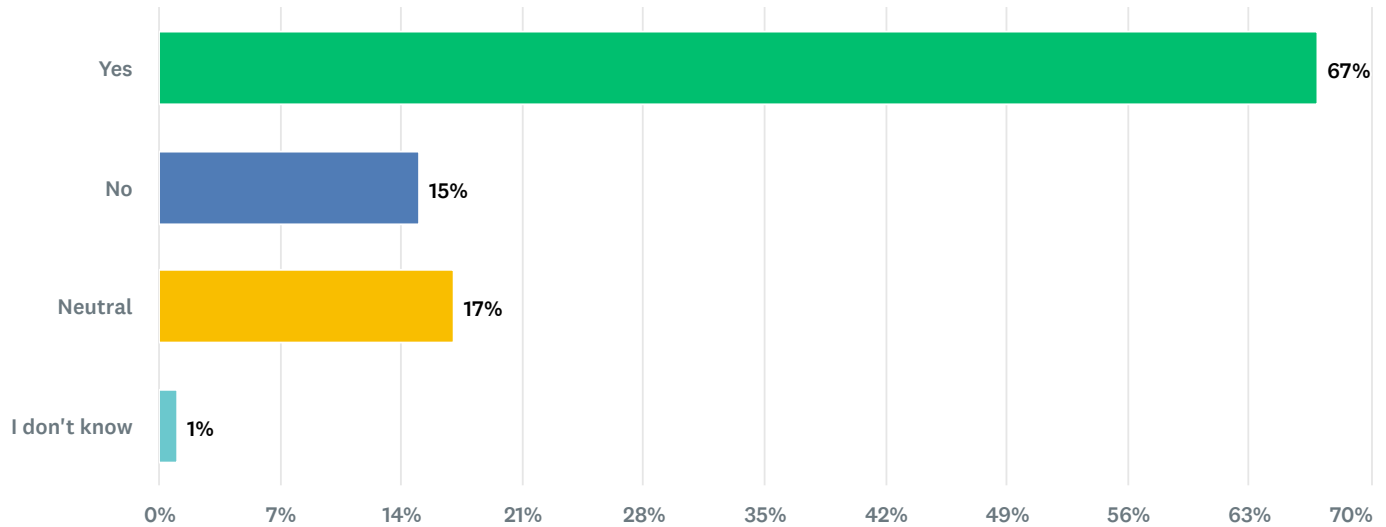


Q11 In your opinion, how much emphasis should be placed on each component of Downtown Houston's security program moving forward?

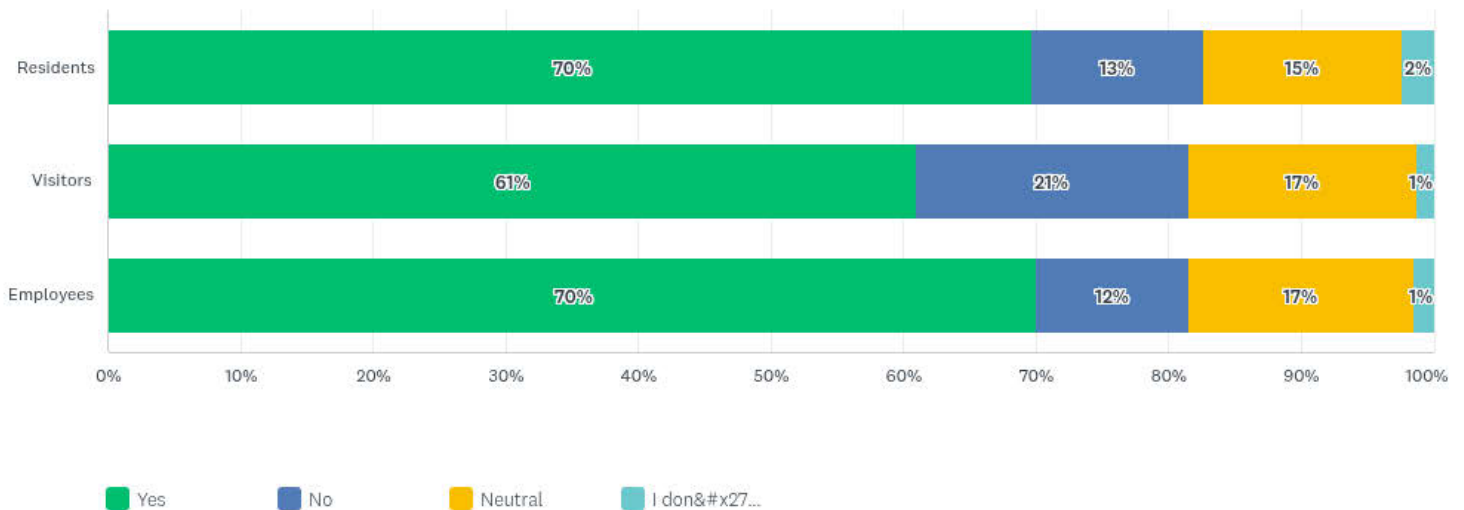


Q12 1023 responses

**Does the presence of armed security personnel increase your feeling of safety?
(Select one)**

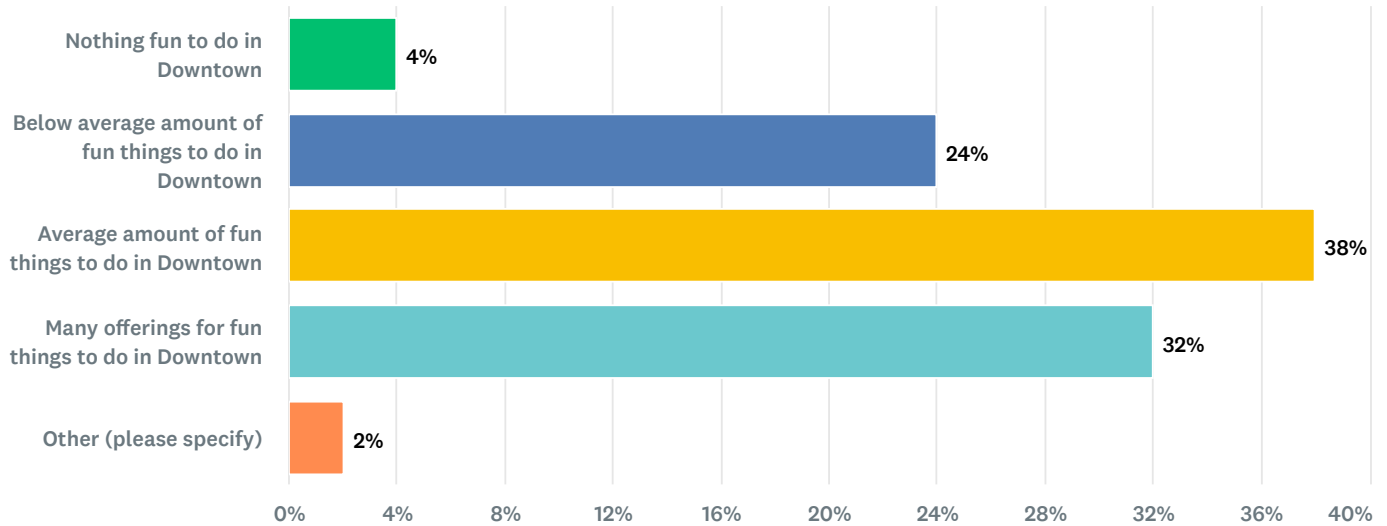


**Q12 Does the presence of armed security personnel increase your feeling of safety?
(Select one)**

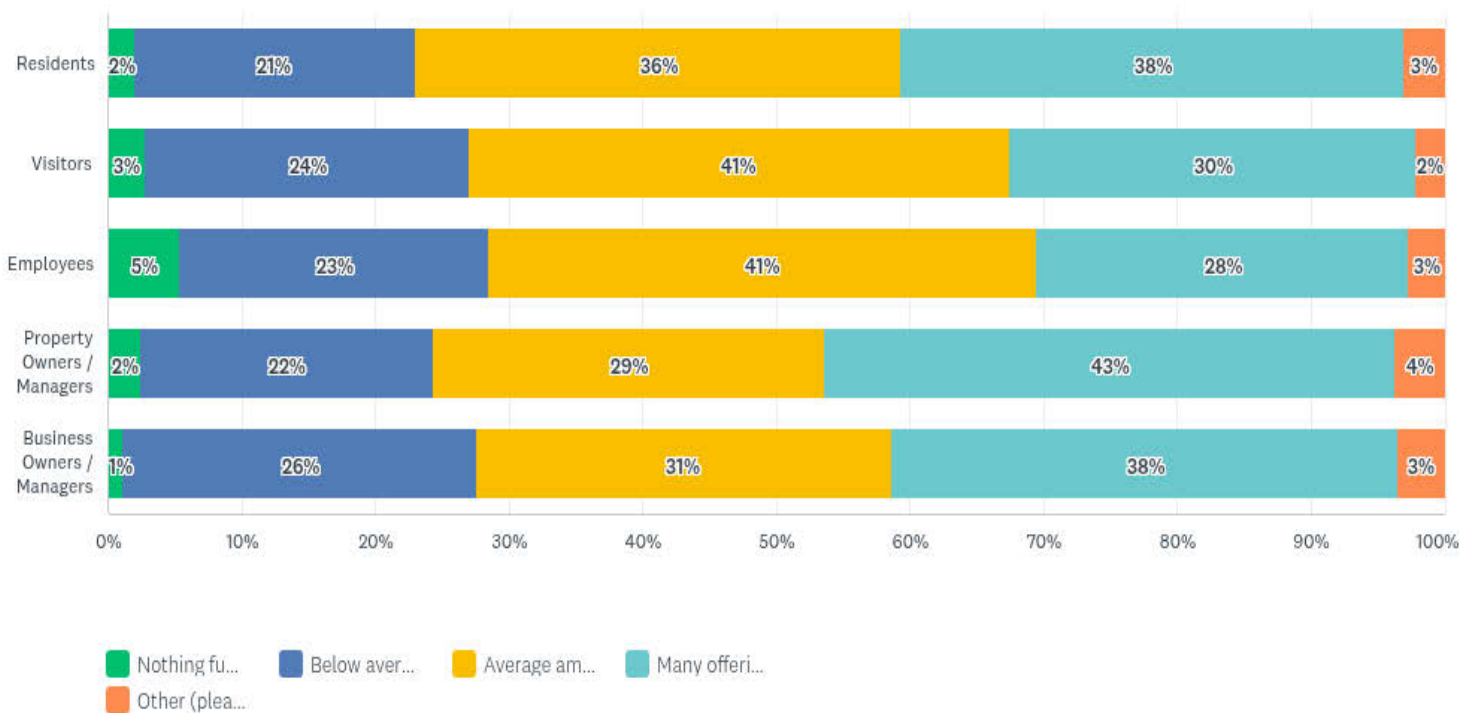


Q13 1024 responses

What is your perception of Downtown as a place that offers fun things to do?

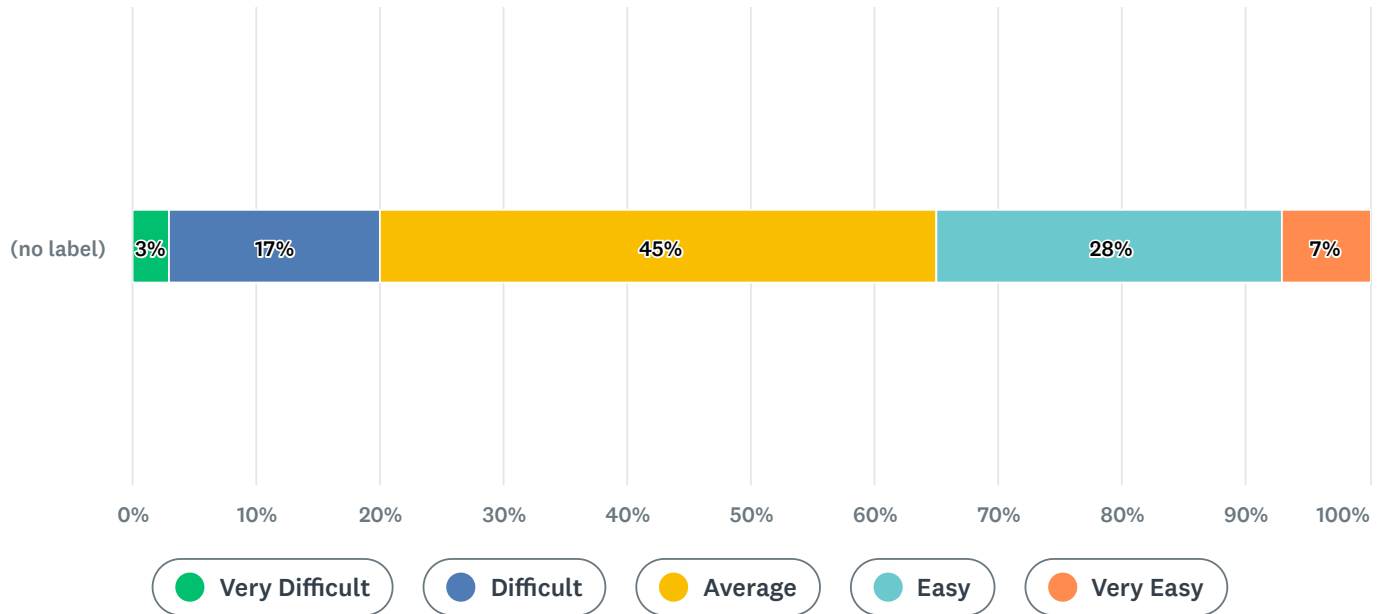


Q13 What is your perception of Downtown as a place that offers fun things to do?

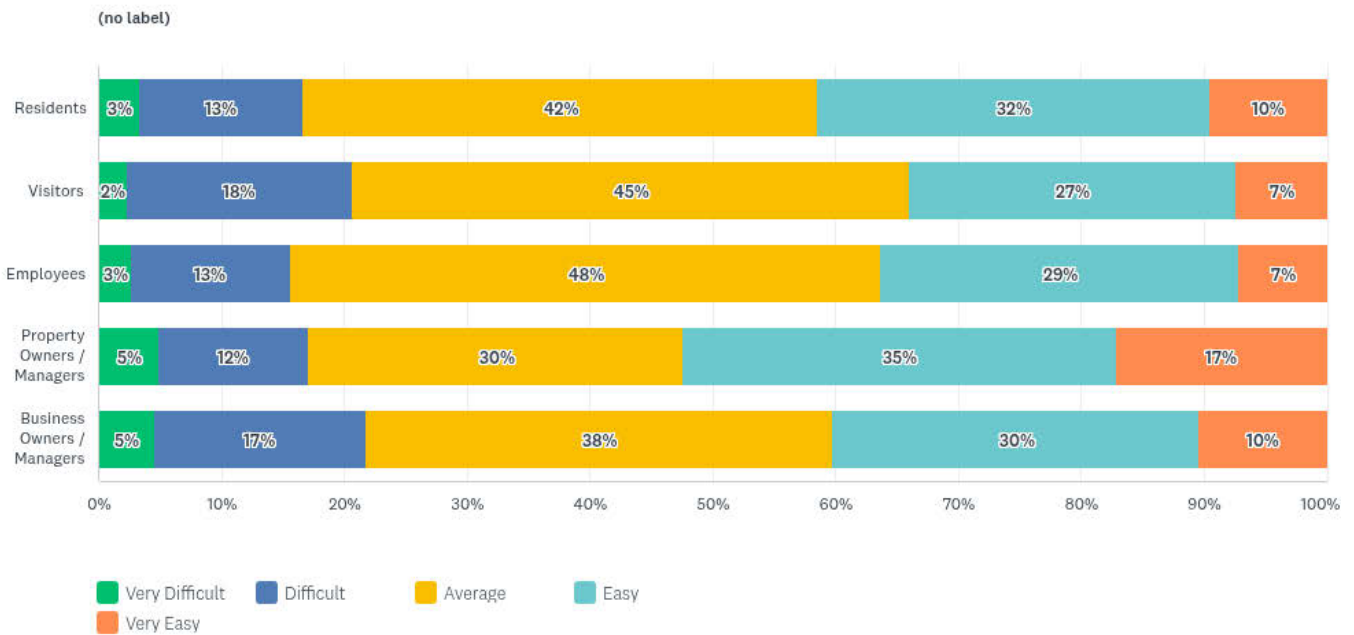


Q14 1024 responses

In your opinion, how difficult or easy is it to find out about things to do in Downtown?

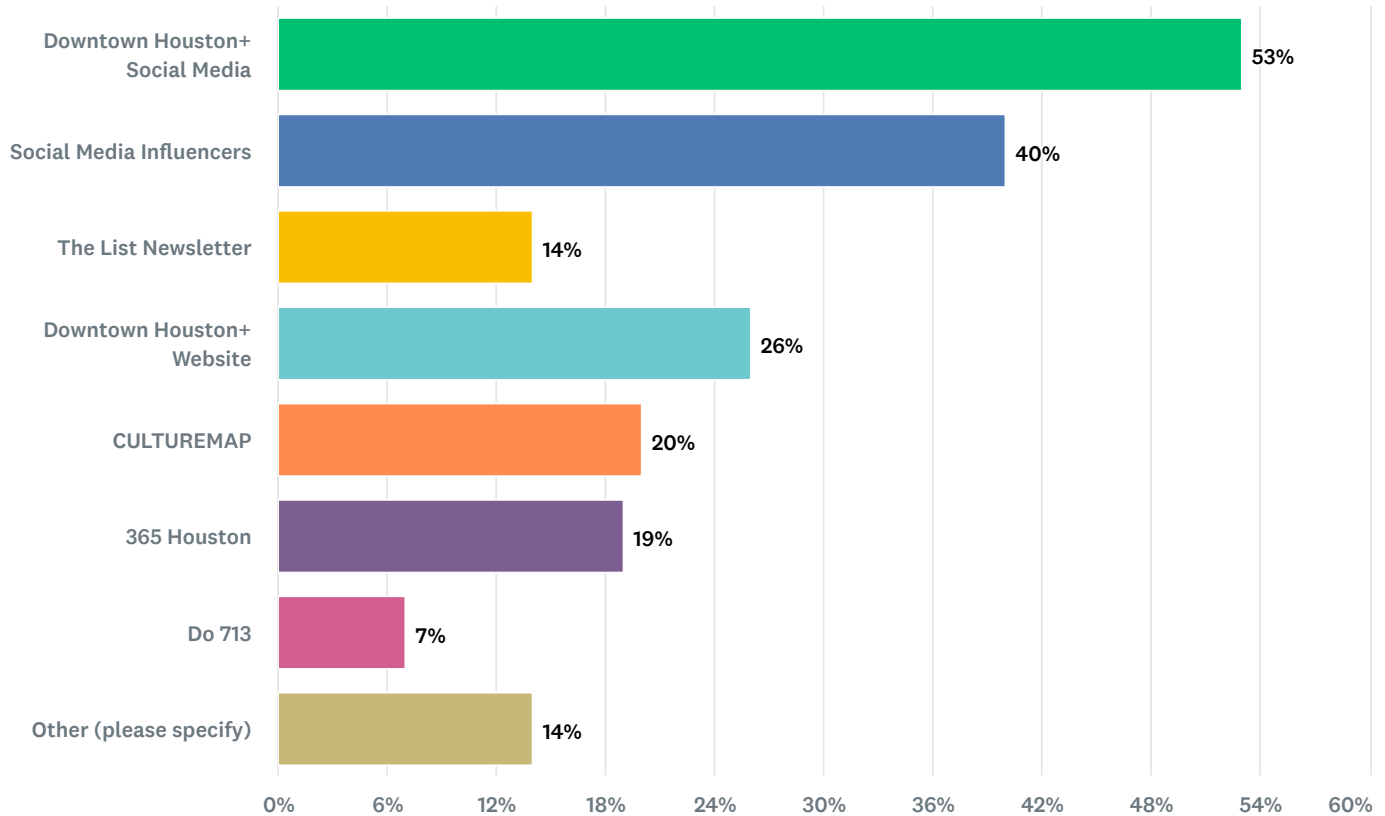


Q14 In your opinion, how difficult or easy is it to find out about things to do in Downtown?

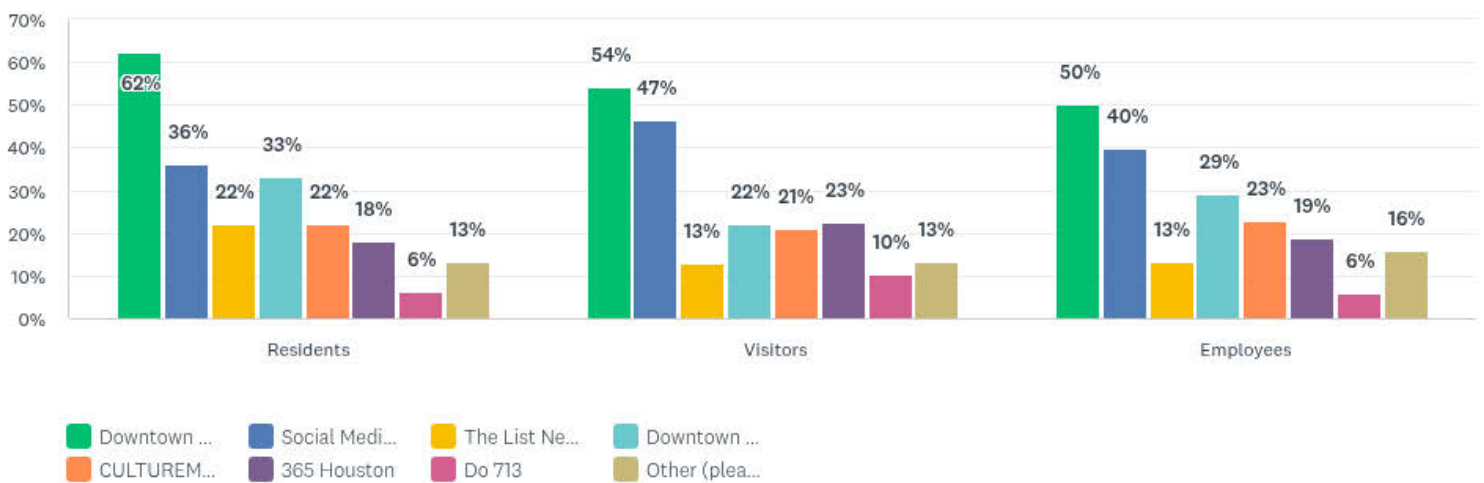


Q15 1024 responses

Where do you get information about things to do Downtown?



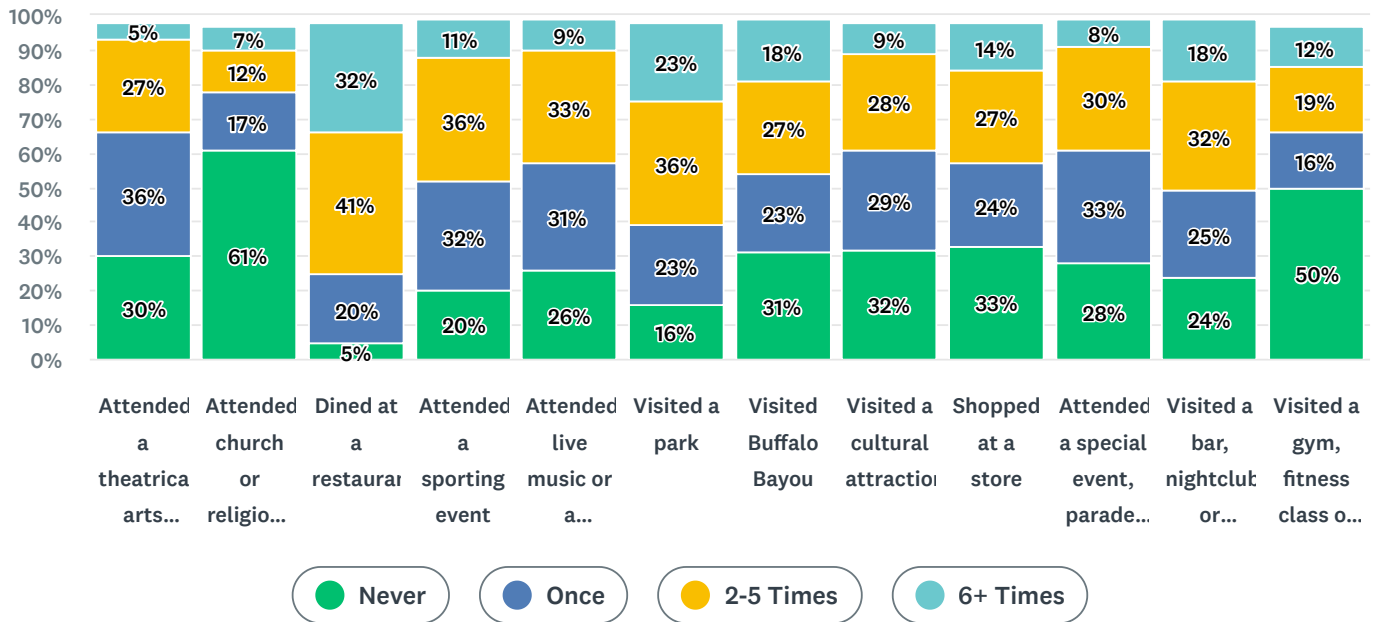
Q15 Where do you get information about things to do Downtown?



Q16

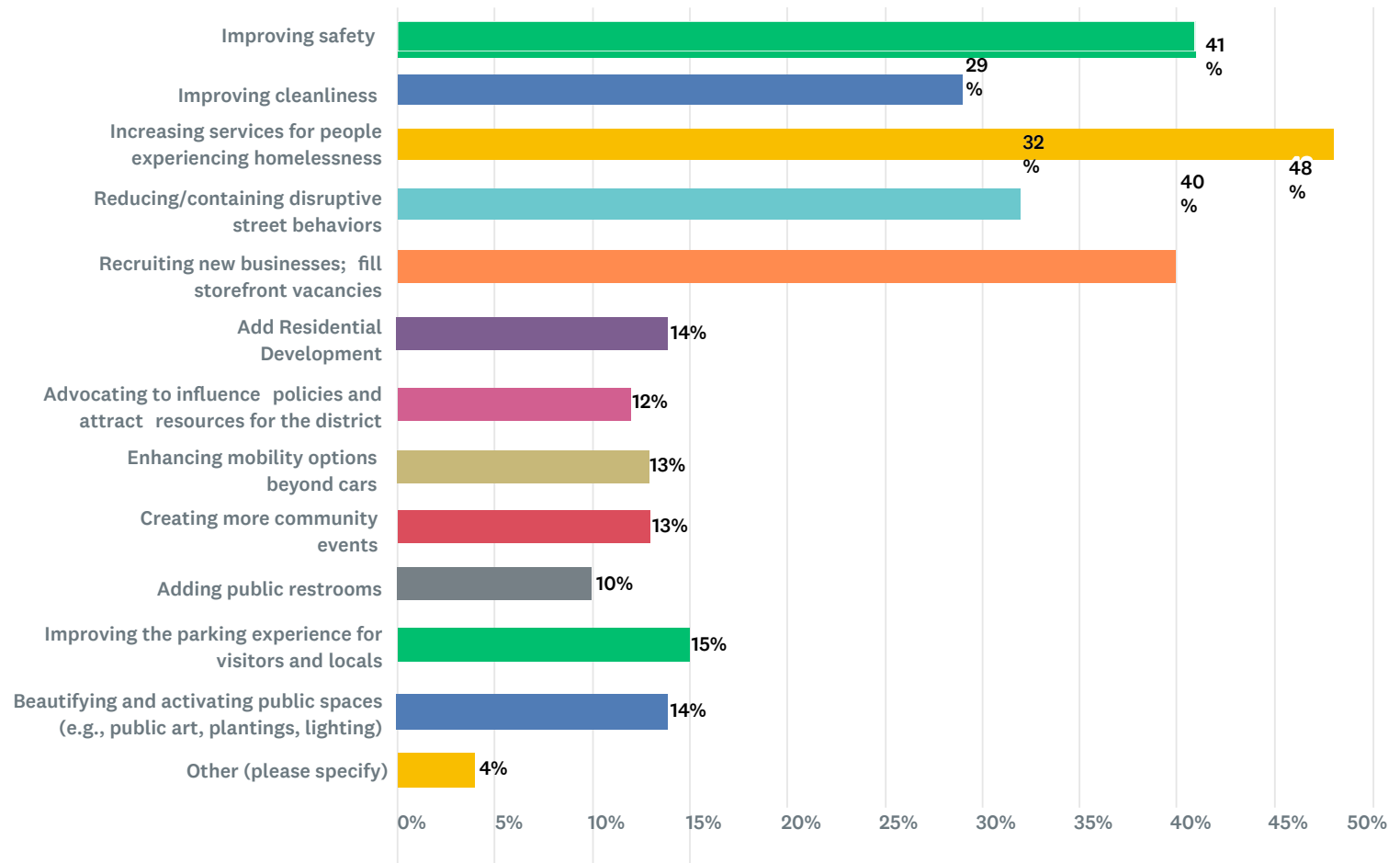
1025 responses

In the past six months, how often have you participated in each of the following activities in Downtown Houston?

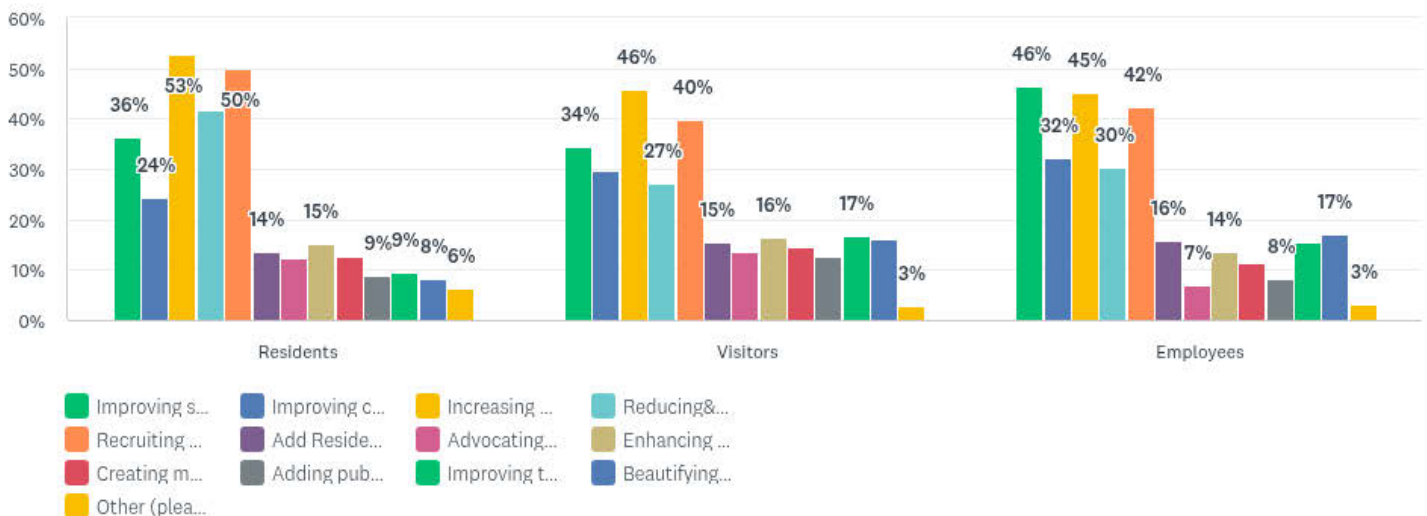


Q17 1026 responses

Of following actions, which 3 do you think will be important to enhancing Downtown Houston? (Select Up to 3)

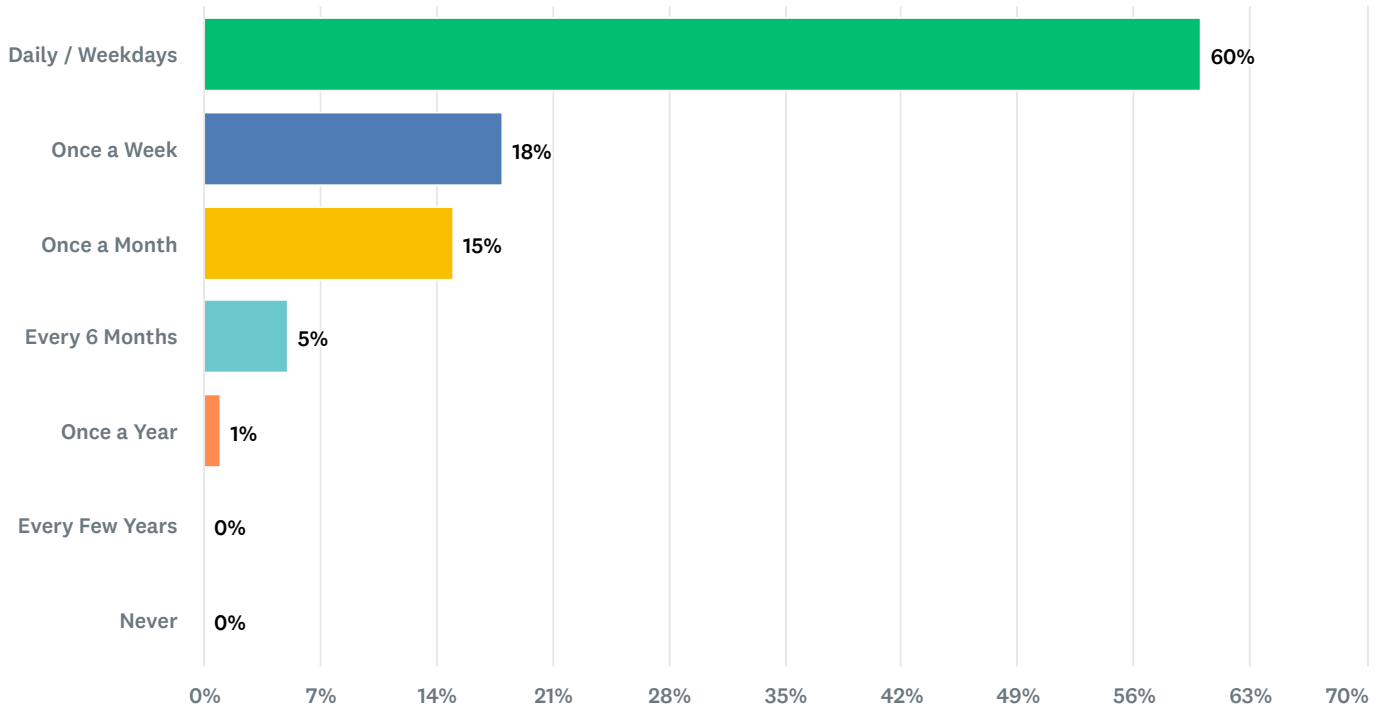


Q17 Of following actions, which 3 do you think will be important to enhancing Downtown Houston? (Select Up to 3)



Q18 1025 responses

How often are you in Downtown Houston?

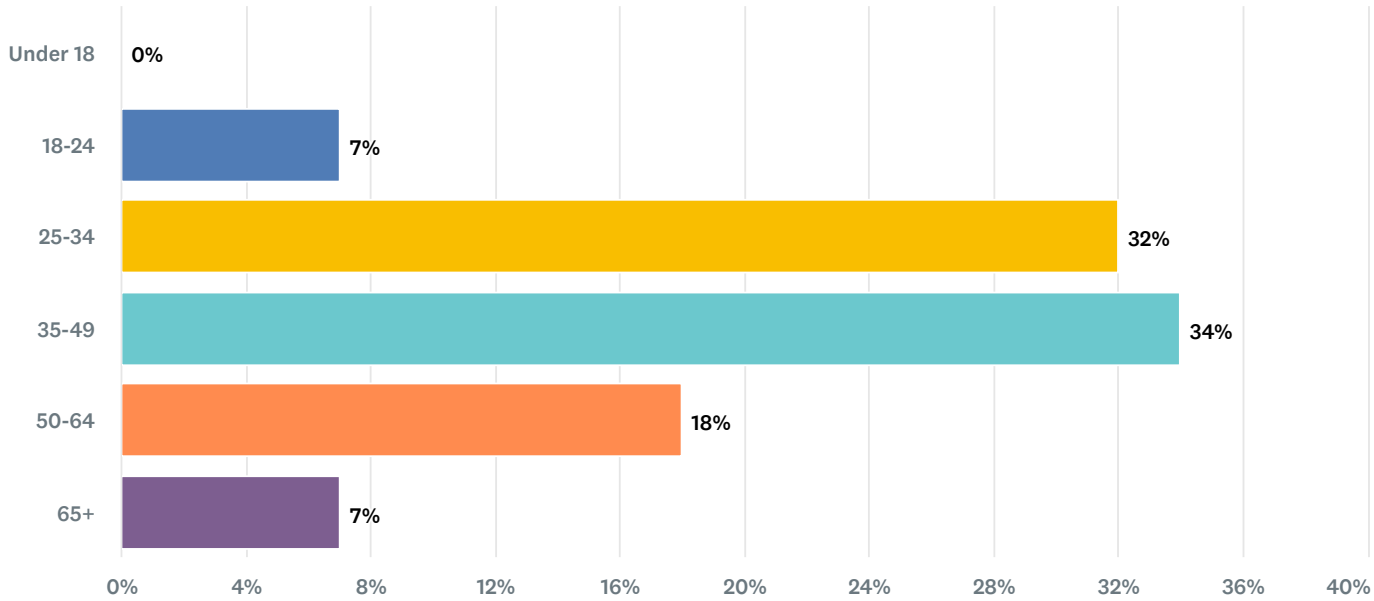


Q18 How often are you in Downtown Houston?



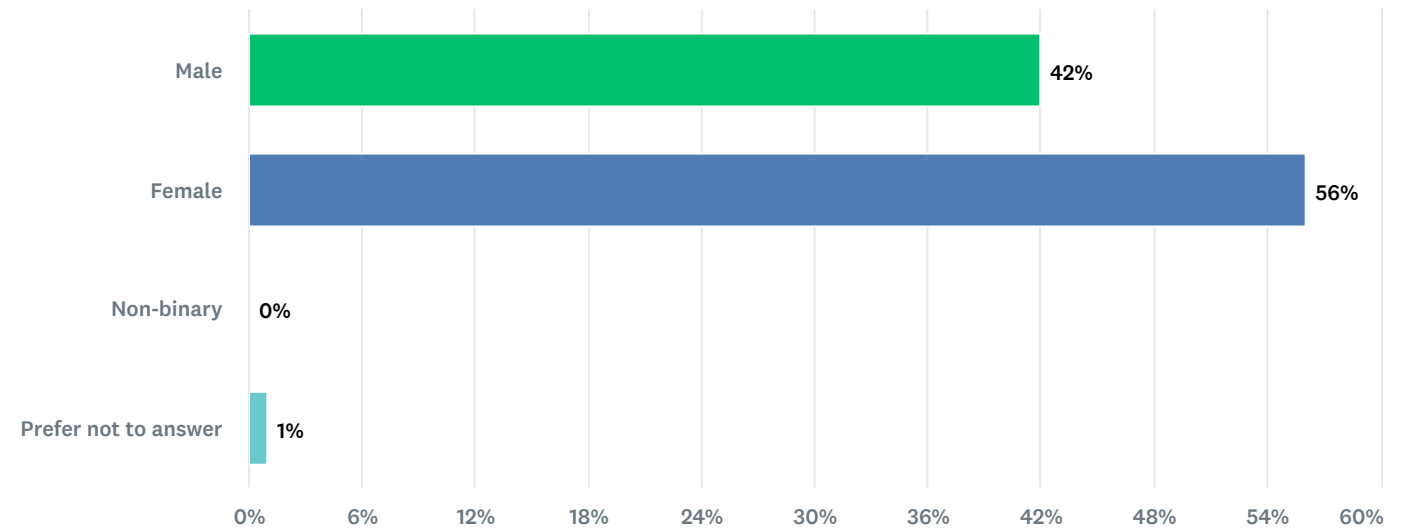
Q20 995 responses

Age (optional)



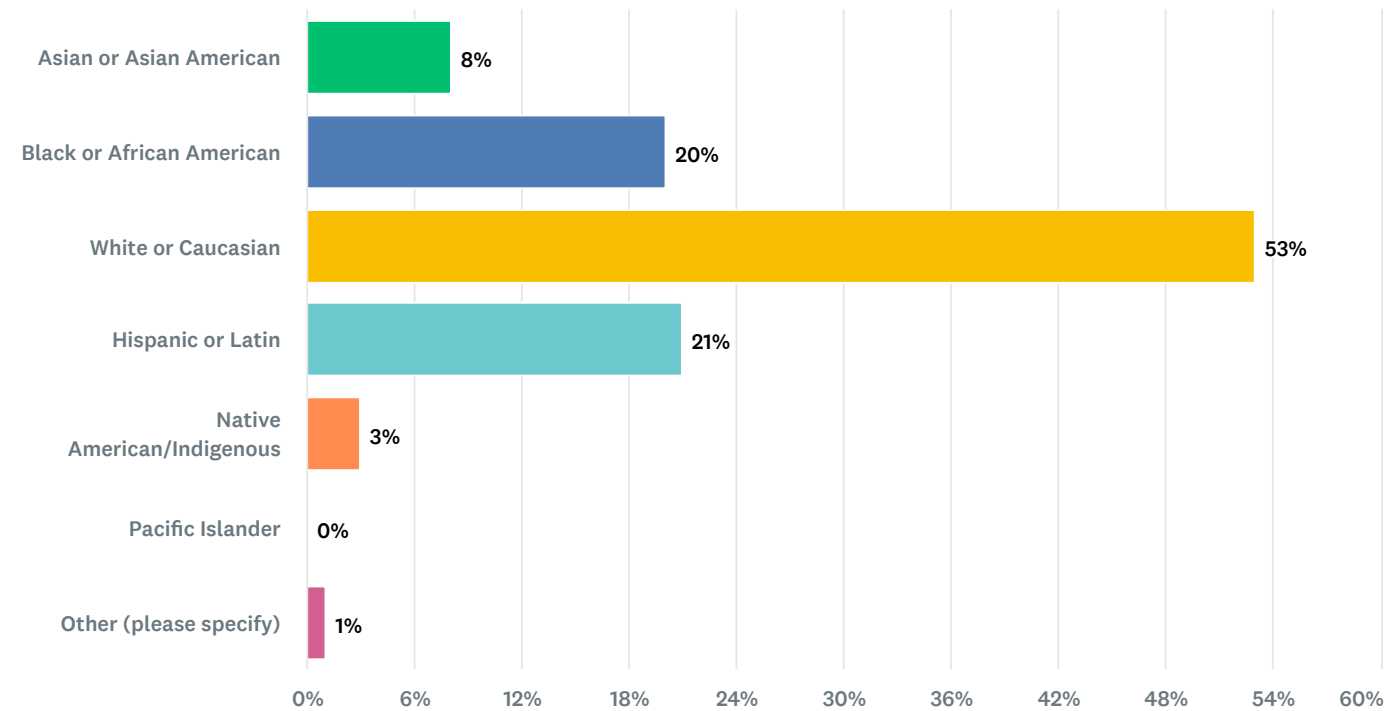
Q21 992 responses

What is your gender? (optional)



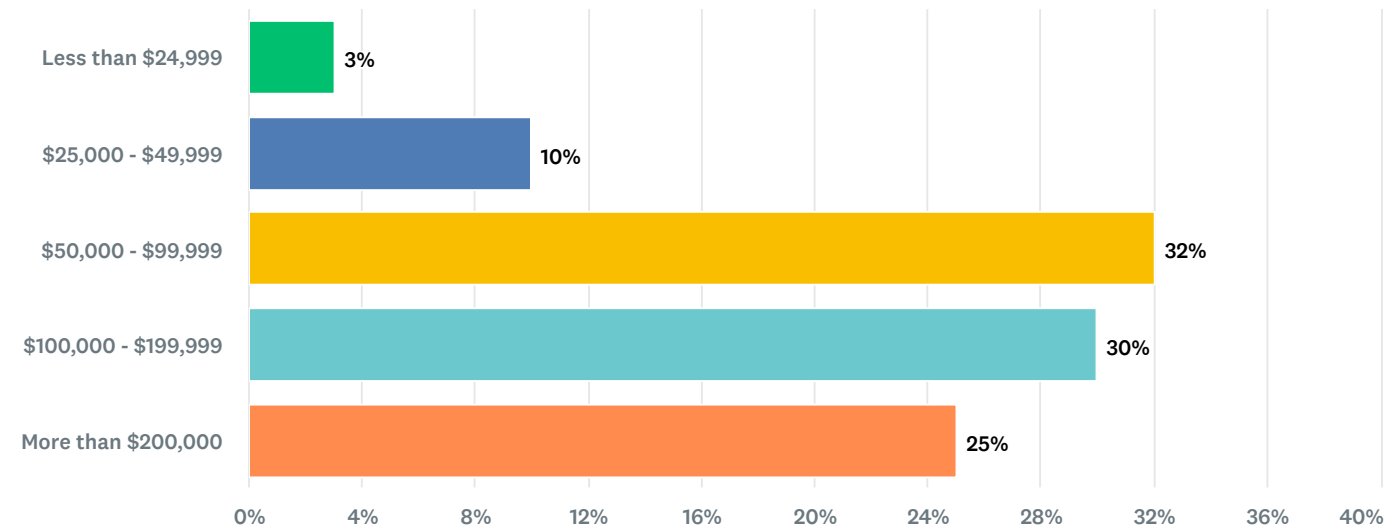
Q22 952 responses

What is your ethnicity (optional) (Select all that apply)



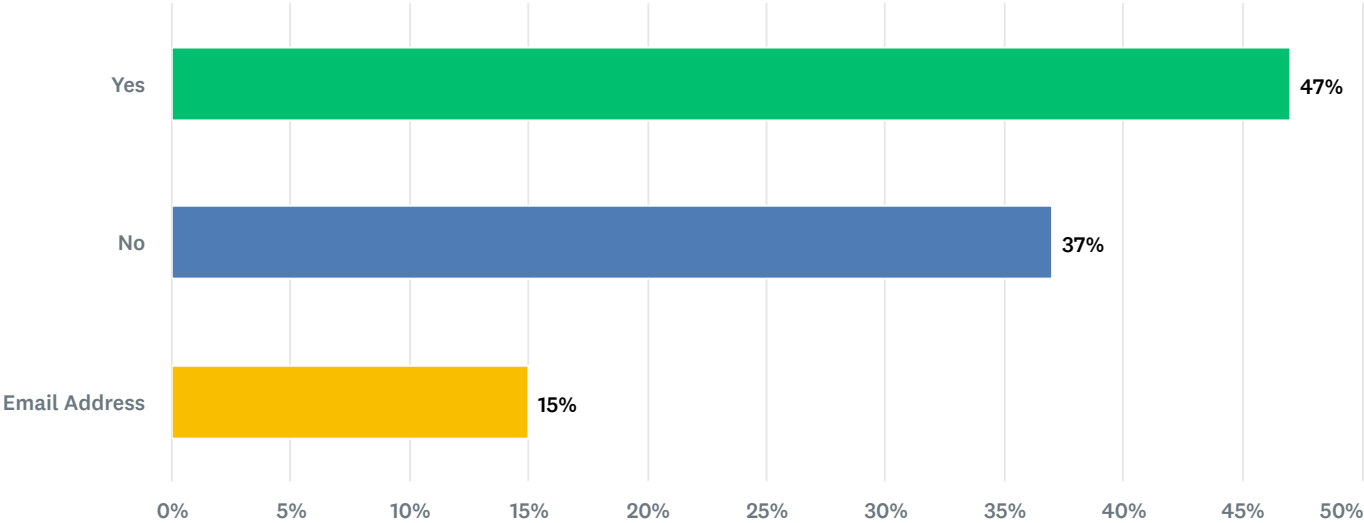
Q23 910 responses

Annual Household Income (optional)



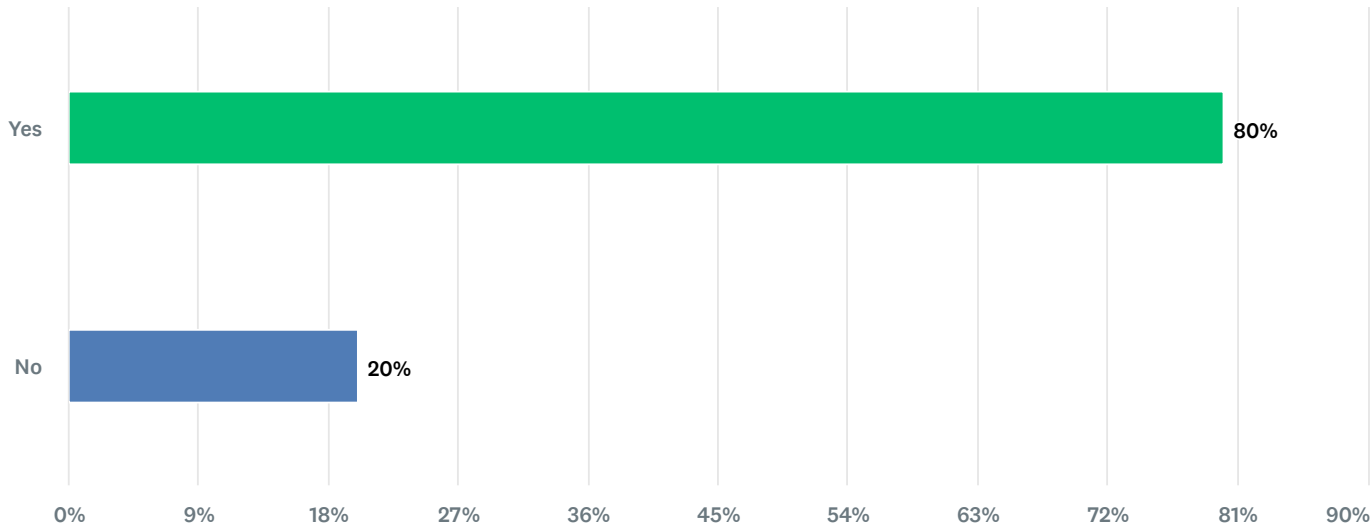
Q24 1007 responses

Would you like to receive email updates about events, news, and what’s happening in Downtown Houston?



Q26 996 responses

Would you like to enter to win a \$50 gift card to a Downtown business? (Must enter email address, above.)





DOWNTOWN HOUSTON+

STRATEGIC ALIGNMENT PLAN UPDATES

October 2026

GOAL 1



Champion major projects, initiatives and investments that improve Downtown.

1.1 Build and maintain cross-sector relationships with area leaders so that CHI can support, facilitate or lead on catalytic opportunities.

Highlight: Midtown staff leadership invited DH+ CEO Kris Larson to kick-off the first-ever retreat of the Midtown Boards, held on September 12th. Bringing together the Management District and the Authority in common cause is a core element in Midtown's transition toward effective leadership in the community. In capturing this opportunity for strengthening Downtown's relationship with a key adjacent organization, Larson discussed best practices for place management organizations and presented methods and lessons from collaborative Board initiatives he introduced in Grand Rapids and, most recently, in the approach adopted Downtown to bring together the Boards of CHI, DRA, and HDMD. Assisting in improving the health of Houston's many place management organizations pay dividends as it redounds to the benefit of the community as whole.

Participating Agencies:



1.4 Guide the implementation of Plan Downtown, the HDMD Service & Improvement Plan, and TIRZ Project Plan.

Highlight: DTH+ welcomed five newly appointed directors to the Houston Downtown Management District (HDMD) Board. Following City Council ratification, the new directors completed a comprehensive District Director Orientation covering the District's governance structure, the 2026-2035 Service and Improvement Plan, the CHI/DRA/HDMD Strategic Alignment Plan, and the collaborative committee structure, with oaths of office and onboarding training to follow.

The orientation came on the heels of a major milestone for Downtown's national profile: at the International Downtown Association's (IDA) 72nd Annual Conference in Toronto, DTH+ introduced Houston as host city for the IDA Annual Conference in 2027. The Houston delegation provided leadership as panel participants and speakers at seven conference sessions, led a space-themed exhibitor booth, staged a "Houston Hype Session," featuring NASA Astronaut Capt. Mike Foreman, and hosted the IDA Chair's Reception. Hosting IDA in 2027 will give Downtown a national stage to showcase its transformation, its partners, and its momentum.

Participating Agencies:



GOAL 2

Enhance and maintain a comfortable, welcoming, and well-managed public realm.

2.8 Utilize data and analytic tools to understand the prevalence of criminal activity and shape programmatic responses.

Highlight: Working diligently with the leadership of HPD’s Downtown Division, DH+ leadership and staff are advancing a reporting structure for receiving pinpoint crime data, for identifying when and where Flock Services technology supported investigations and arrests, and instituting a consistent cadence for communicating current issues, emerging crime trends, and Flock usage, among other relevant matters. Building upon DH+’s long-standing partnership with the Downtown Division affords the Organization the opportunity to understand and convey crime activity and perception issues to Downtown stakeholders and to use the organizations resources to effectively support of HPD initiatives.

Participating Agency:

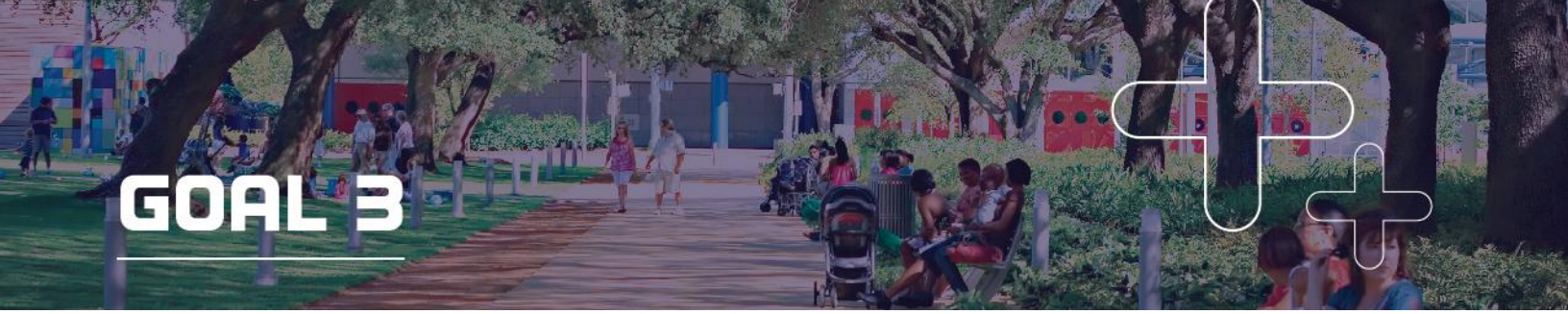


2.10 Broadly address the needs of people experiencing homelessness and the associated impacts.

Highlight: During the month of September, DTH+ leadership provided two in-depth presentations addressing the continued expansion and adaptation of the homeless response ecosystem against a backdrop of shifting political and fiscal policies. One included a presentation to the Executive Committee of the Greater Houston Partnership’s Board of Directors, while the second included the full Board of Central Houston Inc. Both of the presentations included an overview of the incredible work to bolster implementation of the regional plan to end homelessness, now known as “Pathways to Independence”, or “P2I”, efforts to engage both the City and County as financial supporters, and the new effort led by leadership of the Sarofim Foundation to raise more than \$30M of philanthropic contributions to support the system’s effectiveness. Further, the presentations included an overview of the shifting landscape for Federal funding. Central Houston is now actively advocating for two local applications for Federal funding, one in support of the City of Houston’s application for the new Model Cities program from DOJ, and a second effort in support for Harris Center’s application for the Bureau of Justice Assistance Grant program.

Participating Agencies:





GOAL 3

Drive vibrancy through improved street-level connectivity, a commitment to walkability, and inclusive programming strategies.

3.1 Plan, design, and construct public infrastructure that supports safety and equity.

Highlight: The East End–Downtown Connectivity & Phasing Action Plan is a study led by the City of Houston and supported by Downtown Houston+ and the East End Management District. With major infrastructure projects, including the NHHIP and GRB Convention Center expansion, converging simultaneously, the study aims to maintain functional mobility for all modes (vehicle, transit, bicycle, and pedestrian) across the I-69 underpass corridor between Navigation Boulevard and Pierce Street. The plan will aggregate construction timelines, establish phasing and maintenance-of-traffic standards, and develop a unified communications and wayfinding toolkit for consistent public messaging through 2030. RFP release is anticipated for end of year 2026.

The study is guided by a monthly working group that draws together a cross-section of public agencies, elected offices, management districts, and private stakeholders with direct interests in the corridor. Participants include City of Houston Council staff (Districts I and H), TxDOT engineers, METRO representatives, Houston First Corporation, CenterPoint Energy, and the East End and EaDo Management Districts, alongside private developers, communications and PR firms, Harris County, and Hines. This blend of infrastructure owners, mobility operators, land use stakeholders, and public communicators reflects the study's emphasis on coordination across agencies and consistent public messaging.

Participating Agencies:



3.2 Leverage Downtown's adjacency to the Buffalo Bayou as an integral part of the Downtown experience.

Highlight: DTH+ is advancing Phase 2 of its Cool + Connected Corridors initiative through a \$2.066 million Harris County Precinct 2 grant, matched with DRA funds and additional planned investment for a total \$5.63 million pedestrian connectivity effort. The project will strengthen physical and visual connections between Downtown and Buffalo Bayou trailheads, including Allen's Landing, Joe Campos Torres Plaza, and James Bute Park at the MKT Trail. Building on Phase 1 improvements along Texas Avenue, Phase 2 will address lighting, planting, shade, underpasses, accessibility, and safety. Design is expected to begin later this year, with construction anticipated in 2027.

Participating Agency:



GOAL 4

Foster a vital and thriving economy through business growth, residential expansion, and enhanced reasons to be in Downtown.

4.2 Engage with local partners such as the City of Houston, Houston First and the GHP to improve the national image and reputation of Downtown Houston.

Highlight: DTH+ will soon hold the second event within its inaugural Place Matters series, a Downtown Houston Office Symposium. The effort is an early implementation step in its nascent office tenant recruitment and retention strategy. The invitation-only convening will bring together owners, investors, brokers, employers, and commercial real estate leaders to address messaging headwinds affecting Downtown leasing, including parking, safety perceptions, access, transit, NHHIP timing, tenant retention, landlord capacity, and the need for stronger broker-ready messaging. The partnership with the Greater Houston Partnership (GHP) is central to the effort. At GHP's recommendation, DTH+ engaged Economic Leadership LLC to help shape market positioning and strategic guidance. GHP CEO Steve Kean will also provide remarks, reinforcing Downtown's importance to Houston's regional economic competitiveness.

Participating Agency:



4.15 Be the go-to organization for Downtown market research and intelligence.

Highlight: DTH+ completed its 2026 Downtown Stakeholder Survey, an annual initiative launched in 2024 to build reliable intelligence on Downtown experiences and priorities. Targeted outreach to key stakeholder segments generated 1,026 responses and achieved 90%+ confidence levels across priority audiences. Results show progress: 69% say cleanliness has improved and 50% report improved safety, while findings also demonstrate connections between safety, homelessness, public realm conditions, and economic vitality. Survey results will be incorporated into a new organizational dashboard launching this year, complementing DTH+'s recently launched economic development dashboard and expanding Downtown-specific data available for decision-making.

Participating Agencies:



GOAL 5

Develop a hivemind of intelligence and goodwill by genuinely engaging and convening stakeholders

5.2 Expand CHI-produced events and engagement opportunities to offer broader opportunities for stakeholders to engage with and participate in the Downtown community.

Highlight: In recognition of the 25th anniversary of September 11, Downtown Houston+ hosted a special memorial ceremony at Lauren's Fountain in Market Square Park, bringing together the Downtown community and public safety partners to honor and remember those who lost their lives. The Events team collaborated closely with the Mayor's Office of Special Events and the Catuzzi family to plan and coordinate the meaningful commemoration. Leading up to the event, Downtown Houston+ also oversaw enhancements to the fountain and coordinated additional site preparations to create a welcoming and reflective setting that honored the significance of the occasion.

Participating Agencies:



5.8 Improve and expand external communications to increase awareness of CHI, its actions, and general Downtown happenings.

Highlight: Planning for State of Downtown 2026 began earlier than ever, creating more time to focus on the program and overall show experience. A key priority this year has been strengthening the flow, pacing and production of the event with support from experienced live-performance professionals. Through a partnership with the Houston Theater District, Nick Rainey of DACAMERA joined the planning effort to help shape the program and bring a stage-production perspective to the show. His involvement has already influenced the structure, transitions and overall presentation, helping create a more cohesive and engaging experience while building on the momentum of record-setting sponsorship sales.

Participating Agencies:

