

City of Houston, Texas, Ordinance No. 2024 - 943

AN ORDINANCE APPROVING AND AUTHORIZING A TAX ABATEMENT AGREEMENT BETWEEN THE CITY OF HOUSTON, TEXAS, TPMS DA 3 LLC, AND TPMS DA 4 LLC, FOR PROPERTY LOCATED WITHIN THE TPMS DA LLC TAX ABATEMENT REINVESTMENT ZONE; AND DECLARING AN EMERGENCY.

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

Section 1. That the City Council hereby approves and authorizes the contract, agreement, or other undertaking ("Agreement") described in the title of this Ordinance, in substantially the form of the document attached hereto and incorporated herein by this reference. The Mayor is hereby authorized to execute the Agreement described in the title of this Ordinance and all related documents on behalf of the City and to take all actions necessary to effectuate the City's intent and objectives in approving the Agreement in the event of changed circumstances. The City Secretary is hereby authorized to attest to all such signatures and to affix the seal of the City to all such documents.

Section 2. That the City Council hereby finds that the terms of the Agreement authorized by this Ordinance meet the guidelines and criteria of Chapter 44 of the City of Houston Code of Ordinances ("Code") relating to tax abatement; that the property subject to abatement under the Agreement authorized by this Ordinance lies within the TPMS DA LLC Tax Abatement Reinvestment Zone, a designated reinvestment zone authorized by Chapter 312 of the Texas Tax Code and Section 44-122 of the Code; and that this Agreement will result in no substantial potential adverse effect on the provision of City services or the tax base and will contribute to the economic development of the City.

Section 3. That the City Attorney is hereby authorized to take all actions necessary to enforce all legal obligations under the Agreement, or other undertakings, without further authorization from the City Council.

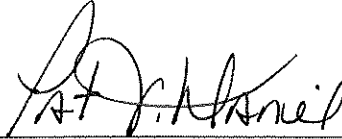
Section 4. That there exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED this 4th day of December, 2024.

APPROVED this _____ day of _____, 2024.

Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is DEC 10 2024.



City Secretary

Prepared by Legal Department

MS/ems 11/12/24

Requested by Gwen Tillotson-Bell

Chief Development Officer, Office of the Mayor

LD-RE-0000002913



Senior Assistant City Attorney

Meeting 12/04/2024

Aye	No	
✓		Mayor Whitmire
....	Council Members
✓		Peck
Absent on personal business		Jackson
✓		Kamin
✓		Evans-Shabazz
✓		Flickinger
Absent on city business		Thomas
✓		Huffman
✓		Castillo
✓		Martinez
✓		Pollard
✓		Castex-Tatum
✓		Ramirez
✓		Davis
✓		Carter
✓		Plummer
✓		Alcorn
Caption	Adopted	

Captions Published in DAILY COURT REVIEW
 Date: 12/10/2024

TAX ABATEMENT AGREEMENT

This **TAX ABATEMENT AGREEMENT** ("Agreement") is made by and between the **CITY OF HOUSTON, TEXAS**, a municipal corporation and home-rule city ("City"), and **TPMS 3 DA, LLC**, and **TPMS 4 DA, LLC**, each a Texas limited liability company ("Company"). The City and the Company may be referred to singularly as "Party" and collectively as the "Parties." Capitalized terms have the meanings defined in the first section of this Agreement. This Agreement shall be effective as of the date of the City Controller's countersignature hereto ("Effective Date").

RECITALS

WHEREAS, the encouragement of new and existing development and investment in the City is paramount to the City's continued economic development; and

WHEREAS, in accordance with the requirements of Section 44-127 of the Code, as defined below, the Company intends to complete the design, development, and construction of "*green stormwater infrastructure*" as defined in Section 44-132 of the Code to minimize the downstream impacts of development while providing additional environmental, social, or ecosystem benefits or services ("the Project"); and

WHEREAS, in accordance with Section 44-123 of the Code, the Company has filed a written application for a Green Stormwater Infrastructure tax abatement dated March 31, 2024; and

WHEREAS, in accordance with Section 44-123 of the Code, the Company has filed a written application for a Deteriorated/Demolished Property tax abatement dated April 22, 2024; and

WHEREAS, the City Council finds that it is reasonably likely that the Company, if granted the tax abatement described in this Agreement, will contribute to the retention, expansion, and creation of primary employment and will attract major investment in the TPMS DA LLC Reinvestment Zone ("Zone") that will benefit property in the Zone and contribute to the economic development of the City; and

WHEREAS, the City Council finds that the Company Improvements (as each are defined below) are practical and are of benefit to the area within the Zone and to the City; and

WHEREAS, the City Council finds that there will be no substantial potential adverse effect on the provision of City services or on the tax base caused by this Agreement; and

WHEREAS, the Company, has represented that their respective Improvements at the Facility will be designed, constructed, and installed according to all applicable federal, State, and local environmental regulations; and

WHEREAS, the City Council finds that the terms of this Agreement meet the applicable requirements of Chapter 44, Article IV, of the Code;

NOW, THEREFORE, for and in consideration of the premises and mutual promises stated herein, the Parties agree as follows:

1. Definitions

As used in this Agreement, the following capitalized terms shall have the meanings assigned to them below, unless otherwise defined or the context clearly requires otherwise.

"Abatement Period" means the ten (10) year time period that begins on the January 1st following the Effective Date of Abatement.

"Base Year Value" shall mean the value of the Real Property as determined by HCAD on January 1, 2026.

"Chapter 44" means Article IV of Chapter 44 of the Code, approved by City Council on August 28, 2024, by City Ordinance No. 2024-624, which sets forth the property tax abatement program guidelines and criteria for properties in designated reinvestment zones, and by the Ordinance.

"City Council" means the City Council of the City.

"Code" means the Code of Ordinances of the City, as amended from time to time.

"Construction Code" means the City of Houston Construction Code, which sets forth requirements relating to building construction and safety, and consists of various components, such as the Building Code, the Plumbing Code, the Electrical Code, and the Mechanical Code.

"Department" means the City's Office of the Mayor, Economic Development, or its successor.

"Director" means the Chief Economic Development Officer of the City, or his or her designee, or the director of any City department that the Mayor may designate in writing to perform the functions delegated to the Director in this Agreement, but only for so long as the designations remain in effect.

“Effective Date of Abatement” means Jan. 1st immediately following the date upon which the initial phase of the Project passes final inspection by the City or its certificate of completion is issued by the City; and upon the Resilience and Sustainability Office certifying the green stormwater infrastructure improvements.

“EXHIBIT 1” attached to this Agreement and made a part hereof is a boundary map and aerial map of the Real Property.

“EXHIBIT 2” attached to this Agreement and made a part hereof is a legal description of the Real Property and the HCAD account number for the Real Property.

“EXHIBIT 3” attached to this Agreement and made a part hereof is a description of the abated property improvements, and Real Property improvements that comprise the Facility.

“EXHIBIT 4” attached to this Agreement and made a part hereof is a copy of the economic impact analysis of the Project.

“Facility” means the property improvements on the Real Property, completed or in the process of construction or expansion, that together comprise an integral whole, as defined in Section 44-121 of the Code.

“HCAD” means the Harris County Appraisal District.

“Improvements” means the buildings, structures, fixed machinery and equipment, site improvements, office space and related fixed improvements necessary to the operation and administration of the Facility (including the Company Improvements as defined below), as further described in **EXHIBIT 3**, that are developed, constructed, or installed in the Zone by the Company pursuant to the terms of this Agreement.

“Ordinance” means City Ordinance No. 2024-_____, adopted on _____, 2024,¹ creating the Zone.

“Real Property Tax Abatement” means the tax abatement on real property as set forth in Sec. 7 below.

“Real Property” means the land in the Zone and all improvements thereon, which land is owned by the Company. The Real Property is more specifically described on **EXHIBITS 1 and 2**.

“Tax Code” means the Texas Tax Code, as amended.

¹ City Secretary to insert ordinance number and date adopted by City Council.

2. Authorization

This Agreement is authorized by Chapter 312 of the Texas Tax Code, as amended, and Chapter 44 of the Code.

3. Property

The legal description, street address, and HCAD tax account numbers of the Real Property are listed on **EXHIBIT 2**.

4. Termination of Abatement and Agreement

Notwithstanding any other provision in this Agreement, in the event the Company decides not to complete the construction of the Improvements relating to the Project for any reason, the Company will provide a written termination notice to the City and the Parties will sign a letter agreement acknowledging the termination of this Agreement in a form reasonably acceptable to both Parties. Upon execution of the letter agreement, this Agreement and all rights and obligations of the Parties shall cease and terminate and the Company shall not be entitled to any tax abatement pursuant to this Agreement. The Director is authorized to sign the letter agreement on behalf of the City.

Also, during the Abatement Period, the Company shall have the option and right at any time to give the City written notice that the Company has elected to terminate this Agreement for any reason; provided, however, at the time the termination notice is given by the Company, no event of default shall exist which has not been cured. Upon delivery to the City of a termination notice by the Company and subject to the provision of the preceding sentence, this Agreement and all rights and obligations of the Parties shall cease and terminate and the Company shall not be entitled to any tax abatement pursuant to this Agreement for the year in which the termination notice is given and for all years remaining in the Abatement Period.

5. Representations and Warranties

- (a) The Company represents that it owns the Real Property.
- (b) The Company represents that the Real Property is comprised of approximately 7.5 acres of land.
- (c) The Company represents that, to the best of its knowledge, no direct interest in the Real Property or the Improvements is held or leased by a member of the City Council or a member of the City's Planning Commission.

(d) Unless this Agreement is terminated earlier pursuant to Section 4 hereof, the Company represents and warrants that it will invest or cause to be invested, approximately \$25,000,000.00 in designing, constructing, and installing the Improvements by the Effective Date of Abatement.

(e) The Company represents and warrants that the Improvements are being designed, developed, constructed, and installed (i) in accordance with all applicable federal, state, and local environmental laws and regulations; and (ii) substantially in conformity with the description, plans, and specifications described in **EXHIBIT 3** and applicable provisions of the Construction Code.

(f) The Company represents that developing, constructing and installing the Improvements in the Zone will contribute to the retention, expansion, and creation of primary employment and will attract major investment in the Zone that would be a benefit to property within the Zone and that would contribute to the economic development of the City.

6. Terms of the Agreement

(a) In case of any conflict between the description, plans, and specifications of the Improvements described in **EXHIBIT 3** and the Construction Code, the Construction Code shall prevail. In addition, the Company shall comply with Chapter 42 of the Code, if applicable (platting regulations), and all other laws and regulations applicable to the construction and installation of the Improvements.

(b) Upon substantial completion of the design, development, construction and installation of the Improvements, the Facility shall be used for the proposed uses specified in this paragraph during the Abatement Period; provided, however, the Director may approve a change from those proposed uses, if the Director determines that the change is consistent with Chapter 44 and with the City's general purpose of encouraging development or redevelopment of the Zone during the Abatement Period. The proposed use of the Facility (unless the Director approves a change in use) is as a mixed use space for the purposes of (i) Class A retail, (ii) Restaurants, and (iii) Office, all utilizing green stormwater infrastructure techniques, which may include, but shall not be limited to, permeable pavers, bioswales, urban forestry, and soil amendments as defined in Chapter 44 of the Code.

(c) The Company shall maintain the GSI improvements in good repair and condition during the Abatement Period, subject to casualty, condemnation and force majeure.

(d) The Company shall allow City employees, and/or designated representatives, full access to the common areas of the Real Property in the Zone, during the term of this Agreement, for the purpose of inspecting the Improvements to ensure that the Facility and Improvements are completed, installed, renovated, and maintained in accordance with the terms of this Agreement. All inspections will be made only after giving the Company at least three (3) business day's advance notice and will be conducted during normal business hours in such manner as to not unreasonably interfere with the construction, development and/or operation of the Facility. All inspections will be made with one (1) or more representatives of the Company and in accordance with the Company's safety and security procedures. The above shall not act as a limitation on the City's ability to otherwise perform any inspections or to otherwise enter the Facility pursuant to the Code, the Construction Code, or otherwise.

(e) The Company shall each provide and cause its affiliates to provide City employees and/or designated representatives full access to all records related to the Agreement and necessary for the purpose of determining, by audit or otherwise, that the Company is and has been in full compliance with this Agreement. Any such inspection and audit shall be made only after giving the Company at least ten (10) business days advance notice and will be conducted during normal business hours in such a manner as to not unreasonably interfere with the construction, development and/or operation of the Facility. Documents and materials provided by the Company or their affiliates to the City in connection with any audit or other inspections under this Agreement which contain information that is, or which themselves are, confidential or proprietary to the Company shall not be removed from the Facility nor shall the information contained in them be copied, used or disclosed by the City other than for the sole purpose of determining the Company's compliance with the terms and conditions of this Agreement, unless disclosure is otherwise required by state or federal law.

In the event that the City receives any request for information relating to this Agreement pursuant to the Texas Public Information Act or similar provision of federal law, the City agrees to promptly give the Company notice of that request. If the Company, for itself or one or more of its affiliates, advises the City that it believes that the right of the City to withhold information from disclosure is allowed by the Texas Public Information Act or other applicable state or federal statute, rule or regulation, the City agrees to withhold the information or to immediately request an opinion from the Texas Attorney General or other appropriate public official with authority under law to render such decision on the right of the City to withhold the information. If the decision rendered is to the effect that disclosure is not required to be made, then the City agrees to withhold disclosure of the

information unless thereafter authorized by the Company to be disclosed. The City agrees that during any period after request but before the rendering of a decision by the Texas Attorney General or other appropriate public official regarding the obligation of the City to make disclosure of information deemed confidential, proprietary or both by the Company, it will not disclose the requested information unless ordered to do so by a court of competent jurisdiction.

(f) An abstract of this Agreement may be recorded in the Official Real Property Records of Harris County, Texas, and will be associated with the land.

(g) This Agreement may be amended at any time upon the mutual written consent of all Parties hereto subject to approval by the City Council.

(h) Not later than April 15th (or such other date as required by HCAD) of each year during the Abatement Period, the Company shall file the appropriate form with HCAD to qualify for the real property tax abatement granted under this Agreement for that year.

(i) INTENTIONALLY DELETED.

(j) Commencing on the Effective Date of Abatement, and on or before January 1st of each subsequent year during the Abatement Period, the chief financial officer (or his or her designee) of the Company shall provide the Director a sworn statement that the Company is and has been in compliance with all provisions of this Agreement in the prior year.

(k) If the chief financial officer (or his or her designee) of the Company cannot make the sworn statement required by paragraph (j) above on any January 1st, he or she shall provide the Director with a written statement identifying any provision of the Agreement with which the Company is not or has not been in full compliance.

(l) Failure by the chief financial officer (or his or her designee) of the Company to timely provide the Director with either the sworn statement required by paragraph (j) above or the written statement required by paragraph (k) above will not be a default under this Agreement unless the City gives the Company written notice of such failure and Company fails to cure such failure within the cure period set forth in Section 8(c) below.

(m) The City may amend the Agreement upon mutual written consent of all Parties in lieu of termination pursuant to Section 44-135(d).

7. Tax Abatement

(a) In consideration of the completion of the Facility, the City agrees to provide a Real Property Tax Abatement on the real property Improvements referenced in **EXHIBIT 3**, up to the amount of eligible **green stormwater infrastructure** ("GSI") improvements. The annual Real Estate Tax Abatement on the Improvements will be calculated as the current City tax rate multiplied by the value of the Improvements attributable to the tax increment above the Base Year Value, as measured by HCAD per \$100, multiplied by 100%.

The cost of the eligible green stormwater infrastructure improvements is estimated to be \$3,180,000.00, which includes GSI improvements, soft costs related to the planning and design of the GSI improvements, and 5 years of GSI maintenance on eligible GSI improvements.

(b) After the full amount of GSI improvements have been recouped, the City agrees to provide a Real Property Tax Abatement on the real property Improvements referenced in **EXHIBIT 3**, up to the amount of eligible **demolition costs**. The annual Real Estate Tax Abatement on the Improvements will be calculated as the current City tax rate multiplied by the value of the Improvements attributable to the tax increment above the Base Year Value, as measured by HCAD per \$100, multiplied by 90%.

The cost of the eligible demolition costs is estimated to be \$2,600,000.00.

(c) The average Real Property Tax Abatement is estimated to be \$540,000.00 annually.

(d) For the purpose of determining the Real Property Tax Abatement amount, the Base Year Value and the improvement value in subsequent years will be established and certified by Harris County Appraisal District (HCAD).

(e) From the Effective Date of Abatement to the end of the Abatement Period, taxes shall be payable as follows:

(1) The value of "ineligible property," as that term is defined in Section 44-127(e) of the Code, shall be fully taxable.

(2) The Base Year Value of "eligible property," as that term is defined in Section 44-127(d) of the Code, shall be fully taxable.

(3) The additional value of the Real Property Improvements shall be taxable in accordance with Section 7(a) and 7(b) of this Agreement.

8. Compliance, Default and Recapture

(a) Compliance

(1) Company will provide to the City's Chief Economic Development Officer copies of all invoices evidencing GSI improvements and demolition costs prior to the Effective Date of Abatement, to include soft costs related to the planning and design of the GSI improvements.

(2) By February 1 of each of the first five abatement years, the Company will provide to the City's Chief Economic Development Officer invoices for the maintenance costs of the GSI improvements.

(3) By February 1 of each of the active tax abatement years, the Company will provide the City's Chief Economic Development Officer photos and other relevant evidence of the GSI improvements at the site.

(b) Events of Default

The Company shall be in default under this Agreement if any of the following occur at any time from the Effective Date of Abatement until the expiration of the Abatement Period or such earlier date on which this Agreement may otherwise expire or otherwise be terminated:

(1) The Facility is completed and is occupied, but subsequently is wholly vacated or abandoned for any reason other than the occurrence of a fire, explosion, or other casualty or accident or natural disaster;

(2) The Company fails to comply timely with the requirements of Section 8(a) or with the GSI improvement requirements stated in this Agreement;

(3) The Company fails to comply timely with any material term of this Agreement, and such failure continues after notice and the passage of the cure period set forth in Section 8(c) below;

(4) The Company fails to timely file any required report or statement or to timely give any required notice pursuant to this Agreement, and such failure continues after notice and the passage of the cure period set forth in Section 8(c) below; or

(5) Employees or designated representatives of the City reasonably determine pursuant to an inspection under Section 44-135 of the Code that the Company has not complied with this Agreement and such failure continues after notice and the passage of the cure period set forth in Section 8(c) below.

(c) Notice of Default

If the Director determines that an event of default has occurred, the Director shall notify the Company in writing at the address stated in the Agreement, and Company shall have thirty (30) days from the date of the notice to cure the default (provided, that if the nature of such default is such that the default cannot reasonably be cured within a thirty (30) day period, Company shall not be in default hereunder so long as Company shall have commenced the cure of such default within such thirty (30) day period and shall thereafter proceeded with due diligence to cure the same), provided, however, that the City shall not be required to give a thirty (30) day notice of default if the section of this Agreement specifically states that no opportunity to cure shall be required.

(d) Benefits Recapture

If Company fails to maintain the GSI improvements during the Abatement Period in accordance with Section 6(c) above, the City will notify the Company of such failure in writing, and if such failure continues after such notice and the cure period set forth in Section 8(c) above, then the Director may proportionably reduce the amount of the Real Property Tax Abatement for the balance of the Abatement Period.

(e) Survival

The City's right and authority to pursue any default and to reduce the amount of the Real Property Tax Abatement granted under this Section 8 shall survive the amendment, revision, or termination of this Agreement other than a termination of the Agreement pursuant to Section 4.

9. Administration

(a) The Chief Appraiser of HCAD shall annually determine the taxable value of the real property comprising the Zone. Each year, the Company shall furnish the City with any additional information applicable to the tax abatement that may be necessary for the administration of the abatement granted under this Agreement. Once the preliminary taxable values of the real property comprising the Zone have been established, the Chief Appraiser of HCAD shall notify the eligible jurisdictions of the amount of the assessment.

(b) Upon substantial completion of construction, installation, or renovation of the Improvements, the Director shall annually evaluate the Facility to ensure compliance with this Agreement and prepare a report of any violations of this Agreement.

10. Assignment

This Agreement may be assigned by the Company to a new party with the written consent of the Director, which consent shall not be unreasonably withheld, conditioned or delayed. If the proposed assignee is an affiliated entity of the Company, then the Director may consent to an assignment if the assigning entity is in compliance with all terms of this Agreement, subject only to the condition set forth in the last sentence of this Section 10. Any assignment of this Agreement shall not relieve the assigning party of continuing liability under this Agreement unless specifically agreed to in a writing signed by both the Director and the City Attorney. Any assignment shall provide that the assignee shall irrevocably and unconditionally assume all the duties and obligations of the Company upon the same terms and conditions as set out in the Agreement. Any assignment of this Agreement shall be to an entity that contemplates the same improvements or repairs to the property in the Zone, except to the extent such improvements or repairs have been completed. No assignment shall be approved if either the assigning party or the assignee has past due indebtedness to the City for ad valorem taxes or other obligations not being contested in good faith.

11. Compliance with Applicable Government Regulations

Except as specifically provided herein, nothing in this Agreement shall be construed to alter or affect the obligation of the Company to comply with any ordinance, rule or regulation of the City, or the laws and regulations of the State of Texas.

12. Merger

The Parties agree that this Agreement contains all of the terms and conditions of the understanding of the Parties relating to the subject matter hereof. All prior negotiations, discussions, correspondence, and preliminary understandings between the Parties and others relating hereto are superseded by this Agreement.

13. Notices

All notices shall be in writing and unless hand-delivered, shall be sent by U.S. Mail certified, return receipt requested. Unless otherwise provided in this Agreement, all notices shall be delivered to the following addresses:

To the Company: TPMS 3 DA, LLC
TPMS 4 DA, LLC
529 West 18th Street
Houston, TX 77008

To the City: Chief Development Officer
Office of the Mayor
901 Bagby, 4th Floor

Houston, Texas 77002

Each Party may designate a different address by giving the other Party written notice ten (10) days in advance of such designation.

[Execution pages follow]

This Agreement has been executed by the Parties in multiple originals, each having full force and effect.

TPMS 3 DA, LLC

By: _____
Name: _____
Title: _____

TPMS 4 DA, LLC

By: _____
Name: _____
Title: _____

CITY OF HOUSTON, TEXAS

Mayor

ATTEST/SEAL:

City Secretary

COUNTERSIGNED:

City Controller

DATE COUNTERSIGNED:

APPROVED:

Chief Development Officer
Office of the Mayor

APPROVED AS TO FORM:

Mark Swaim, Senior Assistant City Attorney
LD-RE-0000002913

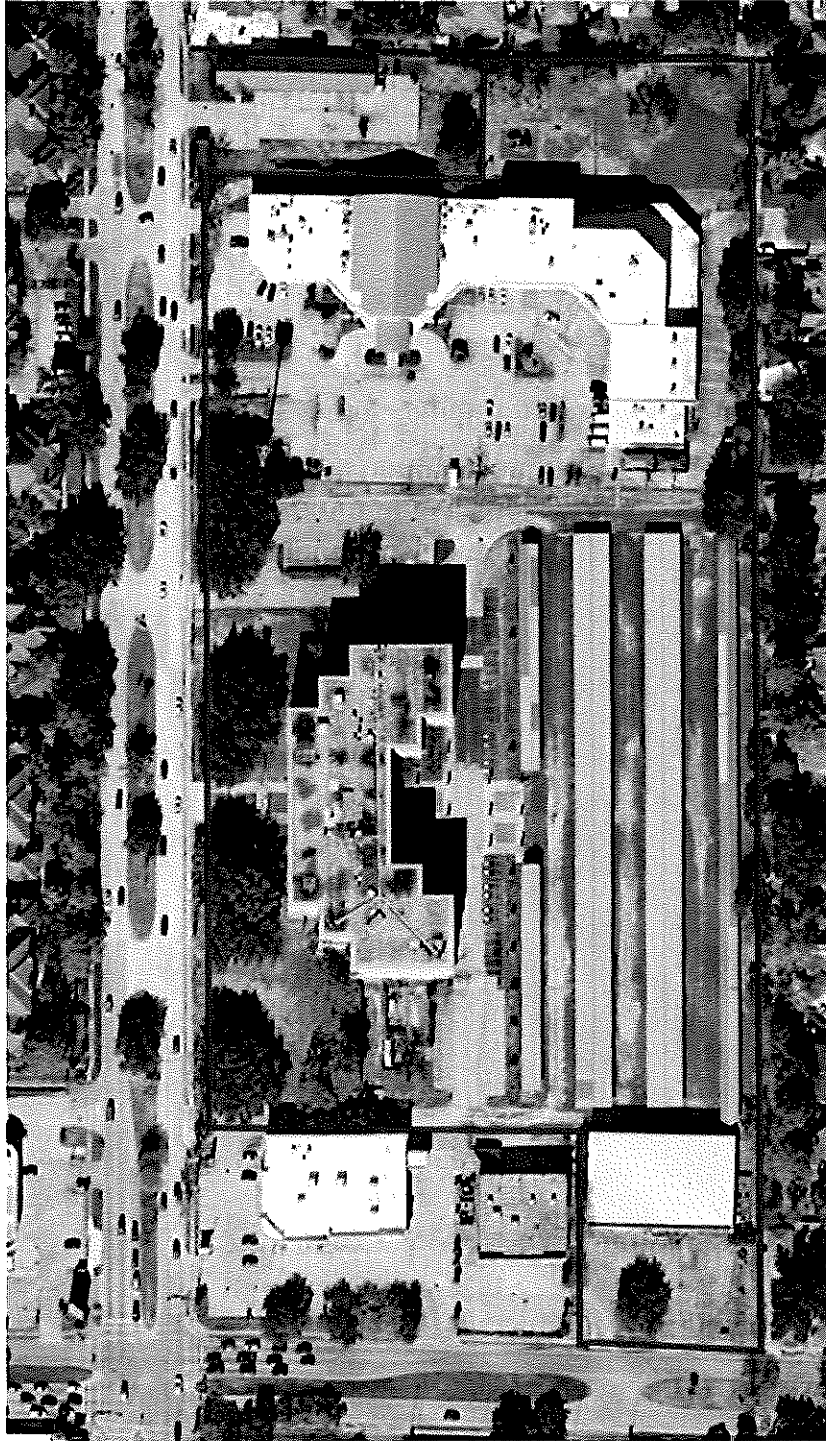


EXHIBIT 2

LEGAL DESCRIPTION, STREET ADDRESS AND HCAD ACCOUNT NUMBER OF THE REAL PROPERTY

Address	HCAD Account Number
1315 S Dairy Ashford St, Houston, TX 77077	0402250000237
1315 S Dairy Ashford St, Houston, TX 77077	0402250000060
1315 S Dairy Ashford St, Houston, TX 77077	0402250000059
1325 S Dairy Ashford St, Houston, TX 77077	0402250000055
1325 S Dairy Ashford St, Houston, TX 77077	0402250000081
12550 Briar Forest Dr, Houston, TX 77077	0402250000054

TRACT ONE:

DESCRIPTION OF A TRACT OF LAND CONTAINING 3.5709 ACRES (155,549 SQUARE FEET) SITUATED IN THE W. HARDIN SURVEY, ABSTRACT 24 HARRIS COUNTY, TEXAS BEING A TRACT OF LAND CONTAINING 3.5706 ACRES (155,534 SQUARE FEET), SITUATED IN THE W. HARDIN SURVEY, ABSTRACT 24, HARRIS COUNTY, TEXAS, BEING OUT OF TRACT NO. 9 AND TRACT 10 DESCRIBED IN PARTITION DEED BY COLEGRO MANCUSO RECORDED IN VOLUME 2468, PAGE 142 HARRIS COUNTY DEED RECORDS, BEING ALL OF A TRACT CONVEYED UNTO NEW ZION FELLOWSHIP BY DEED RECORDED UNDER COUNTY CLERK'S FILE NO. N670686 OF THE OFFICIAL PUBLIC RECORDS OF HARRIS COUNTY, TEXAS, SAID 3.5706-ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EAST LINE OF SOUTH DAIRY ASHFORD ROAD (100.00 FEET WIDE) AND THE NORTHERLY CUTBACK LINE OF BRIARFOREST DRIVE (100.00 FEET WIDE),

THENCE NORTH 02 DEGREES 34 MINUTES 29 SECONDS WEST, ALONG THE EAST LINE OF SAID SOUTH DAIRY ASHFORD ROAD, A DISTANCE OF 800.35 FEET TO THE POINT OF BEGINNING AND THE SOUTHWEST CORNER OF THE SAID TRACT HEREIN DESCRIBED FROM SAID POINT A FOUND 7 INCH IRON PIPE BEARS SOUTH 18 DEGREES 58 MINUTES 00 SECONDS WEST, 1.02 FEET;

THENCE CONTINUING NORTH 02 DEGREES 34 MINUTES 29 SECONDS WEST, ALONG SAID SOUTH DAIRY ASHFORD ROAD, A DISTANCE OF 288.87 FEET TO THE NORTHWEST CORNER OF THE SAID TRACT HEREIN DESCRIBED FROM WHICH A FOUND 5/8 INCH IRON ROD BEARS SOUTH 06 DEGREES 42 MINUTES 00 SECONDS WEST, 0.70 FEET;

THENCE NORTH 88 DEGREES 57 MINUTES 56 SECONDS EAST, A DISTANCE OF 539.32 FEET TO A 5/8 INCH CAPPED IRON ROD STAMPED SOUTH TEXAS SURVEYING SET EAST, A DISTANCE OF 539.28 FEET FOR THE NORTHEAST CORNER OF THE SAID TRACT HEREIN DESCRIBED;

THENCE SOUTH 02 DEGREES 30 MINUTES 40 SECONDS EAST, A DISTANCE OF 288.33 FEET, A DISTANCE OF 288.33 FEET TO A FOUND 1/2-INCH IRON ROD FOR THE SOUTHEAST CORNER OF THE SAID TRACT HEREIN DESCRIBED;

THENCE NORTH 88 DEGREES 54 MINUTES 31 SECONDS WEST, A DISTANCE OF 538.99 FEET TO THE POINT OF BEGINNING AND CONTAINING 3.5709 ACRES (155,599 SQUARE FEET), MORE.

TRACT 2:

DESCRIPTION OF A TRACT OF LAND CONTAINING 0.7220 ACRES (31,449 SQUARE FEET) SITUATED IN THE W. HARDIN SURVEY, ABSTRACT 24 HARRIS COUNTY, TEXAS BEING A TRACT OF LAND CONTAINING 0.7220 ACRES (31,449 SQUARE FEET), SITUATED IN THE W. HARDIN SURVEY, ABSTRACT 24, HARRIS COUNTY, TEXAS, BEING OUT OF TRACT NO. 9 AND 10 DESCRIBED IN PARTITION DEED BY COLEGRO MANCUSO RECORDED IN VOLUME 2468, PAGE 142 DEED RECORDS OF HARRIS COUNTY, TEXAS, BEING ALL OF A TRACT CONVEYED UNTO NEW ZION FELLOWSHIP BY DEED RECORDED UNDER COUNTY CLERK'S FILE NO. S284995 OF THE OFFICIAL PUBLIC RECORDS OF HARRIS COUNTY, TEXAS, SAID 0.7220-ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A SET 5/8 CAPPED INCH IRON ROD STAMPED SOUTH TEXAS SURVEYING FOR THE NORTHEAST CORNER OF NEW ZION FELLOWSHIP BY DEED RECORDED UNDER COUNTY CLERK'S FILE NO. N670868 OF THE OFFICIAL PUBLIC RECORDS OF HARRIS COUNTY, TEXAS, AND THE SOUTHEAST CORNER OF THE SAID TRACT HEREIN DESCRIBED;

THENCE SOUTH 88 DEGREES 57 MINUTES 56 SECONDS WEST, A DISTANCE OF 264.76 FEET TO A 5/8 INCH CAPPED IRON ROD STAMPED SOUTH TEXAS SURVEYING SET FOR THE SOUTHWEST CORNER OF THE SAID TRACT HEREIN DESCRIBED;

THENCE NORTH 02 DEGREES 05 MINUTES 47 SECONDS WEST, A DISTANCE OF 119.26 FEET TO A SET 5/8 INCH CAPPED IRON ROD STAMPED SOUTH TEXAS SURVEYING FOR THE NORTHWEST CORNER OF THE SAID TRACT HEREIN DESCRIBED;

THENCE NORTH 89 DEGREES 04 MINUTES 35 SECONDS EAST, A DISTANCE OF 263.91 FEET TO A SET 5/8 INCH CAPPED IRON ROD STAMPED SOUTH TEXAS SURVEYING FOR THE NORTHEAST CORNER OF THE SAID TRACT HEREIN DESCRIBED;

THENCE SOUTH 02 DEGREES 30 MINUTES 40 SECONDS WEST, A DISTANCE OF 118.77 FEET TO THE POINT OF BEGINNING AND CONTAINING 0.7220 ACRES (31,445 SQUARE FEET), MORE OR LESS,

TRACT 1:

ALL OF THAT CERTAIN 8.4250 ACRES OF LAND SITUATED IN THE WILLIAM HARON SURVEY, ABSTRACT NO. 24, HARRIS COUNTY, TEXAS, BEING THAT SAME TRACT OF LAND CONVEYED TO PKY 1325 DAIRY ASHFORD, LLC, AS DESCRIBED IN THE DEED RECORDED UNDER CLERK'S FILE NO. 20130155223 OF THE HARRIS COUNTY OFFICIAL PUBLIC RECORDS OF REAL PROPERTY (H.C.O.P.R.R.P.), AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT THE NORTHERLY CUT-BACK CORNER OF THE INTERSECTION OF THE NORTHERLY RIGHT-OF-WAY LINE OF BRIAR FOREST DRIVE WITH THE EAST RIGHT-OF-WAY LINE OF DAIRY ASHFORD ROAD (BASED ON A WIDTH OF 100 FEET), SAME BEING THE SOUTHWESTERLY CORNER OF UNRESTRICTED RESERVE "A", BLOCK 1, BRIARFOREST DAIRY ASHFORD PROPERTIES NO. 2, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN FILM CODE NO. 604088 OF THE HARRIS COUNTY MAP RECORDS;

THENCE NORTH 02 DEGREES 34 MINUTES 29 SECONDS WEST, ALONG AND WITH SAID EAST RIGHT-OF-WAY LINE OF DAIRY ASHFORD ROAD, AT A DISTANCE OF 164.88 FEET PASS THE ORIGINAL SOUTHERNMOST SOUTHWEST CORNER OF THE CALLED 9.384 ACRES OF LAND DESCRIBED IN SAID DEED RECORDED UNDER CLERK'S FILE NO. 20130155223 OF THE H.C.O.P.R.R.P., CONTINUING IN ALL A TOTAL DISTANCE OF 181.38 FEET TO A 5/8 INCH IRON ROD FOUND AT THE WESTERNMOST SOUTHWEST CORNER AND POINT OF BEGINNING OF THE HEREIN DESCRIBED TRACT OF LAND, SAME BEING THE NORTHWEST CORNER OF SAID UNRESTRICTED RESERVE "A";

THENCE NORTH 02 DEGREES 34 MINUTES 29 SECONDS WEST, CONTINUING ALONG AND WITH THE EAST RIGHT-OF-WAY LINE OF DAIRY ASHFORD ROAD, A DISTANCE OF 618.978 FEET TO A POINT FOR THE NORTHWEST CORNER OF THE HEREIN DESCRIBED TRACT OF LAND, FROM WHICH A 3/4 INCH IRON PIPE FOUND AT THE APPARENT SOUTHWEST CORNER OF A CALLED 3.5739 ACRES OF LAND CONVEYED TO NEW ZION FELLOWSHIP, AS DESCRIBED IN THE DEED RECORDED UNDER CLERK'S FILE NO. N670868 OF THE H.C.O.P.R.R.P., BEARS SOUTH 18 DEGREES 58 MINUTES WEST, A DISTANCE OF 1.02 FEET;

THENCE NORTH 88 DEGREES 54 MINUTES 31 SECONDS EAST, DEPARTING THE EAST RIGHT-OF-WAY LINE OF DAIRY ASHFORD ROAD, A DISTANCE OF 538.98 FEET TO A 1/2 INCH IRON PIPE FOUND AT THE NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT OF LAND;

THENCE SOUTH 02 DEGREES 23 MINUTES 47 SECONDS WEST, ALONG AND WITH THE APPARENT WEST LINE OF ASHFORD FOREST REPLAT AND EXTENSION, SECTION 4, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN VOLUME 150, PAGE 47 OF THE HARRIS COUNTY MAP RECORDS, AT A DISTANCE OF 1.44 FEET PASS A ONE INCH IRON PIPE FOUND AT THE SOUTHEAST CORNER OF SAID 3.5739 ACRES, CONTINUING IN ALL A TOTAL DISTANCE OF 144.38 FEET TO 5/8 INCH CAPPED IRON ROD STAMPED "SOUTH TEXAS SURVEY" SET AT AN ANGLE POINT IN THE HEREIN DESCRIBED TRACT OF LAND;

THENCE SOUTH 02 DEGREES 23 MINUTES 47 SECONDS EAST, CONTINUING ALONG AND WITH THE APPARENT WEST LINE OF SAID ASHFORD FOREST REPLAT AND EXTENSION, A DISTANCE OF 435.46 FEET TO A 5/8 INCH CAPPED IRON ROD STAMPED "SOUTH TEXAS SURVEY" SET AT AN ANGLE POINT IN THE HEREIN DESCRIBED TRACT OF LAND;

THENCE SOUTH 02 DEGREES 35 MINUTES 29 SECONDS EAST, CONTINUING ALONG AND WITH THE APPARENT WEST LINE OF ASHFORD FOREST REPLAT AND EXTENSION, A DISTANCE OF 232.94 FEET TO A 5/8 INCH IRON ROD FOUND IN THE AFOREMENTIONED NORTHERLY RIGHT-OF-WAY LINE OF BRIAR FOREST DRIVE FOR THE SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT OF LAND;

THENCE SOUTH 89 DEGREES 35 MINUTES 07 SECONDS WEST, ALONG AND WITH THE NORTHERLY RIGHT-OF-WAY LINE OF BRIAR FOREST DRIVE (BASED ON A WIDTH OF 100 FEET, AS DESCRIBED IN THE DEEDS RECORDED IN VOLUME 6918, PAGES 527 AND 530 OF THE HARRIS COUNTY DEED RECORDS), A DISTANCE OF 180.28 FEET TO A 5/8 INCH CAPPED IRON ROD STAMPED "SOUTH TEXAS SURVEY" SET FOR THE SOUTHERNMOST SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT OF LAND, SAME BEING THE SOUTHEAST CORNER OF UNRESTRICTED RESERVE "B", BLOCK 1, BRIARFOREST DAIRY ASHFORD PROPERTIES NO. 2;

THENCE NORTH 01 DEGREES 46 MINUTES 25 SECONDS EAST, DEPARTING THE NORTHERLY RIGHT-OF-WAY LINE OF BRIAR FOREST DRIVE, ALONG AND WITH THE EAST LINE OF SAID UNRESTRICTED RESERVE "B", A DISTANCE OF 151.36 FEET TO AN ELL CORNER IN THE HEREIN DESCRIBED TRACT OF LAND, FROM WHICH A FOUND 5/8 INCH IRON ROD WITH CAP BEARS WITNESS NORTH 40 DEGREES 17 MINUTES 00 SECONDS WEST, A DISTANCE OF 0.47 FEET;

THENCE SOUTH 88 DEGREES 09 MINUTES 37 SECONDS WEST, CONTINUING ALONG AND WITH THE EAST LINE OF UNRESTRICTED RESERVE "B", A DISTANCE OF 6.00 FEET TO A POINT FROM WHICH A FOUND PK NAIL BEARS NORTH 70 DEGREES 05 MINUTES EAST FOR A DISTANCE OF 0.44 FEET SOUTH FOR AN ELL CORNER IN THE HEREIN DESCRIBED TRACT OF LAND;

THENCE NORTH 01 DEGREES 46 MINUTES 25 SECONDS WEST, CONTINUING ALONG AND WITH THE EAST LINE OF UNRESTRICTED RESERVE "B", A DISTANCE OF 45.00 FEET TO 5/8 INCH IRON ROD FOUND AT AN ELL CORNER IN THE HEREIN DESCRIBED TRACT OF LAND, SAME BEING THE UPPER NORTHEAST CORNER OF UNRESTRICTED RESERVE "B";

THENCE SOUTH 88 DEGREES 09 MINUTES 57 SECONDS WEST, ALONG AND WITH THE NORTH LINE OF UNRESTRICTED RESERVE "B", AT A DISTANCE OF 62.25 FEET PASS THE NORTHWEST CORNER OF UNRESTRICTED RESERVE "B" AND THE NORTHEAST CORNER OF THE AFOREMENTIONED UNRESTRICTED RESERVE "A", CONTINUING IN ALL A TOTAL DISTANCE OF 354.04 FEET TO THE POINT OF BEGINNING, AND CONTAINING 8.4250 ACRES (366,988 SQUARE FEET) OF LAND, MORE OR LESS.

NOTE: THE COMPANY IS PROHIBITED FROM INSURING THE AREA OR QUANTITY OF THE LAND DESCRIBED HEREIN. ANY STATEMENT IN THE ABOVE LEGAL DESCRIPTION OF THE AREA OR QUANTITY OF LAND IS NOT A REPRESENTATION THAT SUCH AREA OR QUANTITY IS CORRECT, BUT IS MADE ONLY FOR INFORMATIONAL AND/OR IDENTIFICATION PURPOSES AND DOES NOT OVERRIDE ITEM 2 OF SCHEDULE B HEREOF.

TRACT 2:

TERMS AND PROVISIONS OF THOSE CERTAIN NON-EXCLUSIVE EASEMENTS APPURTENANT TO TRACT 1, FOR VEHICULAR AND PEDESTRIAN INGRESS AND EGRESS OVER, UPON AND ACROSS THE DRIVEWAY AREAS, AS CREATED AND DEFINED UNDER TERMS, CONDITIONS AND STIPULATIONS CONTAINED IN THAT CERTAIN ACCESS EASEMENT AGREEMENT DATED JUNE 26, 2003, BETWEEN PARKWAY PROPERTIES, L.P., AND DAIRY ASHFORD, LTD., FILED FOR RECORD UNDER CLERK'S FILE NO. W-795356, AS AMENDED UNDER CLERK'S FILE NO. Y-850040, BOTH OF THE OFFICIAL PUBLIC RECORDS OF REAL PROPERTY OF HARRIS COUNTY, TEXAS.

EXHIBIT 3

ABATED PROPERTY/IMPROVEMENTS

The project includes the demolition of existing structures to facilitate the construction of new structures and the implementation of green stormwater infrastructure. The proposed improvements include approximately 90,000 SF of retail, restaurant, office, and/or medical space with green stormwater infrastructure located in the external areas of the project site.

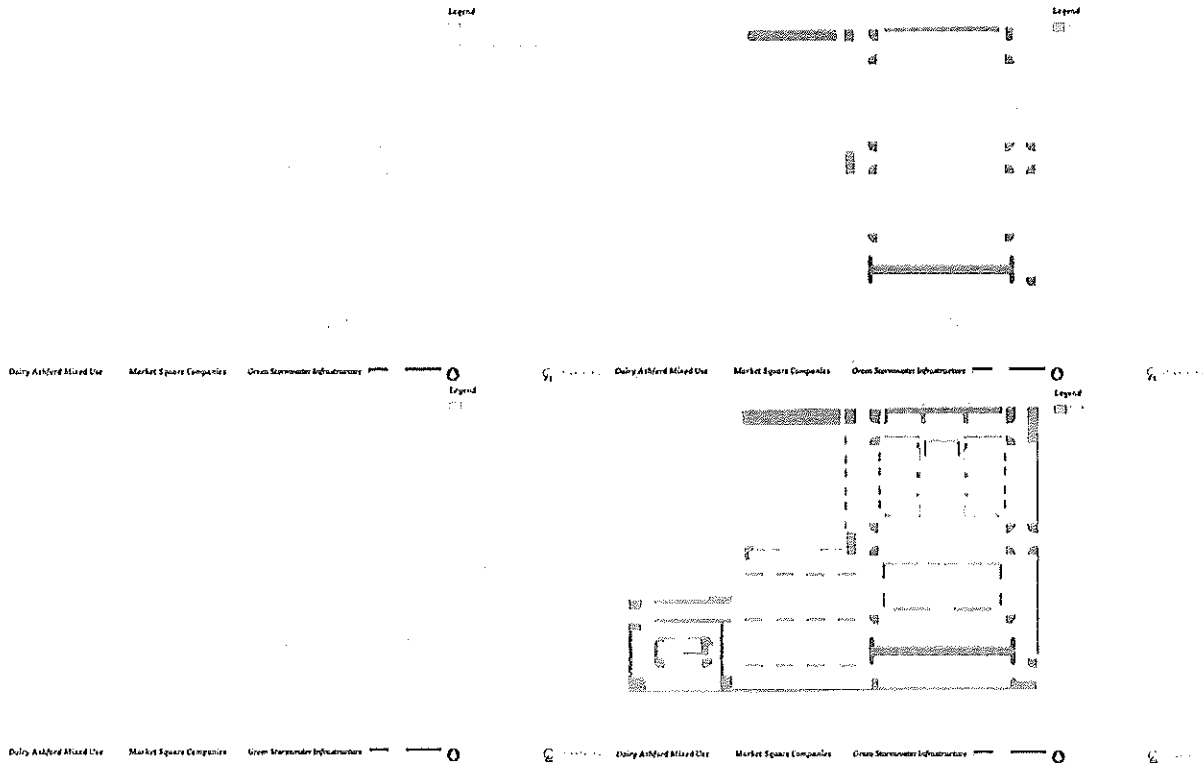


EXHIBIT 4

Economic Impact Analysis

Assessment from the Mayor's Office of Economic Development

The following is a projection of property tax revenue to be collected from this project site once the ad valorem tax abatement is in effect.

MIXED USE RETAIL DEVELOPMENT - 1325 S. Dairy Ashford

PROPERTY TAX PROJECTION

Building Improvements	\$ 27,079,057
Eligible Green Stormwater Infrastructure Improvements	\$ 3,139,441
Eligible Demolition Costs	\$ 2,668,684
Percentage of Investment Applied to Improvement	80%
TY24 COH Tax Rate	0.0051919

	TAX YEAR	FISCAL YEAR	GROWTH	PROJECTED	GSI (100%) + DEMOLITION (90%)	CUMULATIVE	COH
				ASSESSED VALUE	ABATEMENTS	ABATEMENT VALUE	COLLECTED REVENUE
Base Value of Improvements	2026	2027		\$ 10,586,021.00	0%	-	\$ 54,961.56
First Year of Abatement	2028	2029	4%	\$ 90,712,424.00	100%	\$ 470,969.83	-
	2029	2030	4%	\$ 94,340,920.96	100%	\$ 489,808.63	-
	2030	2031	4%	\$ 98,114,557.80	100%	\$ 509,400.97	-
	2031	2032	4%	\$ 102,039,140.11	100%	\$ 529,777.01	-
	2032	2033	4%	\$ 106,120,705.71	100%	\$ 550,968.09	-
	2033	2034	4%	\$ 110,365,533.94	100%	\$ 573,006.82	-
	2034	2035	4%	\$ 114,780,155.30	90%	\$ 536,334.38	\$ 59,592.71
	2035	2036	4%	\$ 119,371,361.51	90%	\$ 557,787.75	\$ 61,976.42
	2036	2037	4%	\$ 124,146,215.97	90%	\$ 580,099.26	\$ 64,455.47
	Final Year of Abatement	2037	2038	4%	\$ 129,112,064.61	90%	\$ 603,303.24
Cumulative Values					\$	5,401,455.99	\$ 308,019.86

Estimated Tax Abatement Effective Date: Jan. 1, 2028

The project does not include direct jobs; however, the project will generate a significant number of indirect jobs. The Company provided the Mayor's Office of Economic Development a planned tenant buildout. The planned tenant buildout includes a mix of retail and restaurant establishments, office space, and a community medical clinic. The projected mix of tenants is likely to generate approximately 456 new jobs across all tenants. Job composition ranges from low-skilled, entry-level positions to high-skilled, advanced degree positions. This jobs projection results in a net positive outcome when compared to the current employment at the project site in its existing conditions. Not included in this projection is the number of indirect jobs generated from the demolition and construction phases of the project.

Additionally, the project generates positive environmental impacts by utilizing green stormwater infrastructure. The Company provided a green stormwater infrastructure benefit calculation to the Mayor's Office of Economic Development as required for the green stormwater abatement application. The installation of bioswales, permeable pavers, and an improved urban canopy at this project site is projected to annually

generate approximately \$706,000 in environmental benefits, including reduced energy usage, improved carbon sequestration, improved air quality, improved stormwater capture, and increased property valuation. Over the 10-year maximum abatement term, the green stormwater infrastructure improvements are likely to generate approximately \$7.1 million in environmental benefits provided the infrastructure is properly maintained.

The Mayor's Office of Economic Development determines that an abatement on ad valorem property taxes that facilitates the stated generation of indirect jobs and environmental improvements on the project site to be an economic net benefit to the City of Houston.