



MISSOURI CITY DEVELOPMENT AUTHORITY MEETING AGENDA

Notice is hereby given of a meeting of the Board of Directors of the Missouri City Development Authority to be held on **Tuesday, January 20, 2015**, at **6:30 p.m.** at: **City Hall, Council Chamber**, 1522 Texas Parkway, Missouri City, Texas, for the purpose of considering the following agenda items. All agenda items are subject to action. The Board of Directors reserves the right to meet in a closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

1. ROLL CALL
2. Approval of the minutes of the meeting of September 2, 2014.
3. Election of Assistant Secretary.
4. Public comments.
5. Consider approving the Report on Applying Agreed-Upon Procedures to Construction, Engineering and Related Costs Reimbursable to Vicksburg Estates, Limited (Developer) for Public Improvement District No. Two of the City of Missouri City, Texas for Lake Shore Harbour, Sections 4 and 5.
6. ADJOURN

In compliance with the Americans with Disabilities Act, the City of Missouri City will provide for reasonable accommodations for persons attending Missouri City Development Authority meetings. To better serve you requests should be received 24 hours prior to the meetings. Please contact Maria Gonzalez, City Secretary, at 281.403.8686.

CERTIFICATION

I certify that a copy of the January 20, 2015, agenda of items to be considered by the Missouri City Development Authority was posted on the City Hall bulletin board on January 16, 2015 at 4:00 p.m.



Yomara Frias, City Secretary Office

I certify that the attached notice and agenda of items for consideration by the Board of Directors was removed by me from the City Hall bulletin board on the ____ day of _____, 2015.



**Missouri City Development Authority Minutes
September 2, 2014**

1. CALL TO ORDER

The Board of Directors of the Missouri City Development Authority held a meeting on Tuesday, September 2, 2014, at 6:30 p.m. in the Council Chambers, 1522 Texas Parkway, Missouri City, Texas.

Present were Chairman Owen, Directors Wyatt, Preston, Ford, Elackatt and Emery; General Manager Broussard, City Attorney Kelley and City Secretary Gonzalez, Assistant City Manager Atkinson, Assistant City Manager Elmer, Development Services Director Smith, Project Coordinator Kelley and Systems Administrator Wolf. Absent: Director Smith

Chairman Owen called the meeting to order at 6:08 p.m.

2. Approval of the minutes of the meeting of July 21, 2014.

Director Emery moved to approve the minutes of the July 21, 2014, meeting; and the motion was seconded by Director Wyatt. **MOTION PASSED UNANIMOUSLY.**

Director Ford stepped away at 6:38 p.m.

3. Public comments.

There were no public comments.

4. Consider authorizing developer reimbursement for Lake Shore Harbour, Sections 1, 2 and 3.

Director Smith stated the reimbursed owed totaled to \$7,103,846. The Authority is requesting approval of the reimbursement of \$580,846 to Vicksburg Estates as funding is available in sections 1 and 2. Both Staff and the TIRZ 2 board approved this reimbursement.

Director Wyatt moved to authorize the reimbursement top the developer in the amount of \$580,846.25 and the motion was seconded by Director Emery. **MOTION PASSED UNANIMOUSLY.**

Director Ford returned at 6:39 p.m.

5. CLOSED EXECUTIVE SESSION

After proper notice given pursuant to the Texas Open Meetings Act, the Board of Directors went into Executive Session at 6:42 p.m.

Texas Government Code, Section 551.071 – Consultation with attorney to seek or receive legal advice regarding pending or contemplated litigation, a settlement offer, or on a matter which the duty of the attorney to the City under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Texas Open Meetings Act: Interlocal Agreement for Regional Road Improvements for the Vicksburg Boulevard Extension.

5. Adjourn.

Director Emery moved to adjourn the meeting at 6:50 p.m., and the motion was seconded by Director Wyatt. Motion passed unanimously. Meeting adjourned.

BY: _____
Allen Owen, Chairman

ATTEST: _____
Floyd Emery, Secretary



**Agenda Item Cover Memo
January 20, 2015**

To: Development Authority Board Members
Agenda Item: 3—Election of Assistant Secretary.
Submitted by: Gary W. Smith, Director of Development Services

SYNOPSIS

The Development Authority's records reflect that Patrice Fogarty is the Assistant Secretary of the Authority. It is necessary to appoint an Assistant Secretary.

BACKGROUND

The Board decided to appoint the City Secretary as the Assistant Secretary for the Authority to allow the Assistant Secretary to perform the ministerial duties of the Secretary. The last Assistant Secretary is no longer employed by the City. It is necessary to appoint an Assistant Secretary.

FISCAL ANALYSIS

None.

STAFF'S RECOMMENDATION

Appoint an Assistant Secretary.



**Agenda Item Cover Memo
January 20, 2015**

To: Development Authority Board Members
Agenda Item: 5—Consider approving the Report on Applying Agreed-Upon Procedures to Construction, Engineering and Related Costs Reimbursable to Vicksburg Estates, Limited (Developer) for Pubic Improvement District No. Two of the City of Missouri City, Texas for Lake Shore Harbour, Sections 4 and 5.
Submitted by: Gary W. Smith, Director of Development Services

SYNOPSIS

Vicksburg Estates, Limited, entered into a Development Agreement to provide for reimbursement of Developer Advances for the installation of certain infrastructure in the development of Lake Shore Harbour subdivision. Prior to any reimbursement, it is necessary to review the Developer Advances under the terms of the Agreed-Upon Procedures. The report on the Agreed Upon Procedures has been prepared.

BACKGROUND

Vicksburg Estates, Limited, through Greatmark International, Inc., has claimed \$2,246,278 in Developer Advances for the construction of infrastructure in Section 4 of Lake Shore Harbour. The Developer Advances have been reviewed by McCall Gibson Swedlund Barfoot PLLC, Certified public Accountants.

Staff has reviewed the report prepared by McCall Gibson Swedlund Barfoot PLLC and finds it to accurately state the Developer Advances subject to reimbursement.

FISCAL ANALYSIS

The cost for the Report and the reimbursement of the Developer Advances will be paid from the PID 2 assessments in Sections 4 and 5 of Lake Shore Harbour.

SUPPORTING MATERIALS

1. Agreed upon procedures

STAFF'S RECOMMENDATION

Approve the Report on Applying Agreed-Upon Procedures to Construction, Engineering and Related Costs Reimbursable to Vicksburg Estates, Limited (Developer) for Pubic Improvement District No. Two of the City of Missouri City, Texas for Lake Shore Harbour, Section 4 and 5.

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PUBLIC IMPROVEMENT DISTRICT NO. TWO

OF

THE CITY OF MISSOURI CITY, TEXAS

REPORT ON APPLYING AGREED-UPON PROCEDURES TO
CONSTRUCTION, ENGINEERING AND RELATED COSTS REIMBURSABLE
TO VICKSBURG ESTATES, LIMITED (DEVELOPER)

NOVEMBER 15, 2014

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LIMITED (DEVELOPER)

A

SCHEDULE COMPARING ACTUAL REIMBURSABLE COSTS
WITH EXHIBIT B OF PUBLIC IMPROVEMENT DEVELOPMENT
AGREEMENT

B

Draft - Subject to change

McCALL GIBSON SWEDLUND BARFOOT PLLC

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November 15, 2014

Board of Directors
Public Improvements District No. Two
City of Missouri City, Texas

Independent Accountant's Report on Applying Agreed-Upon Procedures

We have performed the procedures enumerated below, which were agreed to by the Board of Directors of the Missouri City Public Improvements District No. Two (PID No. 2) on the invoices and schedules submitted by Vicksburg Estates, Limited ("Developer") as of November 15, 2014. These procedures were performed solely to assist you in determining the amount to be reimbursed to the Developer and to facilitate the preparation of a comparison of the actual costs incurred with the approved costs documented in Exhibit B on the Amended Development Agreement dated October 13, 2010.

This engagement to apply agreed-upon procedures was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Board of Directors of PID No. 2. Consequently, we make no representation regarding the sufficiency of the procedures either for the purpose for which this report has been requested or for any other purpose. The procedures performed are summarized as follows:

- A. We prepared certain schedules on behalf of the Developer from supporting invoices submitted by the Developer in substantiation of the costs to be reimbursed. Our review included all documentation supporting items, amounts, and proof of payment for which reimbursement is requested. In addition, we reviewed all agreements provided to us relative to the reimbursement request.
- B. We verified the mathematical accuracy of all engineering invoices greater than \$5,000. We compared the total of the invoices submitted to notations on the final engineering invoices on the project to ascertain whether or not all invoices rendered on the project were included in the reimbursement.

- C. We reviewed the computation of certain costs looking for any amounts required to be paid 100% by the Developer, in accordance with the Development Agreement. Any costs required to be paid by the Developer were deducted.
- D. For the construction contracts, we footed the final pay estimates, and we calculated the extensions of any line item greater than \$5,000.
- E. We obtained verbal confirmation from Harris Construction Co., Ltd., Fort Bend Excavation, Inc., and Clearwater Utilities, Inc. that contracts have been paid in full and that there were no outstanding claims against either PID No. 2 or the Developer.
- F. We prepared schedules for PID No. 2 that compute interest in accordance with the terms of the Development Agreement.
- G. We prepared a reimbursement report for the benefit of PID No. 2 including the accountant's report and schedule of amounts reimbursable to the Developer, and have compared the amounts approved in the Agreement with the actual reimbursable costs to complete the projects.

The attached Schedule A titled "Schedule of Construction, Engineering and Related Costs Reimbursable to Vicksburg Estates, Limited (Developer)", sets forth their reimbursable costs. This reimbursement is in accordance with the terms and conditions of the Development Agreement by and among the Missouri City Development Authority, PID No. 2 and Vicksburg Estates, Limited dated June 19, 2002 and amended October 13, 2010.

A schedule was prepared on behalf of the Developer on the reimbursable amount of \$2,246,277.95, including interest of \$146,974.35 calculated through November 15, 2014. The following changes were made to the original schedule:

- A. We calculated interest through November 15, 2014, at the prime commercial lending rate of JPMorgan Chase Bank plus 1%, and limited interest to two years, which resulted in an interest calculation of \$146,974.35.

According to the Development Agreement, the Developer is to be paid interest on the reimbursable amount at the prime commercial lending rate of Chase Manhattan Bank, NA (now known as JPMorgan Chase Bank) plus 1% per annum, and limited to two years. The following details the interest rates used for the periods included:

Dates	Prime Rate	Prime Rate plus 1%
May 30, 2008, 2008 to October 7, 2008	5.00%	6.00%
October 8, 2008 to October 28, 2008	4.50%	5.50%
October 29, 2008 to December 15, 2008	4.00%	5.00%
December 16, 2008 to November 15, 2014*	3.25%*	4.25%*

*Assumes no change in prime interest rate

Schedule B compares the actual reimbursable costs due the Developer with Exhibit B of the Development Agreement and an estimate of the cost to complete the projects for PID No. 2.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the aforementioned reimbursable costs. Accordingly, we do not express an opinion on the costs to be reimbursed as of November 15, 2014. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Board of Directors and is not intended to be and should not be used by anyone other than this specified party. However, this report is a matter of public record and its distribution is not limited. This report should not be associated with the presentation of any financial data of PID No. 2 except to comply with filing requirements as required by the agreement.

We appreciate this opportunity to be of service to you.

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants

Missouri City AUP 2014

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PUBLIC IMPROVEMENT DISTRICT NO. TWO
SCHEDULE OF CONSTRUCTION, ENGINEERING AND RELATED COSTS
REIMBURSABLE TO VICKSBURG ESTATES, LIMITED (DEVELOPER)
 NOVEMBER 15, 2014

(SEE ACCOMPANYING DISCLAIMER OF OPINION AND
 EXPLANATION OF AGREED-UPON PROCEDURES PERFORMED)

DESCRIPTION	REIMBURSABLE COST
Harris Construction Co., Ltd.	
Construction - Water, Wastewater, Drainage and Lift Station to Serve Lake Shore Harbour, Section 4	
Amount Paid by Developer	\$ 1,156,685.60
R.G. Miller Engineers, Inc.	
Engineering - Water, Wastewater, Drainage, Detention and Lift Station Design to Serve Lake Shore Harbour, Section 4	
Amount Paid by Developer	\$ 140,669.51
Less: Amount Allocable to Other Projects	49,239.14
	91,430.37
Fort Bend Excavation, Inc.	
Detention Pond - Drainage to Serve Lake Shore Harbour, Section 4	
Amount Paid by Developer	\$ 903,154.80
Less: 100% Developer	672,127.80
	231,027.00
Clearwater Utilities, Inc.	
Construction - Water, Wastewater, and Drainage to Serve Lake Shore Harbour, Section 5	
Amount Paid by Developer	548,230.00
R.G. Miller Engineers, Inc.	
Engineering - Water, Wastewater, and Drainage to Serve Lake Shore Harbour, Section 5	
Amount Paid by Developer	\$ 162,811.37
Less: Amount Allocable to Other Projects	90,880.74
	71,930.63
TOTAL AMOUNT REIMBURSABLE TO VICKSBURG ESTATES, LIMITED AS OF NOVEMBER 15, 2014	\$ 2,099,303.60
Developer Interest *	146,974.35
TOTAL AMOUNT PAYABLE TO VICKSBURG ESTATES, LIMITED AS OF NOVEMBER 15, 2014	\$ 2,246,277.95

* Interest is calculated based upon the JPMorgan Chase Bank prime commercial lending rate plus one percent, limited to two years, in accordance with the Development Agreement.

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PUBLIC IMPROVEMENT DISTRICT NO. TWO
SCHEDULE COMPARING ACTUAL REIMBURSABLE COSTS
WITH EXHIBIT B OF DEVELOPMENT AGREEMENT
NOVEMBER 15, 2014
 (SEE ACCOMPANYING DISCLAIMER OF OPINION AND
 EXPLANATION OF AGREED-UPON PROCEDURES PERFORMED)

DESCRIPTION	ESTIMATED COST ALLOCATION EXHIBIT B	REIMBURSABLE TO VICKSBURG ESTATES, LTD. AT NOVEMBER 15, 2014	ESTIMATED ADDITIONAL COST TO COMPLETE
PUBLIC IMPROVEMENTS			
Site Work	\$ 116,500	\$ 88,256	\$ 28,244.00
Storm Sewer	2,178,900	708,719	1,470,181
Water Line	952,513	198,008	754,505
Sanitary Sewer	2,445,525	940,961	1,504,564
Contingencies	854,015		854,015
Engineering	785,694	163,360	622,334
TOTAL IMPROVEMENTS	\$ 7,333,147	\$ 2,099,304	\$ 5,233,843
Developer Interest	\$ -	\$ 146,974	\$ -
TOTAL	\$ 7,333,147	\$ 2,246,278	\$ 5,233,843

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TOTAL ACTUAL COSTS TO DATE AND ESTIMATED ADDITIONAL COST TO COMPLETE	ACTUAL OVER (UNDER) ESTIMATE	% VARIANCE OVER (UNDER) ESTIMATE
\$ 116,500	\$ -	0.00%
2,178,900	-	0.00%
952,513	-	0.00%
2,445,525	-	0.00%
854,015	-	0.00%
785,694	-	0.00%
<u>\$ 7,333,147</u>	<u>\$ -</u>	
<u>\$ 146,974</u>	<u>\$ 146,974</u>	
<u><u>\$ 7,480,121</u></u>	<u><u>\$ 146,974</u></u>	