



# CITY OF BELLAIRE TEXAS

## MAYOR AND COUNCIL

APRIL 2, 2018

Council Chamber

Regular Session

6:00 PM

7008 S. RICE AVENUE  
BELLAIRE, TX 77401

### REGULAR SESSION - 6:00 P.M.

#### A. Call to Order - Andrew S. Friedberg, Mayor.

**Andrew S. Friedberg, Mayor**, called the Regular Session of the City Council of the City of Bellaire, Texas, to order at 6:00 p.m. on Monday, April 2, 2018. The Regular Session was held in the Council Chamber, First Floor of City Hall, 7008 South Rice Avenue, Bellaire, Texas 77401-4411.

#### B. Announcement of a Quorum - Andrew S. Friedberg, Mayor.

**Mayor Friedberg** announced that a quorum of the members of the City Council was present as set forth in the table below.

Name	Title	Status
Andrew S. Friedberg	Mayor	Present
Neil Verma	Council Member	Present
Trisha S. Pollard	Council Member	Present
Gus E. Pappas	Mayor Pro Tem	Present
Pat B. McLaughlan	Council Member	Present
Michael Fife	Council Member	Present
David R. Montague	Council Member	Present

Also present were Paul A. Hofmann, City Manager; Alan P. Petrov, City Attorney; and Tracy L. Dutton, City Clerk.

#### C. Inspirational Reading and/or Invocation - Gus E. Pappas, Mayor Pro Tem.

**Gus E. Pappas, Mayor Pro Tem**, provided the inspirational reading for the evening.

#### D. Pledges to the Flags - Gus E. Pappas, Mayor Pro Tem.

**Mayor Pro Tem Pappas** led the members of the City Council and the audience in the U.S. Pledge of Allegiance and the Pledge to the Texas Flag.

#### E. Recognition of Proclamation and Award:

Issuance of a proclamation by Andrew S. Friedberg, Mayor, proclaiming the week of April 8-14, 2018, as "National Library Week" in the City of Bellaire, Texas, as well as presentation of the "2017 Achievement of Excellence in Libraries," awarded to the Bellaire City Library by the Texas Municipal Library Directors Association.

**Mayor Friedberg** read a proclamation he issued proclaiming the week of April 8-

14, 2018, as "National Library Week," in the City of Bellaire, Texas. In addition, Mayor Friedberg announced the receipt of an award given to the Bellaire City Library by the Texas Municipal Library Directors Association known as the "2017 Achievement of Excellence in Libraries" award. He noted that the award was given to libraries that demonstrated excellence in ten categories, including services to underserved communities, programming for adults and families, literacy support for all ages, workforce development, and community partnerships, among others.

**Mary Cohrs, Library Director,** and **Terra Thompson, Youth Services Librarian,** accepted the proclamation and the award on behalf of the Bellaire City Library.

#### **I. PUBLIC HEARING (REQUEST FOR ALLEY ABANDONMENT)**

##### **A. Reading of the Notice of Public Hearing - Tracy L. Dutton, City Clerk.**

**Tracy L. Dutton, City Clerk,** read the "Notice of the Public Hearing" into the record. City Clerk Dutton advised that the "Notice of Public Hearing" was published in the legal notices section of the Southwest News on Tuesday, March 13, 2018, and posted on the City's official bulletin board and website on March 14, 2018.

##### **B. Summary of Public Hearing Procedure - Paul A. Hofmann, City Manager.**

**Paul A. Hofmann, City Manager,** summarized the public hearing procedure.

##### **C. Presentation of Proposal:**

Presentation regarding a petition submitted by Stone & Stone, LLC, on behalf of Sagstex Investments, LP, & Wolfie's Swim School, LLC, for the abandonment by the City of Bellaire, Texas, of an alley, and of rights-of-way and easements encumbering the property currently located north and abutting the property lines of Lots 18 and 19, in Block 45, of the Town of Bellaire (5200 Block of Cedar Street) - Submitted by ChaVonne Sampson, Director of Development Services.

**Christina Stone, Stone & Stone, LLC,** addressed City Council on behalf of the petitioners, Wolfie's Swim School, LLC (represented by Richard Meador) and Sagstex Investments, LP (represented by Sion Saghian and Michael Saghian), regarding their request for the City to abandon the alley between their properties (located in the 5200 block of Cedar Street) to be used for parking. Ms. Stone made reference to page 12 of a handout that she had provided to members of the City Council which showed the planned parking for the sites.

Ms. Stone noted that she and the petitioners met with the City during the previous week and were asked to provide a mock-up of the proposed parking for the sites. The alley itself would accommodate ten parking spaces, and the area behind the Sagstex Investments, LP, property would accommodate 20 parking spaces. Customers would enter the sites from Cedar Street, flow around the building and exit onto Fifth Street.

It was also noted by Ms. Stone that the alley would be improved by the petitioners, which would raise the values of those properties and other properties in the area, in her opinion.

Although the appraisal indicated a value of \$155,000 for the alley, Ms. Stone asked that the City assess a fee of \$38,750 (i.e., one-quarter of the appraisal) as she felt the abandonment would be a boon to the City.

**D. Public Comment.**

**Mayor Friedberg** announced that there were no speakers signed up on the public hearing sign-in sheet, and asked if there was anyone present who would like to speak on the subject of the public hearing. Noting none, he referred to and summarized a written comment received in connection with the public hearing from **Mr. Keith Bowers** who wrote in support of the request for abandonment and sale of the alley rights-of-way and easements at the appraiser's recommended price per square foot.

**E. Questions from the Mayor and City Council.**

**Mayor Friedberg** opened the floor for questions from the Mayor and City Council. Following questions, Mayor Friedberg closed the public hearing.

**F. Close of the Public Hearing.**

**Mayor Friedberg** announced that the public hearing was closed at 7:04 p.m. on Monday, April 2, 2018, and advised that the oral public comment period for the public hearing was closed. Written comments could be submitted to City Council in care of the City Clerk until noon on the Thursday preceding the meeting in which final deliberation would occur on the matter. It was anticipated that final deliberation would occur on Monday, April 16, 2018; therefore, written comments must be submitted to the City Clerk's office by noon on Thursday, April 12, 2018, to be included in the record of the proceedings.

**G. Adjourn.**

**Mayor Friedberg** announced that the public hearing was adjourned at 7:05 p.m. on Monday, April 2, 2018.

**II. REGULAR MEETING**

**A. Call to Order - Andrew S. Friedberg, Mayor.**

**Mayor Friedberg** called the Regular Meeting of the City Council of the City of Bellaire, Texas, to order at 7:05 p.m. on Monday, April 2, 2018.

**B. Announcement of a Quorum - Andrew S. Friedberg.**

**Mayor Friedberg** announced that a quorum of the members of the City Council was present as set forth in the table below:

<b>Name</b>	<b>Title</b>	<b>Status</b>
Andrew S. Friedberg	Mayor	Present
Neil Verma	Council Member	Present
Trisha S. Pollard	Council Member	Present
Gus E. Pappas	Mayor Pro Tem	Present
Pat B. McLaughlan	Council Member	Present
Michael Fife	Council Member	Present

David R. Montague	Council Member	Present
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Also present were Paul A. Hofmann, City Manager; Alan P. Petrov, City Attorney; and Tracy L. Dutton, City Clerk.

**C. Personal/Audience Comments.**

**Mayor Friedberg** opened the floor for Personal/Audience Comments and asked if there was anyone present who would like to address City Council. Hearing none, and noting that no written comments in connection with tonight's meeting had been received, Mayor Friedberg moved to the next item on the agenda.

**D. Reports and Presentations:**

1. City Manager's Report regarding communication, field and personnel updates, calendar reminders, and notes of appreciation - Submitted by Paul A. Hofmann, City Manager.

**Paul A. Hofmann, City Manager**, presented the City Manager's Report dated April 2, 2018, to members of the City Council. The report included communication updates (overview of notices sent to residents via the City's website, including construction notices and detours, events and rain events), personnel activity, Council Municipal Facilities Tour, upcoming events, kudos (to Commander Deacon Tittel on an overview he recently provided to management staff regarding Hurricane Harvey and emergency preparedness); upcoming City Council meetings and agenda items, and words of appreciation to H-E-B for sponsoring a lunch 'n learn for City employees.

**Mayor Friedberg** opened the floor for questions from the Mayor and City Council. Following questions, Mayor Friedberg announced that the City Manager's Report was concluded and moved to the next report on the agenda.

2. Monthly Financial Report for the Period Ending February 28, 2018 - Submitted by Terrence Beaman, Chief Financial Officer.

**Terrence Beaman, Chief Financial Officer**, presented the Monthly Financial Report for the period ended February 28, 2018, to members of the City Council. The report included overviews of revenues and expenditures for the General Fund, Enterprise Fund and Debt Service Fund.

**Mayor Friedberg** opened the floor for questions from the Mayor and City Council. Following questions, Mayor Friedberg announced that the Monthly Financial Report was concluded and continued to the next section of the agenda, New Business.

**E. New Business:**

1. **Adoption of Ordinance(s)/Resolution(s):**



- a. Consideration of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, authorizing the City Manager of the City of Bellaire, Texas, to execute, for and on behalf of the City of Bellaire, Texas, an "Application for Payment No. 4 – Final" with Central Tank Coatings, Inc., in the amount of \$26,940.00 for the Renwick Ground Storage Tank Rehabilitation project and authorizing the City to release retainage to Central Tank Coatings, Inc., on said project in the amount of \$26,940.00 – Submitted by Michael Leech, Director of Public Works.

**Mayor Friedberg** read the agenda item and entertained a motion to adopt the ordinance as presented authorizing the execution of the final application for payment and release of retainage to Central Tank Coatings, Inc., in the amount of \$26,940.00 for the Renwick Ground Storage Tank Rehabilitation Project.

**Motion:**

**To adopt the ordinance as presented authorizing the execution of the final application for payment and release of retainage to Central Tank Coatings, Inc., in the amount of \$26,940.00 for the Renwick Ground Storage Tank Rehabilitation Project.**

**{Moved by David R. Montague, Council Member, and seconded by Neil Verma, Council Member}**

**Mayor Friedberg** opened the floor for discussion on the motion, as well as questions for Director of Public Works Michael Leech. Following questions and discussion, action was taken on the motion.

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	David R. Montague, Council Member
<b>SECONDER:</b>	Neil Verma, Council Member
<b>AYES:</b>	Friedberg, Verma, Pollard, Pappas, McLaughlan, Fife, Montague

- b. Consideration of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, authorizing the City Manager of the City of Bellaire, Texas, to execute a "Statement of Work for the City of Bellaire Development Services Digitization" project in an amount not to exceed \$58,814.80, and a "Statement of Work for the City of Bellaire HR Record Digitization" project in an amount not to exceed \$19,470.00 with DataBank IMX, LLC, for the provision of document management services - Submitted by ChaVonne Sampson, Director of Development Services.

**Mayor Friedberg** read the agenda item and entertained a motion to adopt the ordinance as presented authorizing the execution of two Statements of Work with DataBank IMX, LLC, for the provision of document management services, one in an amount not to exceed \$58,814.80 for the Development Services Digitization project, and the other in an amount not to exceed \$19,470.00 for the HR Record Digitization project.

**Motion:**

**To adopt the ordinance as presented authorizing the execution of two Statements of Work with DataBank IMX, LLC, for the provision of document management services, one in an amount not to exceed**

**\$58,814.80 for the Development Services Digitization project, and the other in an amount not to exceed \$19,470.00 for the HR Record Digitization project.**

**{Moved by David R. Montague, Council Member, and seconded by Michael Fife, Council Member}**

**Mayor Friedberg** opened the floor for discussion and questions of staff. Following discussion and questions, action was taken on the motion.

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	David R. Montague, Council Member
<b>SECONDER:</b>	Michael Fife, Council Member
<b>AYES:</b>	Friedberg, Verma, Pollard, Pappas, McLaughlan, Fife, Montague

**2. Item for Individual Consideration:**

Consideration of and possible action to direct that a new item be placed on future agendas titled "Meet the Future & Know the Past" to hear from residents and business owners regarding their perspectives of past events in Bellaire's history and their perspectives or insights about Bellaire today and in the future - Submitted by Trisha S. Pollard, Council Member.

**Mayor Friedberg** read the agenda item and invited Council Member Trisha S. Pollard to offer a motion to direct that a new item titled "Meet the Future & Know the Past" be placed on future agendas for a six-month trial period.

**Motion:**

**To direct that a new item titled "Meet the Future & Know the Past" be placed on future agendas for a six-month trial period.**

**{Moved by Trisha S. Pollard, Council Member, and seconded by Michael Fife, Council Member}**

**Council Member Pollard** referenced two recent occasions where she had an opportunity to meet a new resident of Bellaire with an interesting background and an existing resident of Bellaire that had served on the Planning and Zoning Commission who had written much of what was still in effect today in the City's Zoning ordinances. Those occasions resulted in the idea to place a new recurring item on the agenda. She indicated that over the six-month trial period, there would be six speakers addressing the past and six speakers addressing the present or future.

Discussion ensued among members of the City Council. Concerns were expressed as to the amount of time an additional item might add to meetings, which many felt were already too long and too packed with business.

<b>RESULT:</b>	<b>FAILED [1 TO 6]</b>
<b>MOVER:</b>	Trisha S. Pollard, Council Member
<b>SECONDER:</b>	Michael Fife, Council Member
<b>AYES:</b>	Pollard
<b>NAYS:</b>	Friedberg, Verma, Pappas, McLaughlan, Fife, Montague

**F. Community Interest Items from the Mayor and Council.**

Community interest items from the Mayor and Council included commendations and expressions of thanks to the Patrons for Bellaire Parks for a fabulous Wine & Tapas Event; expressions of thanks to staff for providing a tour of municipal facilities for members of City Council; reminders to attend and participate in the Trolley Run; and expressions of thanks to the Bellaire Police Department for helping to ensure the safety of patrons crossing Newcastle Drive to visit Evelyn's Park during recent events.

**G. Adjourn.**

**Mayor Friedberg** announced that the Regular Meeting was adjourned at 8:02 p.m. on Monday, April 2, 2018.



## Proclamation

*Whereas*, libraries are not just about what they have for people, but what they do for people; and

*Whereas*, libraries have long served as trusted and treasured institutions, and library workers and librarians fuel efforts to better their communities; and

*Whereas*, librarians continue to lead the way for all who seek information and access to technologies; and

*Whereas*, libraries and librarians look beyond their traditional roles and provide transformative opportunities for education, employment, entrepreneurship, empowerment and engagement, as well new services that connect closely with patrons' needs; and

*Whereas*, libraries and librarians lead their communities in innovation, providing STEAM (science, technology, engineering, arts and math) programing, and access and training for new technologies; and

*Whereas*, libraries lead in working with diverse communities, offering services and educational resources that transform communities, open minds and promote inclusion and diversity; and

*Whereas*, libraries, librarians, library workers and supporters across America are celebrating National Library Week;

***Now, Therefore***, I, **Andrew S. Friedberg, Mayor of the City of Bellaire, Texas**, do hereby proclaim the week of **April 8-14, 2018** as

### *National Library Week*

in the City of Bellaire, Texas, and encourage all residents to visit the Library this week to explore what's new and to engage with your librarians and library workers; because of you and our library leaders, *Libraries Transform*.



***In Witness Whereof***, I have hereunto set my hand and caused the seal of the City of Bellaire, Texas, to be affixed this 2nd day of April, 2018.

\_\_\_\_\_  
Andrew S. Friedberg  
Mayor  
City of Bellaire, Texas

CITY OF BELLAIRE  
RECEIVED

DEC 06 2017

DEVELOPMENT SERVICES

STATE OF TEXAS

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COUNTY OF HARRIS

**PETITION TO VACATE A PORTION OF AN ALLEY****TO THE MAYOR AND CITY COUNCIL OF THE CITY OF BELLAIRE, TEXAS:**

By this petition, the undersigned owners of real property in said City seek an Ordinance vacating and closing portions of one certain alley in said City, more fully described below, and as grounds under the law respectfully show:

1. Said alley was previously dedicated to public use by the City.
2. Said alley is not open upon the ground to actual use by the public. Petitioners know of no person who would be injured by the closing of said alley.
3. Said alley is not now needed by the public; and by closing same, the City would be relieved of possible legal duty to maintain it, at consequent saving of tax funds.
4. All persons required by law to join in this petition have done so. This Petition is brought under authority of the *Code of Ordinances of the City of Bellaire, Texas, Chapter 27, Streets, Sidewalks and Public Places, Article VI, Sale and Abandonment of Public Property, Section 27-102, Petition Required*, requesting the abandonment by the City of Bellaire, Texas.
5. A list of the property owners abutting the portion of the alley is attached hereto as Exhibit "A". Letters from title companies certifying the names of the owners of such properties are attached hereto as Exhibit "B".
6. That alley hereby petitioned to be closed is further described on Exhibit "C" (a survey) and Exhibit "D" (metes and bounds description).

WHEREFORE, Petitioners request the City Council by Ordinance duly adopted to vacate and close the foregoing portion of an alley.

Attachment: Alley Abandonment-Sagstex Investments (2480 : Alley Abandonment-Cedar Street)

Respectfully submitted,

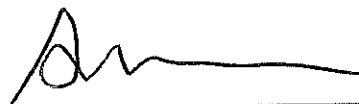
STONE & STONE, LLC

BY: Christina Stone

CHRISTINA STONE  
5212 Linden Street  
Bellaire, Texas 77401  
(713) 666-7501 Telephone  
(713) 666-7551 Telecopier  
stone\_christina@hotmail.com  
ATTORNEY FOR PETITIONERS  
SAGSTEX INVESTMENTS, LP and  
WOLFIE'S SWIM SCHOOL, LLC

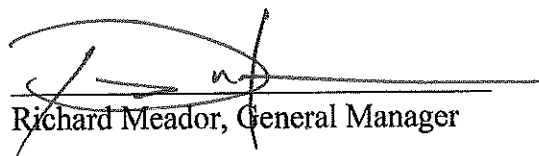
PETITIONERS:

SAGSTEX INVESTMENTS, LP



Sion Saghian, President of Robian, Inc.,  
General Partner of Sagstex Investments, LP

WOLFIE'S SWIM SCHOOL, LLC



Richard Meador, General Manager

STATE OF TEXAS

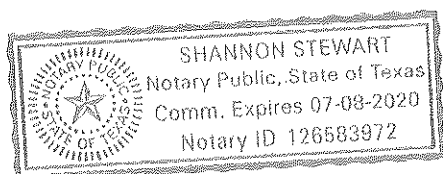
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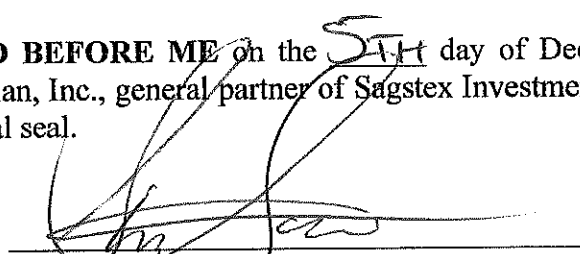
COUNTY OF HARRIS

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SUBSCRIBED AND SWORN TO BEFORE ME on the 5th day of December, 2017, by Sion Saghian, as president of Robian, Inc., general partner of Sagstex Investments, LP, to certify which witness my hand and official seal.



  
Notary Public in and for  
The State of Texas

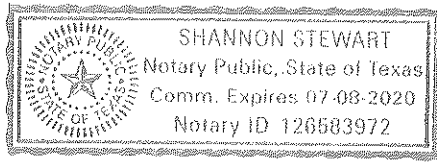
Attachment: Alley Abandonment-Sagstex Investments (2480 : Alley Abandonment-Cedar Street)

STATE OF TEXAS

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COUNTY OF HARRIS

SUBSCRIBED AND SWORN TO BEFORE ME on the 6<sup>th</sup> day of December, 2017, by Richard Meador, as general manager of Wolfe's Swim School, LLC, to certify which witness my hand and official seal.



A handwritten signature in black ink, appearing to read "Shannon Stewart", written over a horizontal line.

Notary Public in and for  
The State of Texas

Attachment: Alley Abandonment-Sagstex Investments (2480 : Alley Abandonment-Cedar Street)

**Names of Owners Abutting Alley**

Wolfie's Swim School, LLC

Sagstex Investments, LP

Attachment: Alley Abandonment-Sagstex Investments (2480 : Alley Abandonment-Cedar Street)

**EXHIBIT**  
**"A"**





# Alamo Title Company

A member of Fidelity National Financial

**Alamo Title Insurance  
Fidelity National Title-Houston Division  
1800 Bering, Suite 150  
Houston, Texas 77057**

## CITY PLANNING LETTER

**DATE:** October 11, 2017 @ 8:00 A.M.

**CERTIFICATE NO.:** 2017-CPL- (ATCH16062742)

**SPECIAL REPORT TO THE CITY  
PLANNING COMMISSION**

**SUBJECT TO:**

THIS REPORT DOES NOT ADDRESS AND NO SEARCH HAS BEEN PERFORMED REGARDING THE FOLLOWING: CLAIMS AND RIGHTS OF PARTIES IN POSSESSION; DISCREPANCIES IN AREA AND BOUNDARIES; UNPAID BILLS FOR LABOR OR MATERIAL IN CONNECTION WITH REPAIRS OR NEW IMPROVEMENTS; UNPAID TAXES; CHANGE IN MATERIAL OR CORPORATE STATUS OF OWNER(S) SINCE DATE OF PURCHASE; HOMESTEAD RIGHTS OR CLAIMS; EASEMENTS AND RESTRICTIONS.

**Based on a search of the Public Records of the County of Harris, State of Texas the last instrument purporting to convey title to the land described herein was:**

WOLFIES SWIM SCHOOL, LLC, a Texas limited liability company, by virtue of deed recorded under Harris County Clerk's File No. 20140128165.

**CORRECT DESCRIPTION OF THE PROPERTY:**

Lots Seventeen (17) and Eighteen (18), in Block Forty-Five (45), of TOWN OF BELLARE, a subdivision in Harris County, Texas, according to the map or plat thereof, recorded in Volume 3, Page 59, of the Map Records of Harris County, Texas, together with the South 5 feet of the abandoned 10 foot alley adjoining the north line of subject property, as quitclaimed by the city of Bellaire by Deed filed for record under Harris County Clerk's File No. S228250.

**EXHIBIT  
"B"**

1800 Bering Street, Suite 150 • Houston, Texas 77057  
(713) 966-4040 • Fax (713) 966-4061

Attachment: Alley Abandonment-Sagstex Investments (2480 : Alley Abandonment-Cedar Street)

**1. RESTRICTIONS:**

None found of record.

**2. EASEMENTS:**

Easement rights in and to 1/2 of the alley located adjacent to and abutting the north property line, granted to the City of Bellaire in instruments recorded under Harris County Clerk's File No. R309009 and S228250.

**3. ADDITIONAL EXCEPTIONS:**

Building and Zoning Ordinances in force and effect in the City of Bellaire, including notice recorded in Volume 1254, Page 85 and Volume 1393, Page 596, of the Deed Records of Harris County, Texas.

**4. LIENS:**

Deed of Trust, Security Agreement, Assignment of Rents and Leases executed by Wolfies Swim School, LLC, a Texas limited liability company to George M. Marshall, Trustee, dated February 28, 2016, recorded October 5, 2016, under Harris County Clerk's File No. RP-2016-451388, securing the payment of one note of even date therewith in the principal sum of \$1,175,685.00, due and payable to ZB, N.A. DBA AMEGY BANK (fka Amegy Bank, National Association), and bearing interest as provided; and all the terms, conditions and stipulations contained therein, including, but not limited to, any additional indebtedness, if any, secured by said instrument.

Said lien having been modified by those certain Modification, Renewal and Extension Agreements recorded under Harris County Clerk's File No(s). RP-2017-327930 and RP-2017-336139.

This report is issued for the use of and shall inure to the benefit of Wolfies Swim School, LLC, c/o Richard Meador and is issued in consideration of \_\_\_\_\_ paid by the benefitted party named above, and no others, and to whom said sum shall be returned as agreed liquidated damages in the event of any mistakes herein. By accepting this search, the benefitted party agrees that the said sum and no more shall constitute the full measure for damages against the issuing company.

**SPECIAL NOTE AND LIMITATION OF LIABILITY:** This Report is issued with the express understanding evidenced by the acceptance of same, that this report does not undertake to give or express any opinion as to the validity of the title hereinabove described or the authority of those executing the above listed instruments, but is simply reporting herein and hereby as to the recitals of instruments listed. The Company assumes no liability greater than the consideration paid for this certificate by reason of issuance, delivery and/or use of same, nor for any error or omissions herein.

This report does NOT reflect title to any of the oil, gas and other mineral interests affecting subject property, nor any documents creating and/or affecting said estates, nor the validity of any rights, privileges and

immunities relating thereto, for the use and benefit to the above described party(ies) and liability of the Company for mistakes or errors in this Title Report is hereby limited to the cost of the Title Report. This Title Report is issued with the express understanding, evidenced by the acceptance thereof, that the Company does not undertake to give or express any opinion as to the validity of the title to the property described nor the validity or effect of the instruments listed and this Title Report is neither a guaranty nor warranty of title.

ALAMO TITLE COMPANY

By: Terrance Thomas  
Terrance Thomas

EXHIBIT "A"

Attachment: Alley Abandonment-Sagstex Investments (2480 : Alley Abandonment-Cedar Street)



**Sharon Stephens**  
Title Examiner I

Stewart Title Company  
10720 West Sam Houston Pkwy North  
Suite 200  
Houston, TX 77084  
Phone  
Fax  
Sharon.Stephens@stewart.com

November 30, 2017

File No.: 1710725CPL

To Whom It May Concern:

This company certifies that a diligent search of the Real Property Records of Stewart Title Company's abstract plant has been made, as to the herein described property, and as of 8:00 A.M. on the 26th day of November, 2017, the last Deed that we find, of record, reflects the record owner to be:

City of Bellaire, Texas

Legal Description:

THE SOUTH ONE HUNDRED TWENTY-FIVE FEET (125.00') OF A TWENTY-FIVE FOOT (25.00') ALLEY LOCATED IN BLOCK 45 OF THE TOWN OF BELLAIRE, IN HARRIS COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN VOLUME 3, PAGE 59 OF THE MAP RECORDS OF HARRIS COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT AN "X" SET IN ASPHALT ON THE NORTH LINE OF CEDAR STREET (60' R.O.W.) AT THE SOUTHWEST CORNER OF LOT 19, BLOCK 45 OF THE TOWN OF BELLAIRE AND THE SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE WEST, ALONG THE NORTH LINE OF SAID CEDAR STREET, A DISTANCE OF 25.00 FEET TO 1/2 INCH IRON ROD SET AT THE SOUTHEAST CORNER OF LOT 18, BLOCK 45 OF THE TOWN OF BELLAIRE AND THE SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE NORTH, ALONG THE EAST LINE OF SAID LOT 18, SAME BEING THE WEST LINE OF SAID ALLEY, A DISTANCE OF 125.00 FEET TO 1/2 INCH IRON ROD SET AT THE NORTHEAST CORNER OF SAID LOT 18 AND THE NORTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE EAST, A DISTANCE OF 25.00 FEET TO A 1/2 INCH IRON ROD SET AT THE NORTHWEST CORNER OF SAID LOT 19 AND THE NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE SOUTH, ALONG THE WEST LINE OF SAID LOT 19 AND THE EAST LINE OF SAID ALLEY, A DISTANCE OF 125.00 FEET TO THE POINT OF BEGINNING AND CONTAINING 3125.00 SQUARE FEET OF LAND, MORE OR LESS.

Subject to the following:

1. Restrictions:

This item is hereby deleted.

2. Easements/Other Exceptions:

Attachment: Alley Abandonment-Sagstex Investments (2480 : Alley Abandonment-Cedar Street)

Title to, and easements in, any portion of the land lying within any highways, roads, streets, or other ways.

Subject to any easements, rights-of-way, roadways, encroachments, etc., which a survey or physical inspection of the premises might disclose.

Any and all zoning laws, regulations and ordinances of municipal and/or governmental authorities affecting subject property, including those by the City of Bellaire, Texas.

Any rights, claims or other matters which may exist or arise by virtue of the adjacent property owners and/or lienholders of Lot 18 and Lot 19, in Block 45 of the Town of Bellaire, Harris County, Texas, as shown on Plat, recorded in/under Volume 3, Page 59 of the Map Records of Harris County, Texas.

### 3. Liens/Misc:

The subject property is currently designated as an alley running between Lot 18 and Lot 19, in Block 45 of the Town of Bellaire. Alleys have multiple uses including access, utilities and general use. The City of Bellaire, Texas, shall review the use of the alley to determine if said property can be abandoned and/or vacated in its use. Upon approval to abandon and vacate the alley by the City of Bellaire, Texas, Company requires 1) recordable documentation approving the abandoning and vacating of the alley; and 2) a conveyance of any and all rights, title and interest of the City of Bellaire, Texas, in and to the subject property to the proposed party seeking ownership of the subject property. Additional exceptions and/or requirements may be made upon receipt and review.

A potential claim of interest may be asserted in the subject alley or property by the property owners of Lot 18 and Lot 19, in Block 45 of the Town of Bellaire, which adjoin the subject alley/property. Company requires recordable satisfactory evidence of the acceptance and approval by the property owners of Lot 18 and Lot 19 of the abandonment and/or conveyance by the City of Bellaire, Texas. Additional exceptions and/or requirements may be made upon receipt and review.

Below are the current property owners and lienholders as to Lot 18 and Lot 19 (being the adjacent lots to the subject property):

#### Lot 18, Block 45, Town of Bellaire:

Current Vesting Deed: Deed dated March 28, 2014, to WOLFIES SWIM SCHOOL, LLC, a Texas limited liability company, recorded in/under County Clerk's File No. 20140128165 of the Official Public Records of Real Property of Harris County, Texas;

Current Lien(s): Deed of Trust dated March 28, 2014, recorded in/under County Clerk's File No. 20140128166 of the Official Public Records of Real Property of Harris County, Texas; Assignment of Rents, recorded in/under County Clerk's File No. 20140128167 of the Official Public Records of Real Property of Harris County, Texas; Renewal, Extension and Modification Agreement, recorded in/under County Clerk's File No. 20150005144 of the Official Public Records of Real Property of Harris County, Texas; Modification, Renewal and Extension Agreement, recorded in/under County Clerk's File No. 20150330169 of the Official Public Records of Real Property of Harris County, Texas; Deed of Trust dated February 28, 2016, recorded in/under County Clerk's File No. RP-2016-451388 of the Official Public Records of Real Property of Harris County, Texas; Modification, Renewal and Extension Agreement, recorded in/under County Clerk's File No. RP-2017-121266 of the Official Public Records of Real Property of Harris County, Texas; Modification, Renewal and Extension Agreement, recorded in/under County Clerk's File No. RP-2017-327930 of the Official Public Records of Real Property of Harris County, Texas; and Modification, Renewal and Extension Agreement, recorded in/under County Clerk's File No. RP-2017-336139 of the Official Public Records of Real Property of Harris County, Texas.

#### Lot 19, Block 45, Town of Bellaire:

Current Vesting Deed: Deed dated July 18, 2017 to SAGSTEX INVESTMENTS, L.P., a Texas limited partnership, recorded in/under County Clerk's File No. RP-2017-321309 of the Official Public Records of Real Property of Harris County, Texas, and being corrected in correction deed, filed for record on November 16, 2017, recorded in/under County Clerk's File No. RP-2017-504012 of the Official Public Records of Real Property of Harris County, Texas;

Current Lien: Deed of Trust dated July 18, 2017, recorded in/under County Clerk's File No. RP-2017-321310 of the Official Public Records of Real Property of Harris County, Texas, and being

corrected in correction deed of trust, filed for record on November 16, 2017, recorded in/under County Clerk's File No. RP-2017-504013 of the Official Public Records of Real Property of Harris County, Texas.

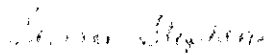
No examination has been made as to Abstracts of Judgments, State or Federal Tax Liens, the status of taxes, tax suits or paving assessments.

This letter is issued for platting purposes only. Liability of Stewart Title Company for mistakes or errors in this letter is hereby limited to the cost of said letter.

The letter is issued with the express understanding, evidenced by the acceptance thereof, that Stewart Title Company does not undertake to give or express any opinion as to the validity or effect of the instruments listed, and this letter is neither a guaranty or warranty of title.

Liability hereunder is limited to the amount paid for same. This report is furnished solely as an accommodation to the party requesting same and should not be relied upon, as a warranty or representation as to the title to the property described herein and may not be given to or used by any third party. Stewart Title Company assumes no liability whatsoever for the accuracy of this report, nor for any omission or error with respect hereto. **You agree to release, indemnify and hold harmless Stewart Title Company because of any negligence by Stewart Title Company (whether sole, joint or otherwise) for any claim, loss, liability or damages arising out of this report.** This report is not title insurance. If a policy of title insurance is purchased, any liability thereunder shall be determined solely by the terms of such policy.

Sincerely,  
Stewart Title Company



Sharon Stephens

Attachment: Alley Abandonment-Sagstex Investments (2480 : Alley Abandonment-Cedar Street)



LEGEND * ITEMS THAT MAY APPEAR IN * DRAWING BELOW		F.I.R. = FOUND IRON ROD F.U.P. = FOUND UTILITY PIPE S.I.R. = SET IRON ROD M.P. = METAL POST C.P. = CEMENT PILE P.O.B. = POINT OF BEGINNING B.L. = BUILDING LINE F.N. = FOUND B.S. = BEARS		P.A.E. = PERMANENT ADDRESS EASEMENT P.U.E. = PERMANENT UTILITY EASEMENT W.E. = WATER & SEWER EASEMENT E.E. = EGRESS EASEMENT P.C. = POINT OF CURVATURE P.T. = POINT OF TANGENCY P.R.C. = POINT OF REVERSE CURVATURE P.C.C. = POINT OF COMPOUND CURVATURE M.P. = METAL POST S.F.A.P. = SEARCHED FOR, NOT FOUND U.T.S. = UNABLE TO SET		CONTROL MONUMENT PROPERTY LINE EASEMENT LINE BUILDING SETBACK LINE BUILDING WALL		WOODEN FENCE CHAIN LINK FENCE METAL FENCE WIRE FENCE VINYL FENCE							
<p>LOT 8 BLOCK 45      LOT 7 BLOCK 45      25' ALLEY      LOT 6 BLOCK 45      LOT 5 BLOCK 45</p> <p>TOWN OF BELLAIRE VOL. 3, PG. 59 H.C.M.R.      TOWN OF BELLAIRE VOL. 3, PG. 59 H.C.M.R.</p> <p>10' ALLEY      S.I.R. 1/2"      EAST 25.00'      S.I.R. 1/2"      10' ALLEY</p> <p>125.00'      S. 125' OF 25' ALLEY 3,125 SQ. FT.      125.00'</p> <p>LOT 17 BLOCK 45      LOT 18 BLOCK 45      LOT 19 BLOCK 45      LOT 20 BLOCK 45</p> <p>TOWN OF BELLAIRE VOL. 3, PG. 59 H.C.M.R.      TOWN OF BELLAIRE VOL. 3, PG. 59 H.C.M.R.</p> <p>ASPHALT</p> <p>P.O.B.</p> <p>WEST 25.00'      S.I.R. 1/2"      25.00'      125.00'      S 90° 56' 10" W 25.82'      END X-CUT</p> <p>CEDAR STREET (60' R.O.W.)</p> <p>Reviewed &amp; Accepted by: _____ Date: _____ / _____ / _____ Date: _____</p>															
<p>NOTES:</p> <ul style="list-style-type: none"> <li>- BEARING BASIS: PLAT</li> <li>- SUBJECT TO ANY AND ALL RECORDED AND UNRECORDED EASEMENTS</li> <li>- SURVEYOR HAS NOT INDEPENDENTLY ABSTRACTED PROPERTY</li> <li>- UNDERGROUND UTILITY INSTALLATIONS, UNDERGROUND IMPROVEMENTS, FOUNDATIONS AND/OR OTHER UNDERGROUND STRUCTURES WERE NOT LOCATED BY THIS SURVEY</li> <li>- THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY, IT IS NOT TRANSFERABLE TO ADDITIONAL INSTITUTIONS OR SUBSEQUENT OWNERS</li> <li>- SUBJECT TO RESTRICTIVE COVENANTS AS PER TITLE COMMITMENT</li> <li>- SUBJECT TO ZONING AND BUILDING ORDINANCES ENFORCED BY LOCAL MUNICIPALITIES</li> <li>- PAGE 1 OF 2</li> </ul>		<p>LEGAL DESCRIPTION</p> <p>THE SOUTH ONE HUNDRED TWENTY-FIVE FEET (125.00') OF A TWENTY-FIVE FOOT (25.00') ALLEY LOCATED IN BLOCK 45 OF THE TOWN OF BELLAIRE, IN HARRIS COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN VOLUME 3, PAGE 59 OF THE MAP RECORDS OF HARRIS COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS ATTACHED.</p> <table border="1"> <tr> <td>KANTI R. VALA</td> <td>ADDRESS</td> <td>CEDAR STREET</td> </tr> <tr> <td colspan="2"> </td> <td> <p>JOB # 1708387</p> <p>DATE 9-8-17</p> <p>GF# 17201051317</p> <p>PRO-SURV</p> <p>P.O. BOX 1368, FRIENDSWOOD, TX 77649</p> <p>PHONE: 281-998-1113 FAX: 281-998-0012</p> <p>EMAIL: orders@prosurv.net</p> <p>T.B.P.L.S. FIRM #10119300</p> <p>ONLY SURVEY MAPS WITH THE SURVEYOR'S ORIGINAL SIGNATURE ARE BEARING TRUE AND CORRECT COPIES OF THE SURVEYOR'S ORIGINAL WORK AND OPINION</p> <p>© 2017 PRO-SURV - ALL RIGHTS RESERVED</p> </td> </tr> </table>								KANTI R. VALA	ADDRESS	CEDAR STREET			<p>JOB # 1708387</p> <p>DATE 9-8-17</p> <p>GF# 17201051317</p> <p>PRO-SURV</p> <p>P.O. BOX 1368, FRIENDSWOOD, TX 77649</p> <p>PHONE: 281-998-1113 FAX: 281-998-0012</p> <p>EMAIL: orders@prosurv.net</p> <p>T.B.P.L.S. FIRM #10119300</p> <p>ONLY SURVEY MAPS WITH THE SURVEYOR'S ORIGINAL SIGNATURE ARE BEARING TRUE AND CORRECT COPIES OF THE SURVEYOR'S ORIGINAL WORK AND OPINION</p> <p>© 2017 PRO-SURV - ALL RIGHTS RESERVED</p>
KANTI R. VALA	ADDRESS	CEDAR STREET													
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Attachment: Alley Abandonment-Sagstex Investments (2480 : Alley Abandonment-Cedar Street)

EXHIBIT  
"C"

FIELD NOTES  
OF A SURVEY OF

THE SOUTH ONE HUNDRED TWENTY-FIVE FEET (125.00') OF A TWENTY-FIVE FOOT (25.00') ALLEY LOCATED IN BLOCK 45 OF THE TOWN OF BELLAIRE, IN HARRIS COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN VOLUME 3, PAGE 59 OF THE MAP RECORDS OF HARRIS COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT AN "X" SET IN ASPHALT ON THE NORTH LINE OF CEDAR STREET (60' R.O.W.) AT THE SOUTHWEST CORNER OF LOT 19, BLOCK 45 OF THE TOWN OF BELLAIRE AND THE SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE WEST, ALONG THE NORTH LINE OF SAID CEDAR STREET, A DISTANCE OF 25.00 FEET TO A ½ INCH IRON ROD SET AT THE SOUTHEAST CORNER OF LOT 18, BLOCK 45 OF THE TOWN OF BELLAIRE AND THE SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE NORTH, ALONG THE EAST LINE OF SAID LOT 18, SAME BEING THE WEST LINE OF SAID ALLEY, A DISTANCE OF 125.00 FEET TO A ½ INCH IRON ROD SET AT THE NORTHEAST CORNER OF SAID LOT 18 AND THE NORTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE EAST, A DISTANCE OF 25.00 FEET TO A ½ INCH IRON ROD SET AT THE NORTHWEST CORNER OF SAID LOT 19 AND THE NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE SOUTH, ALONG THE WEST LINE OF SAID LOT 19 AND THE EAST LINE OF SAID ALLEY, A DISTANCE OF 125.00 FEET TO THE POINT OF BEGINNING AND CONTAINING 3125.00 SQUARE FEET OF LAND, MORE OR LESS.

PAGE 2 OF 2



Attachment: Alley Abandonment-Sagstex Investments (2480 : Alley Abandonment-Cedar Street)

**EXHIBIT**  
**"D"**



STONE & STONE, LLC  
ATTORNEYS AT LAW

5212 LINDEN STREET  
BELLAIRE, TEXAS 77401-3929  
713-666-7501 Telephone  
713-666-7551 Telecopier

CHRISTINA STONE  
stone\_christina@hotmail.com

WILLIAM E. STONE, III  
lonestone@att.net

March 27, 2018

Mr. John McDonald  
City of Bellaire  
7008 S. Rice Avenue  
Bellaire, Texas 77401

Via E-Mail

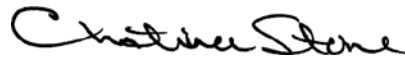
Re: Sagstex Investments, LP; Parking on Cedar Street

Dear Mr. McDonald:

As you know, my client, Sagstex Investments, LP ("Sagstex") is interested in having the north side of the 5200 block of Cedar Street striped for pull-in parking. Sagstex is requesting this because it has the possibility of leasing some of its existing property, at 5100 Bissonnet to a tenant, which would need access to parking on Cedar Street. This is an urgent request, as the potential tenant, a retail business, will likely not sign a lease without some assurance that it will have access to parking.

In conjunction with this request we are today making an application to the Board of Adjustment to have street parking spaces count as part of Sagstex's parking spaces for this use of the building. We are also asking for a temporary variance until the Board makes a decision.

Very truly yours,



Christina Stone  
Attorney for Sagstex Investments, LP

CS:sds

cc: Sagstex Investments, LP

Attachment: Sagstex Alley Abandonment (2480 : Alley Abandonment-Cedar Street)



ALLEY SOUGHT TO BE ABANDONED





ABANDONED ALLEY NORTH OF ALLEY  
SOUGHT TO BE ABANDONED



Attachment: Sagstex Alley Abandonment (2480 : Alley Abandonment-Cedar Street)

## WOLFIE'S SWIM SCHOOL PROPERTY





SAGSTEX PROPERTY, ON RIGHT, SHOWING  
START OF PROPERTY IMPROVEMENTS

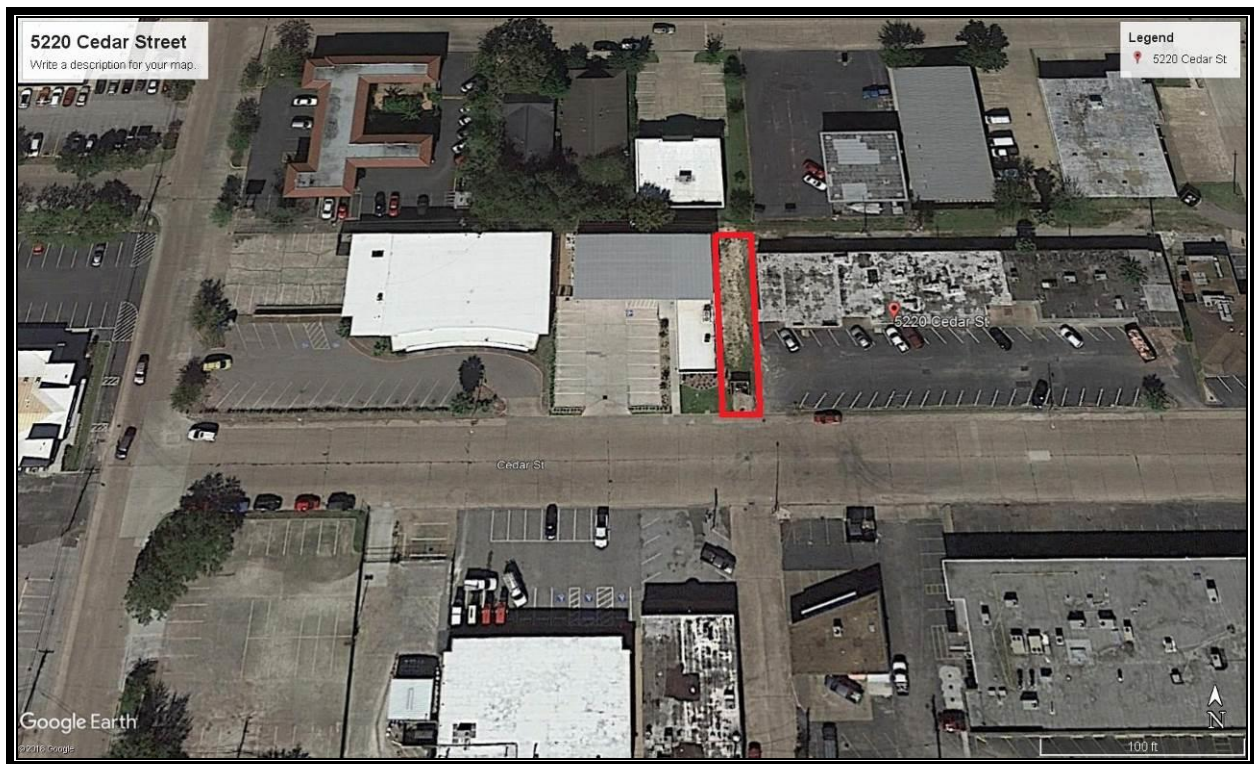
Attachment: Sagstex Alley Abandonment (2480 : Alley Abandonment-Cedar Street)

**APPRAISAL OF REAL PROPERTY**

A 3,125 square feet alley located  
along the north line of Cedar Street,  
just north of Bissonnet Street,  
Bellaire, Harris County, Texas

**AS OF**

February 6, 2018



**SRC**  
**SOUTHWEST REALTY CONSULTANTS**

February 14, 2018

Ms. Ashley Parcus  
City of Bellaire Development Services  
7008 S. Rice Avenue  
Bellaire, Texas 77401

Reference: Appraisal of a 3,125 square foot alley located along the north line of Cedar Street, just north of Bissonnet Street, Bellaire, Harris County, Texas.

Dear Ms. Parcus:

At your request, we have completed an investigation and analysis for the purpose of estimating the market value of the subject property in fee simple estate, as of February 6, 2018. The appraisal states our opinion of market value, subject to various assumptions and limiting conditions set forth in the accompanying report. The physical inspection and analysis that form the basis of the report have been conducted by Steven H. Clegg, MAI and T. Mark Sweeney.

The subject property consists of a 3,125 square foot alley located along the north line of Cedar Street, just north of Bissonnet Street and Bellaire Boulevard in Bellaire, Texas. More specifically, it represents the south 125 feet of a 25 foot wide alley located between Lots 18 and 19, Block 45, within the Town of Bellaire. The site is rectangular in configuration, with only 25 feet of frontage along Cedar Street.

In valuing the subject property, one approach to value, the sales comparison approach – land only, is included. Due to the very small size of the site and the fact that only two adjacent properties could benefit from ownership, the “actual” subject is not being appraised as a stand-alone property, but rather hypothetically as a 0.30 acre to 0.57 acre site, similar to the adjacent sites to the west and east. Recent vacant land sales in the area are included and analyzed to determine the market value of the subject property.

The accompanying appraisal report conforms with our interpretation of the Code of Professional Ethics as promulgated by the Appraisal Institute and Uniform Standards of Professional Appraisal Practice (USPAP). This appraisal has also been prepared in conformance with Title XI of the Federal Financial Institution Reform Enforcement Act of 1989 (FFIREA) and subsequent updates, and the Office of the Controller of Currency.



We certify that to the best of our knowledge and belief, the statements of fact contained in this report and upon which the opinions herein are based are true and correct. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions, and conclusions.

Based on an inspection of the subject property, and an analysis of pertinent physical and economic factors, it is our opinion the market value of the subject property, in fee simple estate, subject to the assumptions and limiting conditions included in this report, as of February 6, 2018 was:

**\$155,000\***

We certify that we have no interest, present or proposed in the subject property, that the estimate herein has been reached after a careful study, investigation, analysis and interpretation of the pertinent data, and that our fee is in no way contingent upon the value conclusion.

We have performed no services, as appraisers or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

We have included a hazards map which includes the subject site and surrounding properties. The hazards map indicates any hazardous sites within the radii formats near the subject property as established by the American Society for Testing Materials. Our appraised value is contingent upon no adverse conditions currently existing on the subject site, including, but not limited to toxic or hazardous wastes.

Respectfully submitted,



Steven H. Clegg MAI  
TX-1320497-G  
18-011



T. Mark Sweeney  
TX – 1325231-G

*\* This report is prepared based upon the hypothetical condition that the subject property is 13,000 to 25,000 square feet in size, as are the adjacent sites to the east and west. This report is further based upon the hypothetical condition that a property of this size could be offered to the open market, rather than the adjacent property owners only.*



**SUMMARY OF SALIENT FACTS**

Property Appraised:	A 3,125 square foot alley, located along the north line of Cedar Street, just north of Bissonnet Street, Bellaire, Harris County, Texas.
Map Reference:	531G
Purpose of the Appraisal:	To estimate the market value of the subject property, in fee simple estate.
Date of Valuation:	February 6, 2018
Land Area:	0.072 acre or 3,125 square feet
Improvements:	Vacant
Zoning:	Commercial
Highest and Best Use: As Vacant:	Retail/Commercial
Marketing Period:	Within 12 months
Exposure Period:	Within 12 months
<b>Indicated Market Value:</b>	<b>\$155,000</b>

## TABLE OF CONTENTS

	<u>Page</u>
Identification of Property .....	1
Legal Description .....	1
History of the Subject Property.....	1
Purpose, Date, and Use of the Appraisal .....	1
Marketing Time.....	2
Exposure Time .....	2
Scope of the Appraisal .....	3
Competency Provision .....	4
Definitions of Market Value and Interest Appraised.....	5
Neighborhood Description.....	6
Site Description .....	19
Real Estate Taxes .....	27
Highest and Best Use .....	28
Valuation Process.....	29
Sales Comparison Approach .....	31

### **Addenda**

- Certification
- Assumptions and Limiting Conditions
- Subject Photographs
- Land Sales
- Appraisers Qualifications

### **IDENTIFICATION OF PROPERTY**

The subject property consists of 3,125 square feet of vacant land which is located along the north line of Cedar Street, approximately 400 feet north of Bissonnet Street. The subject is located between a recently constructed indoor swim school and an older strip shopping center, within the Town of Bellaire, Harris County, Texas, and can be found in Key Map Page 531G.

### **LEGAL DESCRIPTION**

The property is legally described as follows:

3,125 square feet of land, being the south one hundred twenty-five feet (125.00) of a twenty-five foot (25.00) alley, located in Block 45 of the Town of Bellaire, Harris County, Texas.

### **HISTORY OF THE SUBJECT PROPERTY**

The owner of the subject is the City of Bellaire. The property is not currently listed for sale or under contract. We are not aware of any transactions involving the subject property over the past three years.

### **PURPOSE, DATE, AND INTENDED USE AND USER OF THE APPRAISAL**

The purpose of this appraisal is to estimate the market value of the subject property, in fee simple estate as of February 6, 2018. The intended use of this appraisal is to assist the City of Bellaire Development Services in determining whether to gift the site or sell the property to the adjacent land owners. The intended user of this report is the City of Bellaire Development Services (and/or affiliates). The report was written primarily during the week of February 11, 2018.

### **MARKETING TIME**

Marketing time is an estimate of the amount of time it might take to sell a property interest in real estate at the estimated market value level during the period immediately after the effective date of the appraisal. As indicated, the purpose of this appraisal is to estimate the market value of the 3,125 square feet alley located along the north line of Cedar Street.

As evidenced by the sales included, as well as other sales activity, there appears to be a moderate demand for vacant land in the southwest Houston and Bellaire areas. The subject is centrally well located in proximity to “the” primary traffic carriers in Bellaire. The area has seen a moderate amount of new development and renovations over the past few years, increasing the demand for the few sites available. Therefore, it is our opinion, subject to the assumptions and hypothetical conditions included in this report, the subject property would sell for an amount near the appraised value within twelve months.

### **EXPOSURE PERIOD**

Exposure time may be defined as follows: The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market. Based on the comments above, it is our opinion that the exposure period for the subject is also estimated to be 12 months.

## SCOPE OF THE APPRAISAL

In determining the market value of the subject, it is necessary to analyze all factors which directly or indirectly affect the subject. This includes an analysis of the southwest Houston and Bellaire areas, the general neighborhood, the immediate neighborhood, the subject property, and the researching of comparable sales. Since the subject tract is vacant land, special attention is devoted to the vacant land market, and the supply and demand trends within this market. The accumulation of data provides the appraiser an insight to the highest and best use of the subject property. Once the highest and best use has been determined, it is necessary to research the area for comparable sales. Of the three approaches to value, the sales comparison approach – land only, has been utilized. Due to the very small size of the site and the fact that only two adjacent properties could benefit from ownership, the subject is not being appraised as a stand-alone property, but rather as it would contribute to, or be a part of the adjacent 0.30 acre or 0.57 acre sites to the west and east.

Several resources are typically used to establish size and dimensions of the subject property. Some of these resources include a survey, a property plat, a metes and bounds description, and information from the applicable county appraisal district. A survey is also useful to determine the existence of pipelines, easements, or any other encumbrances that exist. In this case, a survey has been provided and is included later in this report.

For many of the adjustment categories in the approaches discussed above, we have prepared tables in an attempt to quantify our % adjustments. These tables are intended for comparison and information purposes only, and we are not implying that we have an “expertise” to that degree of accuracy or that this type of “proving of an adjustment” is common place. The fact is that seldom can adjustments be proven. In our opinion, the specific adjustments that we are applying tend to be more accurate than applying ‘rounded percentages’ (usually to the nearest 5%). Thus, if an actual adjustment were believed to be in the 12 to 13% range, then rounding to 10% or 15% would be less accurate. We prefer to apply more specific adjustments to each category and then apply any rounding factors to the selection of a final value.

### COMPETENCY PROVISION

The appraisers of the property are Steven H. Clegg and T. Mark Sweeney. Mr. Clegg presently holds the MAI designation awarded by the Appraisal Institute and is certified as a general real estate appraiser by the State of Texas. The MAI designation and state certification is held by appraisers who are experienced in the valuation of commercial, industrial, residential, and other types or properties; and who advise clients on real estate investment decisions. Mr. Clegg is currently certified under the education program of both accreditations, which requires minimum classroom hours of approved real estate courses. Mr. Sweeney is also certified as a general real estate appraiser by the State of Texas. Mr. Clegg and Mr. Sweeney have completed numerous appraisal assignments on properties such as the subject and have the experience and ability to complete this appraisal in a competent manner.

## MARKET VALUE

In accordance with the federal Financial Institution Reform, Recovery and Enforcement Act of 1989 (FIRREA) and effective August 24, 1990, and subsequent updates. Market Value is defined as:

Market Value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. Dollars or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (1)

## FEE SIMPLE ESTATE

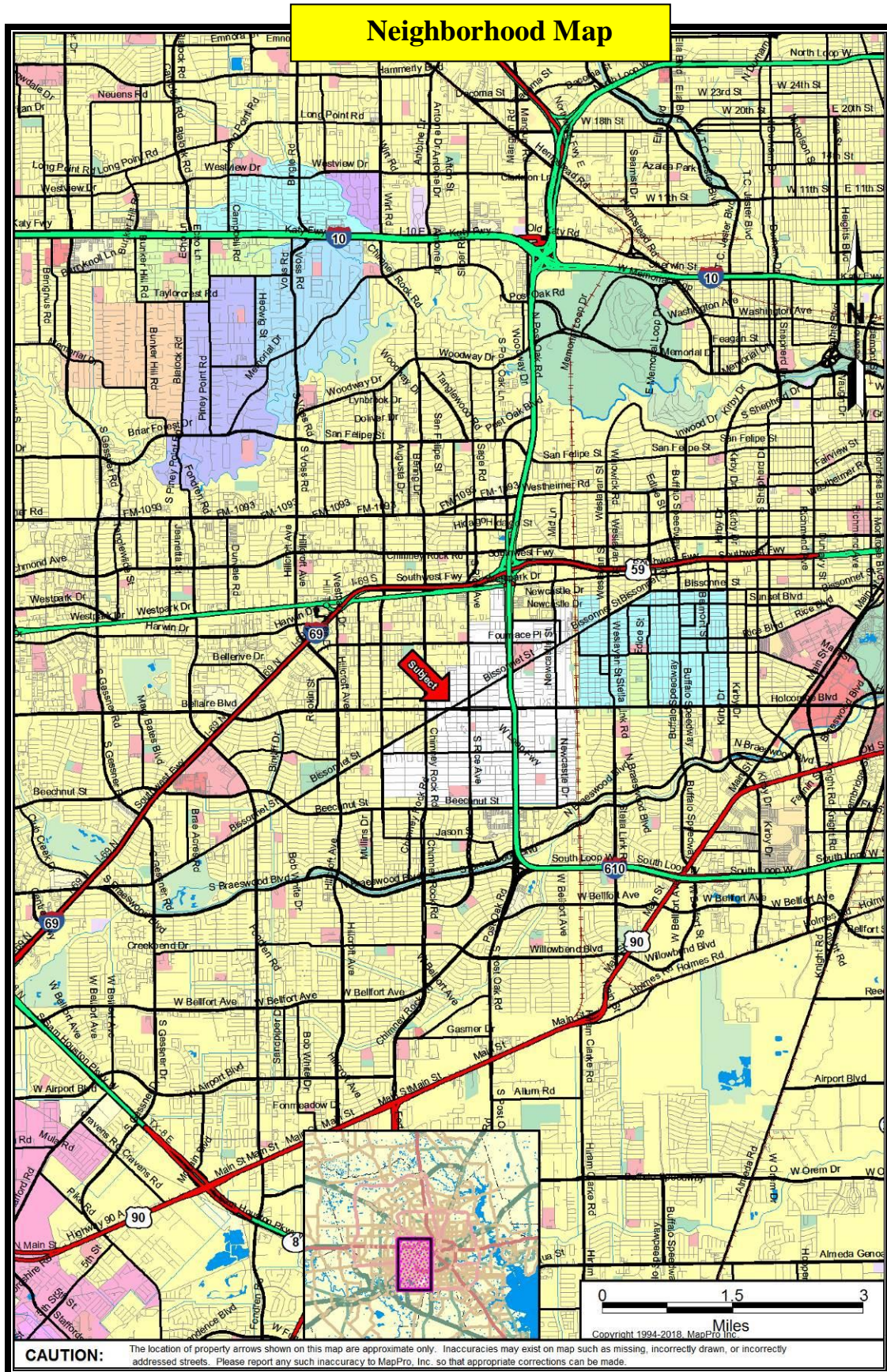
Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. (The Dictionary of Real Estate Appraisal, Fifth Edition, page 78)

## REGIONAL AND CITY DATA

The regional and city data is retained in our files and is available upon request.

1 Office of the Comptroller of the Currency under 12 CFR, Part 34 Subpart C-Appraisals, 34-42 Definitions (f).





Attachment: 18-011 City of Bellaire - Final (2) (2480 : Alley Abandonment-Cedar Street)

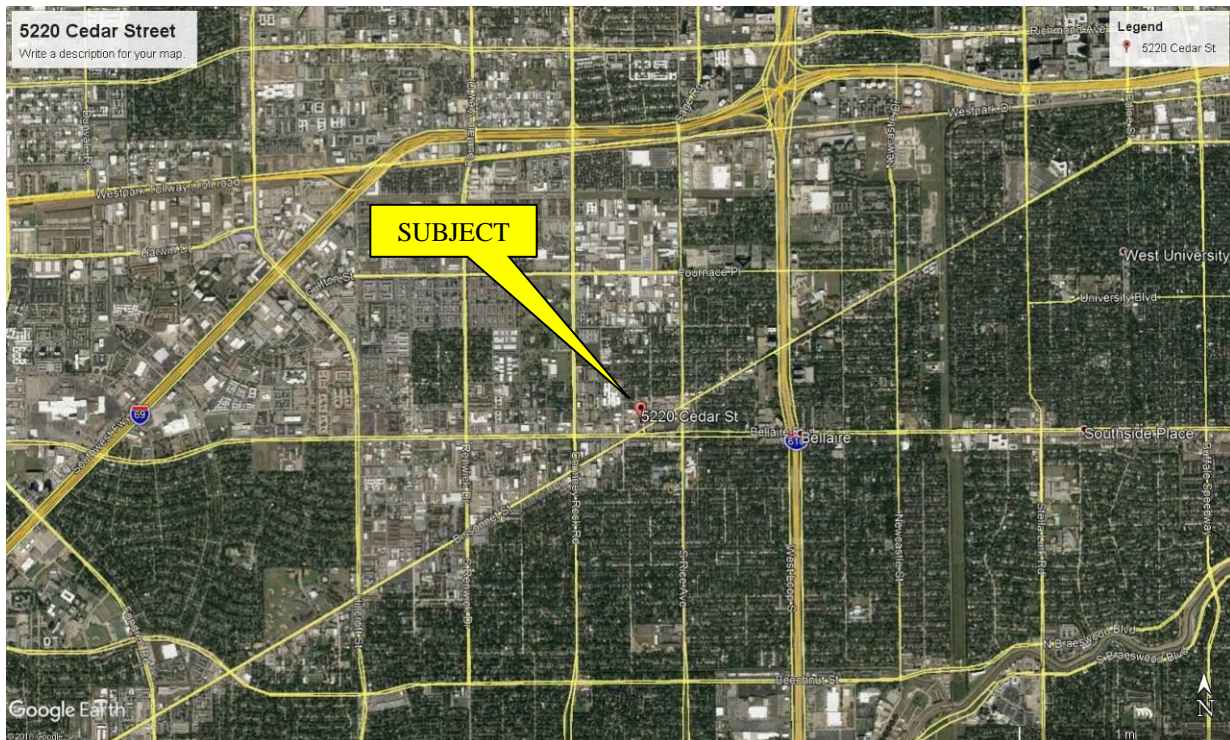


## NEIGHBORHOOD DESCRIPTION

A neighborhood is defined as follows in The Dictionary of Real Estate Appraisal, Fifth Edition, page 133:

*“A grouping of complimentary land uses: a congruous grouping of inhabitants, buildings, or business enterprises.”*

Neighborhoods may be devoted to such uses as residential, commercial, industrial, agricultural, cultural and civic activities, or a mixture of these uses. Analysis of the neighborhood in which a particular property is located in is important due to the fact that the various economic, social, political, and physical forces which affect that neighborhood, also directly influence the individual properties within it. An analysis of these various factors as they affect the value of the subject property is presented in the following discussion.



The subject neighborhood is located in the southwest quadrant of Harris County approximately seven miles southwest of Houston's Central Business District. For the purposes of this report, the neighborhood is basically the City of Bellaire with the approximate boundaries being Westpark to the north, Chimney Rock to the west, Beechnut to the south and the railroad tracks to the east (just east of Newcastle).

The portion of the neighborhood within the City of Bellaire has a reasonable degree of conformity, which includes an adequate mixture of retail/service-oriented real estate, single-family residential development, and multi-family properties. The neighborhood is a mature area, approximately 95% built-out, and densely populated. The topography is level (flat). Most of the Bellaire area is within the 100-year flood plain, but most improvements are elevated and little flooding has occurred. The majority of the single-family residential and multi-family developments are older, adequately maintained properties, ranging in age from 25 to 50 years old. There is a great deal of 'rebuilding' occurring in the well accepted residential market. The City of Bellaire maintains a zoning ordinance which is apparent based on the degree of conformity. Bellaire includes a mixture of retail/service oriented real estate, single-family residential and multi-family properties. Bellaire includes approximately 6,000 single-family homes which were originally built in the 1950-60's. A large portion of the homes within Bellaire have undergone renovation or have been razed and replaced with larger and higher priced homes.

Retail facilities are located on the primary thoroughfares in the area, as are commercial/light industrial buildings, service centers, and multi-family complexes. The commercial improvements in the area generally range in age from new to 50 years, and their conditions vary from below average to above average.

The subject's neighborhood is considered to have adequate access within the city with respect to employment opportunities and proximity to local amenities. Major north/south thoroughfares in the area include Newcastle, West Loop 610, South Rice and Chimney Rock. Major east/west roadways include Westpark, Fournace Place, Houston Boulevard, Bissonnet, Evergreen and Beechnut. West Loop 610, in the subject neighborhood is a north/south thoroughfare and is one of the most heavily traveled freeways in Houston. The West Loop turns to the east at the south boundary of the subject neighborhood and provides the neighborhood and southwest Houston with direct access to all Greater Houston and via the Southwest Freeway, to Houston's Central Business District. The most recent traffic studies indicate in excess of 210,000+ vehicles per day travel on the West Loop in the vicinity of the subject neighborhood. In peak travel hours this freeway is congested. Recently, the West Loop has been expanded to ten lanes, and this has eased the traffic congestion considerably. Additionally, the Westpark Tollway to the north of the neighborhood has opened in recent years provided

direct access to Beltway 8 and onto the Grand Parkway. U.S. Highway 59 is also located just north of the neighborhood and as stated previously, provides direct access to the CBD to the east and to Sugar Land and beyond to the west. Traffic studies indicate in excess of 341,000+ vehicles per day travel on the U.S. Highway 59 in the vicinity of the subject neighborhood. Overall, access to the subject neighborhood is good.

The neighborhood is considered to have good access to shopping facilities as the Galleria Mall and Meyerland Plaza are all in close proximity to the subject neighborhood.

The neighborhood is located within the Houston Independent School District which has a substandard reputation compared to surrounding districts. Bellaire High School and the nearby elementary and middle schools receive higher reviews from state educators, and this helps residential growth and development of areas within the district. There are several very well respected private schools in the area, and many of the upper income families in the area use these private schools rather than the public schools. The general area is adequately served by the Bellaire and Houston Police Departments and the Bellaire and Houston Fire Departments.

In conclusion, the area is heavily developed with both residential and commercial real estate. Access to and within the neighborhood is good. The retail, medical and educational facilities all are above average. Additionally, the police and fire protection are considered adequate. Some new commercial development has occurred, and for the most part, these facilities are retail properties or owner-occupied developments with more renovation than actual new development. Additionally, a substantial amount of upper-end residential construction has occurred over the past ten years. There are few/almost no vacant tracts available within the neighborhood. In addition, many of the older developments are being renovated or demolished and newer projects are taking their place. Growth during the foreseeable future is expected to be steady, as the substantial population base combined with the excellent access to other parts of Houston, results in a desirable location for commercial development. The City of Bellaire continues to maintain its desirable status mostly due to the schools and location.

Please refer to the demographic studies provided below. These include a current and forecasted study within 1 and 3 mile radius.

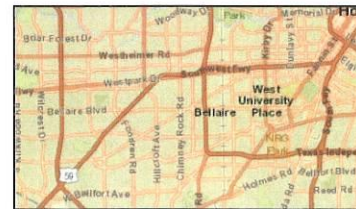
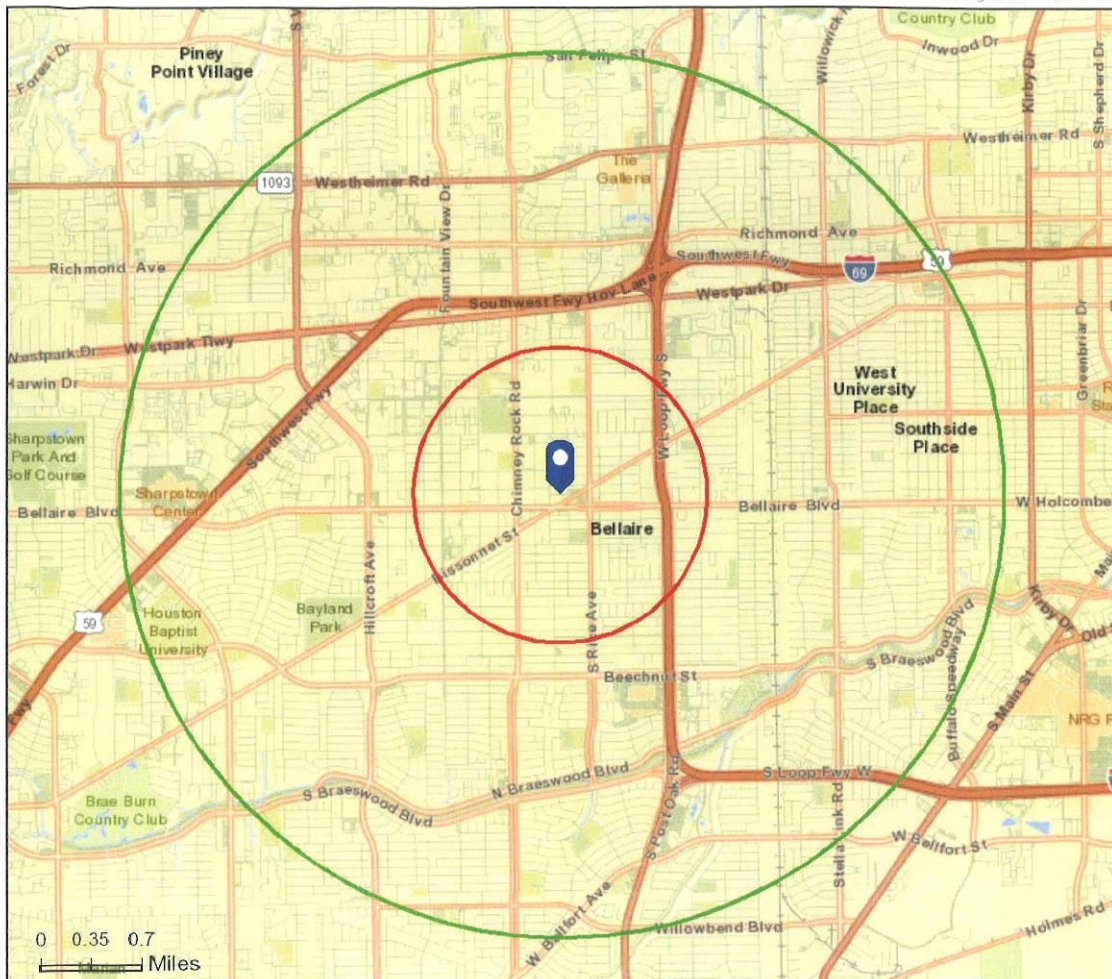




# Site Map

5200-5298 Cedar St, Bellaire, Texas, 77401  
Rings: 1, 3 mile radii

Prepared by Esri  
Latitude: 29.70693  
Longitude: -95.47132



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Page 1 of 1

Attachment: 18-011 City of Bellaire - Final (2) (2480 : Alley Abandonment-Cedar Street)



## Demographic and Income Profile

5200-5298 Cedar St, Bellaire, Texas, 77401  
Ring: 1 mile radius

Prepared by Esri  
Latitude: 29.70693  
Longitude: -95.47132

Summary	Census 2010	2017	2022	
Population	20,635	23,400	25,245	
Households	7,318	8,256	8,878	
Families	5,062	5,722	6,150	
Average Household Size	2.79	2.81	2.82	
Owner Occupied Housing Units	3,054	3,599	3,942	
Renter Occupied Housing Units	4,264	4,658	4,936	
Median Age	33.2	35.0	36.1	
Trends: 2017 - 2022 Annual Rate	Area	State	National	
Population	1.53%	1.67%	0.83%	
Households	1.46%	1.63%	0.79%	
Families	1.45%	1.58%	0.71%	
Owner HHs	1.84%	1.58%	0.72%	
Median Household Income	2.78%	2.23%	2.12%	
		2017	2022	
Households by Income	Number	Percent	Number	Percent
<\$15,000	927	11.2%	969	10.9%
\$15,000 - \$24,999	1,000	12.1%	983	11.1%
\$25,000 - \$34,999	866	10.5%	807	9.1%
\$35,000 - \$49,999	955	11.6%	931	10.5%
\$50,000 - \$74,999	926	11.2%	1,009	11.4%
\$75,000 - \$99,999	571	6.9%	709	8.0%
\$100,000 - \$149,999	852	10.3%	1,065	12.0%
\$150,000 - \$199,999	493	6.0%	566	6.4%
\$200,000+	1,668	20.2%	1,841	20.7%
Median Household Income	\$58,425		\$67,004	
Average Household Income	\$131,794		\$143,272	
Per Capita Income	\$47,123		\$50,984	
		2017	2022	
Population by Age	Number	Percent	Number	Percent
0 - 4	1,716	8.3%	1,734	7.4%
5 - 9	1,592	7.7%	1,803	7.7%
10 - 14	1,523	7.4%	1,725	7.4%
15 - 19	1,502	7.3%	1,684	7.2%
20 - 24	1,337	6.5%	1,547	6.6%
25 - 34	3,206	15.5%	3,207	13.7%
35 - 44	3,193	15.5%	3,328	14.2%
45 - 54	3,142	15.2%	3,228	13.8%
55 - 64	2,062	10.0%	2,901	12.4%
65 - 74	791	3.8%	1,458	6.2%
75 - 84	375	1.8%	550	2.4%
85+	194	0.9%	234	1.0%

Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2017 and 2022.

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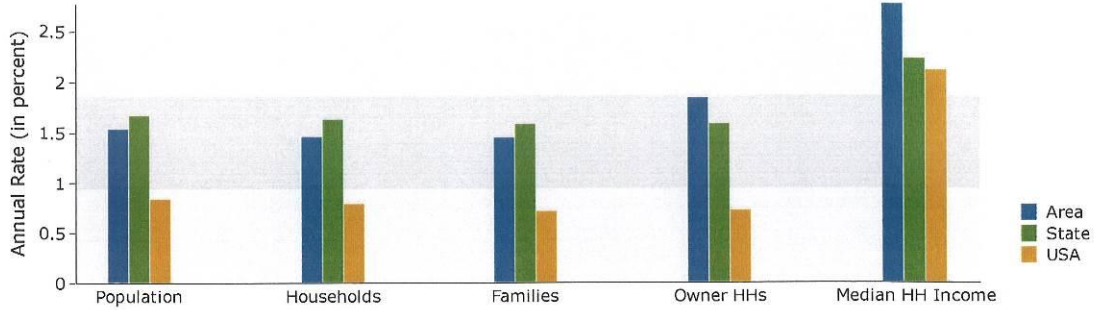


## Demographic and Income Profile

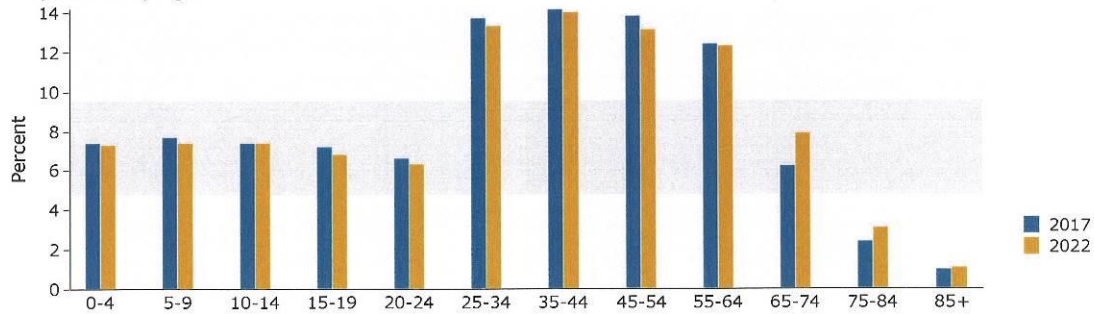
5200-5298 Cedar St, Bellaire, Texas, 77401  
Ring: 1 mile radius

Prepared by Esri  
Latitude: 29.70693  
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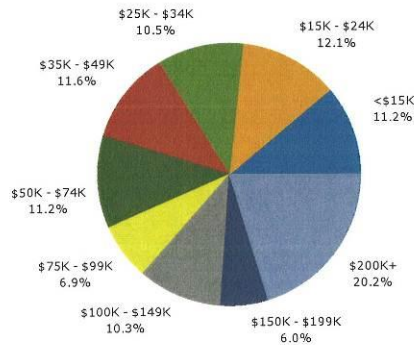
### Trends 2017-2022



### Population by Age



### 2017 Household Income



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2017 and 2022.

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Page 2 of 4





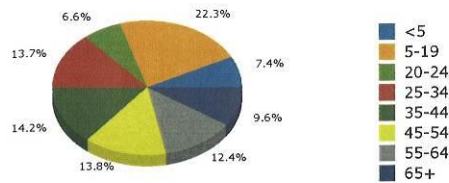
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## Graphic Profile

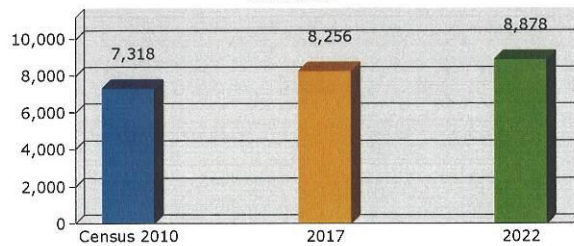
5200-5298 Cedar St, Bellaire, Texas, 77401  
Ring: 1 mile radius

Prepared by Esri  
Latitude: 29.70693  
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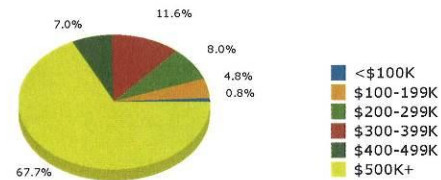
2017 Population by Age



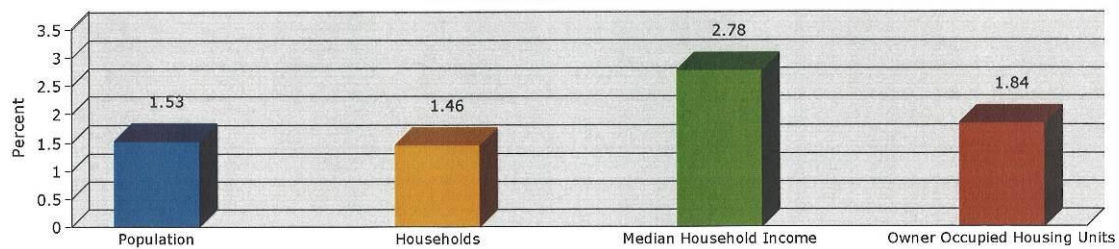
Households



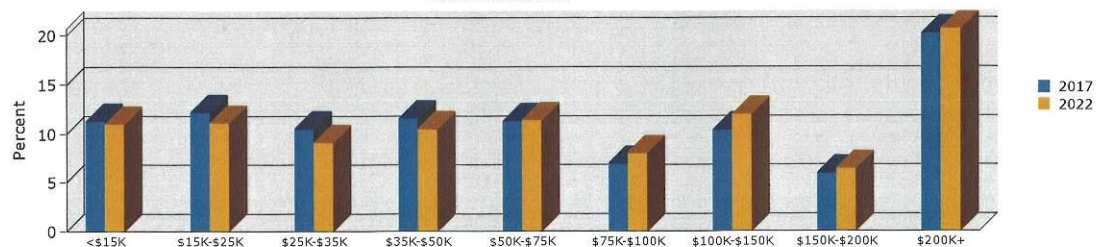
2017 Home Value



2017-2022 Annual Growth Rate



Household Income



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2017 and 2022.

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Page 1 of 2

Attachment: 18-011 City of Bellaire - Final (2) (2480 : Alley Abandonment-Cedar Street)





## Demographic and Income Profile

5200-5298 Cedar St, Bellaire, Texas, 77401  
Ring: 3 mile radius

Prepared by Esri  
Latitude: 29.70693  
Longitude: -95.47132

Summary	Census 2010	2017	2022			
Population	211,818	237,094	255,683			
Households	87,274	96,691	103,985			
Families	48,675	53,160	56,738			
Average Household Size	2.41	2.43	2.44			
Owner Occupied Housing Units	33,599	35,013	37,136			
Renter Occupied Housing Units	53,675	61,678	66,849			
Median Age	32.8	34.0	34.6			
Trends: 2017 - 2022 Annual Rate	Area	State	National			
Population	1.52%	1.67%	0.83%			
Households	1.47%	1.63%	0.79%			
Families	1.31%	1.58%	0.71%			
Owner HHs	1.18%	1.58%	0.72%			
Median Household Income	2.85%	2.23%	2.12%			
		2017	2022			
Households by Income		Number	Percent	Number	Percent	
<\$15,000		9,943	10.3%	10,101	9.7%	
\$15,000 - \$24,999		10,207	10.6%	9,913	9.5%	
\$25,000 - \$34,999		9,055	9.4%	8,441	8.1%	
\$35,000 - \$49,999		11,433	11.8%	10,586	10.2%	
\$50,000 - \$74,999		14,855	15.4%	15,312	14.7%	
\$75,000 - \$99,999		9,122	9.4%	10,975	10.6%	
\$100,000 - \$149,999		11,310	11.7%	14,577	14.0%	
\$150,000 - \$199,999		6,386	6.6%	7,872	7.6%	
\$200,000+		14,380	14.9%	16,209	15.6%	
Median Household Income		\$60,753		\$69,926		
Average Household Income		\$112,434		\$124,578		
Per Capita Income		\$46,287		\$51,099		
		2017	2022			
Population by Age	Number	Percent	Number	Percent	Number	Percent
0 - 4	17,295	8.2%	17,333	7.3%	18,588	7.3%
5 - 9	14,350	6.8%	16,700	7.0%	17,264	6.8%
10 - 14	11,859	5.6%	14,850	6.3%	16,165	6.3%
15 - 19	11,727	5.5%	13,042	5.5%	14,353	5.6%
20 - 24	16,615	7.8%	17,065	7.2%	17,843	7.0%
25 - 34	42,650	20.1%	44,011	18.6%	45,485	17.8%
35 - 44	31,711	15.0%	34,881	14.7%	37,780	14.8%
45 - 54	26,830	12.7%	28,052	11.8%	29,721	11.6%
55 - 64	20,210	9.5%	25,073	10.6%	26,287	10.3%
65 - 74	9,383	4.4%	15,065	6.4%	18,830	7.4%
75 - 84	5,901	2.8%	6,969	2.9%	9,007	3.5%
85+	3,286	1.6%	4,051	1.7%	4,361	1.7%

Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2017 and 2022.

February 07, 2018



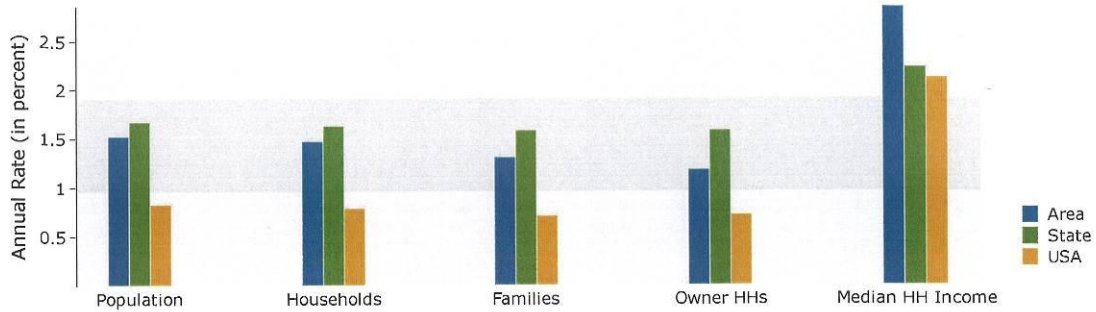
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## Demographic and Income Profile

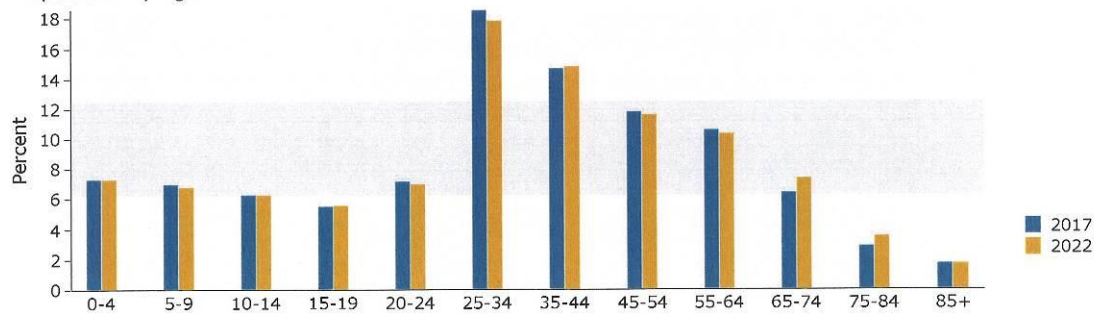
5200-5298 Cedar St, Bellaire, Texas, 77401  
Ring: 3 mile radius

Prepared by Esri  
Latitude: 29.70693  
Longitude: -95.47132

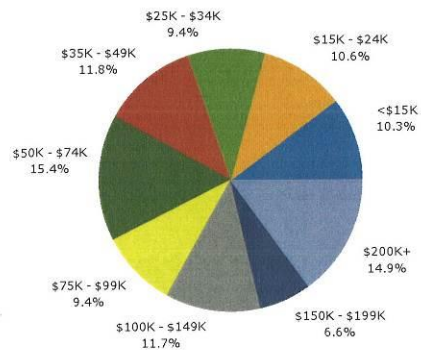
## Trends 2017-2022



## Population by Age



## 2017 Household Income



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2017 and 2022.

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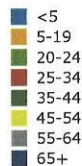
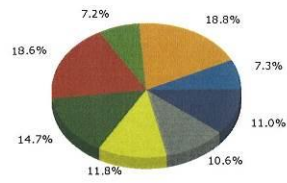
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## Graphic Profile

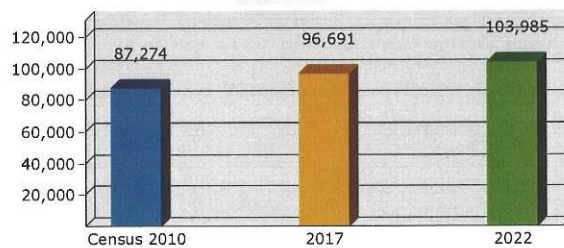
5200-5298 Cedar St, Bellaire, Texas, 77401  
Ring: 3 mile radius

Prepared by Esri  
Latitude: 29.70693  
Longitude: -95.47132

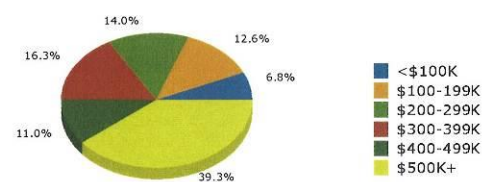
2017 Population by Age



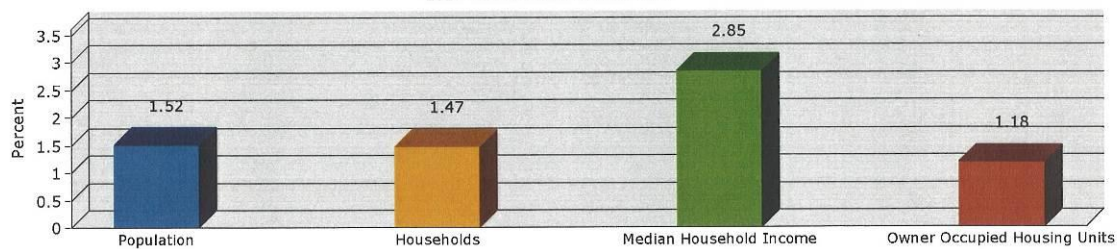
Households



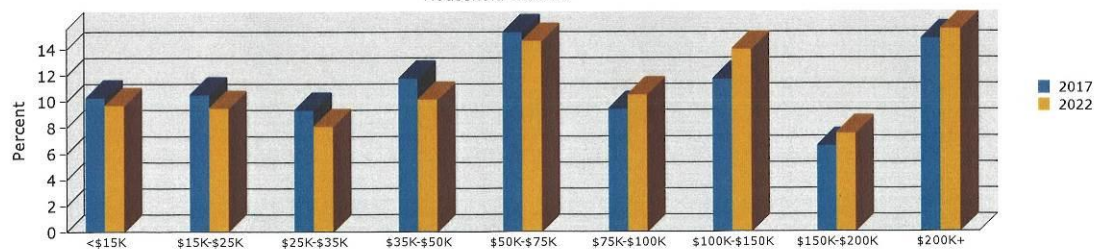
2017 Home Value



2017-2022 Annual Growth Rate



Household Income



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2017 and 2022.

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Page 2 of 2





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**Average Daily Traffic Volume**

- ▲ Up to 6,000 vehicles per day
- ▲ 6,001 - 15,000
- ▲ 15,001 - 30,000
- ▲ 30,001 - 50,000
- ▲ 50,001 - 100,000
- ▲ More than 100,000 per day



**Source:** ©2017 Kalibrate Technologies

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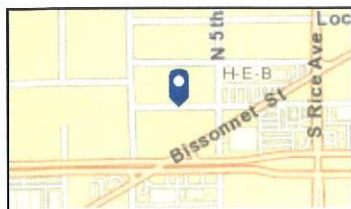
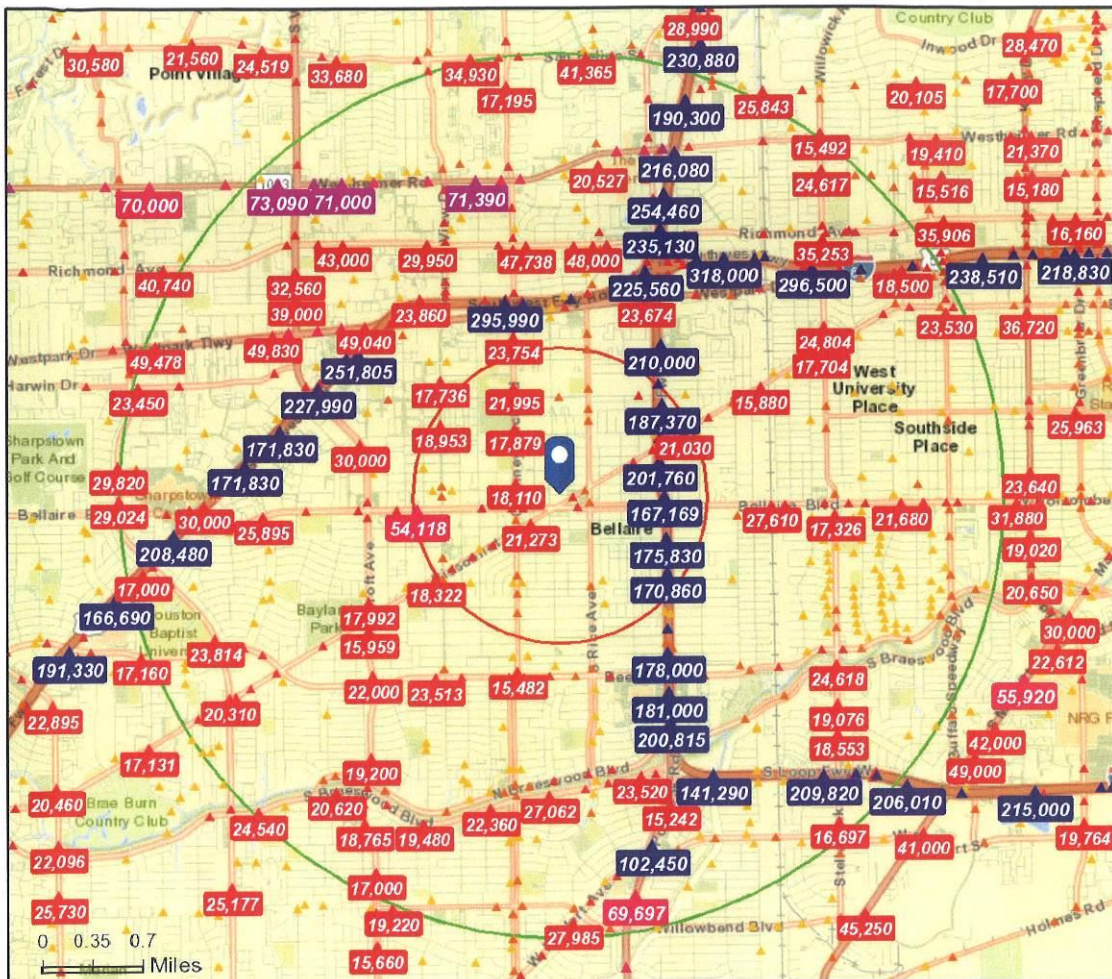
Page 1 of 1



## Traffic Count Map

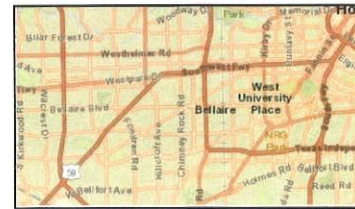
5200-5298 Cedar St, Bellaire, Texas, 77401  
Rings: 1, 3 mile radii

Prepared by Esri  
Latitude: 29.70693  
Longitude: -95.47132



Source: ©2017 Kalibrate Technologies

**Average Daily Traffic Volume**  
 ▲ Up to 6,000 vehicles per day  
 ▲ 6,001 - 15,000  
 ▲ 15,001 - 30,000  
 ▲ 30,001 - 50,000  
 ▲ 50,001 - 100,000  
 ▲ More than 100,000 per day



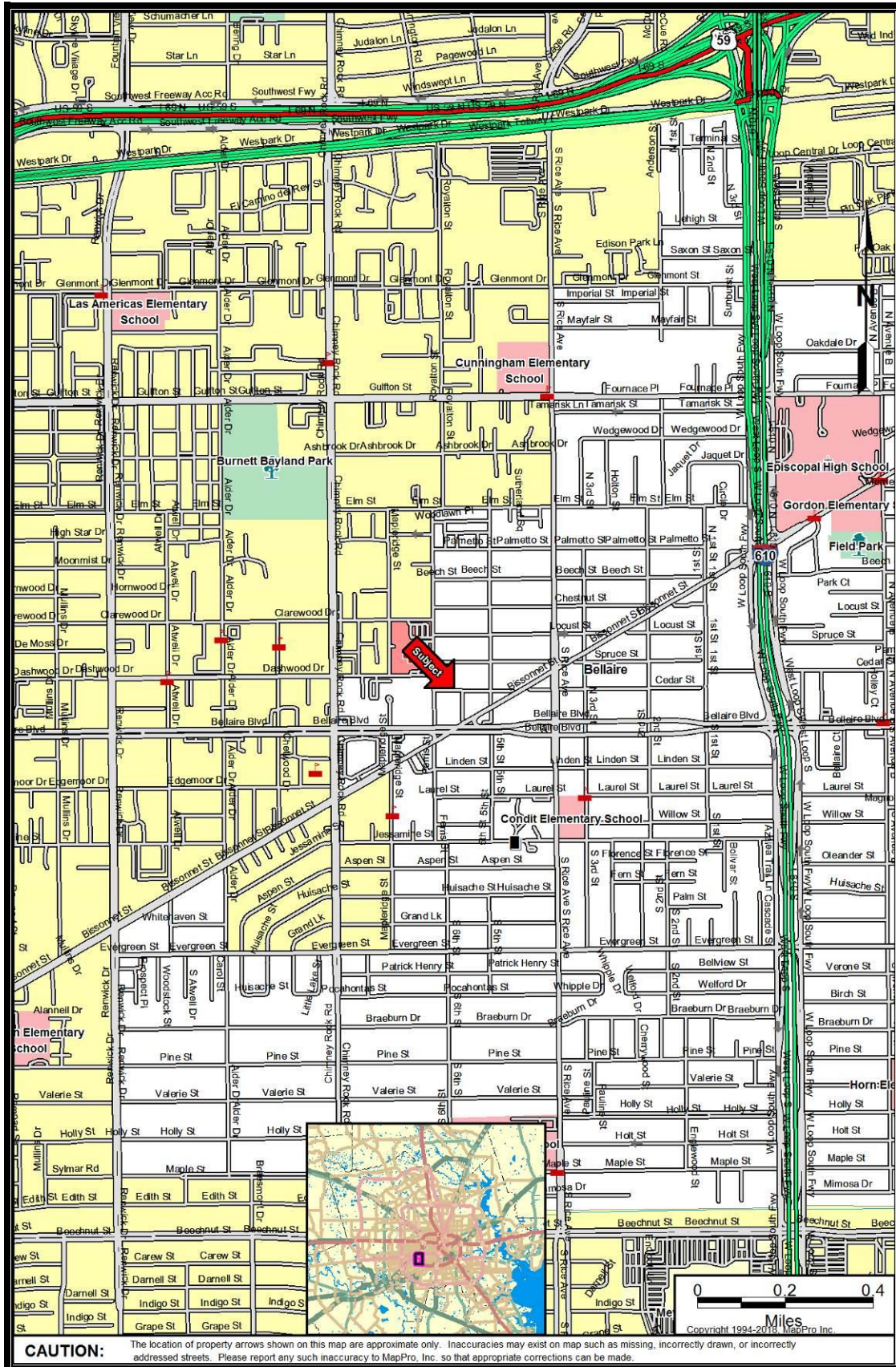
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Page 1 of 1

Attachment: 18-011 City of Bellaire - Final (2) (2480 : Alley Abandonment-Cedar Street)





Attachment: 18-011 City of Bellaire - Final (2) (2480 : Alley Abandonment-Cedar Street)

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EXHIBIT  
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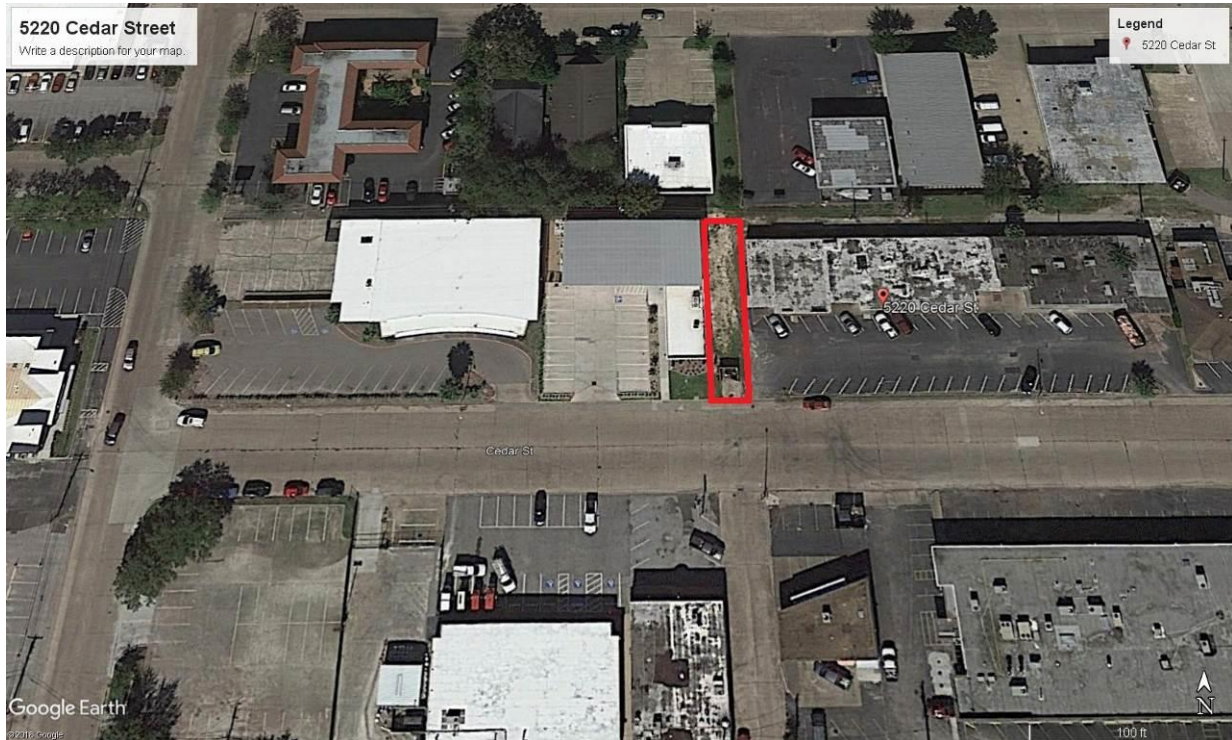




## SITE DESCRIPTION

### GENERAL

The subject property is located along the north line of Cedar Street, just north of Bissonnet and Bellaire Boulevard in the City of Bellaire, Texas. The subject can be located in Key Map 531G. The site contains a total area of 0.0717 acre or 3,125 square feet. The aerial photo below denotes the subject site.



### DIMENSIONS AND SHAPE OF THE SITE

The site is rectangular in shape with 25 feet along Cedar Street and a depth of 125 feet. Based on these dimensions, the subject has an approximate frontage to depth ratio of 0.20 to 1. Please, refer to the preceding survey and aerial photo to view the dimensions and configuration of the subject.

### STREET CHARACTERISTICS, ACCESS AND EXPOSURE

The subject's frontage is along Cedar Street. In the vicinity of the subject, it is a two lane, concrete paved, road. Access to the property from the Houston CBD is via US 59 to Loop 610 to Bissonnet Street, then southwest approximately 3/4 mile to Cedar Street, then west approximately 600 feet to the subject.

## **TOPOGRAPHY AND DRAINAGE**

The subject site has a level topography and drainage appears to be adequate. According to the Flood Maps dated June 18, 2007, the subject is located in a flood hazard area, as is the majority of Bellaire.

## **SURROUNDING LAND USES**

The subject is located within an area that is densely improved with single family residential and retail development. All immediate surrounding improvements are retail/commercial in nature, as this area of Bellaire is zoned "Commercial". Notable new construction in the immediate area includes the Wolfie's Swim School (adjacent property on the west) completed in 2016, and the 70,000 square foot HEB grocery store located just east of the subject.

## **UTILITIES AND SERVICES**

The subject has access to public water and sewer services via the City of Bellaire. Electricity, natural gas, and telephone service is available in adequate supply through regional providers. The site lies within the Houston Independent School District, which provides public education. Police and fire protection are supplied by the City of Bellaire. These services are considered adequate.

## **IMPROVEMENTS**

The subject is currently vacant land.

## **RESTRICTIONS AND EASEMENTS**

The subject site is located within the city limits of Bellaire, which does enforce zoning restrictions. The subject is zoned Commercial. According to the survey, there are no encumbrances.

## **PROXIMITY TO HAZARDS OR NUISANCES**

There are no known hazards or nuisances on or in the immediate vicinity of the subject property which would negatively affect its marketability. Our appraised value is contingent upon the site being free and clear of any potential hazardous wastes or contaminants.

## **UNIT OF COMPARISON AND MARKET COMPETITION**

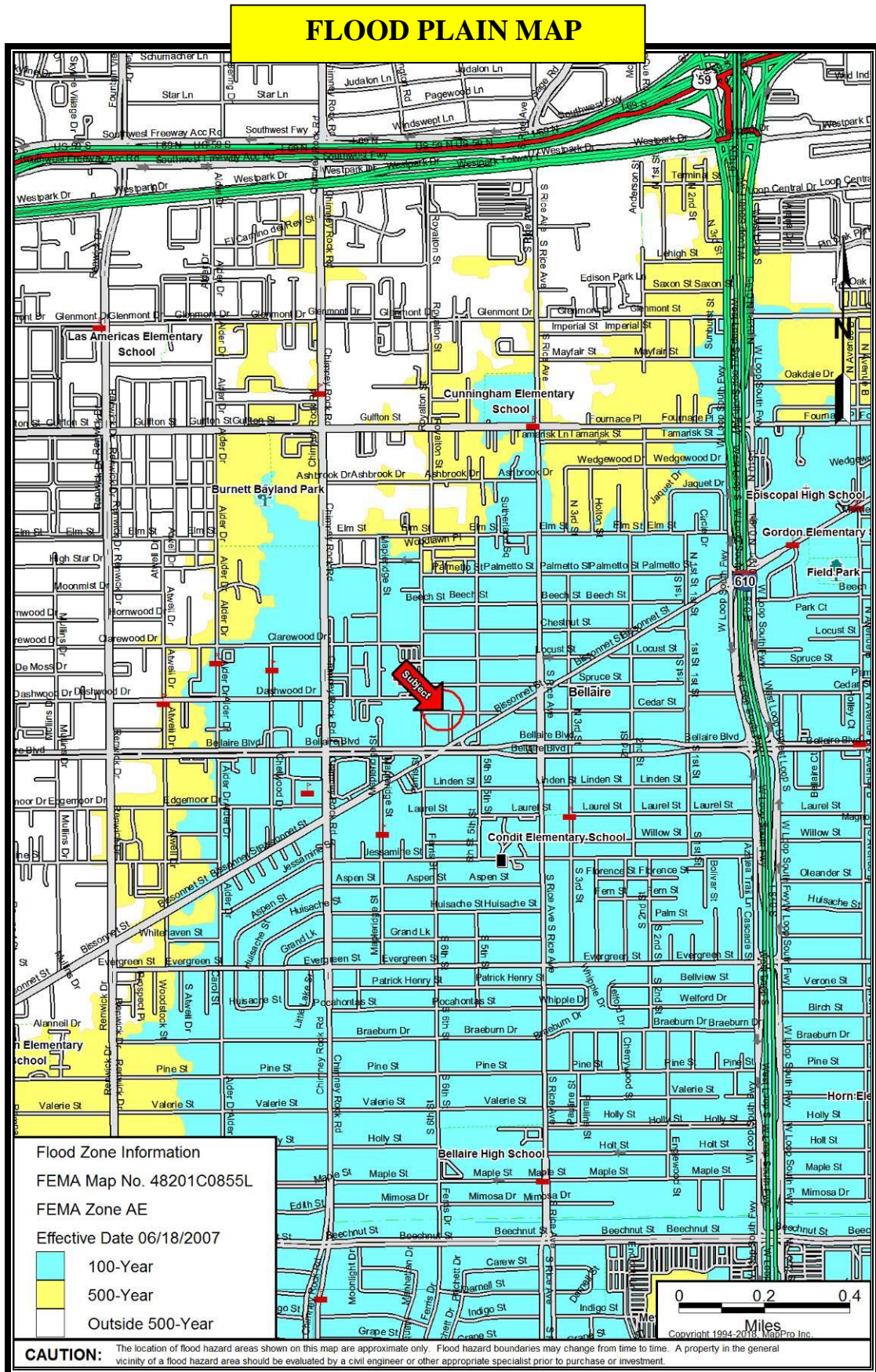
We have attempted to confirm vacant land sales with similar zoning restrictions or a similar highest and best use that could be market competition. The predominant unit of comparison in the



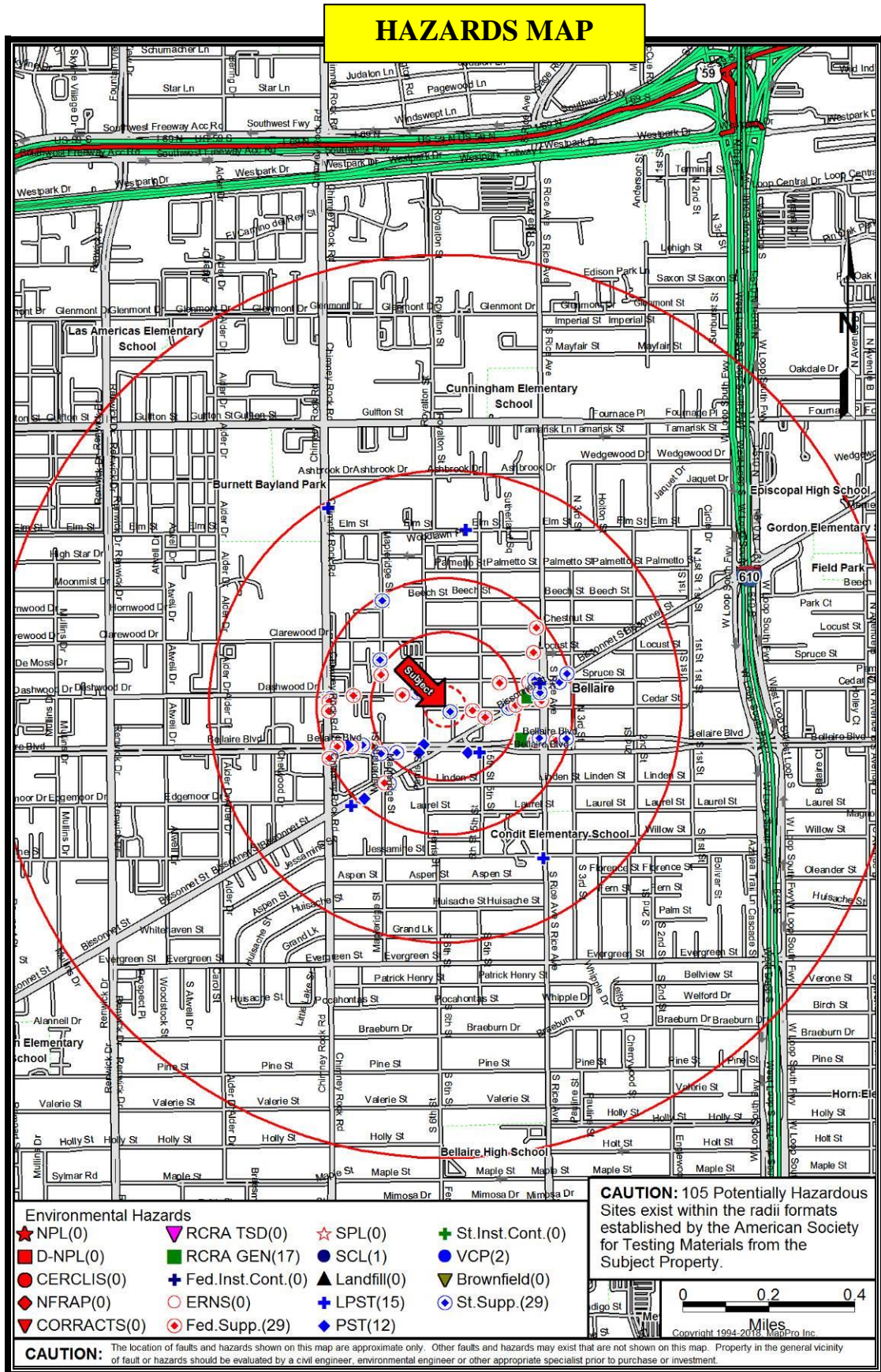
sale of land is expressed on a per square foot basis.

### **CONCLUSION AND ANALYSIS**

The subject property is a vacant rectangular shaped parcel containing 3,125 square feet. It has 25 feet of frontage along Cedar Street. The subject is just north of the intersection of Bissonnet Street and Bellaire Boulevard. The site is served by all public utilities and current flood maps do place the subject within a flood zone. Based on the subject's size, location, configuration, and surrounding land uses, it is our opinion the subject's highest and best use is for additional parking area for the adjacent swim school and retail center.







**REAL ESTATE TAXES**

The subject property represents a vacant alley and is located between Lots 18 and 19, Block 45, Bellaire, Texas. It is owned by the City of Bellaire and is exempt from taxation. It is within the following taxing jurisdictions: Harris County, Houston I.S.D., Houston Community College, and the City of Bellaire.

For the purposes of our analysis, we will use our estimated value of \$155,000. Based on this value, the estimated tax liability is calculated as follows:

Taxing Authority	2017 Tax Rate	2017 Taxable Value	Estimate of Taxes
HOUSTON ISD	1.206700	\$155,000	\$1,870
HARRIS COUNTY	0.418010	\$155,000	\$648
HARRIS CO FLOOD CNTRL	0.028310	\$155,000	\$44
PORT OF HOUSTON AUTHY	0.012560	\$155,000	\$19
HARRIS CO HOSP DIST	0.171100	\$155,000	\$265
HARRIS CO EDUC DEPT	0.005195	\$155,000	\$8
HOUSTON COMM. COLLEGE	0.100263	\$155,000	\$155
CITY OF BELLAIRE	0.415900	\$155,000	\$645
<b>Total</b>	<b>2.358038</b>		<b>\$3,655</b>

To calculate the subject's hypothetical annual tax liability, the assessed value of the subject is divided by 100 and then multiplied by the total tax rate of \$2.358038. Based on this formula, the subject's projected total tax liability would be \$3,655.

<b>Assessed Value</b>			<b>Indicated Multiplier</b>
<b>\$155,000</b>	÷	<b>100</b>	= <b>\$1,550</b>
<b>Multiplier</b>		<b>2017 Tax Rate</b>	<b>Tax Liability</b>
<b>\$1,550</b>	x	<b>2.35804</b>	= <b>\$3,655</b>

## HIGHEST AND BEST USE

According to the 14<sup>th</sup> edition of The Appraisal of Real Estate, a publication of the Appraisal Institute, page 332, highest and best use is defined as:

*“The reasonably probable use of property that results in the highest value.”*

With these factors in mind, it is necessary to examine and analyze all data which may affect the subject's highest and best use. This analysis is critical due to the fact that a misinterpretation of data pertaining to the subject's highest and best use may have a misleading effect on the final estimate of value.

The definitions of highest and best use indicate that there are two considerations of highest and best use. The first is the highest and best use of the land, as though vacant, and the second is the highest and best use of the land, as improved.

### HIGHEST AND BEST USE – AS VACANT

The subject site is located in the City of Bellaire, which does impose zoning ordinances. The property is zoned commercial. The subject has a long and narrow rectangular shaped configuration, contains only 3,125 square feet, and has only 25 feet of frontage along Cedar Street. The size and configuration of the site prohibit any free-standing development. Considering the legal uses, physical characteristics of the site, and the surrounding land uses, the highest and best use of the subject site, as vacant is for additional parking area for the adjacent swim school (on the west) and/or retail center (on the east).

Based upon the hypothetical condition that the subject is a “typical” sized (13,000 to 25,000 square feet) commercial site, and considering the legal uses, physical characteristics of the site, and the surrounding land uses, the highest and best use of the subject site, as vacant is for retail development.



## VALUATION PROCESS

Appraisal methodology applied to any specific property or property type must emulate the thinking of the most probable class of purchaser. The basic tenet of the three classical approaches is the principle of substitution, which holds that a prudent purchaser has three alternative courses of action available:

- 1) To acquire an equally desirable existing property offering comparable utility (market approach);
- 2) To buy a vacant site and build a similar property (cost approach);
- 3) To acquire a substitute income stream of comparable quantity, quality and durability (income approach).

In all instances, the experience of the appraiser, coupled with objective and sound judgment, plays a major role in arriving at the conclusion of an indicated value. The quantity and quality of available data and the applicability of each approach relative to the type of value sought are important factors in comparing the various indications and reconciling them into final estimate of value.

(1) In the cost approach, the value of the site as though vacant is estimated, to which is added the depreciated value of the improvements. The cost approach to value is most meaningful when two conditions are present: a) The improvements are new or suffer from little or no accrued depreciation, and b) the improvements represent the Highest and Best Use of the site. The cost approach can provide an indication of value if the improvements represent the Highest and Best Use of the site, but should be more properly viewed as a measure of investment cost in a cost/benefit analysis of the feasibility of the continued operation of a given property in its existing or proposed use pattern.

(2) In the sales comparison approach, sales of comparable improved or unimproved property are investigated and analyzed and units of comparison are developed, and the difference and similarities of the properties are compared to the subject property to reach an estimate value.

(3) In the income approach, the anticipated net income attributable to the property is estimated and then processed into value, using the appropriate capitalization or discounting methods considered representative of the marketplace. The effect of the timing and magnitude of variable cash flows is best measured in the income approach to value, and in particular a discounted cash flow (DCF) model.

In this case, the subject property is vacant land and the sales comparison approach – land only is the only applicable approach. The results of our investigation and analysis follow.

### SALES COMPARISON APPROACH – LAND ONLY

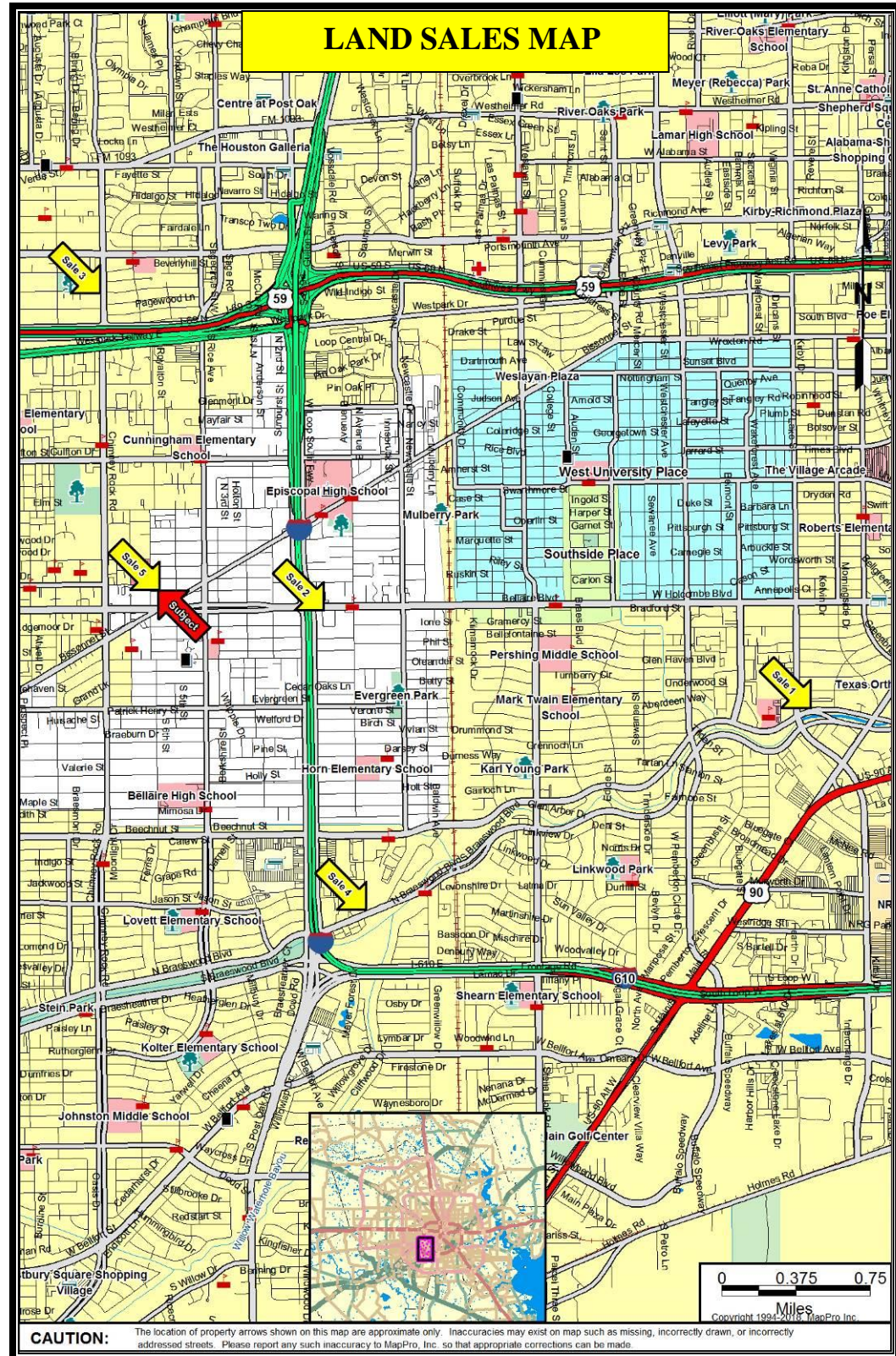
In determining the value of the subject land, the Harris County deed records were researched in order to accumulate sales of competing properties. Also, real estate brokers and appraisers active in the area were consulted as to their knowledge of real estate activity in the area.

The land valuation process consists of comparisons between the subject property and similar properties which have recently sold. This process of comparison involves making adjustments between the subject and the comparable properties. The subject property is the standard and adjustments are made to the price of the comparable properties in order to arrive at an indication of value for the subject site. The following is a brief summary of the vacant land sales used in this analysis (Complete sales information can be found in the addenda and please refer to the sales map on the following page).

**Summary of Vacant Land Sales**

Sale No.	Location	Date	Size/Acres	Sales Price/SF
1	NL of N Braeswood, E of Kirby Drive	May-16	0.6430	\$39.69
2	SEC of Bellaire Blvd. & Bellaire Court	Jan-16	0.3310	\$50.49
3	SWC of Chimney Rock & Schumacher	Dec-15	1.1130	\$49.40
4	NEC of N Braeswood & Frankway St.	Jan-15	1.5100	\$39.50
5	NL of Cedar Street, W of Bissonnet	Mar-14	0.2980	\$42.31
Subject	NL of Cedar Street, N of Bellaire Blvd.	N/A	0.30 to 0.57*	N/A

*\* This report is prepared based upon the hypothetical condition that the subject property is 13,000 to 25,000 square feet in size, as are the adjacent sites to the east and west. This report is further based upon the hypothetical condition that a property of this size could be offered to the open market, rather than the adjacent property owners only.*





The included sales occurred between March 2014 and May 2016. The sizes range from 0.331 acre to 1.51 acres, and prices range from \$39.50 per square foot to \$50.49 per square foot. The basic adjustment categories are explained as follows:

### **REAL PROPERTY RIGHTS CONVEYED**

The "real property rights conveyed" is the first adjustment because the appraisal of the subject property rights can only be compared to similar property rights. All the comparables are considered similar to the subject regarding property rights in our analysis. Therefore, no adjustment for property rights was required.

### **FINANCING**

The next adjustment to be considered is the financing involved in a sale. According to the Appraisal of Real Estate, 14<sup>th</sup> Edition, the cost and availability of credit for real estate financing influence both the quantity and quality of the real estate demanded and supplied. Due to the lack of available financing, owners willing to finance real estate can demand a higher sales price. All the comparable sales included are considered cash or cash equivalent transactions; thus, no financing adjustments are warranted.

### **CONDITIONS OF SALE**

When the conditions of a sale are atypical, the result may be a price that is higher or lower than that of a normal market transaction. The sales included are considered arms-length, market transactions, and no adjustments for conditions of sale are necessary.

### **MARKET CONDITIONS**

According to The Appraisal of Real Estate, 14<sup>th</sup> edition, comparable sales that occurred under market conditions different from those applicable to the subject on the effective date of the appraisal require adjustments for any differences that affect their values. The effective date of the appraisal is February 6, 2018. The comparable sales within our analysis occurred between March 2014 and May 2016. Land values have increased over the past few years in the Bellaire area. Thus, each sale is adjusted upward 1.5% per quarter to account for the superior market conditions which exist today.

## LOCATION

Location adjustments are based on traffic counts, quality of existing development, quantity of existing development, etc. The subject is located in the “heart” of Bellaire, just north of the Bellaire Triangle. The new 70,000 square foot HEB grocery store (just east of the subject) is nearing completion and market activity is sure to increase. Sale 1 is located near the medical center, and sales 2 and 5 are and in Bellaire. These sales are considered similar to the subject’s location and are not adjusted. Sale 3 is located along Chimney Rock, north of US 59. This location is slightly inferior to the subject’s location from a surrounding development standpoint and an upward adjustment is necessary. Sale 4 is similar (to Sale 3) in this regard and a minor upward adjustment is required.

## SIZE

Typically, smaller tracts of land sell for a higher per unit value than do larger tracts. In general, there are more qualified buyers for a \$500,000 property than there are for a \$2,000,000 property. In densely developed areas however, the size of a site becomes less influential on the price per square foot. In some cases, the adjustment can be inverted, as there may be less development potential for a small site versus a larger site. As previously stated, the “actual” subject is not being appraised as a stand-alone property, but rather hypothetically as a 0.30 acre to 0.57 acre site. With the density of development in this area, we do not believe that size adjustments are necessary for the included comparables ranging from 0.298 acre to 1.51 acres.

## CONFIGURATION

The highest and best use of a site is many times determined by its exposure and access. Corner tracts are considered superior due to improved access and visibility, when compared to interior tracts. Regarding configuration, a rectangular shaped property is typically more desirable for development. An irregular configuration may limit certain uses of the property by adding complexity and cost to development. The subject is assumed to be a typical sized, commercial interior site, with an adequate frontage to depth ratio. Sales 1 and 5 are also interior located properties and are not adjusted. Sales 2, 3, and 4 are corner located properties and are considered superior to the subject (from both a corner location and frontage to depth ratio) and are adjusted downward.

## FLOOD PLAIN

The subject is located within the 100-year flood hazard area. All the sales are similar in this regard and are not adjusted.

**Vacant Land Sales Adjustment Grid**

Sale No.	1	2	3	4	5
Location	NL of N Braeswood, E of Kirby Drive	SEC of Bellaire Blvd. & Bellaire Court	SWC of Chimney Rock & Schumacher	NEC of N Braeswood & Frankway St.	NL of Cedar Street, W of Bissonnet
Date of Sale	May-16	Jan-16	Dec-15	Jan-15	Mar-14
Size/Acres	0.6430	0.3310	1.1130	1.5100	0.2980
Price/SF	\$39.69	\$50.49	\$49.40	\$39.50	\$42.31
Adjusted For					
Property Rights	0	0	0	0	0
Financing	0	0	0	0	0
Cond. of Sale	0	0	0	0	0
Mkt. Cond.	10%	12%	12%	18%	23%
	\$43.66	\$56.55	\$55.33	\$46.61	\$52.04
Location	0%	0%	5%	5%	0%
Size	0%	0%	0%	0%	0%
Configuration	0%	-5%	-5%	-5%	0%
Flood Plain	0%	0%	0%	0%	0%
Total Adj.	0%	-5%	0%	0%	0%
Adj. Price	\$43.66	\$53.72	\$55.33	\$46.61	\$52.04

## SUMMARY

The above adjustment grid results in an indicated range of value from \$43.66 to \$55.33 per square foot. The average adjusted price is \$50.27 per square foot. Overall, Sale 5 is considered the best comparable, as it adjoins the subject site on the west. Based on the sales included, the subject's market value is estimated to be approximately \$50.00 per square foot.

The calculations are as follows:

$$3,125 \text{ Sq. Ft. @ } \$50.00 \text{ PSF} \dots\dots\dots \$156,250$$

## Conclusion

Based on the previous discussions and analysis, it is our opinion the market value of the subject property, in fee simple estate, subject to the assumptions and limiting conditions included in this report, as of February 6, 2018 was:

**\$155,000**

**ADDENDA**



## CERTIFICATION

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have performed no services, as appraisers or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
9. Steven H. Clegg and T. Mark Sweeney have made a personal inspection of the property that is the subject of this report.
10. Steven H. Clegg and T. Mark Sweeney participated in the analysis and the writing of this report. No one provided significant real property appraisal assistance to the person signing this certification.
11. As of the date of this report, Steven H. Clegg, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
14. The Appraisal Assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.



Steven H. Clegg, MAI  
TX-1320497-G



T. Mark Sweeney  
TX- 1325231-G

**THIS APPRAISAL IS SUBJECT TO THE FOLLOWING ASSUMPTIONS AND  
LIMITING CONDITIONS**

Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for any purpose by any person other than the applicant without the previous written consent of the appraiser, or the applicant, and, in any event, only with the proper qualifications.

That the date of value to which the opinions expressed in this report apply, is set forth in the letter of transmittal. The appraiser assumes no responsibility for economic or physical factors occurring at some later date which may affect the opinions herein stated.

That no opinion is intended to be expressed for legal matters or that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.

That no opinion as to title is rendered. Data on ownership and the legal description were obtained from sources generally considered reliable. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements and restrictions except those specifically discussed in the report. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.

That no engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, however, no warranty is given for its accuracy. No encroachment of real property improvements is assumed to exist.

That maps, plats and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered surveys or relied upon for any other purpose.

That no opinion is expressed as to the value of subsurface oil, gas or mineral rights. Additionally, that there are no hidden or unapparent conditions of the property, subsoil, or structures that render the property more or less valuable.

That testimony or attendance in court or at any other hearing is not required by reason of rendering this appraisal unless such arrangements are made at a reasonable time in advance.

That there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.

That all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the evaluation report.

That the distribution, if any of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other evaluation and are invalid if so used.

That neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the evaluator, or the firm with which the evaluator is connected) shall be disseminated to the public through advertising public relations, news, sales, or other media without the prior written consent and approval of the evaluator.

That the existence of potentially hazardous material used in the construction or maintenance of the buildings, such as the presence of formaldehyde foam insulation, and/or the existence of asbestos insulation or other toxic waste, which may, or may not, be present in the improvements, or toxic contamination of the soil which may, or may not, be present on, beneath or nearby the property, has not been considered. The user of this report is advised to consult an expert in this field.

That at the time of this evaluation, information regarding the new “wetlands” act is limited, therefore, our evaluation assumes no detrimental affect of any land encumbered by the wetlands nor any restrictions to land utilization.

No professional opinion regarding the building’s compliance with ADA standards has been provided; therefore, we recommend an architect be retained to develop an opinion on the building’s current compliance and future measures required to meet total compliance.

**SUBJECT PHOTOGRAPHS**





**SUBJECT FACING NORTHERLY FROM CEDAR STREET**



**SUBJECT FACING SOUTHERLY FROM NORTH BOUNDARY**



**REAR VIEW OF SWIM SCHOOL FACING WESTERLY**



**REAR VIEW OF RETAIL CENTER FACING EASTERLY**

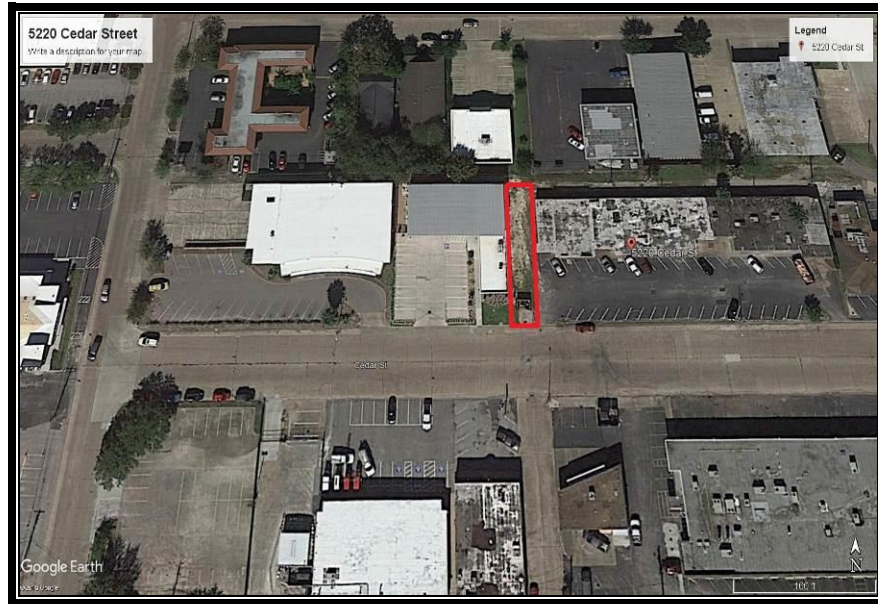




**CEDAR STREET FACING WEST  
THE SUBJECT IS TO THE RIGHT**



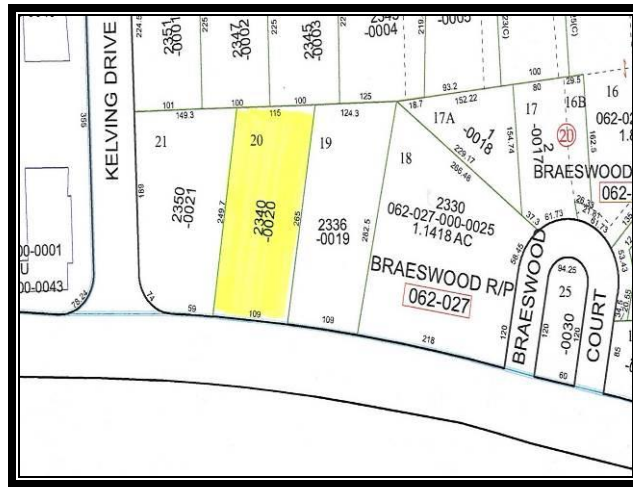
**CEDAR STREET FACING EAST  
THE SUBJECT IS TO THE LEFT**



**AERIAL VIEW OF SUBJECT**



**LAND SALES**

**Land Sale No. 1****PROPERTY IDENTIFICATION**

**Record ID:** 3397  
**Property Type:** Vacant land  
**Location/Address:** NL of N. Braeswood, E of Kirby; 2340 N. Braeswood, Houston  
**County:** Harris  
**Tax ID:** 062-027-000-0020  
**Key Map:** 532L

**SALE DATA**

**Grantor:** Edward W. Stool  
**Grantee:** Rehha S & Srinivas R. Neela  
**Sale Date:** May 23, 2016  
**Recording Data:** 20160220788  
**Terms of Sale:** Cash to seller  
**Property Rights:** Fee simple

**Sale Price:** \$1,111,805  
**Sale Price/Gross SF:** \$39.69

**LAND DATA**

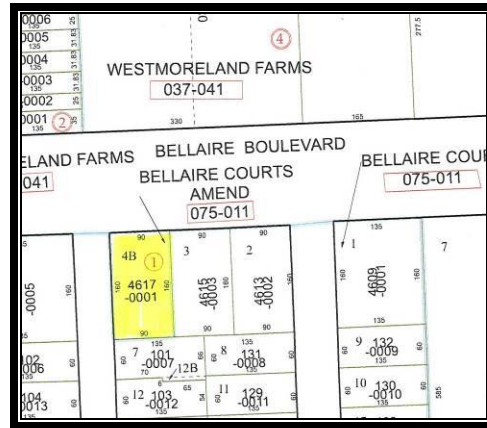
**Zoning:** N/A  
**Topography:** Level  
**Utilities:** All available (City of Houston)  
**Shape:** Rectangular  
**Flood Zone:** Within the 100 Yr. flood plain

**LAND SIZE AND FRONTAGE**

**Gross Land Size:** 0.643 Acres or 28,009 SF  
**Street Frontage:** N. Braeswood - 109 feet

**REMARKS**

Located between S. Main and Kirby Drive. It was purchased to develop townhomes.

**Land Sale No. 2****PROPERTY IDENTIFICATION**

**Record ID:** 3656  
**Property Type:** Vacant land  
**Location/Address:** SEC of Bellaire and Bellaire Court; 4617 Bellaire, Houston  
**County:** Harris  
**Tax ID:** 075-011-001-0001  
**Key Map:** 531H

**SALE DATA**

**Grantor:** N/A (See comments)  
**Grantee:** N/A (See comments)  
**Sale Date:** January 25, 2016  
**Recording Data:** N/A  
**Terms of Sale:** Cash to seller  
**Property Rights:** Fee simple

**Sale Price:** \$727,000  
**Sale Price/Gross SF:** \$50.49

**LAND DATA**

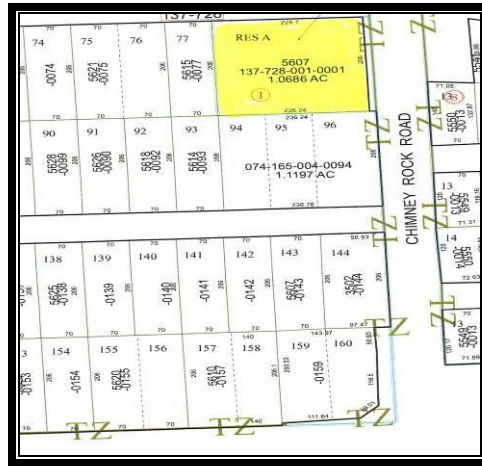
**Zoning:** N/A  
**Topography:** Level  
**Utilities:** All available  
**Shape:** Rectangular  
**Flood Zone:** Within the 100 yr. flood zone

**LAND SIZE AND FRONTAGE**

**Gross Land Size:** 0.331 Acres or 14,400 SF  
**Street Frontage:** Bellaire - 90 feet  
 Bellaire Court - 160 feet

**REMARKS**

This tract is located just inside the Loop. It has been improved with a 7,000 sf residence. This sale was confirmed through MLS, as well as HCAD. The HCAD lists the owner as "Current Owner" and does not disclose the names of the buyer or seller.

**Land Sale No. 3****PROPERTY IDENTIFICATION**

**Record ID:** 3653  
**Property Type:** Vacant land  
**Location/Address:** SWC of Chimney Rock and Schumacher; 3402 Chimney Rock, Houston  
**County:** Harris  
**Tax ID:** 074-165-004-0078; 0079; 0080; 0096  
**Key Map:** 491X

**SALE DATA**

**Grantor:** Murano Ventures LLC  
**Grantee:** Stripes, LLC  
**Sale Date:** December 21, 2015  
**Recording Data:** 20160018874  
**Terms of Sale:** Cash to seller  
**Property Rights:** Fee simple

**Sale Price:** \$2,395,000  
**Sale Price/Gross SF:** \$49.40

**LAND DATA**

**Zoning:** N/A  
**Topography:** Level  
**Utilities:** All available  
**Shape:** Rectangular  
**Flood Zone:** Within the 100 yr. flood zone

**LAND SIZE AND FRONTAGE**

**Gross Land Size:** 1.113 Acres or 48,482 SF  
**Street Frontage:** Chimney Rock - 206 feet  
 Schumacher - 226 feet

**REMARKS**

This tract is located two blocks north of US 59. It was purchased for commercial development.



**Land Sale No. 4****PROPERTY IDENTIFICATION**

**Record ID:** 3399  
**Property Type:** Vacant land  
**Location/Address:** NEC of N. Braeswood & Frankway, Houston  
**County:** Harris  
**Tax ID:** 130-066-001-0001  
**Key Map:** 531R

**SALE DATA**

**Grantor:** Braeswood, Ltd.  
**Grantee:** AHC Braeswood, LLC  
**Sale Date:** January 23, 2015  
**Recording Data:** 20150031497  
**Terms of Sale:** Cash to seller  
**Property Rights:** Fee simple

**Sale Price:** \$2,598,152  
**Sale Price/Gross SF:** \$39.50

**LAND DATA**

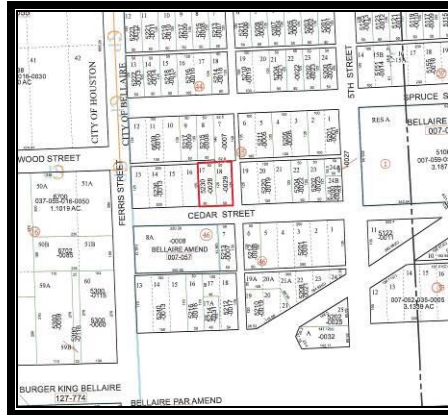
**Zoning:** N/A  
**Topography:** Level  
**Utilities:** All available (City of Houston)  
**Shape:** Rectangular  
**Flood Zone:** 100 Yr. flood plain

**LAND SIZE AND FRONTAGE**

**Gross Land Size:** 1.510 Acres or 65,776 SF  
**Street Frontage:** N. Braeswood - 196 feet  
 Frankway - 539 feet

**REMARKS**

This tract is located just east of the 610 Loop. It is in the 100-Yr. flood plain, which required additional detention and mitigation. It has been improved with a mid-rise apartment complex.

**Land Sale No. 5****PROPERTY IDENTIFICATION**

**Record ID:** 3861  
**Property Type:** Vacant land  
**Location/Address:** NL of Cedar Street, W of Bissonnet Street; 5230 Cedar Street, Bellaire  
**County:** Harris  
**Tax ID:** 007-057-045-0028  
**Key Map:** 531G

**SALE DATA**

**Grantor:** Zoma, LLC  
**Grantee:** Wolfie's Swim School, LLC  
**Sale Date:** March 28, 2014  
**Recording Data:** 20140128166  
**Terms of Sale:** Cash to seller  
**Property Rights:** Fee simple

**Sale Price:** \$550,000  
**Sale Price/Gross SF:** \$42.31

**LAND DATA**

**Zoning:** Commercial  
**Topography:** Level  
**Utilities:** All available  
**Shape:** Rectangular  
**Flood Zone:** Within the 100 yr. flood zone

**LAND SIZE AND FRONTAGE**

**Gross Land Size:** 0.298 Acres or 12,998 SF  
**Street Frontage:** Cedar Street - 100 feet

**REMARKS**

This tract is located just north of the Bissonnet and Bellaire Blvd. intersection. The site has been improved with an indoor swimming facility.

## QUALIFICATIONS OF APPRAISERS

**QUALIFICATIONS  
OF  
STEVEN H. CLEGG, MAI**

**EXPERIENCE**

Steven Clegg has been involved in the real estate appraisal business since 1982. He primarily appraised single family residences until 1984, and since that time, he has been a commercial real estate appraiser. Mr. Clegg's appraisal experience has included the valuation of vacant land, single family dwellings, single family subdivisions, retail centers, high-rise and mid-rise office buildings, apartment complexes, office warehouses, restaurants, convenience stores/service stations, manufacturing facilities, automobile dealerships, and various other types of real estate. The majority of the appraisal assignments have been conducted in the City of Houston and surrounding counties of southeast Texas. Mr. Clegg has also appeared as an expert witness in the valuation of real property in various courts in the Austin Area. Clients over the years include:

Harris County Right of Way	Sterling Bank
Wells Fargo	First Capital Bank
Banc One	Klein I.S.D.
Amegy Bank of Texas	City of Missouri City
Plains State Bank	First National Bank
Bank of Houston	Ft. Bend Federal Savings and Loan
Whitney Bank	Bank of Tanglewood
South Texas Bank	Metro - City of Houston
Bayshore National Bank	First Union Planters
Wallis State Bank	BBVA Compass Bank
Community Bank	TxDot
Riverway Bank	International Bank of Commerce
Southern National Bank	SouthTrust Bank
City of Spring Valley	Katy Bank
Prime Bank	Crossland Acquisition
Prosperity Bank	Scanlan Foundation
Post Oak Bank	Redstone Bank
Commercial State Bank	Haginas Chapman & Shillings
Texas Gulf Bank	BOK Finance
Independence Bank of Texas	Frost Bank
Founders Bank	Texas Community Bank
Gardere Wynne Sewell LLP	Green Bank

**BUSINESS AND PROFESSIONAL AFFILIATIONS**

Member of the Appraisal Institute - No. 9016  
 Texas Certified General Real Estate Appraiser - No. TX-1320497-G  
 Texas Real Estate Broker - No. 0320634



Qualifications – Continued

**STEVEN H. CLEGG, MAI**

**PROFESSIONAL APPRAISAL EXPERIENCE**

1989 - Present	Principal of Southwest Realty Consultants
1982- 1989	Luedemann and Associates

**PROFESSIONAL TRAINING**

Appraisal Institute Courses

- Fundamentals of Separating Real Property, Personal Property
- Appraisal Curriculum Overview
- Business Practices and Ethics
- Appraisal Curriculum Overview – Residential
- Appraising Convenience Stores
- Marshall & Swift Commercial Cost Training
- Business Practices and Ethics
- Analyzing Operating Expenses
- Market Analysis and the Site to Do Business
- Litigation Skills for the Appraiser
- Appraisal Review - General
- Real Estate Appraisal Principles
- Basic Valuation Procedures
- Capitalization Theory and Techniques - Part A
- Capitalization Theory and Techniques - Part B
- Case Studies in Real Estate Valuation
- Valuation Analysis and Report Writing
- National USPAP update
- Advanced Applications
- Eminent Domain Appraisals
- Property Tax Appraisals
- Subdivision Analysis
- Understanding Limited Appraisals
- Appraiser as an Expert Witness
- FIRREA, The Law

**EDUCATION**

Bachelor of Science - Sul Ross State University - 1978  
 Master of Science - Sul Ross State University - 1979

**REFERENCES**

Amegy Bank of Texas - Mr. Eric Schwartz - Tel: 713-232-1712  
 Wallis State Bank - Mr. Asif Dakri - Tel: 713-463-0580  
 Commercial State Bank - Mr. Johnny Brooks - Tel: 713-503-5181  
 Haginas Chapman & Shillings - Mr. Jeff Shillings – Tel: 281-550-9200

**Texas Appraiser Licensing and Certification Board**

P.O. Box 12188 Austin, Texas 78711-2188

**Certified General Real Estate Appraiser**

Number: **TX 1320497 G**  
Issued: **04/28/2017** Expires: **04/30/2019**  
Appraiser: **STEVEN HOWARD CLEGG**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Texas Occupations Code, Chapter 1103, is authorized to use this title, Certified General Real Estate Appraiser.

  
Douglas E. Oldmixon  
Commissioner

# SRC

## SOUTHWEST REALTY CONSULTANTS

### QUALIFICATIONS OF T. MARK SWEENEY

#### EXPERIENCE

Mr. Sweeney began appraising real estate in May 1985. Prior to his affiliation with Southwest Realty Consultants, he was an owner of a steel erection/construction company. He also traveled the United States selling food service equipment to the federal government. For the preceding twelve years, Mr. Sweeney was exclusively involved in the appraisal of commercial real estate. His appraisal experience has included the valuation of vacant land, retail centers, restaurants, convenience stores, industrial facilities, office buildings, residential and commercial subdivisions, and special purpose properties.

#### ACADEMIC

University of Texas, Austin	1981 – 1982
Sam Houston State University	1982 – 1984
BBA Degree General Business	

Appraisal Courses completed from the Appraisal Institute:

Real Estate Appraisal Principals	Case Studies – Residential RE
Basic Valuation Procedures	Highest & Best Use Analysis
Capitalization Theory – Part A	Capitalization Theory- Part B
Numerous continuing education courses	Standards of Professional Practice

#### BUSINESS EXPERIENCE

2002 to Present	Southwest Realty Consultants Houston, Texas, Staff Appraiser
2000 – 2002	Camber Steel Construction, LLC Houston, Texas Principal
1997 – 2000	Eagle Marketing Group Houston, Texas, Government Sales
1995 – 1997	Alliance Appraisal Group Houston, Texas Staff Appraiser
1990 – 1995	Bullitt, Hutchins, Inc. Houston, Texas Staff Appraiser
1985 – 1990	Luedemann and Associates Houston, Texas, Staff Appraiser

#### PROFESSIONAL AFFILIATIONS

Authorization # TX-1325231-G

9818 Whithorn Drive • Suite B • Houston, Texas 77095 • Tel: (281) 550-7000 • Fax (281) 550-7001

**Texas Appraiser Licensing and Certification Board**

P.O. Box 12188 Austin, Texas 78711-2188

**Certified General Real Estate Appraiser**Number: **TX 1325231 G**Issued: **06/03/2016**Expires: **05/31/2018**Appraiser: **TERRENCE MARK SWEENEY**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Texas Occupations Code, Chapter 1103, is authorized to use this title, Certified General Real Estate Appraiser.

  
Douglas E. Oldmixon  
Commissioner



# *City of Bellaire*

## **Monthly Financial Report for the period ended February 28, 2018**



Attachment: FEBRUARY 2018 MONTHLY FINANCIAL REPORT (2503 : Monthly Financial Report for the Period Ending February 28, 2018)

## Table of Contents

### Financial Analysis

Memorandum February Month End.....	1
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### Fund Statements

General Fund.....	30
Enterprise Fund.....	31
Debt Service Fund.....	32
Vehicle and Equipment Replacement Fund.....	33
Capital Improvement Fund.....	34
Capital Bond Fund .....	35
Metro Fund .....	36

### Schedules

Summary of Current Property Tax Collections .....	37
Housing Information .....	38
Summary of Sales and Mixed Beverage Tax.....	39
Summary of Franchise Fees .....	40
Summary of Purchase Orders.....	41



# City of Bellaire Finance

## MEMORANDUM

To: Paul A. Hofmann, City Manager

From: Terrence Beaman, Chief Financial Officer

Date: April 2, 2018

Subject: Financial Analysis for Five Months Ended February 28, 2018

This financial analysis compares the actual year-to-date revenues and expenditures of the General Fund, Enterprise Fund, and Debt Service Fund to their respective allocated budgets.

The allocated budget accounts for cyclical trends in revenues and expenditures versus allocating a straight 1/12 of the annual budget per month. The allocated budget is based on the actual revenue/expenditures incurred by month as a percentage of the total revenue/expenditures incurred by year for the most recent five years.

### GENERAL FUND

#### General Fund Revenues:

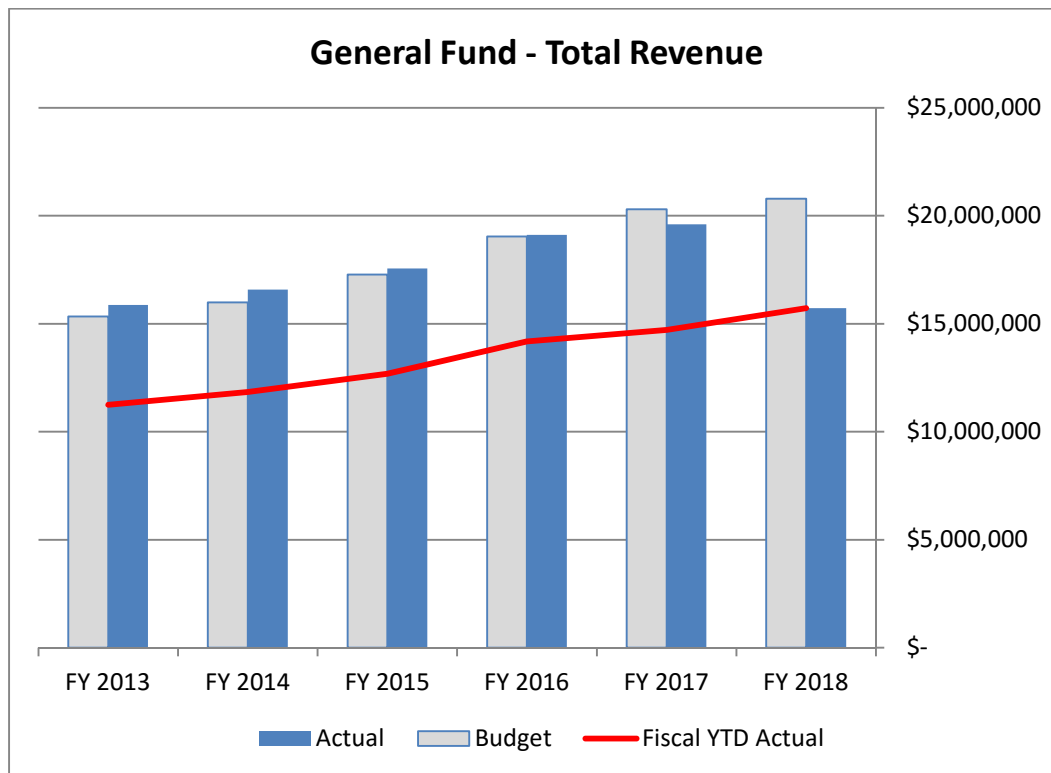
FY 2018 Budget	Fiscal YTD Allocated Budget	Fiscal YTD Actual	Over/(Under) Allocated Budget
\$20,783,835	\$15,769,031	\$15,728,343	(\$40,687)

For the five months ended February 28, 2018, the General Fund collected 76% of its total budgeted revenues and is under its allocated budget by \$40,687, or 0%.

The following table shows the individual revenue categories and each category's contribution to the \$40,687 variance.

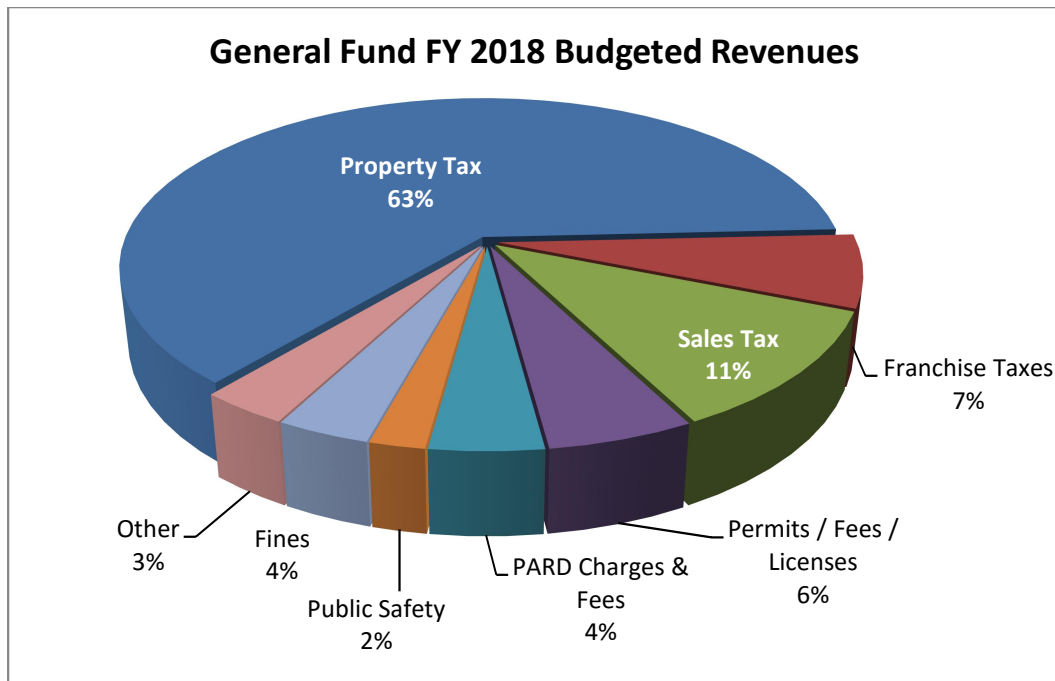
Revenue Category	FY 2018 Budget	Fiscal YTD Allocated Budget	Fiscal YTD Actual	Over/(Under) Allocated Budget
Property Tax	\$13,118,646	\$12,675,884	\$12,732,022	\$56,138
Franchise Tax	1,424,734	613,955	599,654	(14,301)
Sales Tax	2,348,555	1,014,125	1,006,775	(7,350)
Permits/Fees/Licenses	1,143,400	473,341	436,759	(36,582)
PARD Charges & Fees	887,400	216,703	241,370	24,667
Public Safety	436,400	195,472	163,362	(32,110)
Fines	730,000	300,152	257,336	(42,816)
Other	694,700	279,398	291,064	11,665
Total	\$20,783,835	\$15,769,031	\$15,728,343	(\$40,687)

A discussion of individual revenue categories follows the discussion of total revenues.



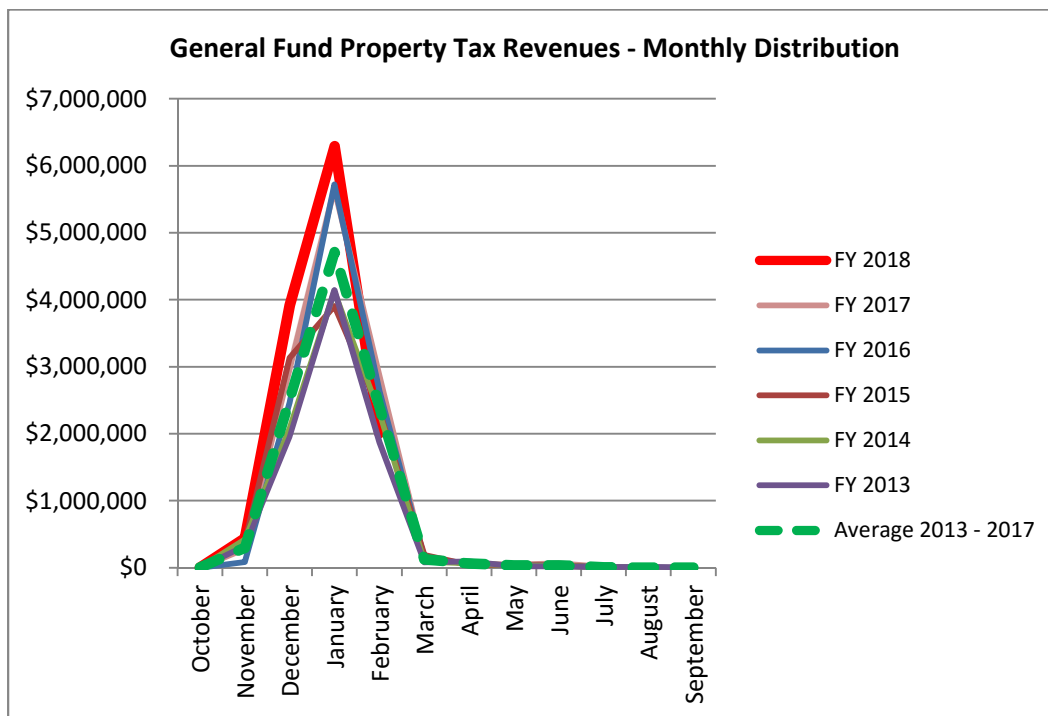
Property tax makes up the largest category of revenue in the General Fund at 63% of all FY 2018 budgeted revenues, followed by sales tax at 11% and franchise taxes at 7%.





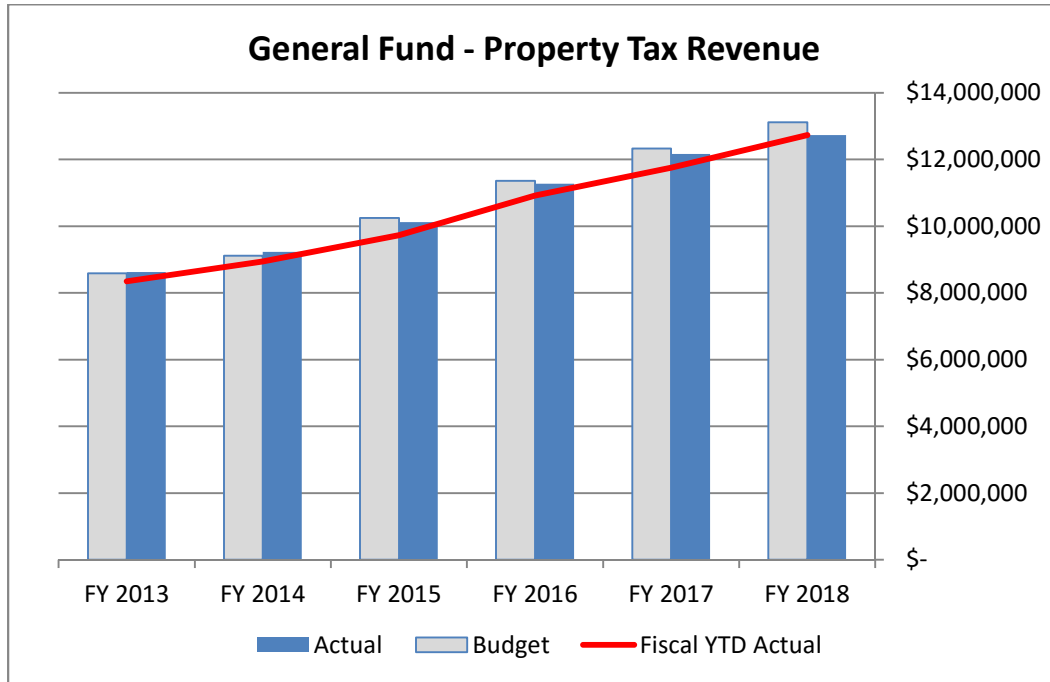
### Property Tax

The timing of property tax collections is driven by the January 31 due date, after which penalties are incurred. As reflected in the following chart, Property taxes are weighted heavily toward the December to February time period due to the aforementioned due date.



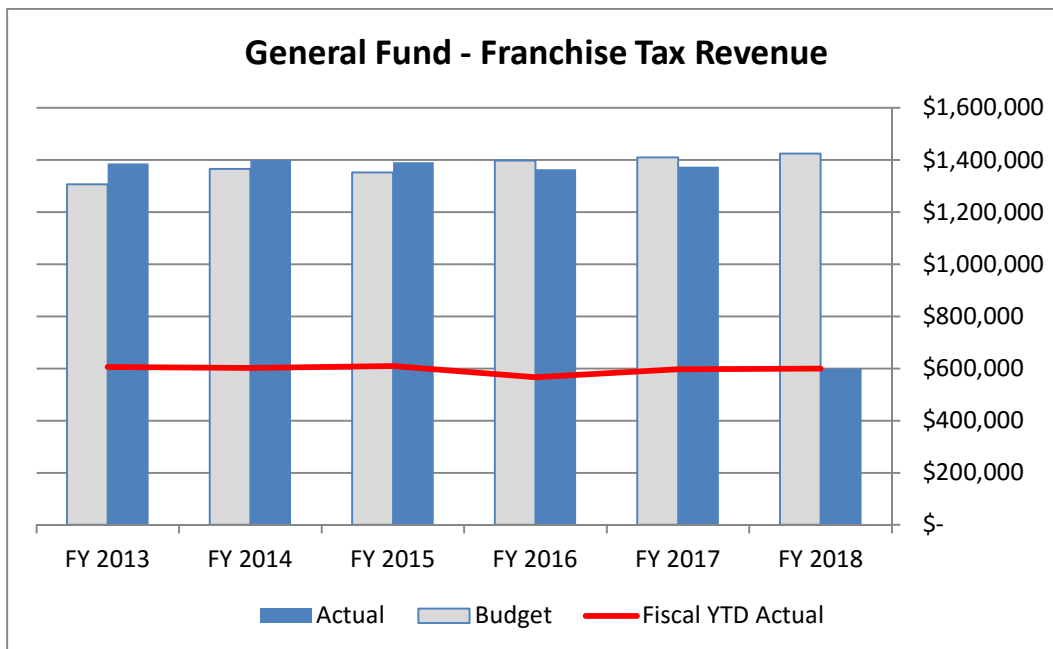
The City collected 97%, or \$12,732,022, of its budgeted property tax revenue during the five months ended February 28, 2018, which is over the allocated budget by \$56,138, or 0%.

FY 2018 property taxes are budgeted for \$13.1 million, an increase of \$0.8 million over FY 2017's \$12.3 million. The budgeted increase in property taxes is driven by a general tax rate increase of \$0.0127 per \$100 of assessed value, or 5.0%, and a 1.9% increase in taxable values.



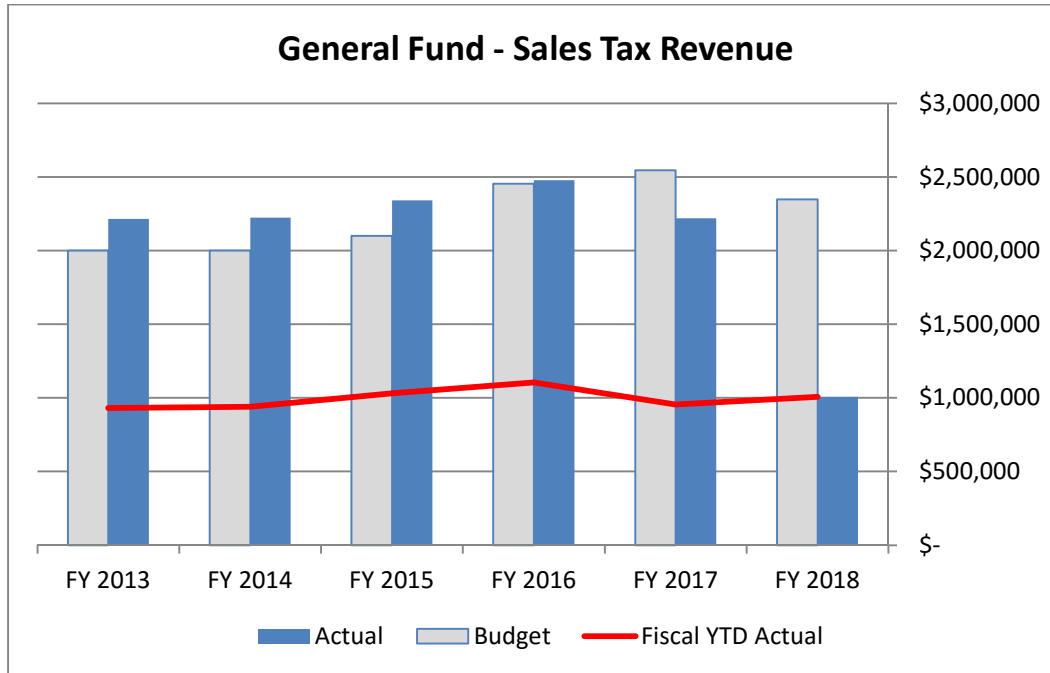
#### Franchise Taxes

Franchise taxes of \$599,654 for the five months ended February 28, 2018 are under the allocated budget by \$14,301, or 2%. Electric franchise tax payments are generally received monthly. Gas, telephone, and cable franchise tax payments are generally received quarterly.

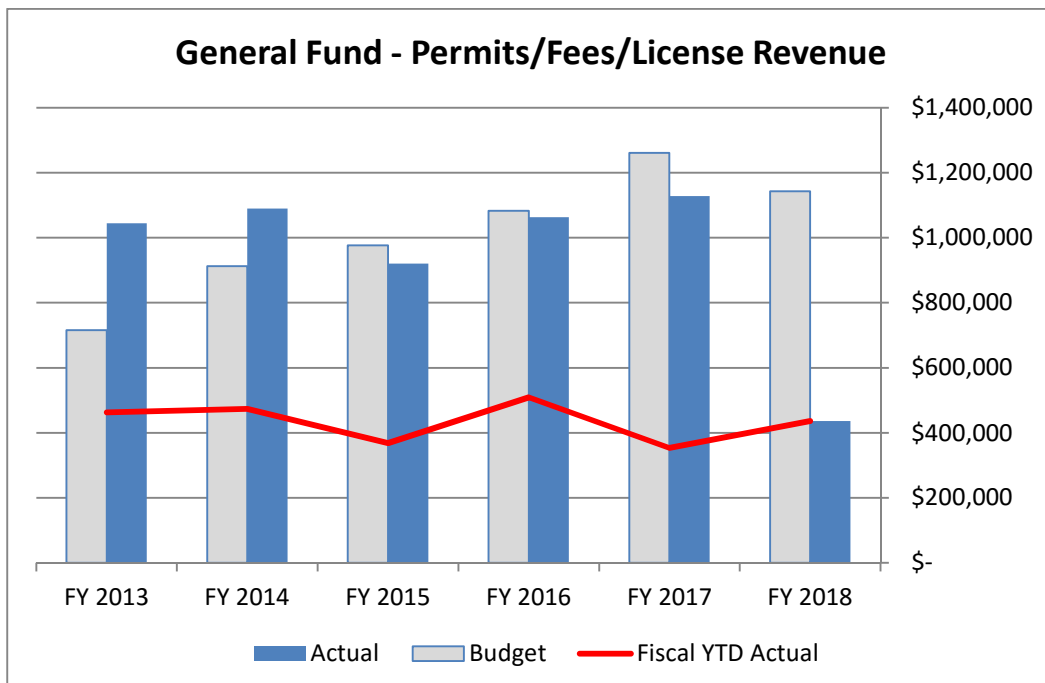


Sales Tax

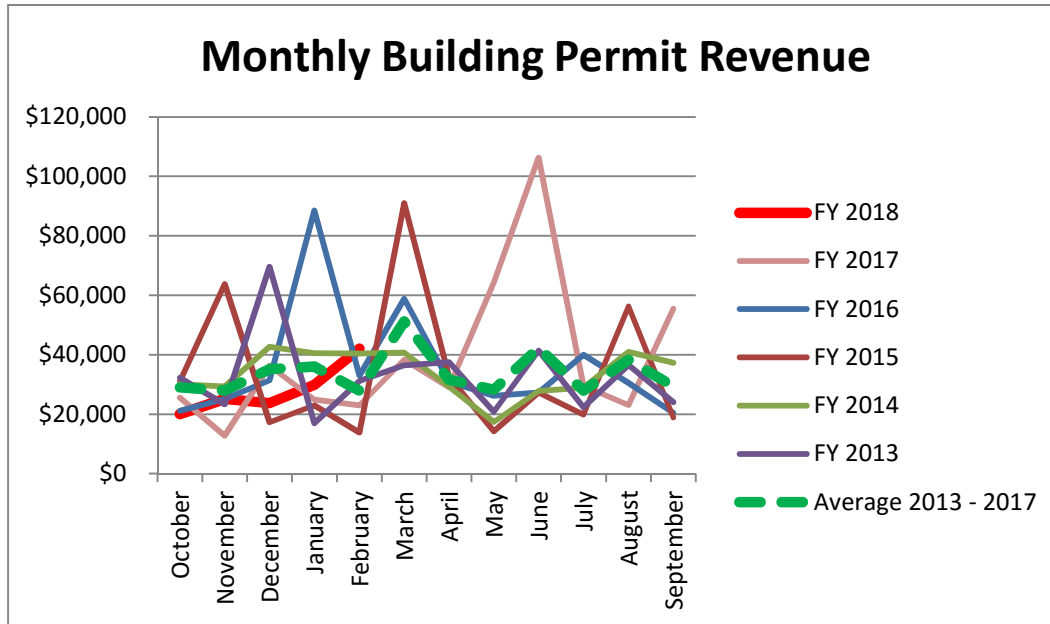
Sales tax revenue of \$1,006,775 for the five months ended February 28, 2018, is under the allocated budget by \$7,350, or 1%.

Permits, Fees, and Licenses

Development permits, fees, and licenses of \$436,759 are under the allocated budget by \$36,582, or 8%.

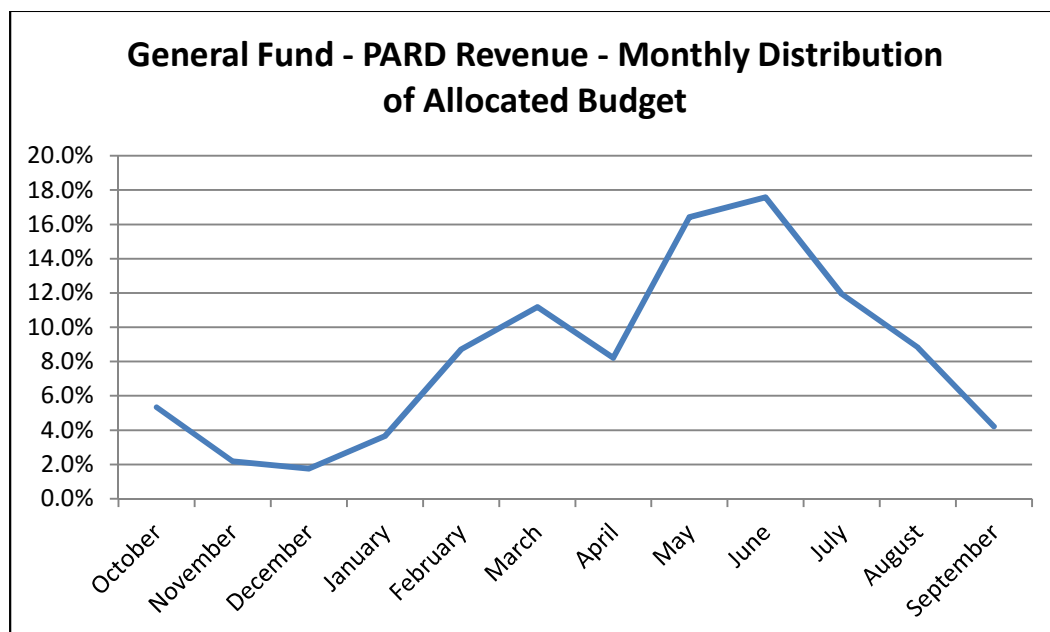


Building permit revenue makes up 62% of the permits/fees/license revenue budget. As reflected in the following chart, building permit revenue is volatile from month-to-month. Other categories of building permit revenue exhibit similar monthly volatility. We will continue monitoring permit revenue as the year progresses to determine if it continues to trail the allocated budget.



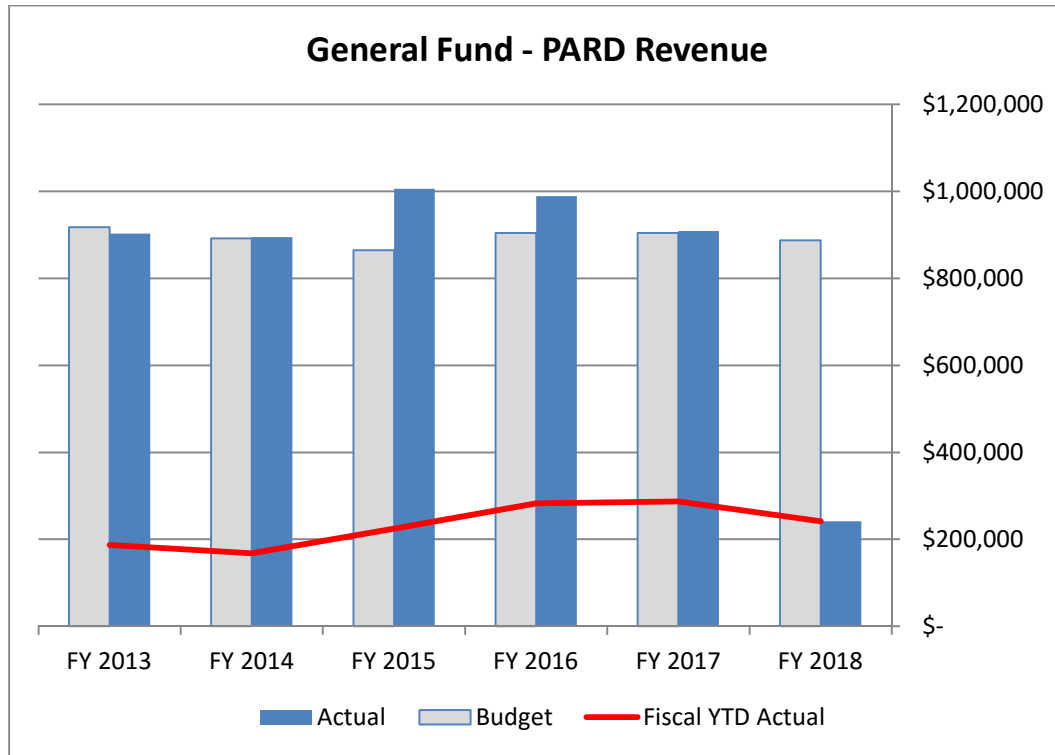
#### PARD Charges & Fees

As reflected in the following chart, Parks and Recreation fees are weighted heavily toward the summer months when Camp Paseo is operating and the swimming pools are open daily.



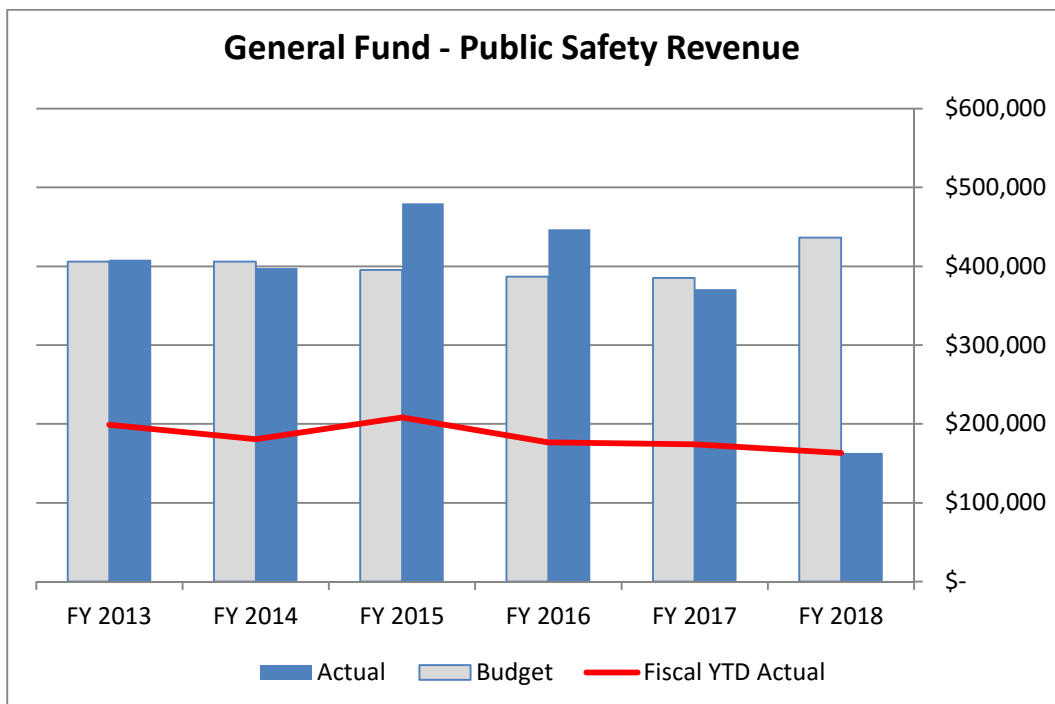


Parks and Recreation fees of \$241,370 are over the allocated budget by \$24,667, or 11%.

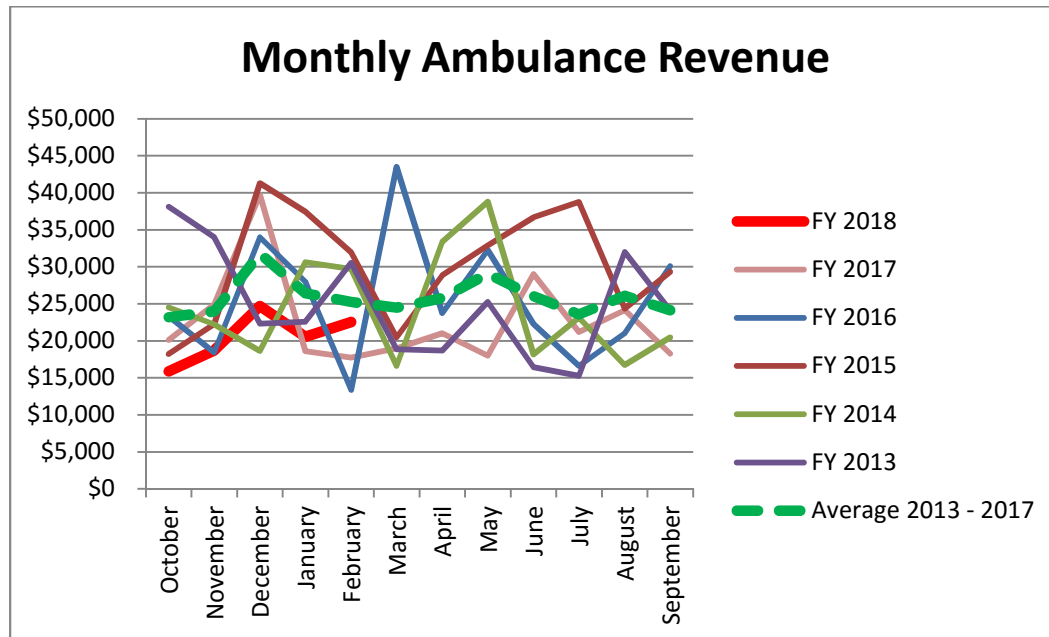


#### Public Safety

Public Safety revenue of \$163,362 is under the allocated budget by \$32,110, or 16%.

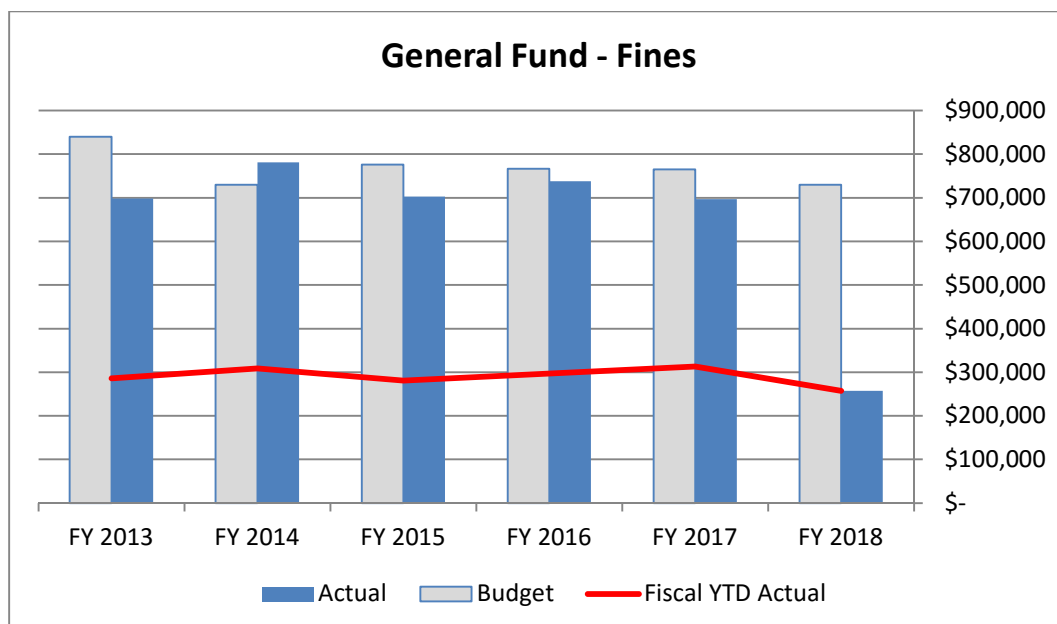


Ambulance fees make up 80% of the public safety revenue budget. As reflected in the following chart, ambulance fees are volatile from month-to-month. Ambulance fees appear to be following seasonal trends, but trailing historical averages and the budget. We will continue monitoring public safety revenue as the year progresses to determine if it continues to trail the allocated budget.

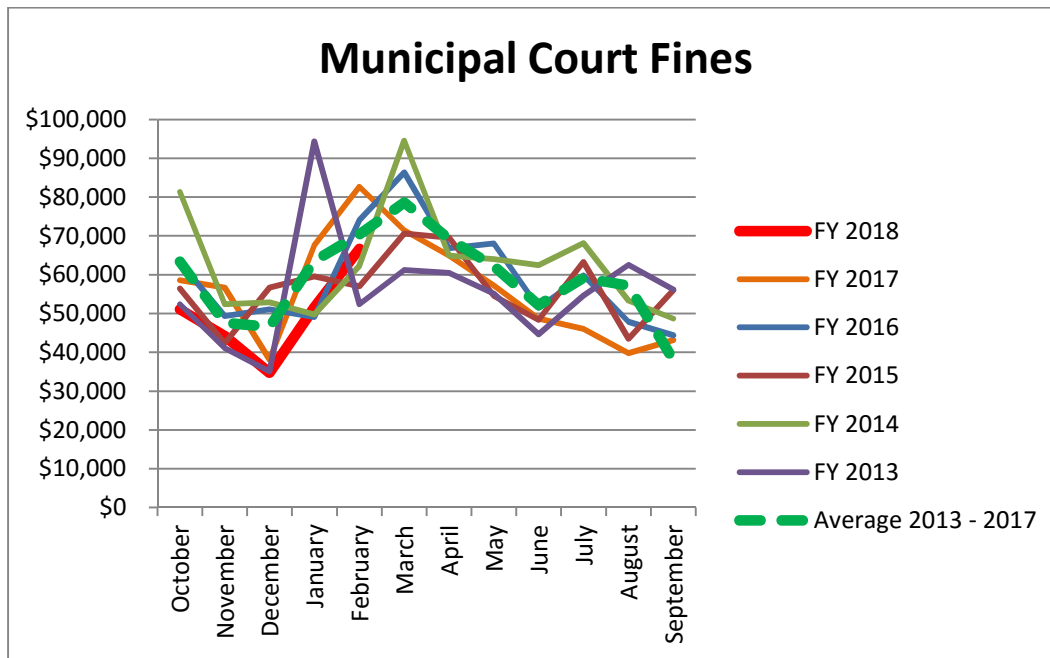


### Fines

Fines revenue of \$257,336 is under the allocated budget by \$42,816, or 14%.



Municipal court fines make up 96% of the fines revenue budget. As reflected in the following chart, municipal court fines are generally lowest in December and generally peak around March. Municipal court fines appear to be following seasonal trends, but trailing historical averages and the budget. We will continue monitoring fines revenue as the year progresses to determine if it continues to trail the allocated budget.



#### General Fund Expenditures:

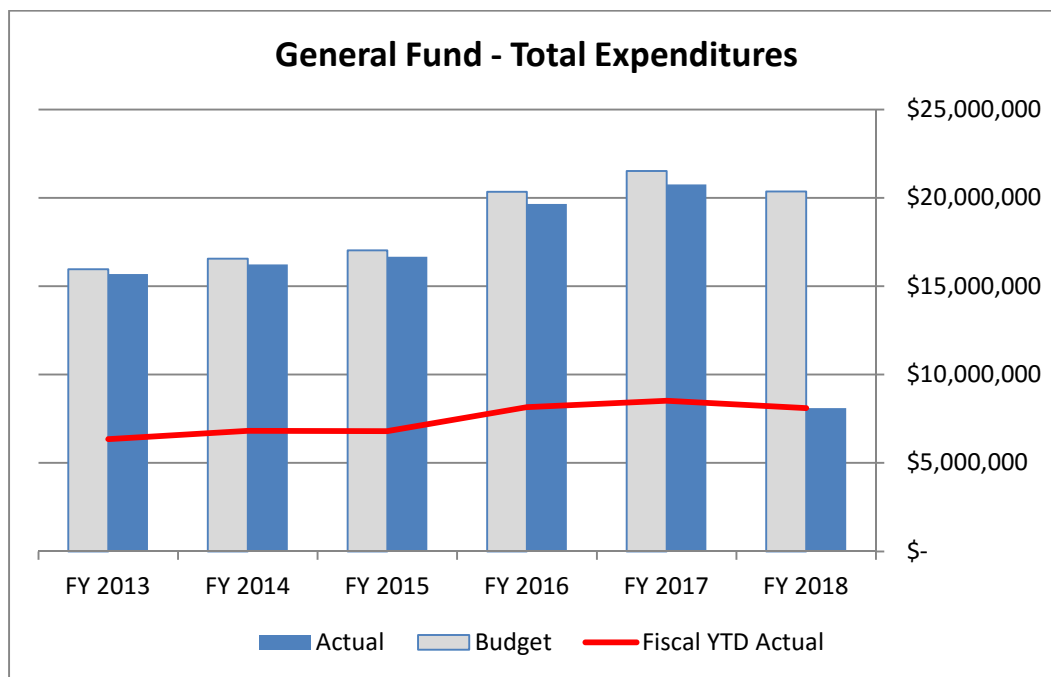
FY 2018 Budget	Fiscal YTD Allocated Budget	Fiscal YTD Actual	Over/(Under) Allocated Budget
\$20,359,848	\$8,452,596	\$8,110,800	(\$341,797)

For the five months ended February 28, 2018, the General Fund expended 40% of its total budgeted expenditures and is under its allocated budget by \$341,797, or 4%.

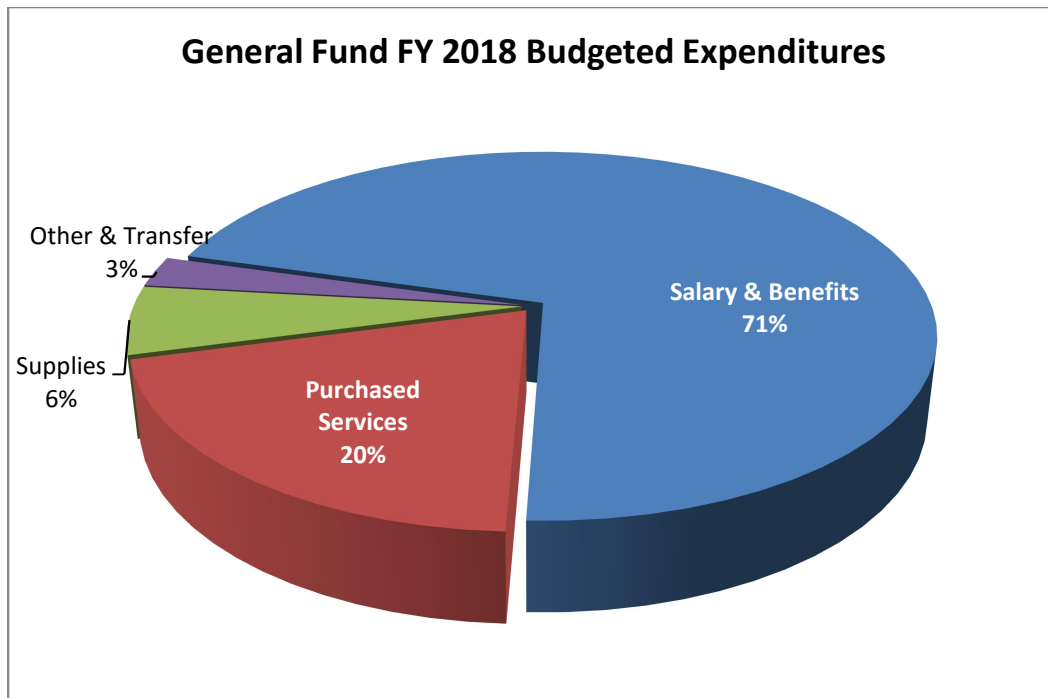
As reflected in the following table, the expenditure category causing the majority of the variance from allocated budget is purchased services, which is under the allocated budget by \$314,091.

Expenditure Category	FY 2018 Budget	Fiscal YTD Allocated Budget	Fiscal YTD Actual	Over/(Under) Allocated Budget
Salaries & Benefits	\$14,495,815	\$5,996,516	\$5,880,527	(\$115,989)
Purchased Services	4,110,441	1,790,563	1,476,473	(314,091)
Supplies	1,212,641	453,301	386,172	(67,129)
Other/Transfers	540,951	212,216	215,807	3,591
Non-Payroll Disaster	-	-	151,821	151,821
Total	\$20,359,848	\$8,452,596	\$8,110,800	(\$341,797)

A discussion of individual expenditure categories follows the discussion of total expenditures.

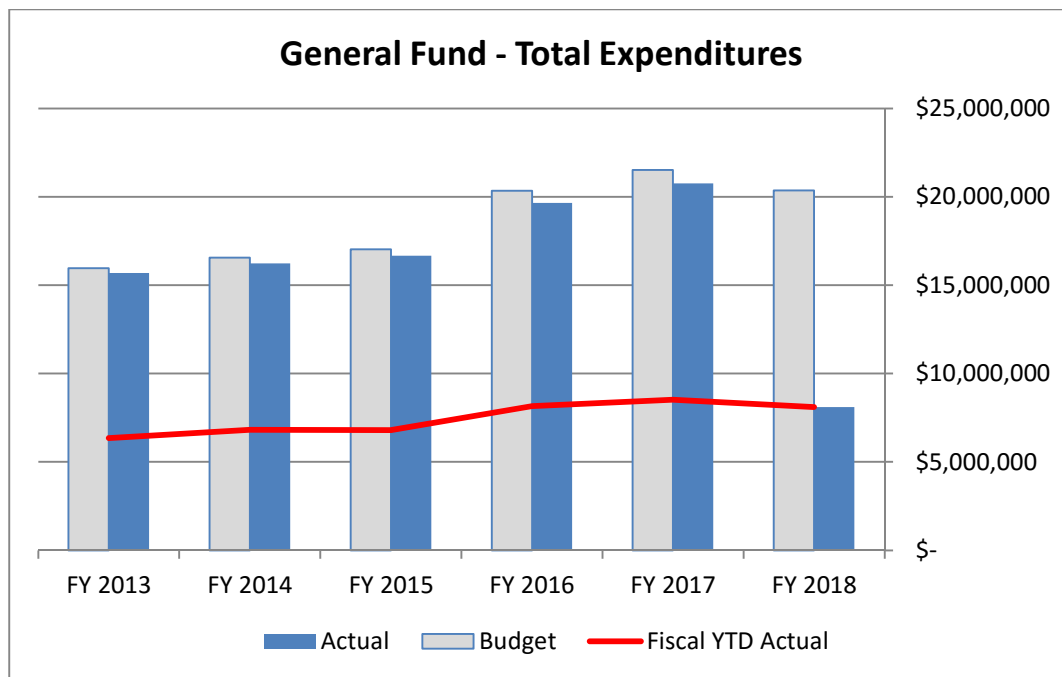


Salaries and benefits make up the largest category of expenditures in the General Fund at 71% of all FY 2018 budgeted expenditures, followed by purchased services at 20%.



#### Salary and Benefits

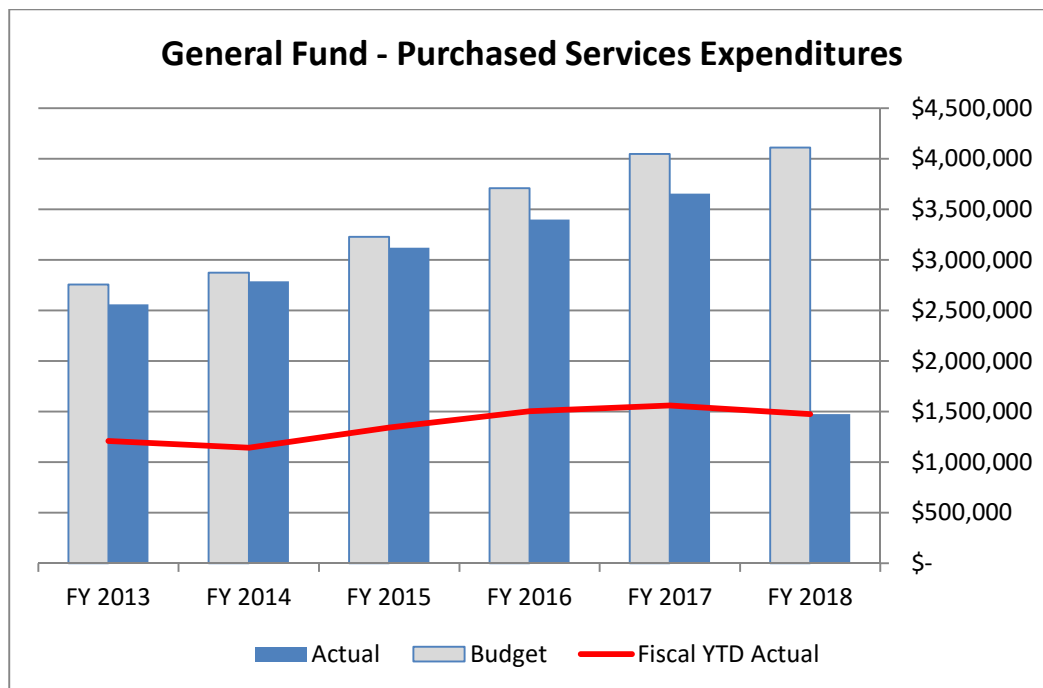
Salary and benefits of \$5,880,527 are under the allocated budget by \$115,989, or 2%.



#### Purchased Services

Purchased services of \$1,476,473 are under the allocated budget by \$314,091, or 18%.





Some of the larger departmental level variances contributing to purchased services expended during the five months ended February 28, 2018 being below the FY 2018 allocated budget include:

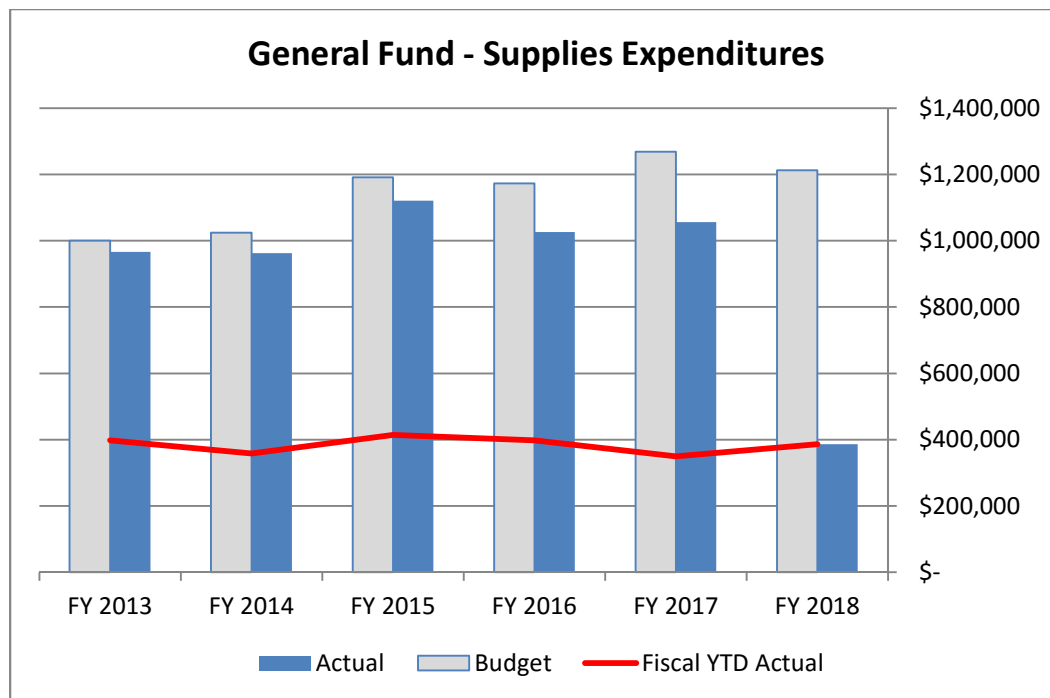
- Information Technology – Communications maintenance expenditures were \$181 for the five months ended February 28, 2018, as compared to a 5-year average of \$10,746. The current year expenditure is 2% of the FY 2018 budget while we are 42% through the fiscal year.
- Information Technology – Communications expenditures were \$71,107 for the five months ended February 28, 2018, as compared to a 5-year average of \$92,434. The current year expenditure is 30% of the FY 2018 budget while we are 42% through the fiscal year.
- Finance – Audit expenditures were \$15,905 for the five months ended February 28, 2018, as compared to a 5-year average of \$23,594.94. This is a matter of timing of invoices for the City's independent audit firm.
- Police – Vehicle maintenance expenditures were \$18,233 for the five months ended February 28, 2018, as compared to a 5-year average of \$22,378. The current year expenditure is 30% of the FY 2018 budget while we are 42% through the fiscal year.
- Parks (Maintenance) – Parks maintenance expenditures were \$144,235 for the five months ended February 28, 2018, which is 28% of FY 2018 budget while we are 42% through the fiscal year.

- Parks (Recreation) – Instructor pay was \$10,068 for the five months ended February 28, 2018, as compared to a 5-year average of \$26,214. This is primarily a result of voided checks of \$10,436 to a single vendor. The checks were posted in September 2017 (FY 2017) but were subsequently voided in October 2018 (FY 2018).
- Parks (Recreation) – Programs-athletics was \$883 for the five months ended February 28, 2018, as compared to a 5-year average of \$5,529. The bulk of this budget is typically spent in the summer; however, there is typically a sizable expenditure for youth league basketball jerseys in February, and that expenditure was not made until early March this fiscal year. This variance appears to be due primarily to timing.
- Library – Rental equipment expenditures were \$624 for the five months ended February 28, 2018, as compared to a 5-year average of \$1,918. This is a matter of timing of the copier rental payments, as the payment used to be an annual payment and the current year billing is set up for quarterly installment payments. This variance appears to be due primarily to timing.
- Public Works (Streets) – Engineers, planners, arborists was 21,875 for the five months ended February 28, 2018, as compared to the full year budget of \$103,000. The current year expenditure is 21% of the FY 2018 budget while we are 42% through the fiscal year. This is a matter of timing of invoices for the City engineer.
- Public Works (Streets) – Vehicle maintenance was \$9,522 for the five months ended February 28, 2018, as compared to a 5-year average of \$11,686. The current year expenditure is 35% of the FY 2018 budget while we are 42% through the fiscal year.

Many of the variances within the purchased services category are due primarily to timing.

#### Supplies

Supplies of \$386,172 are under the allocated budget by \$67,129, or 15%.

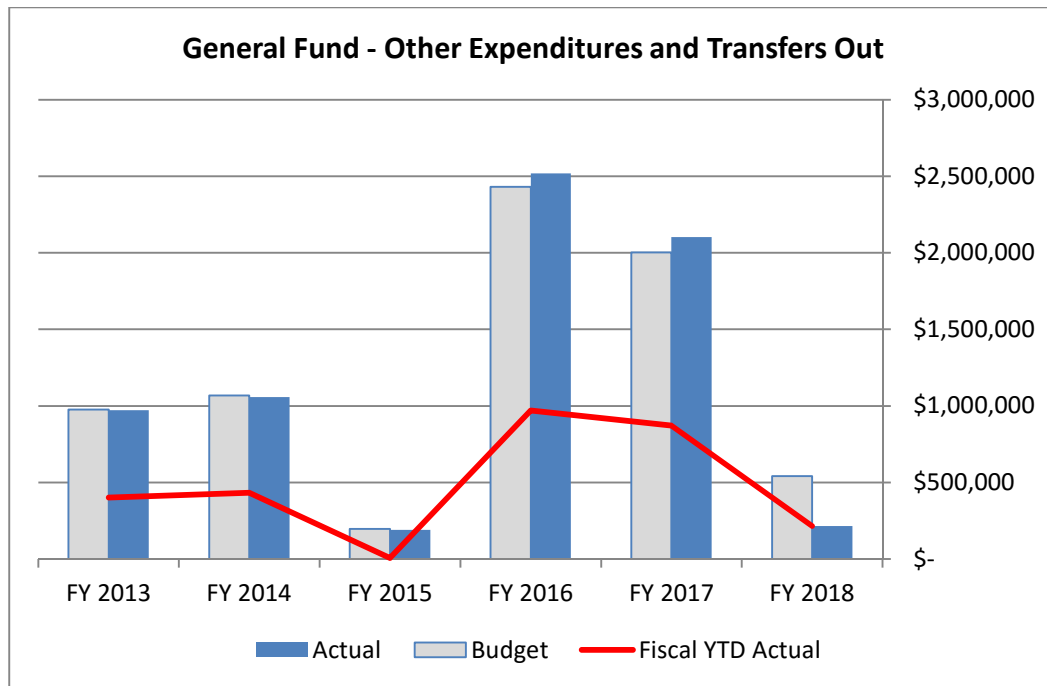


Some of the larger departmental level variances contributing to supplies expended during the five months ended February 28, 2018 being below the FY 2018 allocated budget include:

- Information Technology – Hardware and software expenditures were \$23,435 for the five months ended February 28, 2018 compared to an annual budget of \$115,000. The current year expenditure is 20% of the FY 2018 budget while we are 42% through the fiscal year.
- Fire – Uniforms/wearing apparel expenditures were \$2,735 for the five months ended February 28, 2018, as compared to a 5-year average of \$3,426. The current year expenditure is 10% of the FY 2018 budget while we are 42% through the fiscal year.
- Police – IT supplies expenditures were \$3,428 for the five months ended February 28, 2018, as compared to a 5-year average of \$5,403. The current year expenditure is 19% of the FY 2018 budget while we are 42% through the fiscal year.

#### Other Expenditures and Transfers Out

The “other expenditures and transfers out” category is mainly the monthly transfers from the General Fund to (1) the Capital Improvement Fund and (2) the Vehicle and Equipment Replacement Fund. Other expenditures and transfers out in the five months ended February 28, 2018, of \$215,807 are over the allocated budget by \$3,591, or 2%.



Total budgeted transfers out of the General Fund are \$492,926, or \$41,077/month.

G/L Account Classification	FY 2018 Budget	Fiscal YTD Actual	Actual as % of Budget	% of FY Complete
740 – Operating Transfers Out	\$492,926	\$205,386	42%	42%
711 – Credit Card Fees	\$41,000	\$8,432	21%	42%
710 – Banking Charges	\$7,025	\$1,989	28%	42%
Total	\$540,951	\$215,807	40%	42%

#### Non-Payroll Disaster Related

The “non-payroll disaster related” category is unbudgeted non-payroll expenditures related to Hurricane Harvey.

### **ENTERPRISE FUND**

#### **Enterprise Fund Revenues:**

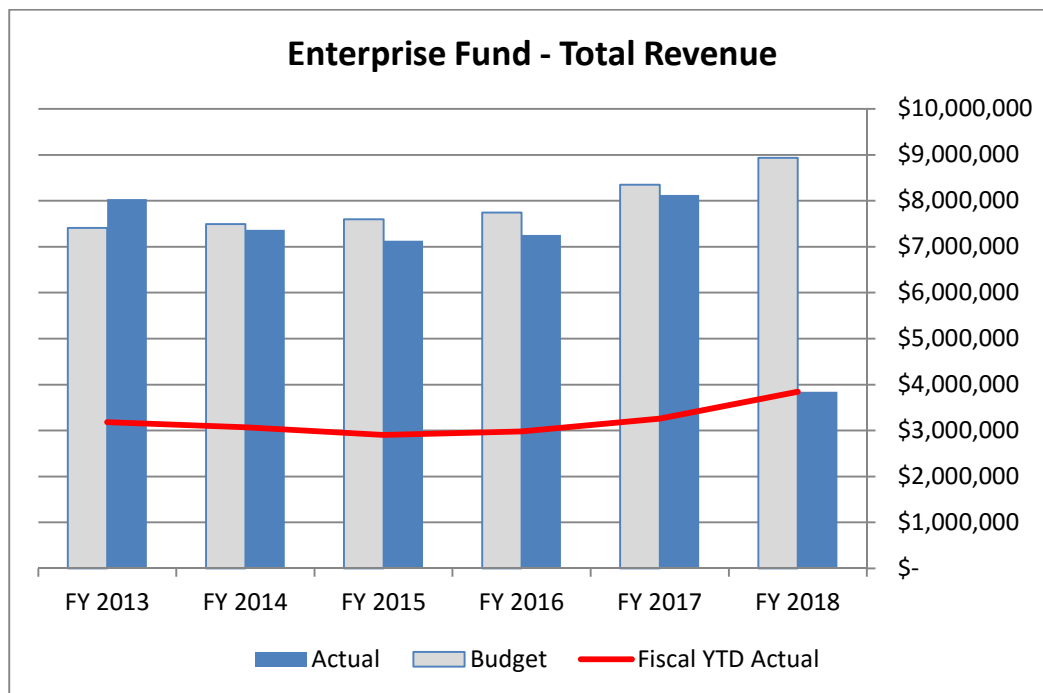
FY 2018 Budget	Fiscal YTD Allocated Budget	Fiscal YTD Actual	Over/(Under) Allocated Budget
\$8,932,118	\$3,622,461	\$3,840,570	\$218,109

For the five months ended February 28, 2018, the Enterprise Fund collected 43% of its total budgeted revenues and is over its allocated budget by \$218,109, or 6%.

As reflected in the following table, the revenue category causing the majority of the variance from allocated budget is other revenues, which includes \$214,439 of unbudgeted insurance proceeds related to Hurricane Harvey. If this revenue source is excluded, the Enterprise Fund is over its allocated budget by \$3,670, or 0%.

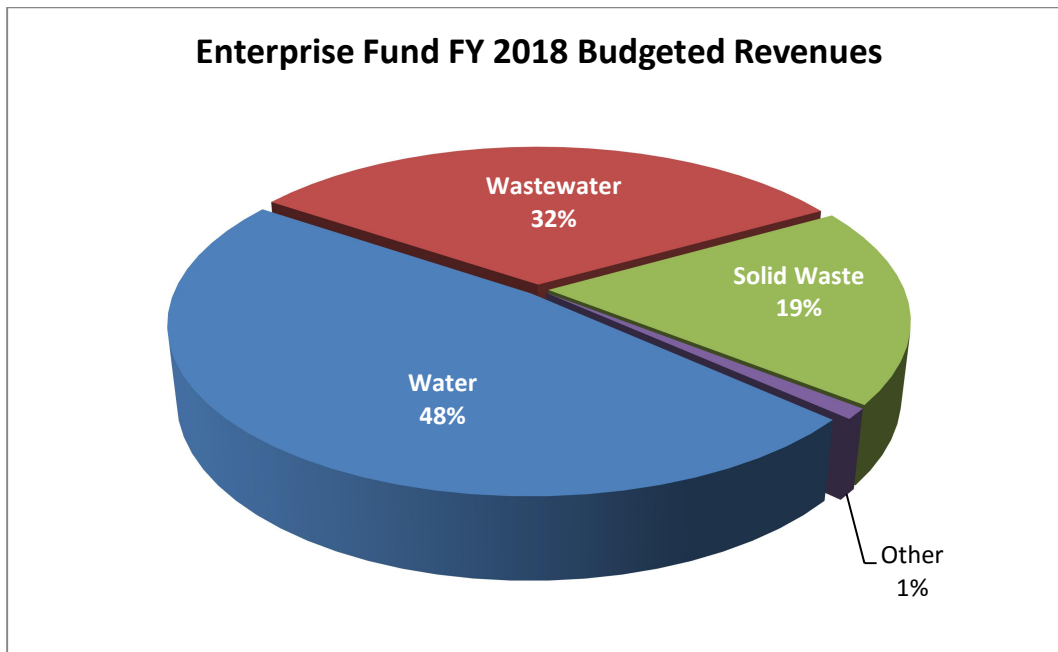
Revenue Category	FY 2018 Budget	Fiscal YTD Allocated Budget	Fiscal YTD Actual	Over/(Under) Allocated Budget
Water	\$4,266,524	\$1,684,908	\$1,726,236	\$41,327
Wastewater	2,891,394	1,197,318	1,113,509	(83,809)
Solid Waste	1,683,700	701,500	692,148	(9,353)
Other	90,500	38,735	308,678	269,944
Total	\$8,932,118	\$3,622,461	\$3,840,570	\$218,109

A discussion of individual revenue categories follows the discussion of total revenues.



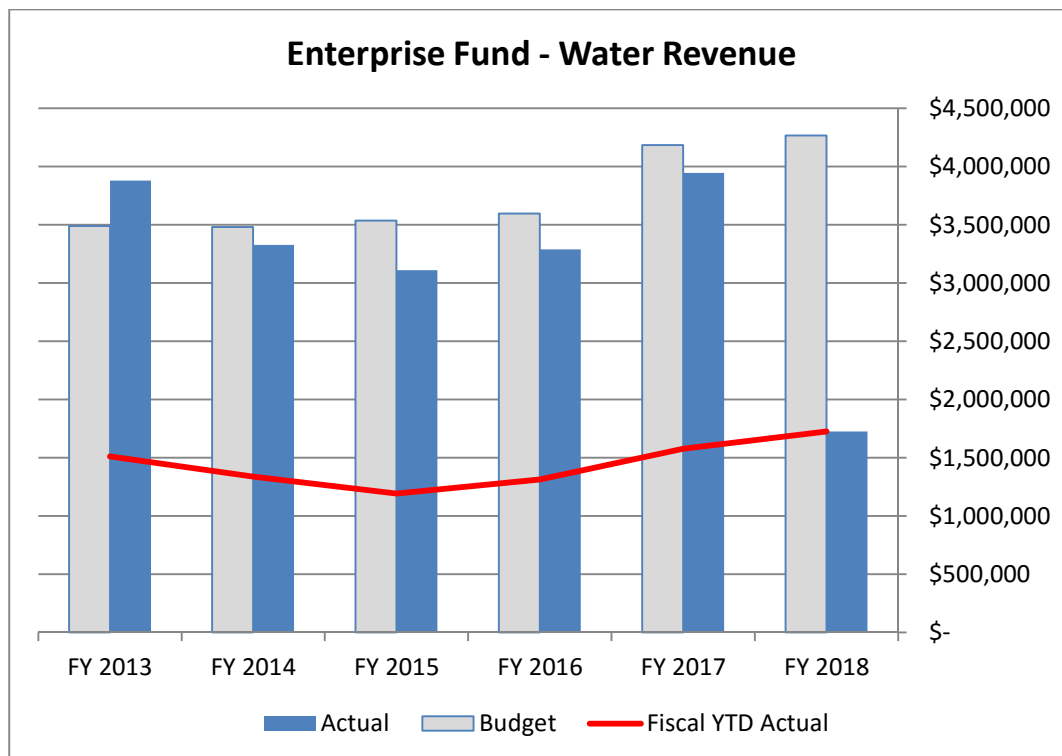
Sales of water makes up the largest category of revenues in the Enterprise Fund at 48% of all FY 2018 budgeted revenues, followed by charges for wastewater at 32%, and charges for solid waste at 19%.





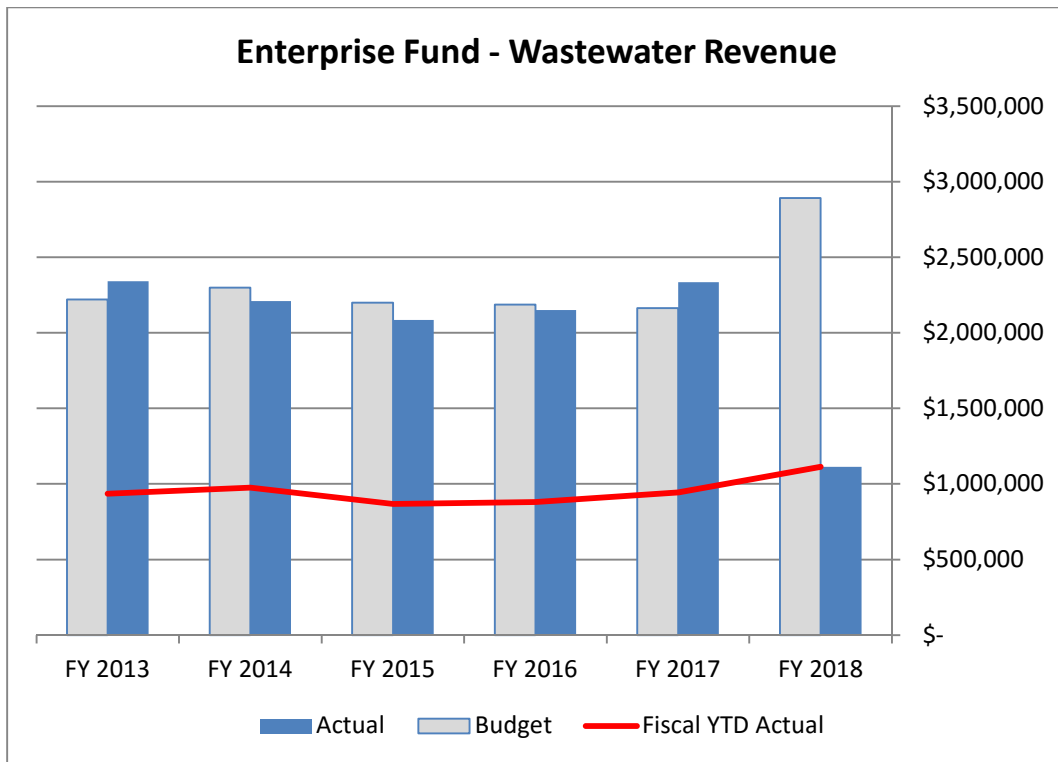
#### Water Revenue

Water revenue of \$1,726,236 is above the allocated budget by \$41,327, or 3%.



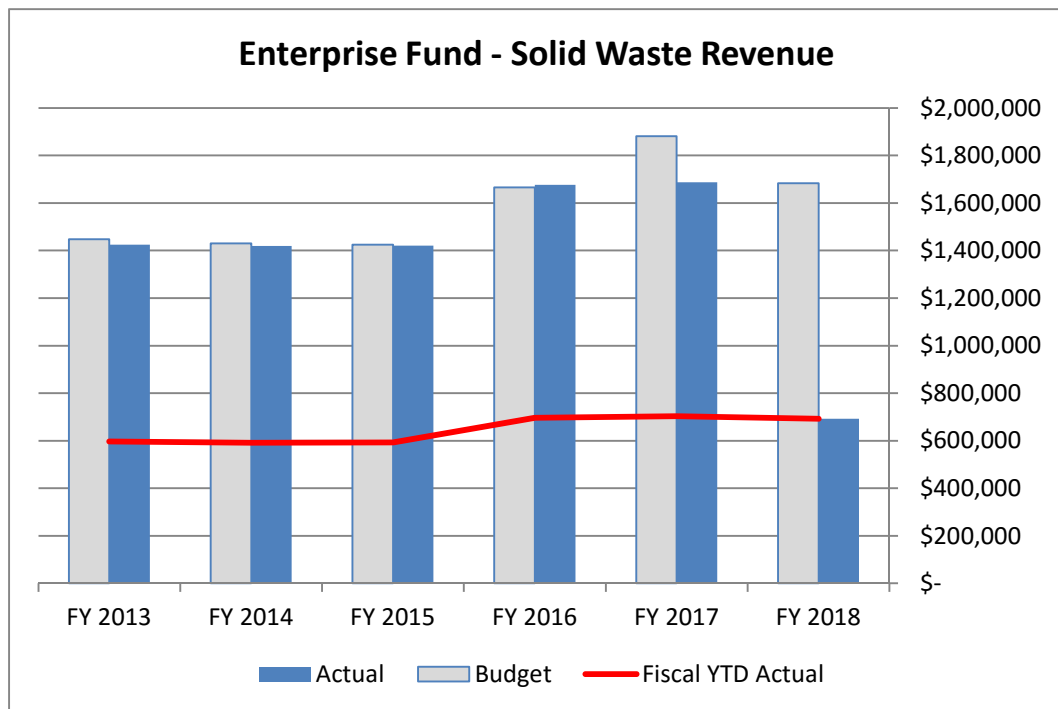
#### Wastewater Revenue

Wastewater revenue of \$1,113,509 is under the allocated budget by \$83,809, or 7%.



#### Solid Waste

Solid Waste revenue of \$692,148 is below the allocated budget by \$9,353, or 1%.



**Enterprise Fund Expenses:**

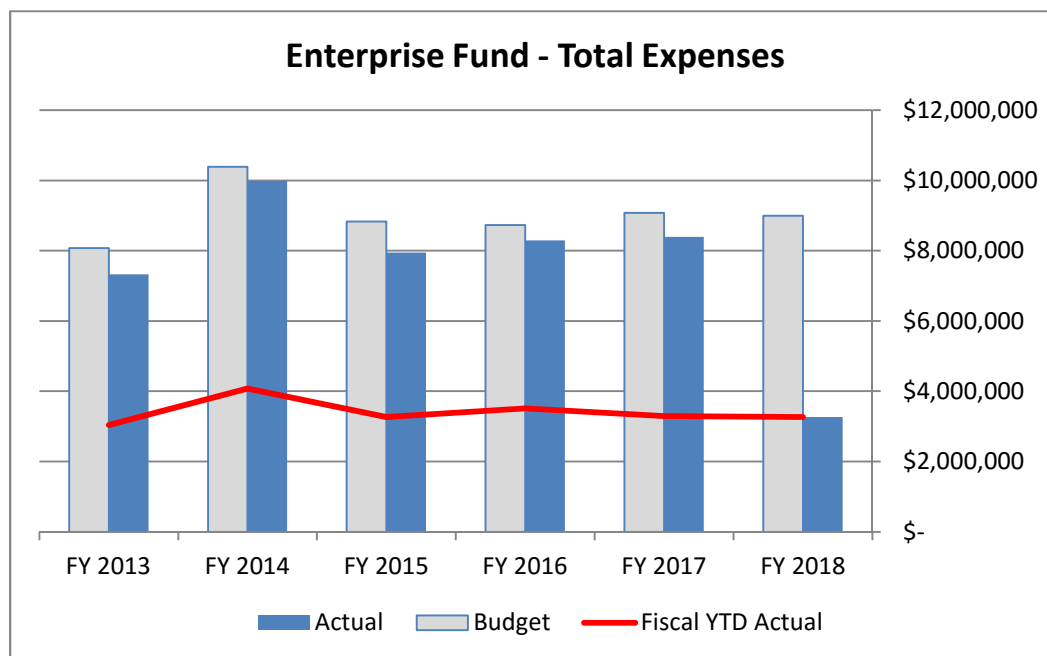
FY 2018 Budget	Fiscal YTD Allocated Budget	Fiscal YTD Actual	Over/(Under) Allocated Budget
\$8,990,787	\$3,704,978	\$3,267,211	(\$437,767)

For the five months ended February 28, 2018, the Enterprise Fund incurred 36% of its total budgeted expenses and is under its allocated budget by \$437,767, or 12%.

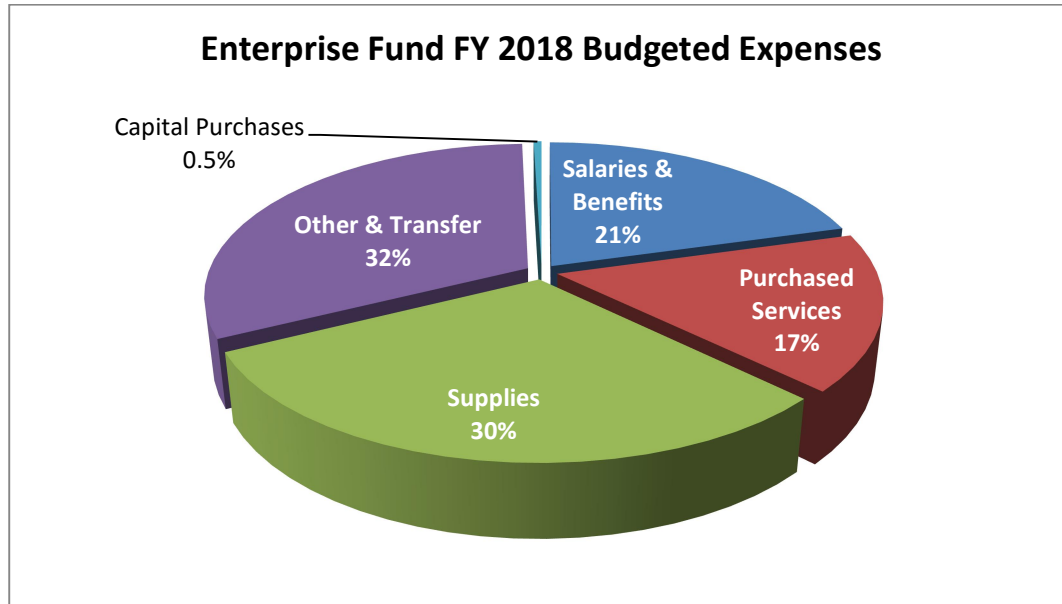
As reflected in the following table, the expense category causing the majority of the variance from allocated budget is supplies, which is under the allocated budget by \$512,981.

Expense Category	FY 2018 Budget	Fiscal YTD Allocated Budget	Fiscal YTD Actual	Over/(Under) Allocated Budget
Salaries & Benefits	\$1,854,594	\$784,379	\$741,336	(\$43,042)
Purchased Services	1,491,676	552,196	584,384	32,188
Supplies	2,737,081	1,166,464	653,484	(512,981)
Other/Transfers	2,865,436	1,201,940	1,193,870	(8,070)
Capital Purchases	42,000	-	-	-
Non-Payroll Disaster	-	-	94,137	94,137
Total	\$8,990,787	\$3,704,978	\$3,267,211	(\$437,767)

A discussion of individual expense categories follows the discussion of total expenses.

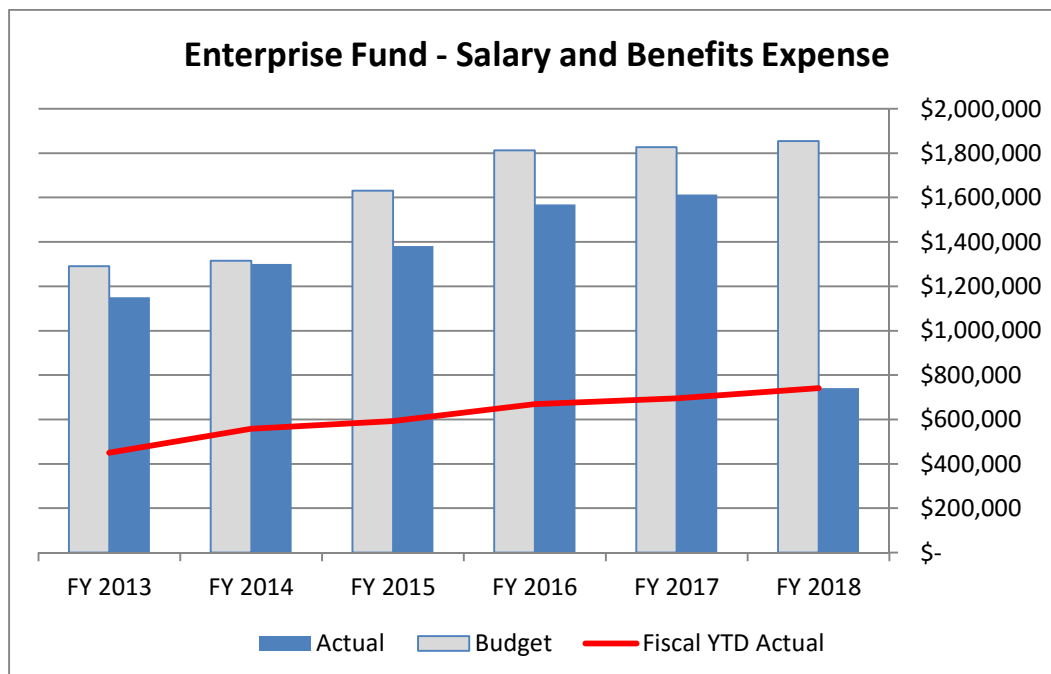


“Other expenses and transfers” makes up the largest category of expense in the Enterprise Fund at 32% of all FY 2018 budgeted expenses, followed by supplies, which includes water purchased from the City of Houston, at 30%. Other and transfers includes \$14,000 of budgeted operational expenses and \$2,851,436 of transfers out, including (1) \$624,000 to the General Fund to reimburse overhead expenses, (2) \$1,750,436 to the Debt Service Fund, (3) \$357,000 to the Vehicle and Equipment Replacement Fund, and (4) \$120,000 to the Capital Improvement Fund.



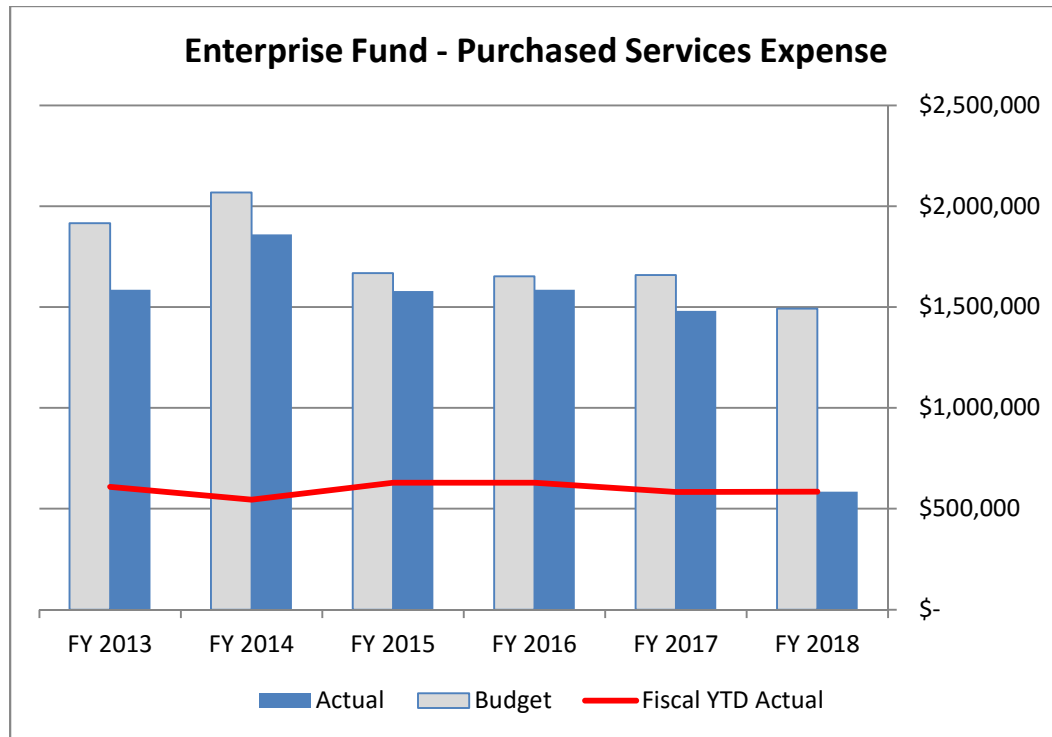
#### Salary and Benefits

Salary and benefits of \$741,336 are under the allocated budget by \$43,042, or 6%.



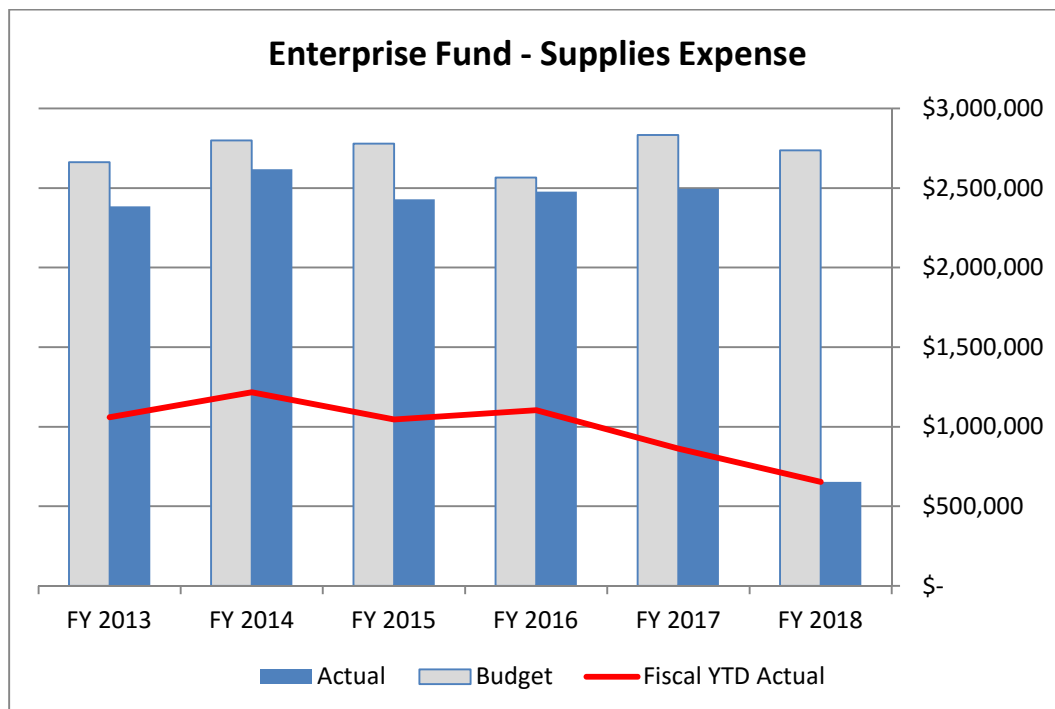
### Purchased Services

Purchased services of \$584,384 are over the allocated budget by \$32,188, or 6%.



### Supplies

Supplies of \$653,484 are under the allocated budget by \$512,981, or 44%.





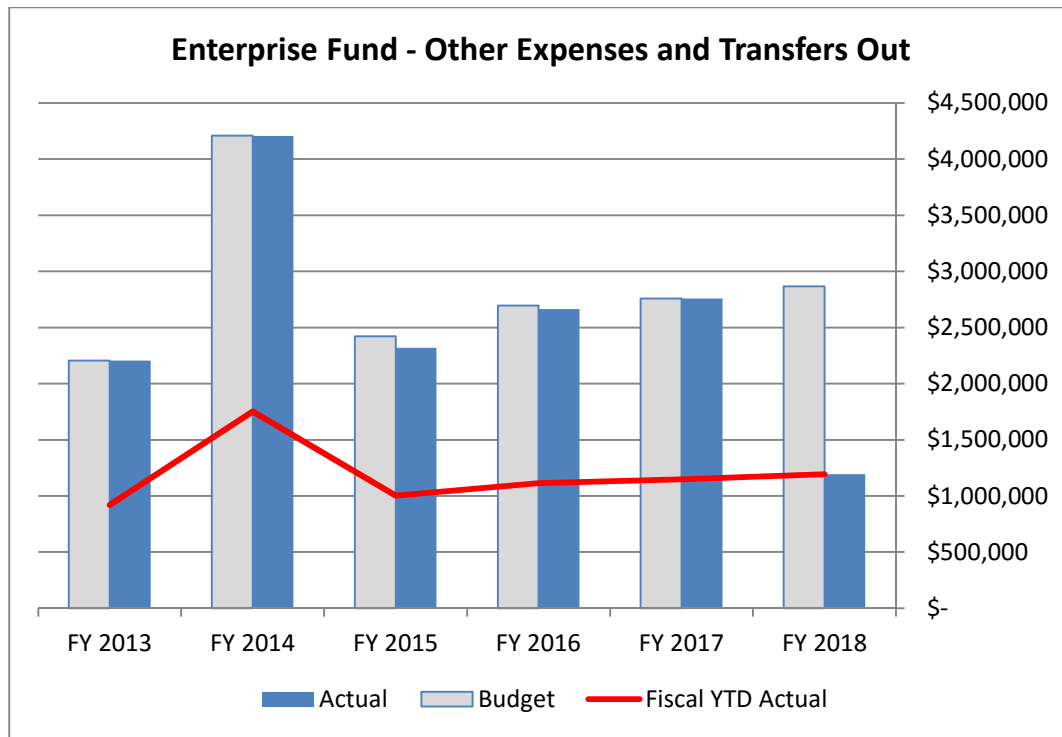
Supplies includes the cost of water purchased from the City of Houston and the cost of groundwater credits the City purchases from the Harris-Galveston Subsidence District related to water the City pumps from underground. Both of the costs are contributing to the supplies expenditure being under budget.

The \$402,947 year-to-date February expense for water purchased from the City of Houston includes three months of water purchases instead of five. Historically, October contained the expense related to water purchased in September. That caused us to do a year-end adjusting entry to accrue the expense into September, so at the end of FY 2017 we recorded the expense in September to avoid having a year-end adjustment. The payment for September water usage was \$147,184. The payment that would normally be recorded in February was recorded on March 8, 2018 for \$175,351. Had these two payments been included in the year-to-date February expense, it would have increased by \$322,535 to \$725,482.

The budget includes \$170,770 for groundwater credits, which are typically purchased annually from the Harris-Galveston Subsidence District between November and March. The City determined it has an adequate inventory of groundwater credits on hand to forgo purchasing additional credits this fiscal year.

#### Other Expenses and Transfers Out

The “other expenses and transfers out” category is mainly the monthly transfers from the Enterprise Fund to (1) the General Fund, (2) the Debt Service Fund, (3) The Vehicle and Equipment Replacement Fund, and (4) the Capital Improvement Fund. Other expenses and transfers out in the five months ended February 28, 2018, of \$1,193,870 are under the allocated budget by \$8,070, or 1%.



Total budgeted transfers out of the Enterprise Fund are \$2,851,436, or \$237,620/month.

G/L Account Classification	FY 2018 Budget	Fiscal YTD Actual	Actual as % of Budget	% of FY Complete
740 – Operating Transfers Out	\$2,851,436	\$1,188,098	42%	42%
711 – Credit Card Fees	\$14,000	\$5,772	41%	42%
Total	\$2,865,436	\$1,193,870	42%	42%

#### Non-Payroll Disaster Related

The “non-payroll disaster related” category is unbudgeted non-payroll expenses related to Hurricane Harvey.

#### Rainfall

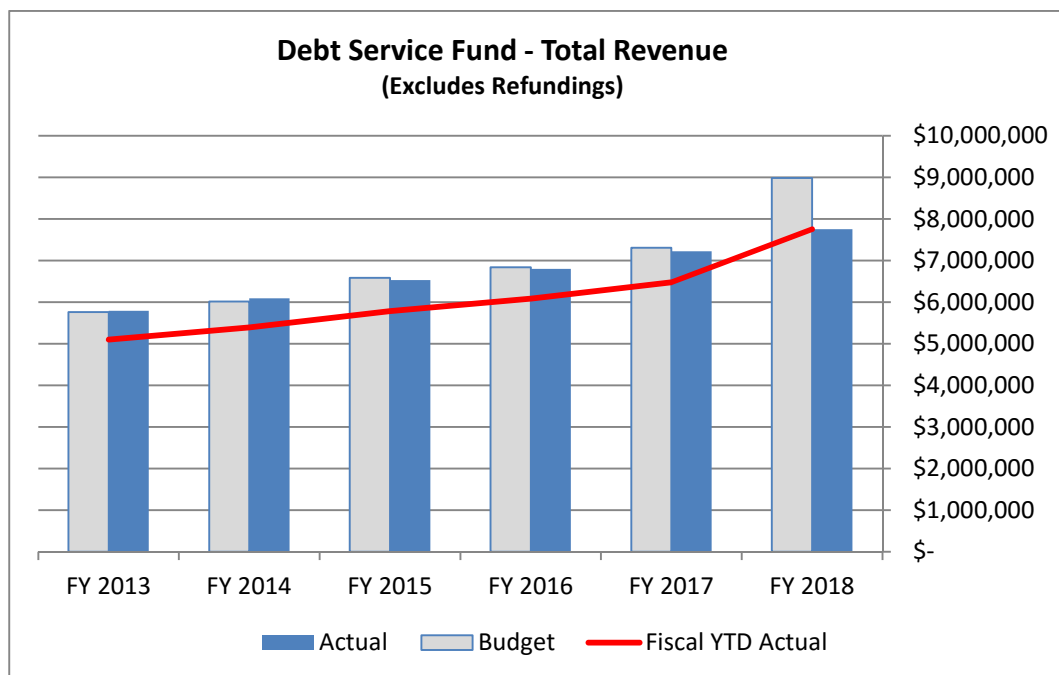
Rainfall (Inches)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Cumulative thru February	12.29	17.95	19.91	24.83	19.59	12.30
Annual	30.06	59.05	70.83	70.95	123.77	

## DEBT SERVICE FUND

### Debt Service Fund Revenues:

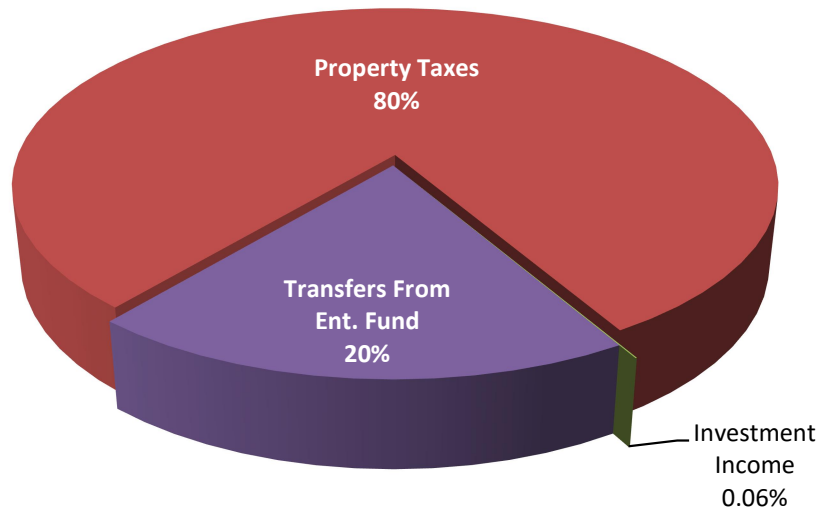
FY 2018 Budget	Fiscal YTD Allocated Budget	Fiscal YTD Actual	Over/(Under) Allocated Budget
\$8,984,321	\$7,748,360	\$7,751,229	\$2,869

For the five months ended February 28, 2018, the Debt Service Fund collected 86% of its total budgeted revenues and is over its allocated budget by 2,869, or 0%.



Property tax makes up the largest category of revenue in the Debt Service Fund at 80% of all FY 2018 budgeted revenues, followed by transfers from the Enterprise Fund at 20%, and investment income at less than 1%.

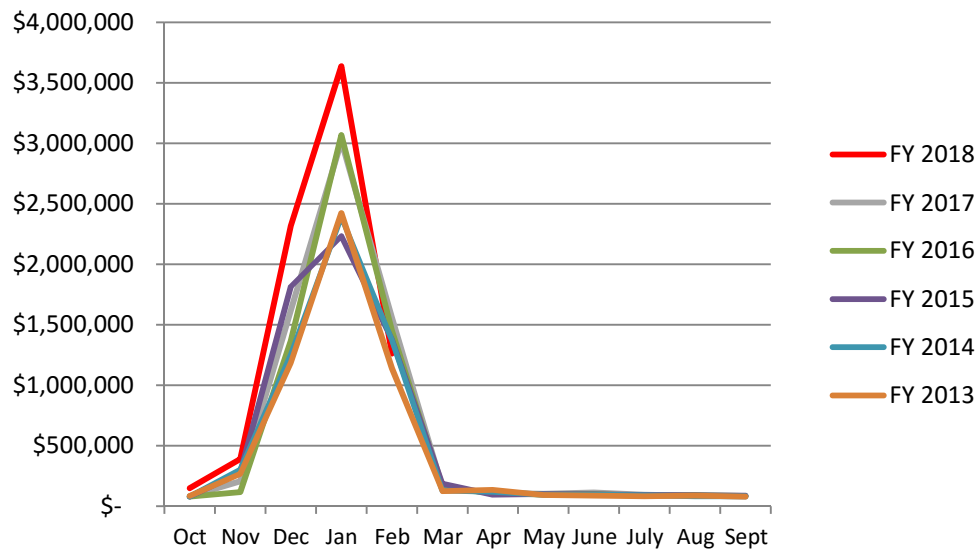
### Debt Service Fund FY 2018 Budgeted Revenues



As property taxes are the main revenue source, the January 31 property tax deadline results in revenues being concentrated in the December – February timeframe.

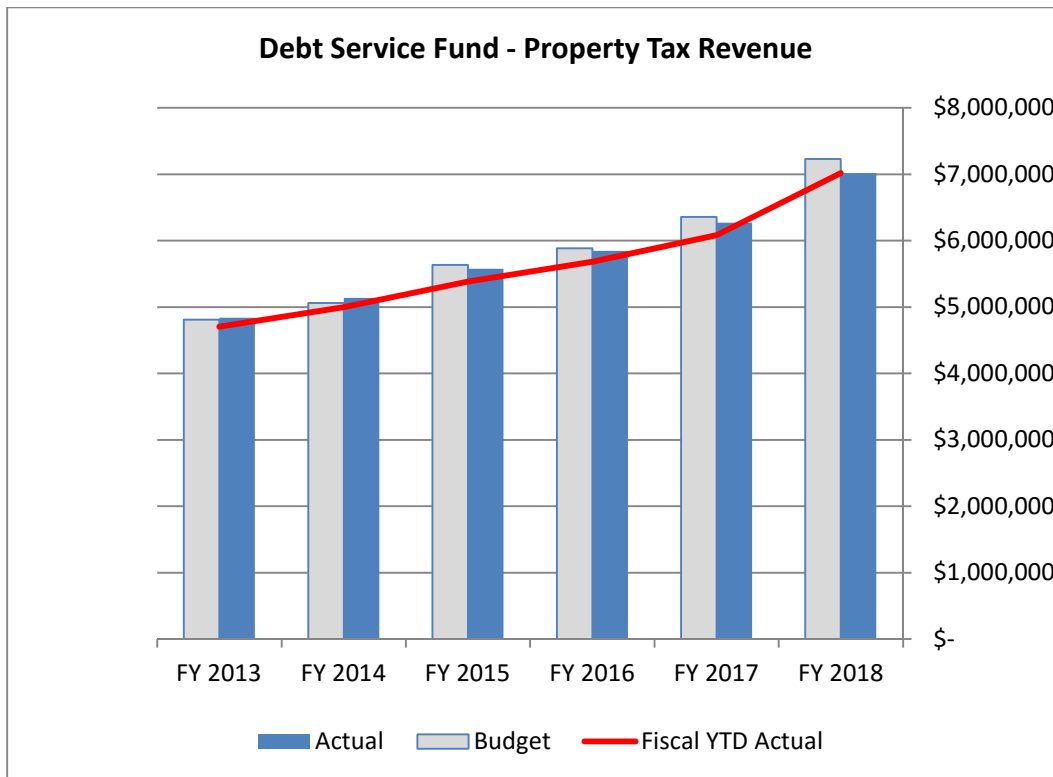
### Debt Service Fund Revenues - Monthly Distribution

(Excludes Refunding Bond Proceeds and Capitalized Interest)



#### Property Tax

The Debt Service Fund collected \$7,019,565 of property tax revenue in the five months ended February 28, 2018, which is over the allocated budget by \$2,710, or 0%.

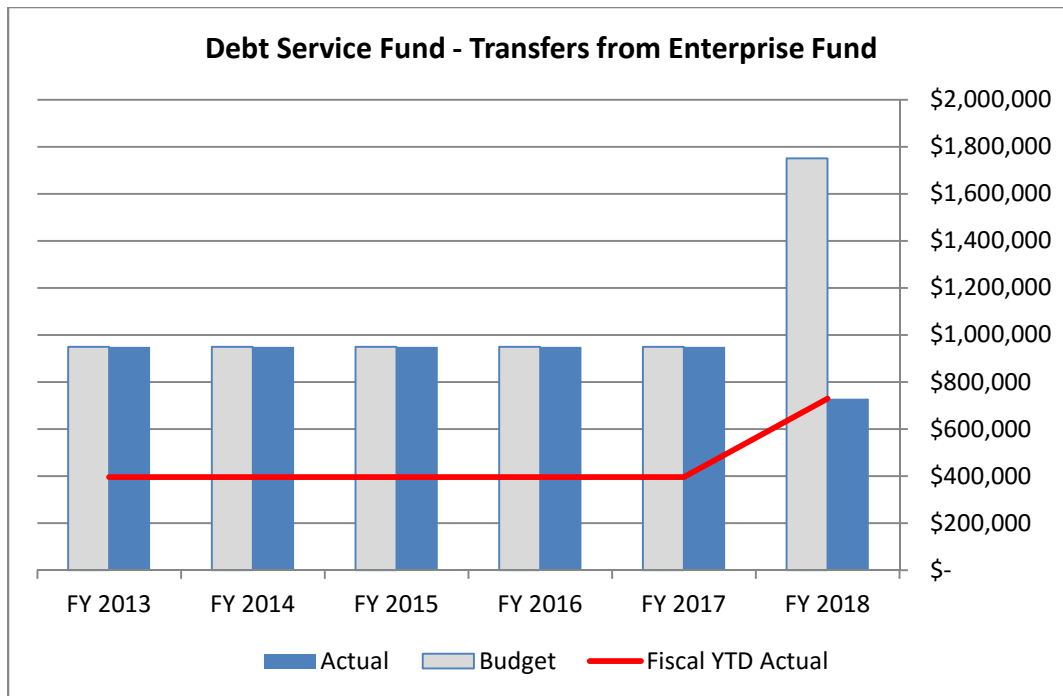


FY 2018 property taxes are budgeted for \$7.2 million, an increase of \$0.9 million over FY 2017's \$6.3 million. The budgeted increase in property taxes is driven by a debt service tax rate increase of \$0.0158 per \$100 of assessed value, or 11.9%, and a 1.9% increase in taxable values.

#### Transfers In

Transfers from the Enterprise Fund in the amount of \$729,348 for the five months ended February 28, 2018, are equal to allocated budget.

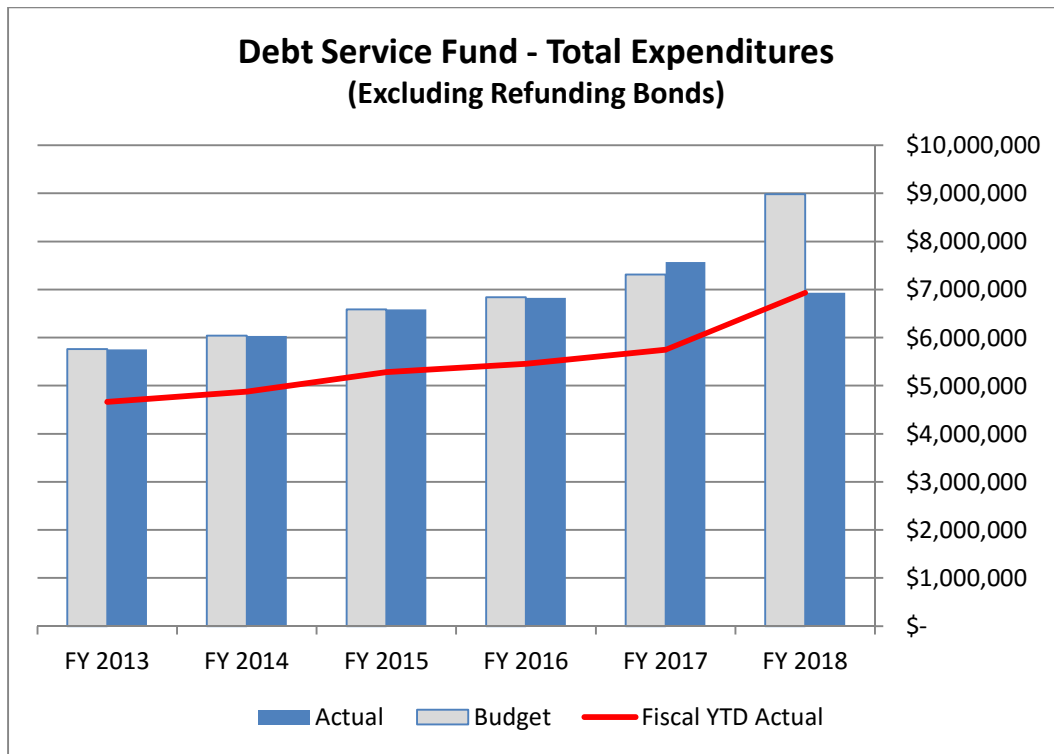




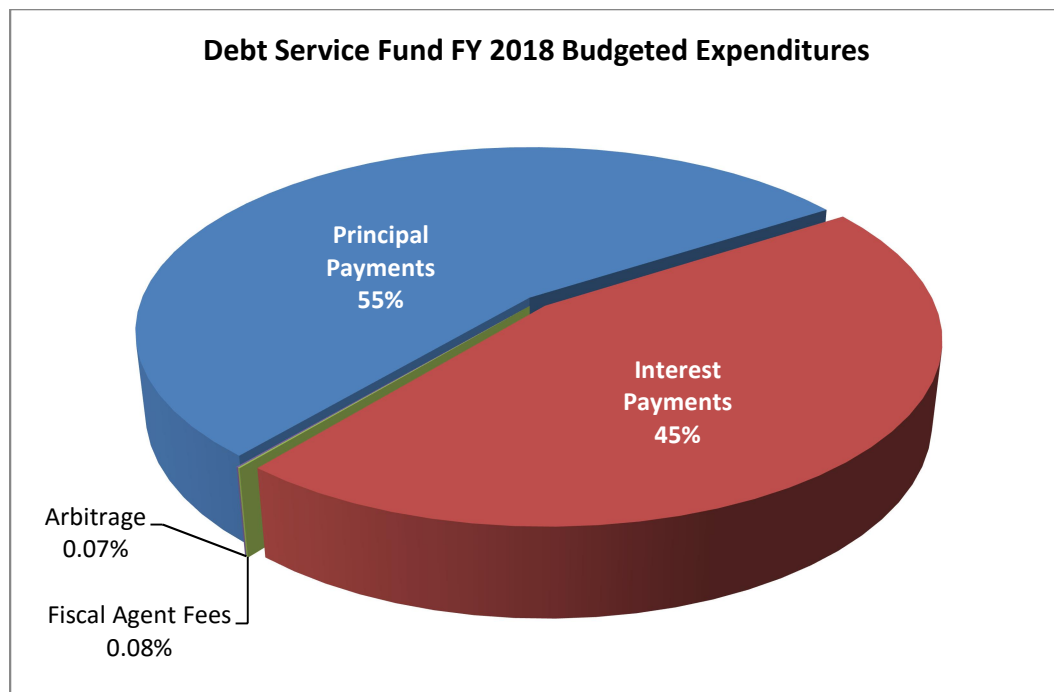
#### Debt Service Fund Expenditures:

FY 2018 Budget	Fiscal YTD Allocated Budget	Fiscal YTD Actual	Over/(Under) Allocated Budget
\$8,984,341	\$6,895,799	\$6,930,745	\$34,946

For the five months ended February 28, 2018, the Debt Service Fund incurred 77% of its total budgeted expenditures and is over its allocated budget by \$34,946, or 1%.

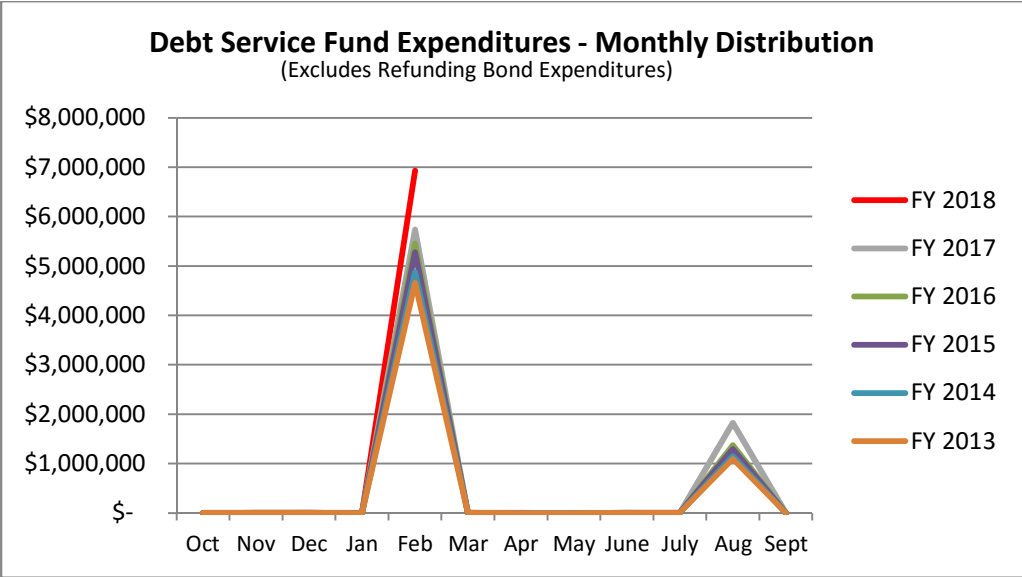


Principal payments make up the largest category of expenditure in the Debt Service Fund at 55% of all FY 2018 budgeted expenditures, followed by interest payments at 45%. All other expenditures combined make up less than 1% of budgeted expenditures.



In February, there are annual principal payments and semi-annual interest payments due on the City's outstanding bonds, and in August there are semi-annual interest payments due.

Expenditures are concentrated in February and August in accordance with the debt payment schedules. Payments in other months of fiscal agent fees and arbitrage consultants are minor.



City of Bellaire  
General Fund  
Revenues and Expenditures (Unaudited)  
Fiscal Year-to-Date as of February 2018

		February		Year-to-Date			
	FY 2018 Adopted Budget	Actual	% of Adopted Budget	Allocated Budget	Actual	Over/(Under) Allocated Budget	% of Adopted Budget
<b>Revenues</b>							
Property Taxes	\$ 13,118,646	\$ 2,035,333	16%	\$ 12,675,884	\$ 12,732,022	\$ 56,138	97%
Franchise Taxes	1,424,734	194,376	14%	613,955	599,654	(14,301)	42%
Sales Taxes	2,348,555	210,256	9%	1,014,125	1,006,775	(7,350)	43%
Permits, Fees, Licenses	1,143,400	109,298	10%	473,341	436,759	(36,582)	38%
PARD Charges and Fees	887,400	107,221	12%	216,703	241,370	24,667	27%
Public Safety	436,400	55,133	13%	195,472	163,362	(32,110)	37%
Fines	730,000	68,876	9%	300,152	257,336	(42,816)	35%
All Other	694,700	60,822	9%	279,398	291,064	11,665	42%
<b>Total Revenues</b>	<b>20,783,835</b>	<b>2,841,315</b>	<b>14%</b>	<b>15,769,031</b>	<b>15,728,343</b>	<b>(40,687)</b>	<b>76%</b>
<b>Expenditures</b>							
Salary & Benefits	14,495,815	1,074,583	7%	5,996,516	5,880,527	(115,989)	41%
Purchased Services	4,110,441	295,799	7%	1,790,563	1,476,473	(314,091)	36%
Supplies	1,212,641	81,966	7%	453,301	386,172	(67,129)	32%
Other/Transfers	540,951	43,025	8%	212,216	215,807	3,591	40%
Non-Payroll Disaster Related	-	16,443	n/a	-	151,821	151,821	n/a
<b>Total Expenditures</b>	<b>20,359,848</b>	<b>1,511,816</b>	<b>7%</b>	<b>8,452,596</b>	<b>8,110,800</b>	<b>(341,797)</b>	<b>40%</b>
<b>Net Revenues/(Expenditures)</b>	<b>\$ 423,987</b>	<b>\$ 1,329,499</b>		<b>\$ 7,316,434</b>	<b>\$ 7,617,544</b>	<b>\$ 301,109</b>	
Budgeted Unassigned Fund Balance 9/30/17	\$ 3,387,437						
Budgeted FY 2018 Revenues	20,783,835						
Budgeted FY 2018 Expenditures	20,359,848						
Budgeted Ending Unassigned Fund Balance	<u>\$ 3,811,424</u>						
60 Day Reserve Requirement	\$ 3,311,154						
(Includes only operating budget)							

Attachment: FEBRUARY 2018 MONTHLY FINANCIAL REPORT (2503 : Monthly Financial Report for the Period Ending February 28, 2018)

City of Bellaire  
Enterprise Fund  
Revenues and Expenses (Unaudited)  
Fiscal Year-to-Date as of February 2018

		February		Year-to-Date			
	FY 2018 Adopted Budget	Actual	% of Adopted Budget	Allocated Budget	Actual	Over/(Under) Allocated Budget	% of Adopted Budget
<b>Revenues</b>							
Water	\$ 4,266,524	\$ 267,468	6%	\$ 1,684,908	\$ 1,726,236	\$ 41,327	40%
Wastewater	2,891,394	222,634	8%	1,197,318	1,113,509	(83,809)	39%
Solid Waste	1,683,700	137,551	8%	701,500	692,148	(9,353)	41%
All Other	90,500	10,307	11%	38,735	308,678	269,944	341%
<b>Total Revenues</b>	<b>8,932,118</b>	<b>637,961</b>	<b>7%</b>	<b>3,622,461</b>	<b>3,840,570</b>	<b>218,109</b>	<b>43%</b>
<b>Expenses</b>							
Salary & Benefits	1,854,594	138,249	7%	784,379	741,336	(43,042)	40%
Purchased Services	1,491,676	181,386	12%	552,196	584,384	32,188	39%
Supplies	2,737,081	41,038	1%	1,166,464	653,484	(512,981)	24%
Other Expenses and Transfers	2,865,436	238,953	8%	1,201,940	1,193,870	(8,070)	42%
Capital Purchases	42,000	-	0%	-	-	-	0%
Non-Payroll Disaster Related	-	11,638	n/a	-	94,137	94,137	n/a
<b>Total Expenses</b>	<b>8,990,787</b>	<b>611,263</b>	<b>7%</b>	<b>3,704,978</b>	<b>3,267,211</b>	<b>(437,767)</b>	<b>36%</b>
<b>Net Revenues/(Expenses)</b>	<b>\$ (58,669)</b>	<b>\$ 26,698</b>		<b>\$ (82,518)</b>	<b>\$ 573,359</b>	<b>\$ 655,877</b>	
Budgeted Working Capital 9/30/17	\$ 669,399						
Budgeted FY 2018 Revenues	8,932,118						
Budgeted FY 2018 Expenses	8,990,787						
Budgeted Ending Working Capital	<u>\$ 610,730</u>						
30 Day Fund Balance	\$ 563,613						
(Includes only operating budget)							

Attachment: FEBRUARY 2018 MONTHLY FINANCIAL REPORT (2503 : Monthly Financial Report for the Period Ending February 28, 2018)



City of Bellaire  
Debt Service Fund  
Revenues and Expenditures (Unaudited)  
Fiscal Year-to-Date as of February 2018

		February		Year-to-Date			
	FY 2018 Adopted Budget	Actual	% of Adopted Budget	Allocated Budget	Actual	Over/(Under) Allocated Budget	% of Adopted Budget
Revenues							
Property Taxes	\$ 7,228,885	\$ 1,116,430	15%	\$ 7,016,854	\$ 7,019,565	\$ 2,710	97%
Investment Earnings	5,000	15	0%	2,157	2,316	159	46%
Transfers from Enterprise Fund	1,750,436	145,870	8%	729,348	729,348	0	42%
Total Revenues	8,984,321	1,262,315	14%	7,748,360	7,751,229	2,869	86%
Expenses							
Principal Payments	4,920,000	4,920,000	100%	4,920,000	4,920,000	-	100%
Interest Payments	4,050,841	2,007,350	50%	1,972,278	2,007,350	35,071	50%
Other	13,500	1,245	9%	3,521	3,395	(126)	25%
Total Expenses	8,984,341	6,928,595	77%	6,895,799	6,930,745	34,946	77%
Net Revenues/(Expenses)	\$ (20)	\$ (5,666,279)		\$ 852,561	\$ 820,484	\$ (32,076)	
Budgeted Unassigned Fund Balance 9/30/17	\$ 557,371						
Budgeted FY 2018 Revenues	8,984,321						
Budgeted FY 2018 Expenses	8,984,341						
Budgeted Ending Unassigned Fund Balance	\$ 557,351						

Attachment: FEBRUARY 2018 MONTHLY FINANCIAL REPORT (2503 : Monthly Financial Report for the Period Ending February 28, 2018)

**City of Bellaire**  
**Vehicle and Equipment Replacement Fund**  
**Revenues and Expenditures (Unaudited)**  
**Fiscal Year-to-Date as of February 2018**

	FY 2018 Adopted Budget	Budget Carry-Over (a)	Budget Adjustments	FY 2018 Revised Budget	February Actual	YTD Actual	Encumbrance	Budget Balance
<b>Revenues</b>								
Transfers - General Fund	\$ 450,500	\$ -	\$ -	\$ 450,500	\$ 29,750	\$ 119,000	n/a	\$ 331,500
Transfers - Enterprise Fund	357,000	-	-	357,000	37,542	150,167	n/a	206,833
Transfers - Special Revenue Fund	-	-	-	-	-	4,000	n/a	(4,000)
Insurance Reimbursements	-	-	-	-	-	12,575	n/a	(12,575)
<b>Total Revenues</b>	<b>807,500</b>	<b>-</b>	<b>-</b>	<b>807,500</b>	<b>67,292</b>	<b>285,742</b>	<b>n/a</b>	<b>521,758</b>
<b>Expenditures</b>								
Information Technology	194,900	-	-	194,900	-	-	-	194,900
Fire	98,900	712,721	-	811,621	2,255	703,585	24,928	83,108
Police	320,000	-	-	320,000	-	18,353	172,052	129,595
Parks & Recreation	27,500	-	-	27,500	-	-	79,758	(52,258)
Public Works - General Fund	-	-	-	-	-	17,515	-	(17,515)
Public Works - Enterprise Fund	290,000	238,087	-	528,087	-	249,719	160,299	118,069
<b>Total Expenditures/Encumbrances</b>	<b>931,300</b>	<b>950,808</b>	<b>-</b>	<b>1,882,108</b>	<b>2,255</b>	<b>989,172</b>	<b>437,037</b>	<b>455,899</b>
<b>Net Revenues/(Expenditures)</b>	<b>\$ (123,800)</b>	<b>\$ (950,808)</b>	<b>\$ -</b>	<b>\$ (1,074,608)</b>	<b>\$ 65,037</b>	<b>\$ (703,431)</b>	<b>n/a</b>	<b>\$ 65,860</b>

(a) Capital improvement budgets are project-length and do not expire at the end of the fiscal year. Unexpired prior-year carry-over budgets on ongoing projects are carried-over into the current fiscal year.

Budgeted Unassigned Fund Balance 9/30/17	\$1,369,101
Budgeted FY 2018 Revenues	807,500
Budgeted FY 2018 Expenditures	931,300
Budgeted Ending Unassigned Fund Balance	<u>\$1,245,301</u>

**City of Bellaire**  
**Capital Improvement Fund**  
**Revenues and Expenditures (Unaudited)**  
**Fiscal Year-to-Date as of February 2018**

	<b>FY 2018 Adopted Budget</b>	<b>Budget Carry-Over (a)</b>	<b>Budget Adjustments</b>	<b>FY 2018 Revised Budget</b>	<b>February Actual</b>	<b>YTD Actual</b>	<b>Encumbrance</b>	<b>Budget Balance</b>
<b>Revenues</b>								
General Fund Transfer	\$ 42,426	\$ -	\$ -	\$ 42,426	\$ 3,536	\$ 17,678	n/a	\$ 24,749
Enterprise Fund Transfer	120,000	-	-	120,000	10,000	50,000	n/a	70,000
Special Revenue Fund Transfer	-	-	-	-	7,500	7,500	n/a	(7,500)
Misc	-	-	-	-	-	-	n/a	-
<b>Total Revenues</b>	<b>162,426</b>	<b>-</b>	<b>-</b>	<b>162,426</b>	<b>21,036</b>	<b>75,178</b>	<b>n/a</b>	<b>87,249</b>
<b>Project Expenditures</b>								
FY 2014 Street & Drainage Reconstruction - Phase 5B (b)	-	489,523	-	489,523	7,905	7,905	-	481,618
FY 2017 Flood Plain Hazard Mitigation Plan	-	8,130	-	8,130	-	-	-	8,130
FY 2018 Update Facilities Master Plan	50,000	-	-	50,000	-	-	-	50,000
FY 2018 WTC Steel - Memorial	-	-	-	-	-	-	7,500	(7,500)
FY 2015 Evelyn's Park	-	70,797	-	70,797	-	132,116	27,909	(89,228)
FY 2018 Playground/Shade/Amenities	100,000	214	-	100,214	-	-	27,568	72,646
FY 2017 BFAC Pool Area Improvements	-	144,988	-	144,988	-	4,500	5,635	134,853
FY 2018 Park Signage Master Plan	50,000	50,000	-	100,000	-	-	-	100,000
FY 2017 Community Pathways Master Plan	-	56,585	-	56,585	3,780	28,565	28,020	-
FY 2016 Street Striping Program	-	-	-	-	-	-	143,631	(143,631)
FY 2016 Pavement Management Program	-	1,569,960	-	1,569,960	-	-	1,264,230	305,730
FY 2014 City Wide Beautification	-	148,174	-	148,174	1,675	19,800	-	128,374
FY 2018 Decorative Standard for Major Streets	75,000	75,000	-	150,000	-	-	-	150,000
<b>Total General Project Expenditures</b>	<b>275,000</b>	<b>2,613,370</b>	<b>-</b>	<b>2,888,370</b>	<b>13,360</b>	<b>192,886</b>	<b>1,504,493</b>	<b>1,190,991</b>
FY 2015 City Wide SCADA System	-	293,160	-	293,160	-	-	-	293,160
FY 2016 Rehab Renwick Ground Storage	-	142,335	-	142,335	-	-	31,360	110,975
FY 2017 Water System Upgrades	-	50,000	-	50,000	-	-	-	50,000
FY 2018 Renwick Well - Pumps/Motors	285,000	-	-	285,000	-	-	-	285,000
FY 2015 Water/Sanitary Sewer Program	-	81,756	-	81,756	-	-	-	81,756
FY 2016 WW System Upgrades	-	179,125	-	179,125	-	-	-	179,125
FY 2018 Wendell Lift Station - Submersible Pumps	75,000	-	-	75,000	-	-	-	75,000
<b>Total Enterprise Project Expenditures</b>	<b>360,000</b>	<b>746,376</b>	<b>-</b>	<b>1,106,376</b>	<b>-</b>	<b>-</b>	<b>31,360</b>	<b>1,075,016</b>
<b>Total Expenditures/Encumbrances</b>	<b>635,000</b>	<b>3,359,746</b>	<b>-</b>	<b>3,994,746</b>	<b>13,360</b>	<b>192,886</b>	<b>1,535,853</b>	<b>2,266,007</b>
<b>Net Revenues/(Expenditures)</b>	<b>\$ (472,574)</b>	<b>\$ (3,359,746)</b>	<b>\$ -</b>	<b>\$ (3,832,320)</b>	<b>\$ 7,676</b>	<b>\$ (117,709)</b>	<b>n/a</b>	<b>\$ (2,178,758)</b>

(a) Capital improvement budgets are project-length and do not expire at the end of the fiscal year. Unexpired prior-year carry-over budgets on ongoing projects are carried-over into the current fiscal year.

(a) Pay as you Go portion of Bonds in Fund 620

Budgeted Unassigned Fund Balance 9/30/17	\$ 1,580,601
Budgeted FY 2018 Revenues	162,426
Budgeted FY 2018 Expenditures	635,000
Budgeted Ending Unassigned Fund Balance	<u>\$ 1,108,027</u>

**City of Bellaire  
Capital Bond Fund  
Revenues and Expenditures (Unaudited)  
Fiscal Year-to-Date as of February 2018**

	<b>FY 2018 Adopted Budget</b>	<b>Budget Carry-Over (a)</b>	<b>Budget Adjustments</b>	<b>FY 2018 Revised Budget</b>	<b>February Actual</b>	<b>YTD Actual</b>	<b>Encumbrance</b>	<b>Budget Balance</b>
<b>Revenues</b>								
Interest	\$ -	\$ -	\$ -	\$ -	\$ 40,817	\$ 211,989	n/a	\$ (211,989)
Bonds Proceeds	12,500,000	-	-	12,500,000	-	-	n/a	12,500,000
<b>Total Revenues</b>	<b>12,500,000</b>	<b>-</b>	<b>-</b>	<b>12,500,000</b>	<b>40,817</b>	<b>211,989</b>	<b>n/a</b>	<b>12,288,011</b>
<b>Non-Project Expenditures</b>								
Bond Issuance Costs	-	-	-	-	-	-	-	-
Bond Expenditures	-	-	-	-	-	-	-	-
<b>Total Non-Project Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Project Expenditures</b>								
FY 2012 Drainage Phase 5	-	21,010	-	21,010	-	-	-	21,010
FY 2015 Drainage Phase 5B	-	11,672	-	11,672	190,291	190,291	-	(178,618)
FY 2017/18 Streets and Drainage	7,000,000	6,836,034	-	13,836,034	26,125	200,562	1,375,188	12,260,284
FY 2017 Police/Courts Construction	-	8,123,062	-	8,123,062	337,220	878,939	7,191,418	52,705
FY 2017 City Hall/Civic Center Construction	-	6,821,561	-	6,821,561	336,309	1,128,593	5,771,327	(78,359)
FY 2017 Transition - New City Hall/Police/Municipal Court	-	53,620	-	53,620	-	2,613	36,890	14,117
FY 2013 Design - New City Hall/Police/Municipal Court	-	1,014,907	-	1,014,907	7,006	13,750	114,895	886,263
FY 2015 Evelyn's Park	-	-	-	-	-	-	140	(140)
FY 2017/18 Sidewalks	1,000,000	1,907,680	-	2,907,680	1,000	28,359	308,619	2,570,703
FY 2017/18 Water Line Improvements	4,468,780	3,258,116	-	7,726,896	10,533	35,469	537,724	7,153,703
FY 2017 Water Meter Installations	-	360,092	-	360,092	106,551	329,420	12,477	18,195
FY 2017 Wastewater Treatment Plant Improvements	-	5,965,286	-	5,965,286	1,213,000	3,556,000	2,409,286	-
FY 2017/18 Wastewater Line Improvements	31,220	150,000	-	181,220	45,977	113,381	11,168	56,671
<b>Total Project Expenditures</b>	<b>12,500,000</b>	<b>34,523,040</b>	<b>-</b>	<b>47,023,040</b>	<b>2,274,013</b>	<b>6,477,376</b>	<b>17,769,131</b>	<b>22,776,533</b>
<b>Total Expenditures/Encumbrances</b>	<b>12,500,000</b>	<b>34,523,040</b>	<b>-</b>	<b>47,023,040</b>	<b>2,274,013</b>	<b>6,477,376</b>	<b>17,769,131</b>	<b>22,776,533</b>
<b>Net Revenues/(Expenditures)</b>	<b>\$ -</b>	<b>\$ (34,523,040)</b>	<b>\$ -</b>	<b>\$ (34,523,040)</b>	<b>\$ (2,233,196)</b>	<b>\$ (6,265,388)</b>	<b>n/a</b>	<b>\$ (10,488,522)</b>

(a) Capital improvement budgets are project-length and do not expire at the end of the fiscal year. Unexpired prior-year carry-over budgets on ongoing projects are carried-over into the current fiscal year.

Budgeted Unassigned Fund Balance 9/30/17	\$ -
Budgeted FY 2018 Revenues	12,500,000
Budgeted FY 2018 Expenditures	12,500,000
Budgeted Ending Unassigned Fund Balance	<u>\$ -</u>

**City of Bellaire  
Metro Fund  
Revenues and Expenditures (Unaudited)  
Fiscal Year-to-Date as of February 2018**

	<b>FY 2018 Adopted Budget</b>	<b>Budget Carry-Over (a)</b>	<b>FY 2018 Revised Budget</b>	<b>February Actual</b>	<b>YTD Actual</b>	<b>Encumbrance</b>	<b>Budget Balance</b>
<b>Revenues</b>							
Metro Sales Tax	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 105,128	\$ 497,426	n/a	\$ 502,574
Interest	-	-	-	1,755	8,601	n/a	(8,601)
<b>Total Revenues</b>	<b>1,000,000</b>	<b>-</b>	<b>1,000,000</b>	<b>106,883</b>	<b>506,027</b>	<b>n/a</b>	<b>493,973</b>
<b>Project Expenditures</b>							
Street Striping Program	-	15,953	15,953	-	-	224	15,729
FY 2017 Street Pavement Mgt Program	-	739,299	739,299	1,243	1,243	400,655	337,402
FY 2018 Street Pavement Mgt Program	1,300,000	-	1,300,000	-	-	-	1,300,000
Sidewalk Projects	-	185,283	185,283	-	-	-	185,283
City Wide Trip Hazard	-	115,615	115,615	-	-	-	115,615
<b>Total Expenditures/Encumbrances</b>	<b>1,300,000</b>	<b>1,056,150</b>	<b>2,356,150</b>	<b>1,243</b>	<b>1,243</b>	<b>400,879</b>	<b>1,954,029</b>
<b>Net Revenues/(Expenditures)</b>	<b>\$ (300,000)</b>	<b>\$ (1,056,150)</b>	<b>\$ (1,356,150)</b>	<b>\$ 105,641</b>	<b>\$ 504,785</b>	<b>n/a</b>	<b>\$ (1,460,056)</b>

(a) Capital improvement budgets are project-length and do not expire at the end of the fiscal year. Unexpired prior-year carry-over budgets on ongoing projects are carried-over into the current fiscal year.

Budgeted Unassigned Fund Balance 9/30/17	\$ 308,000
Budgeted FY 2018 Revenues	1,000,000
Budgeted FY 2018 Expenditures	1,300,000
Budgeted Ending Unassigned Fund Balance	<u>\$ 8,000</u>



**CITY OF BELLAIRE**  
**SUMMARY OF CURRENT PROPERTY TAX COLLECTIONS**  
**FY 2015 - FY 2018**

<u>Month</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Oct	\$ -	\$ -	\$ -	\$ -
Nov	585,025	131,234	414,152	681,242
Dec	4,865,374	3,881,188	4,504,067	6,083,331
Jan	6,075,640	8,702,108	8,590,430	9,775,263
Feb	3,634,938	4,005,865	4,342,814	3,118,307
Mar	296,537	206,525	201,515	
Apr	63,640	90,455	92,324	
May	55,636	49,017	67,720	
Jun	53,382	57,865	98,066	
Jul	4,673	14,076	15,943	
Aug	-	-	-	
Sep	-	-	-	
YTD Collections				<u>\$ 19,658,143</u>
% of Budget				97.02%
% of Total Levy				97.97%
FY 2018 Budget - Total Tax Revenue				<u>\$ 20,261,531</u>
2017 Tax Year Taxable Value - Certified Appraisal Roll*				<u>\$ 4,570,121,110</u>
2017 Tax Year - Under Protest or not Certified*				<u>254,576,183</u>
Total 2017 Tax Year				<u>4,824,697,293</u>
Total Levy at \$0.4159 / \$100 =				<u>\$ 20,065,916</u>

**Ten Largest Property Taxpayers in City of Bellaire (Tax Year 2017) \***

		<u>Taxable Value</u>
Chevron Chemical Company	Oil & Gas	81,900,770
Pin Oak North Parcel LL LLC	Land/Improvements	52,838,215
KBS SOR 6565 6575 West Loop S LLC	Land/Improvements	36,988,682
BRI 1833 6330 LLC	Land/Improvements	36,200,573
CenterPoint Energy Inc.	Electric Utility	32,789,970
SBC Communications	Utility	28,283,940
CHP Houston TX MOB Owner LLC	Land/Improvements	27,880,000
CHP Houston TX Hospital Owner LLC	Hospital	23,197,526
Pin Oak South Parcel LL LLC	Land/Improvements	21,606,958
SLS Properties	Land/Improvements	13,176,820
		<u>\$ 354,863,454</u>
Tax Levy @ \$0.4159 / \$100		<u>\$ 1,475,877</u>
% of Total Levy		7.36%

\* Source: Harris County Tax Assessor-Collector

**CITY OF BELLAIRE  
HOUSING INFORMATION  
FY 2018  
February 2018**

	<u>Feb-17</u>	<u>Aug-17</u>	<u>Feb-18</u>
<b><u>Houses, Townhomes &amp; Vacant Lots for Sale *</u></b>			
<u>Price Range</u>			
\$ 0 - \$ 250,000	-	-	-
\$ 250,001 - \$ 500,000	40	42	63
\$ 500,001 - \$ 750,000	34	28	38
\$ 750,001 - \$ 1,000,000	18	17	28
> \$ 1,000,000	80	84	81
<b>Total Units For Sale *</b>	<b>172</b>	<b>171</b>	<b>210</b>
<b>Total HCAD Residential Units/Lots **</b>	<b>6,199</b>	<b>6,199</b>	<b>6,210</b>
<b>For Sale as a % of Total Units</b>	<b>2.77%</b>	<b>2.76%</b>	<b>3.38%</b>
<b>Highest Listing Price - Home</b>	<b>\$ 2,788,888</b>	<b>\$ 3,195,000</b>	<b>\$ 3,688,000</b>
<b>Lowest Listing Price - TH/Lot</b>	<b>\$ 285,000</b>	<b>\$ 289,000</b>	<b>\$ 279,900</b>
<b><u>Houses for Lease *</u></b>			
	57	35	47
<b>Highest Lease/Month</b>	<b>\$ 7,600</b>	<b>\$ 7,100</b>	<b>\$ 15,000</b>
<b>Lowest Lease/Month</b>	<b>\$ 1,000</b>	<b>\$ 1,100</b>	<b>\$ 1,500</b>

**Foreclosure History as of end of Quarter Reported by RealtyTrac**

	<u>Auction</u>	<u>Bank Owned</u>
At Quarter End 03-31-15	4	2
At Quarter End 06-30-15	3	2
At Quarter End 09-30-15	2	2
At Quarter End 12-31-15	3	2
At Quarter End 03-31-16	2	2
At Quarter End 06-30-16	0	2
At Quarter End 09-30-16	0	2
At Quarter End 12-31-16	2	3
At Quarter End 03-31-17	3	2
At Quarter End 06-30-17	3	1
At Quarter End 09-30-17	0	0
At Quarter End 12-31-17	2	3

**New Residential Construction**

<u>Fiscal Year</u>	<u>New Units</u>	<u>Construction Cost****</u>	
		<u>Construction</u>	<u>Avg/Unit</u>
2008	132	\$ 75,405,507	\$ 571,254
2009	49	\$ 26,026,889	\$ 531,161
2010	***	64 \$ 34,682,458	\$ 541,913
2011		56 \$ 30,064,905	\$ 536,873
2012	***	93 \$ 54,914,376	\$ 590,477
2013	***	113 \$ 65,491,037	\$ 579,567
2014	125	\$ 78,420,596	\$ 627,365
2015	98	\$ 52,190,001	\$ 532,551
2016	73	\$ 44,585,564	\$ 610,761
2017	87	\$ 49,790,625	\$ 572,306
2018 (YTD)	13	\$ 8,116,168	\$ 624,321
Average Appraised Value (Tax Year 2017)		\$ 874,019	

\* Source: realtor.com does not include for sale or lease by owner

\*\* Based on information provided by the Harris County Tax Assessor-Collector and the Harris County Appraisal District includes estimated values

\*\*\* Numbers revised based on system correction

\*\*\*\* Construction cost of structure. Not a market value. Excludes land value/cost.

Attachment: FEBRUARY 2018 MONTHLY FINANCIAL REPORT (2503 : Monthly Financial Report for the Period Ending February 28, 2018)

City of Bellaire  
Debt Service Fund  
Revenues and Expenditures (Unaudited)  
Fiscal Year-to-Date as of February 2018

		February		Year-to-Date			
	FY 2018 Adopted Budget	Actual	% of Adopted Budget	Allocated Budget	Actual	Over/(Under) Allocated Budget	% of Adopted Budget
Revenues							
Property Taxes	\$ 7,228,885	\$ 1,116,430	15%	\$ 7,016,854	\$ 7,019,565	\$ 2,710	97%
Investment Earnings	5,000	15	0%	2,157	2,316	159	46%
Transfers from Enterprise Fund	1,750,436	145,870	8%	729,348	729,348	0	42%
Total Revenues	8,984,321	1,262,315	14%	7,748,360	7,751,229	2,869	86%
Expenses							
Principal Payments	4,920,000	4,920,000	100%	4,920,000	4,920,000	-	100%
Interest Payments	4,050,841	2,007,350	50%	1,972,278	2,007,350	35,071	50%
Other	13,500	1,245	9%	3,521	3,395	(126)	25%
Total Expenses	8,984,341	6,928,595	77%	6,895,799	6,930,745	34,946	77%
Net Revenues/(Expenses)	\$ (20)	\$ (5,666,279)		\$ 852,561	\$ 820,484	\$ (32,076)	
Budgeted Unassigned Fund Balance 9/30/17	\$ 557,371						
Budgeted FY 2018 Revenues	8,984,321						
Budgeted FY 2018 Expenses	8,984,341						
Budgeted Ending Unassigned Fund Balance	\$ 557,351						

Attachment: FEBRUARY 2018 MONTHLY FINANCIAL REPORT (2503 : Monthly Financial Report for the Period Ending February 28, 2018)

**CITY OF BELLAIRE  
SUMMARY OF FRANCHISE FEES  
FY2016 - FY 2018  
February 2018**

		<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
<b>Electric</b>	<b>YTD</b>	\$ 343,170	\$ 343,533	\$ 342,546
	<b>Total</b>	\$ 823,825	\$ 823,888	n/a
<b>Gas</b>	<b>YTD</b>	37,258	36,989	65,948
	<b>Total</b>	90,762	128,135	n/a
<b>Telephone</b>	<b>YTD</b>	57,785	53,088	49,569
	<b>Total</b>	115,362	103,487	n/a
<b>Cable /PEG</b>	<b>YTD</b>	127,845	163,363	141,591
	<b>Total</b>	400,666	383,314	n/a
<b>All</b>	<b>YTD</b>	<u>\$ 566,058</u>	<u>\$ 596,973</u>	<u>\$ 599,654</u>
	<b>Total</b>	<u>\$ 1,430,616</u>	<u>\$ 1,438,824</u>	n/a

**CITY OF BELLAIRE**  
**SUMMARY OF PURCHASE ORDERS**  
**FY 2018**  
**February 2018**

	Oct-17		Nov-17		Dec-17		1st Qtr	
	<u>Issued</u>	<u>Amount</u>	<u>Issued</u>	<u>Amount</u>	<u>Issued</u>	<u>Amount</u>	<u>Issued</u>	<u>Amount</u>
<u>Total Purchase Orders</u>	306	\$ 1,350,257	213	\$ 4,297,841	194	\$ 4,210,089	713	\$ 9,858,188
<u>PO for \$5,000 - \$50,000</u>	36	\$ 586,295	18	\$ 316,786	21	\$ 331,212	75	\$ 1,234,293
% of Total Purchase Orders	11.76%	43.42%	8.45%	7.37%	10.82%	7.87%	10.52%	12.52%
\$ 5,000 - \$ 25,000	28	\$ 334,003	14	\$ 174,476	18	\$ 231,059	60	\$ 739,538
\$ 25,001 - \$ 50,000	8	\$ 252,292	4	\$ 142,310	3	\$ 100,153	15	\$ 494,755
	Jan-18		Feb-18		Mar-18		2nd Qtr	
	<u>Issued</u>	<u>Amount</u>	<u>Issued</u>	<u>Amount</u>	<u>Issued</u>	<u>Amount</u>	<u>Issued</u>	<u>Amount</u>
<u>Total Purchase Orders</u>	207	\$ 367,385	224	\$ 1,430,951			431	\$ 1,798,336
<u>PO for \$5,000 - \$50,000</u>	11	\$ 103,828	17	\$ 285,954	-	\$ -	28	\$ 389,782
% of Total Purchase Orders	5.31%	28.26%	7.59%	19.98%	0.00%	0.00%	6.50%	21.67%
\$ 5,000 - \$ 25,000	11	\$ 103,828	13	\$ 137,761			24	\$ 241,589
\$ 25,001 - \$ 50,000	0	\$ 0	4	\$ 148,193			4	\$ 148,193
	Apr-18		May-18		Jun-18		3rd Qtr	
	<u>Issued</u>	<u>Amount</u>	<u>Issued</u>	<u>Amount</u>	<u>Issued</u>	<u>Amount</u>	<u>Issued</u>	<u>Amount</u>
<u>Total Purchase Orders</u>							-	\$ -
<u>PO for \$5,000 - \$50,000</u>	-	\$ -	-	\$ -	-	\$ -	-	\$ -
% of Total Purchase Orders	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$ 5,000 - \$ 25,000							-	\$ -
\$ 25,001 - \$ 50,000							-	\$ -
	Jul-18		Aug-18		Sep-18		4th Qtr	
	<u>Issued</u>	<u>Amount</u>	<u>Issued</u>	<u>Amount</u>	<u>Issued</u>	<u>Amount</u>	<u>Issued</u>	<u>Amount</u>
<u>Total Purchase Orders</u>							-	\$ -
<u>PO for \$5,000 - \$50,000</u>	-	\$ -	-	\$ -	-	\$ -	-	\$ -
% of Total Purchase Orders	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$ 5,000 - \$ 25,000							-	\$ -
\$ 25,001 - \$ 50,000							-	\$ -

\* Purchases include bids, sole source, and cooperative purchasing.

Attachment: FEBRUARY 2018 MONTHLY FINANCIAL REPORT (2503 : Monthly Financial Report for the Period Ending February 28, 2018)





## ORDINANCE NO. 18-\_\_

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BELLAIRE, TEXAS, AUTHORIZING THE CITY MANAGER OF THE CITY OF BELLAIRE, TEXAS, TO EXECUTE, FOR AND ON BEHALF OF THE CITY OF BELLAIRE, TEXAS, AN "APPLICATION FOR PAYMENT NO. 4 - FINAL" WITH CENTRAL TANK COATINGS, INC., IN THE AMOUNT OF \$26,940 FOR THE RENWICK GROUND STORAGE TANK REHABILITATION PROJECT AND AUTHORIZING THE CITY TO RELEASE RETAINAGE TO CENTRAL TANK COATINGS, INC., ON SAID PROJECT IN THE AMOUNT OF \$26,940.**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BELLAIRE, TEXAS:**

**Section 1.** The City Manager is hereby authorized to execute, for and on behalf of the City of Bellaire, Texas, an "Application for Payment No. 4 - Final" with Central Tank Coatings, Inc., in the amount of \$26,940 for the Renwick Ground Storage Tank Rehabilitation project and authorizing the City to release retainage to Central Tank Coatings, Inc., on said project in the amount of \$26,940.

**Section 2.** Upon execution of said "Application for Payment No. 4 - Final," the total amount paid to Central Tank Coatings, Inc., will equal \$269,400.

**PASSED and APPROVED** this 2<sup>nd</sup> day of April, 2018.

(SEAL)

**ATTEST:**

\_\_\_\_\_  
Tracy L. Dutton, TRMC  
City Clerk

**SIGNED:**

\_\_\_\_\_  
Andrew S. Friedberg  
Mayor

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Alan P. Petrov  
City Attorney



February 28, 2018

Mr. Michael Leech  
Director of Public Works  
City of Bellaire  
7008 S. Rice Avenue  
Bellaire, Texas 77401

RE: Renwick Ground Storage Tank Rehabilitation Project  
City of Bellaire  
ARKK Job No. 15-028

Enclosed please find one copy of the following items for the above referenced project:

1. Application for Payment No. 4-Final
2. Pay Estimate No. 4-Final

The amount of Application for Payment No. 4-Final is **\$26,940.00**

ARKK Engineers, LLC. has reviewed this application and recommends payment of said application.

Sincerely,

ARKK Engineers, LLC

A handwritten signature in blue ink, appearing to read 'D. Kasper', is written over the printed name of David W. Kasper.

David W. Kasper, P.E.  
Senior Project Manager

DWK/mb



# CITY OF BELLAIRE

Estimate No. : 4-Final  
Cut off Date : 9/25/2017  
Estimate Date : 2/28/2018

## ESTIMATE AND CERTIFICATE FOR PAYMENT UNIT PRICE WORK

Project Name : Renwick Ground Storage Tank Rehabilitation Project  
Contractor Name : Central Tank Coatings, Inc.  
Address : 22528 Canoe Road, Elgin, Iowa 52141

### CONTRACT INFORMATION

Contract Date : 2/17/2017  
Notice to Proceed Date : 3/3/2017  
Current Completion Date : 7/30/2017  
Percentage Complete  
By Time : 138.00% In Place : 93.87%

Original Contract Time : 150  
Approved Extensions : 0  
Total Contract Time : 150  
Days Used to Date : 207  
Days Remaining to Date : -57

1. Original Contract Amount \$ 287,000.00

2. Approved Change Orders

No.	Date	Add. Days	Amount

\$ -  
**TOTAL CONTRACT AMOUNT : \$ 287,000.00**

#### A. EARNINGS TO DATE

1. Work Complete to Date 93.87% Completed to Date  
2. Materials on Hand

\$ 269,400.00  
\$ -

**TOTAL EARNINGS TO DATE : \$ 269,400.00**

#### B. DEDUCTIONS TO DATE

1. Retainage 10.00% of \$ 269,400.00  
2. Liquidated Damages 0 Days at \$0.00 per day.

\$ 26,940.00  
\$ -

**TOTAL DEDUCTIONS TO DATE : \$ 26,940.00**

#### C. EARNINGS THIS PERIOD

1. Work Completed This Period  
2. Retainage Held This Period 0.00% of \$ -

\$ -  
\$ -

**TOTAL EARNINGS THIS PERIOD : \$ -**

#### D. AMOUNT DUE THIS PERIOD

1. Total Earnings to Date  
2. Total Deductions to Date  
3. Total Payment Due to Date  
4. Less Previous Payments

\$ 269,400.00  
\$ -  
\$ 269,400.00  
\$ 242,460.00

**TOTAL AMOUNT DUE TO THE CONTRACTOR THIS DATE : \$ 26,940.00**

#### PAYMENT OF THE ABOVE AMOUNT DUE THIS APPLICATION IS RECOMMENDED

Prepared By: [Signature] 2/28/2018  
Project Engineer Date

Recommended By: [Signature] 2/28/2018  
Senior Project Manager Date

Approved By: \_\_\_\_\_  
Special Projects Manager Date

Approved By: \_\_\_\_\_  
Director of Public Works Date

Attachment: Renwick Closeout \_ Application for Payment No. 4-Final (2322 : Renwick Ground Storage Tank Release Retainage and Final Close



# CITY OF BELLAIRE

## ESTIMATE DETAILS FOR PAYMENT OF UNIT PRICE ITEMS

Project Name: Renwick Ground Storage Tank Rehabilitation Project  
 Contractor: Central Tank Coatings, Inc.  
 Date Range: 6/29/17 - 9/25/17

Project Number: 15-028  
 Estimate No.: 4-Final

Item No.	Description	Unit	Plan	Unit Price	Mo Qty	Mo. Amount \$	Qty To Date	Amt to Date\$
<b>BASE BID ITEMS</b>								
1	Mobilization, including Performance Bond, Payment Bond, and One Year Maintenance Bond (Max Amount is 5% of Total Bid)	L.S.	1	\$15,000.00		\$ -	1.00	\$ 15,000.00
2	Furnish material and labor to re-coat the exterior coating system including surface preparation on the 1,000,000 gallon ground storage tank per Technical Specifications, Complete in Place, the Sum of:	L.S.	1	\$90,000.00		\$ -	1.00	\$ 90,000.00
3	Furnish material and labor to replace the interior wet area coating system on the 1,000,000 gallon ground storage tank per the Technical Specifications, Compete in Place, the Sum of:	L.S.	1	\$142,000.00		\$ -	1.00	\$ 142,000.00
4	Base Bid Mechanical Repairs to the Renwick Ground Storage Tank (See Summary of Work Section 1.02A Items No. 1 through 12)	L.S.	1	\$20,000.00		\$ -	1.00	\$ 20,000.00
5	Miscellaneous Allowance as approved by the City, Complete in Place, the Sum of:	L.S.	1	\$20,000.00		\$ -	0.12	\$ 2,400.00
					<b>Subtotal</b>	<b>\$ -</b>		<b>\$ 269,400.00</b>
					<b>Grand Total</b>	<b>\$ -</b>		<b>\$ 269,400.00</b>





**ORDINANCE NO. 18-\_\_\_\_\_**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BELLAIRE, TEXAS, AUTHORIZING THE CITY MANAGER OF THE CITY OF BELLAIRE, TEXAS, TO EXECUTE A "STATEMENT OF WORK FOR THE CITY OF BELLAIRE DEVELOPMENT SERVICES DIGITIZATION" PROJECT IN AN AMOUNT NOT TO EXCEED \$58,814.80, AND A "STATEMENT OF WORK FOR THE CITY OF BELLAIRE HR RECORD DIGITIZATION" PROJECT IN AN AMOUNT NOT TO EXCEED \$19,470.00 WITH DATABANK IMX, LLC, FOR THE PROVISION OF DOCUMENT MANAGEMENT SERVICES.**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BELLAIRE, TEXAS:**

**THAT** the City Manager of the City of Bellaire, Texas, is hereby authorized to execute, for and on behalf of the City of Bellaire, Texas, a "Statement of Work for the City of Bellaire Development Services Digitization" project, in a form as attached hereto and marked Exhibit "A," in an amount not to exceed \$58,814.80 and a "Statement of Work for the City of Bellaire HR Record Digitization" project, in a form as attached hereto and marked Exhibit "B," in an amount not to exceed \$19,470.00 with DataBank IMX, LLC, for the provision of document management services.

**PASSED and APPROVED** this 2nd day of April, 2018.

(Seal)

ATTEST:

SIGNED:

\_\_\_\_\_  
Tracy L. Dutton, TRMC  
City Clerk

\_\_\_\_\_  
Andrew S. Friedberg  
Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
Alan P. Petrov  
City Attorney

Attachment: Agmt - DataBank IMX LLC - Digitization Projects for DS and HR - Statement of Work (2520 : DS Document Scanning)

# Statement of Work

## City of Bellaire

### Development Services Digitization

03/08/2018

**Prepared by:**

Charles Bass

Sr. Solutions Consultant

[www.databankimx.com](http://www.databankimx.com)



Texas DIR Approved Vendor  
Contract Number DIR-SDD-3746



## Version Control

### Document Attributes

<b>Document Name</b>	STATEMENT OF WORK
<b>Related DataBank Services/Products</b>	N/A
<b>Databank Document Identifier</b>	
<b>Effective Date</b>	03/08/2018
<b>Current Revision Number</b>	2

### Revision History

Version Number	Date	Responsibility (Author)	Description
1	01/30/2018	Charles Bass	Initial Draft
2	03/08/2018	Charles Bass	Initial Final

**Proprietary and Confidential Statement** – DataBank acknowledges that City of Bellaire is subject to the Public Information Act and has time limits for production. City of Bellaire will maintain the confidentiality of Confidential Information in accordance with this Section to the extent allowed by the Public Information Act.

TABLE OF CONTENTS

Contents

PROJECT SUMMARY ..... 3

PROPOSED DOCUMENT PROCESSING SOLUTION..... 4

DOCUMENT PREPARATION..... 5

SCANNING ..... 5

INDEXING & QUALITY CONTROL ..... 6

DELIVERABLES ..... 6

CUSTOMER RESPONSIBILITIES ..... 7

ASSUMPTIONS ..... 7

CHANGE PROCEDURE..... 8

INVESTMENT SUMMARY ..... 9

PRICING AND PAYMENT TERMS ..... 10

AUTHORIZATION TO COMMENCE WORK ..... 12

Attachment: SOW for Digitization - DS (2520 : DS Document Scanning)





PROJECT SUMMARY

DataBank will pick up boxes from CITY OF BELLAIRE and deliver images with corresponding data per the schedule located below. These boxes will be packed by DataBank and will contain production Engineering Drawings as viewed by DataBank during a site visit. The documents will be scanned at the plan set level with each plan set being converted into a single PDF named as the Permit Number. Data will match/merged with a data file provided by CITY OF BELLAIRE containing Permit Number, AOR, Date Issued, and Contractor. The finished images will be formatted to be loaded into the Laserfiche Management System per City of Bellaire. DataBank has worked and imported into the Laserfiche systems on numerous occasions.

PROJECT VOLUME – TOTAL VOLUME (Estimate)	Estimates: 881 total plan sets consisting of: Commercial Drawings – 14,665 Residential Drawings – 14,070 Archive Drawings – 2,100 Total Drawings – 30,385 Additional 25 boxes of Permit Files 881 Plan Sets
FILE/DOCUMENT COUNT	
ESTIMATED TURNAROUND TIMEFRAME	Eight to Twelve Weeks
RECEIPT OF DOCUMENTS	Pick-Up/Delivery Schedule TBD

PROOF OF CONCEPT

DataBank requires a POC, sampling or test be conducted to insure the project specifications are correct and that the final output meets the customer expectation and to finalize pricing. A test phase will validate the production and price assumptions documented within the proposal. We will provide an initial test deliverable to validate prior to production launch. The POC may identify changes to the project specifications and a Change Order may be required. It is customary for DataBank to make use of DataBank Online Services as a means to showcase a solution. These services directly align with our security practices and act as a temporary storage location of customer data. Data will be removed after 90 days unless other arrangements are made in writing.

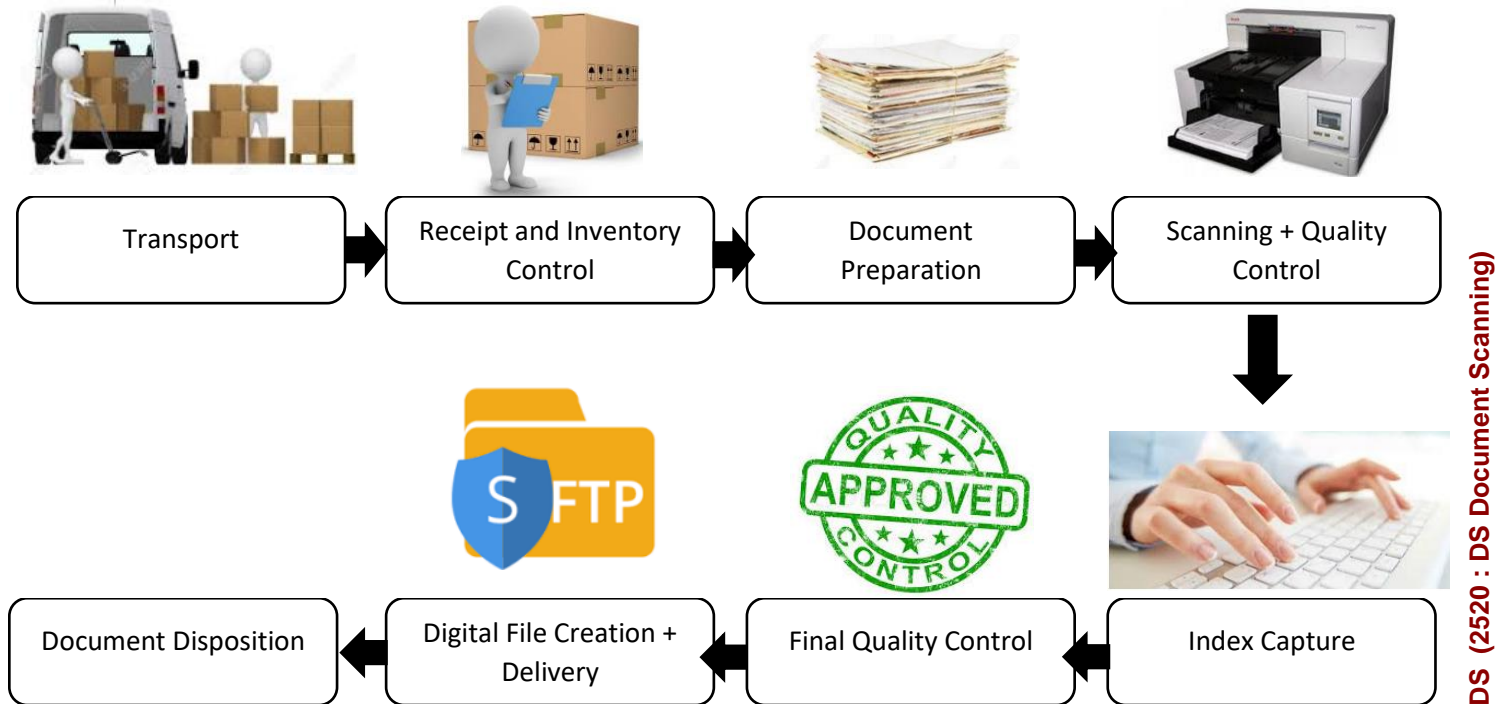
Attachment: SOW for Digitization - DS (2520 : DS Document Scanning)



## PROPOSED DOCUMENT PROCESSING SOLUTION

Below is a high-level diagram of the workflow process.

### PRODUCTION CONVERSION



### CHAIN OF CUSTODY

We understand the risk associated with the movement of your documents, electronic or physical. We track all documents from the initial pickup/transfer, through the production process via a documented chain of custody.

### BOXING OF FILES

Boxing of all the files is the responsibility of DataBank unless they are already boxed.

CITY OF BELLAIRE will provide all document files in standard storage banker's boxes (12 x 10 x 15). Drawings will be boxed in the appropriate size boxes.

It is anticipated that all boxes will be returned to CITY OF BELLAIRE for permanent storage or destroyed by DataBank.

CITY OF BELLAIRE will provide DataBank with a manifest or listing for each box's content detailing the number of files per box and the file detail if boxed by CITY OF BELLAIRE. If boxed by DataBank, we will provide a manifest.

If preexisting labels are affixed to the boxes, DataBank labels will be placed alongside them.

Box labeling: **We provide box labels for each customer box.**

DataBank's Labels Include the following Data Elements

- Customer Name
- Project Name
- DataBank Job #
- DataBank Box #
- Date Received

## TRANSPORTATION

DataBank will use company vehicles and drivers to pick up the boxes at the appropriate location(s). We will then load the boxes into the company vehicles for transportation to our processing center in Houston. No overnight transportation will be performed.

DataBank will also provide services to return all source documents, deliver images and associated data, unless the images and data are delivered electronically via our Digital Mailroom processes (email, SFTP, hard drive), as applicable.

<b>ENTER PICK UP ADDRESS</b> 7008 South Rice AVE	<b>ENTER DELIVERY ADDRESS IF DIFFERENT FROM PICK UP ADDRESS.</b>
Bellaire TX 77401 Patrice Baltuskonis 713-662-8262 pbaltuskonis@bellairetx.gov	CITY, ST, ZIP CONTACT PHONE EMAIL

## DOCUMENT PREPARATION

DataBank anticipates that the documents to be converted are heavy prep in nature. DataBank defines heavy prep as:

More than 25% of the population has staples, clips, post it notes or other barriers. Prep also includes mixed paper sizes that require more handling and organizing and any projects marked "copy tagged pages only." Originals may need special handling with the possibility that photocopying prior to scanning will be needed (if applicable, copy price will be separate). DataBank will insert standard barcode and document coding sheets as needed.

## SCANNING

All pages will be scanned as Black & White Group IV TIFF images at 300 dots per inch. All pages will be scanned using preferred settings for best capture methods. DataBank will incorporate electronic blank page deletion of images with an application setting size of 1KB per image. Automatic cropping to page border, double feed detection and automatic de-skewing are standard enhancements and will apply to all scanning operations.

The final output for the images will be that of searchable multipage PDFs. Each document will contain a single PDF. OCR will be run to make documents searchable. Drawing files will NOT be run through OCR processing.



## SCANNING QUALITY CONTROL

DataBank shall utilize a sampling method of quality control whereby 10% of the images will be reviewed post scan for quality and accuracy. All pages will be reviewed during the scanning phase to ensure quality scanning.

## REASSEMBLY

DataBank's reassembly will be limited to placing the scanned pages back into their corresponding folders. All barcoded sheets will remain within the folder and no additional reassembly will be performed.

## INDEXING & QUALITY CONTROL

DataBank will utilize CITY OF BELLAIRE's provided manifest to index the documents. Barcoded document identifiers will be created based on the manifest and the corresponding identifier will be matched with its folder during the prep phase of the project. Folders that are found to not have a corresponding control sheet will be set aside for additional client review. The documents will be indexed at the plan set level with each plan set being converted into a single PDF named as the Permit Number. Data will match/merged with a data file provided by CITY OF BELLAIRE containing Permit Number, AOR, Date Issued, and Contractor. Approved City of Bellaire employees may visit the DataBank facility to perform any quality control reviews deemed necessary.

## DELIVERABLES

DataBank will deliver the named images along with its corresponding data file to the client via encrypted file transfer.

DataBank will deliver all images and data in the following format(s):

The images will be delivered to the customer in the form of named searchable multipage PDF files along with a CSV file of corresponding data.

Deliverables will be compatible for loading into City of Bellaire's Laserfiche document management system.

## DOCUMENT REQUESTS

It is anticipated that the customer will need access to their records when in production at DataBank. DataBank will pull and deliver requested records on a scan on demand basis. Requests will be charged as specified in the pricing section below.

Customer will provide DataBank with an authorized list of requesters. Request deliveries are made via DataBank's secure email system or other agreed upon secure method.

Requests should be submitted via email to: [rreeves@databankimx.com](mailto:rreeves@databankimx.com) and [esoto@databankimx.com](mailto:esoto@databankimx.com)

Only requests from the authorized requestors below will be fulfilled. Any unauthorized requests will be forwarded to the project team contacts on file. The primary contact listed on the project team is responsible to provide/manage/change the authorized requestor list and communicate it to DataBank's primary team member. The list below includes a finite list of the specific requesters who are authorized.



NAME	TITLE	PHONE	EMAIL
ChaVonne Sampson	Development Service Director	713-662-8243	csampson@bellairetx.gov
Marleny Campos	Administrative Assistant	713-662-8241	mcampos@bellairetx.gov
Patrice Baltuskonis	IT Director	713-662-8262	pbaltuskonis@bellairetx.gov

**Request Process:**

Requested records will be scanned as a multi-page PDF file and securely emailed to the requestor or other agreed upon secure method. As an exception, the physical record can be delivered to ChaVonne Sampson.

**Request Turnaround Time:**

The turnaround time for record requests will be one business day from time of request. Requests must be received at DataBank by 5:00 PM Monday through Friday, excluding DataBank holidays.

In the event of an emergency request, please contact the following individuals.

NAME	TITLE	PHONE	EMAIL
Rob Reeves	Operations Director	346-543-6777	rreeves@databankimx.com

**CUSTOMER RESPONSIBILITIES**

1. Sign SOW
2. See above boxing section
3. Provide sample for POC
4. Sign off on POC
5. Issue Purchase Order, if applicable
6. Provide database, in specified format, if applicable
7. Provide Project Team Members full contact information
8. Assign Project Manager, when applicable
9. QC delivered data and images within 15 days of receipt. Communicate any issues to DataBank immediately for issue resolution.
10. Customer will make the records/boxes available during normal business hours of 8am to 5pm local time for DataBank to pick up records/boxes.
11. Sign off on Change Orders, as needed.
12. Any data the Customer provides for index matching will be accurate, consistent and clearly documented.
13. Customer will download files within five (5) working/business days of notification.

**ASSUMPTIONS**

The following assumptions apply:

- All document pages that are 11" x 17" or smaller and of suitable quality for high-speed production scanning. No flatbed scanners will be used.
- All drawings will be E size or less.
- All pages received will be scanned including envelopes, photos, Photostats etc.
- Poor Quality Targets will not be used unless specified by the customer. Poor quality original documents may result in poor quality image files. Examples of poor quality originals are:
  - Onion Skin Paper



- NCR paper
- Thermal Fax Paper
- Carbon Paper
- Pages containing a lot of folds
- Light/Worn originals
- Documents with pencil writing
- Photostats
- Previously reduced pages i.e. "E" size drawing converted to 8" x 11".
- DataBank will provide a receipt for each shipment in the form of a "Receiving Form" which will identify the number of boxes in each shipment. The document will be signed by the DataBank driver and the Customer.
- Once the records arrive at DataBank, they will be entered into DataBank's inventory and assigned a unique shipment\box number.
- All pages will be scanned in the order received.
- Any documents larger than 11" x 17" will be scanned on a large format scanner. The digital image will be delivered as a separate indexed document. Additional charges will apply.
- Barcode separation sheets will be left in the scanned files.
- All documents will be returned to the original box in the same order received, with empty folders in the back of the original box.

#### **OCR will be performed**

- OCR will not be edited and therefore not 100% accurate. Accuracy of the searchable text is dependent on the quality of the original document.
- All OCR images will be delivered based on original orientation. Mixed text, graphs and/ or charts etc. may result in an image that needs to be rotated. DataBank will not perform any manual image rotation. Note: Drawings will not be OCR'ed.

## **CHANGE PROCEDURE**

From time to time based on changes with business processes, client objectives, and volumes it may be necessary to change or add services and specifications to the Statement of Work. The specifications outlined in Statement of Work shall govern until a "Change Order" is prepared that addresses the scope and details of the program modifications. This Change Order may result in additional data capture needs, software needs, professional service fees, increase in processing time, creation of additional reports, and increased or adjusted conversion fees. DataBank will not make any changes to the current program until the new Change Order has been mutually reviewed and approved by all organizations. The Change Order will detail all changes to the SOW. DataBank will not make any changes to the current process until the Change Order has been mutually accepted by both parties. Change Order review may halt production and affect the original timeline of the project. Even \$0 changes must have a Change Order signed and filed with this SOW.



## INVESTMENT SUMMARY

#	SPECIFICATION	QTY	UOM	UNIT PRICE	EXTENDED PRICE
1	Black & White Image Capture (and misc. image processing)	125,000	Ea.	\$0.047	\$5,875
2	Document Preparation	75	Hrs	\$20.000	\$1,500
3	OCR	125,000	Ea.	\$0.015	\$1,875
4	Data Entry (Document Classification)	50	Hrs	\$24.000	\$1,200
5	Project Management	0	Ea.	\$48.000	\$0
6	Transportation: Pickup and Delivery	4	Ea.	\$0.000	\$0
	Subtotal				\$10,450
#	SPECIFICATION	QTY	UOM	UNIT PRICE	EXTENDED PRICE
1	Black & White Image Capture Drawings (and misc. image processing)	30,835	Ea.	\$1.052	\$32,438
2	Document Preparation	257	Hrs	\$20.000	\$5,140
3	Data Entry (Document Classification)	50	Hrs	\$24.000	\$1,200
4	Project Management	80	Ea.	\$48.000	\$3,840
5	Transportation: Pickup and Delivery	4	Ea.	\$0.000	\$0
6	Box Destruction	100	Ea.	\$4.00	\$400
	Subtotal				\$43,018
1	Contingency	10	Percent		\$5,346.80
	<b>Total</b>				<b>\$58,814.80</b>

The pricing listed above is based on volume estimates and instructions provided by the customer to DataBank. DataBank will bill for actual volumes received and processed. The pricing has a contingency of plus 10% of the total amount if necessary. **Pricing expires after 30 days of last published revision of this document.**

Attachment: SOW for Digitization - DS (2520 : DS Document Scanning)

## INVOICE CONSTRUCTION

DataBank IMX will invoice the customer for all work delivered bi-monthly. The invoice will contain the line items listed above in the Pricing Detail and on the Purchase Order (if applicable). Payment terms are net 30 days from invoice date.

**City of Bellaire****Attn: Accounts Payable****7008 South Rice Avenue****Bellaire, TX 77401****713-662-8256****mbrownlow@bellairetx.gov****Special Line Item Details: Please note the Purchase Order Number**

## PRICING AND PAYMENT TERMS

Pricing is valid for thirty (30) days from the date of last revision of the Statement of Work. Each project is priced based on DataBank's understanding of the scope and volume of the requirements as presented herein. Changes in that understanding or in the underlying express and/or implicit assumptions related to it may require substantial changes in price and schedule. All changes will be made in writing and agreed to by all parties prior to commencement of billable work.

1. DataBank's services are offered based on the assumptions as defined herein. If the collection characteristics are substantially different from these assumptions, DataBank reserves the right to re-price the services.
2. Delivery schedules are based on assumptions defined herein and substantial change in these assumptions may require delivery schedule changes.
3. Failure to provide DataBank with a regular and consistent flow of materials may result in an increase in pricing and/or schedule delays.
4. Processing will be performed in accordance with the instructions set forth in this document and the addenda stated herein.
5. Pricing is offered as a comprehensive package of services. DataBank reserves the right to re-price services if the Customer decides not to have DataBank perform certain services that have been quoted.
6. Invoicing will be based on the actual number of units multiplied by its unit or hourly rate and totaled.
7. Invoicing will be issued throughout the duration of the project in a bi-weekly manner. Invoicing will include all billable work processed up to the date of the invoice, even if that work-product has not yet been delivered to the Customer.
8. Payment for DataBank services will be made to DataBank and are due within thirty (30) days from receipt of invoice.
9. In the event payment is not received within ten (10) days of its due date a late charge of one and a half percent (1.5%) per month of the overdue amount will be charged to the Customer.
10. The Customer has thirty (30) days from receipt of a delivery to identify accuracy or image file formatting issues. After this period, a service charge may be applied for corrections. This service charge accounts for reloading the data and/or images onto the system, reallocating staff, etc.



## Terms and Conditions

The performance of the services described in this Statement of Work ("SOW") by DataBank IMX, LLC. ("DataBank") for the Customer referenced on the cover page of this document ("Customer") is subject to and shall be governed solely by the following terms and conditions. If this SOW is made pursuant to a Master Services Agreement ("MSA"), the terms and conditions set forth in such MSA are incorporated herein by reference and made a part of this SOW, and shall control in the event of any conflict.

This SOW is not pursuant to Master Service Agreement.



## AUTHORIZATION TO COMMENCE WORK

Customer hereby authorizes DataBank to proceed with services described and specified in the foregoing Statement of Work for DataBank Services, and agrees to the terms and conditions as specified herein.

DATABANK IMX, LLC. REVIEW SIGNATURE

---

SIGNATURE

---

PRINTED NAME AND TITLE

---

DATE

---

City of Bellaire

---

COMPANY NAME

---

DATBANK IMX, LLC

---

COMPANY NAME

---

SIGNATURE

---

Paul A Hofmann

---

PRINTED NAME AND TITLE

---

City Manager

---

SIGNATURE

---

PRINTED NAME AND TITLE

Attachment: SOW for Digitization - DS (2520 : DS Document Scanning)



# Statement of Work

## City of Bellaire

### HR Record Digitization

03/08/2018

**Prepared by:**

Charles Bass

Sr. Solutions Consultant

[www.databankimx.com](http://www.databankimx.com)



Texas DIR Approved Vendor  
Contract Number DIR-SDD-3746



Attachment: City of Bellaire HR SOW - final (2520 : DS Document Scanning)

## Version Control

### Document Attributes

<b>Document Name</b>	STATEMENT OF WORK
<b>Related DataBank Services/Products</b>	N/A
<b>Databank Document Identifier</b>	
<b>Effective Date</b>	03/08/2018
<b>Current Revision Number</b>	3

### Revision History

Version Number	Date	Responsibility (Author)	Description
1	01/30/2018	Charles Bass	Initial Draft
2	02/08/2018	Bill Holder	Volume update
3	03/08/2018	Charles Bass	Initial final

**Proprietary and Confidential Statement** – DataBank acknowledges that City of Bellaire is subject to the Public Information Act and has time limits for production. City of Bellaire will maintain the confidentiality of Confidential Information in accordance with this Section to the extent allowed by the Public Information Act.



TABLE OF CONTENTS

Contents

PROJECT SUMMARY ..... 3

PROPOSED DOCUMENT PROCESSING SOLUTION..... 4

DOCUMENT PREPARATION..... 5

SCANNING ..... 5

INDEXING & QUALITY CONTROL ..... 6

DELIVERABLES ..... 6

CUSTOMER RESPONSIBILITIES ..... 7

ASSUMPTIONS ..... 8

CHANGE PROCEDURE..... 8

INVESTMENT SUMMARY ..... 9

PRICING AND PAYMENT TERMS ..... 10

Attachment: City of Bellaire HR SOW - final (2520 : DS Document Scanning)



PROJECT SUMMARY

DataBank will pick up boxes from CITY OF BELLAIRE and deliver images with corresponding data per the schedule located below. These boxes will be packed by DataBank and will contain production Human Resources Files as viewed by DataBank during a site visit conducted on 02/07/2018. The documents will be scanned at the folder level with each folder being converted into a single multipage (with doc-typing). Searchable PDF named via information provided to DataBank from CITY OF BELLAIRE in the form of a box manifest. The finished images will be formatted to be loaded into the Laserfiche Management System per City of Bellaire. DataBank has worked and imported into the Laserfiche systems on numerous occasions.

PROJECT VOLUME – TOTAL VOLUME	60 BOXES each containing an estimated 2500 images for a total of 150,000 images
FILE/DOCUMENT COUNT	Estimate of 50 pages per folder for 3000 documents
ESTIMATED TURNAROUND TIMEFRAME	Four-six weeks
RECEIPT OF DOCUMENTS	Pick-Up/Delivery Schedule TBD

PROOF OF CONCEPT

DataBank requires a POC, sampling or test be conducted to insure the project specifications are correct and that the final output meets the customer expectation and to finalize pricing. A test phase will validate the production and price assumptions documented within the proposal. We will provide an initial test deliverable to validate prior to production launch. The POC may identify changes to the project specifications and a Change Order may be required. It is customary for DataBank to make use of DataBank Online Services as a means to highlight a solution. These services directly align with our security practices and act as a temporary storage location of customer data. Data will be removed after 90 days unless other arrangements are made in writing.

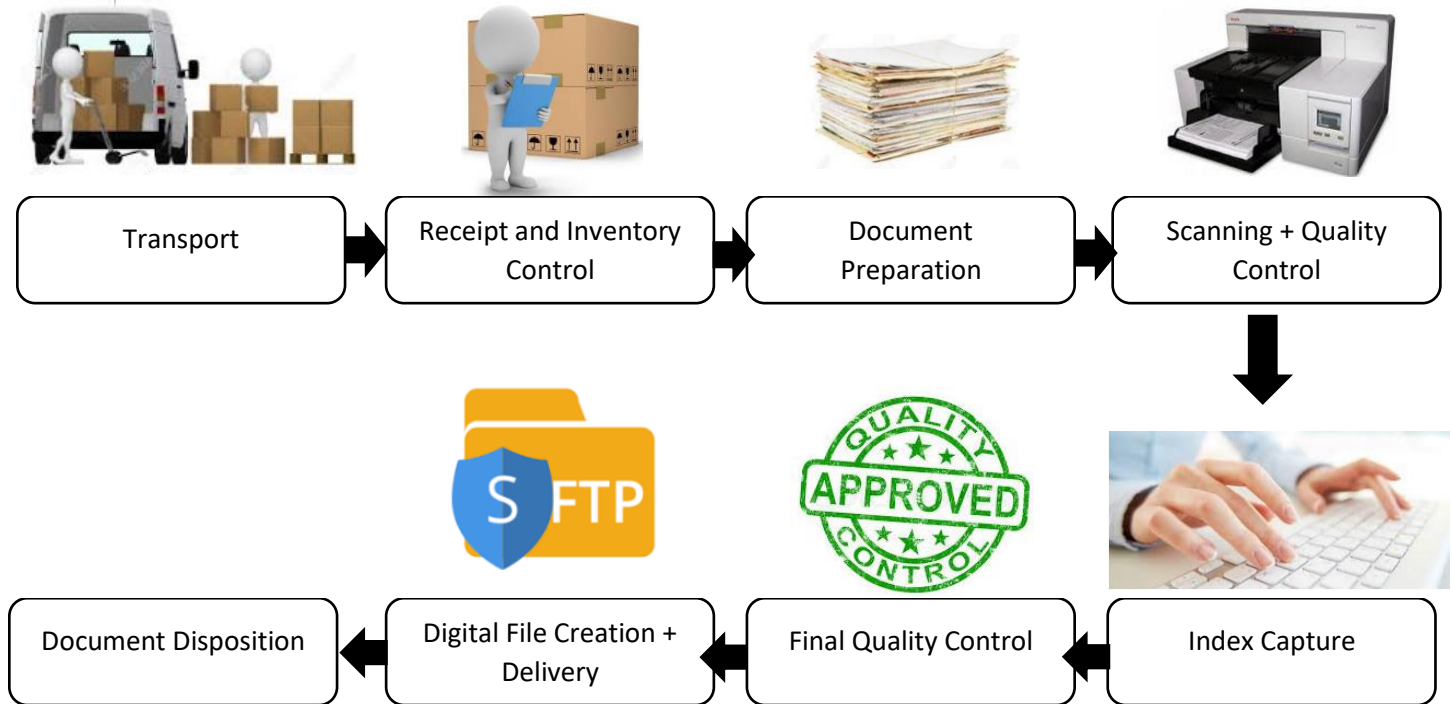
Attachment: City of Bellaire HR SOW - final (2520 : DS Document Scanning)



## PROPOSED DOCUMENT PROCESSING SOLUTION

Below is a high-level diagram of the workflow process.

### PRODUCTION CONVERSION



### CHAIN OF CUSTODY

We understand the risk associated with the movement of your documents, electronic or physical. We track all documents from the initial pickup/transfer, through the production process via a documented chain of custody.

### BOXING OF FILES

Boxing of all the files is the responsibility of DataBank unless they are already boxed.

If necessary, DataBank will provide all files in standard storage banker's boxes (12 x 10 x 15).

It is anticipated that all boxes will be returned to CITY OF BELLAIRE for permanent storage or destroyed by DataBank.

CITY OF BELLAIRE will provide DataBank with a manifest or listing for each box's content detailing the number of files per box and the file detail if boxed by CITY OF BELLAIRE. If boxed by DataBank, we will provide a manifest.

If preexisting labels are affixed to the boxes, DataBank labels will be placed alongside them.

Box labeling: **We provide box labels for each customer box.**

DataBank's Labels Include the following Data Elements

- Customer Name
- Project Name
- DataBank Job #
- DataBank Box #
- Date Received

## TRANSPORTATION

DataBank will use company vehicles and drivers to pick up the boxes at the appropriate location(s). We will then load the boxes into the company vehicles for transportation to our processing center in Houston. No overnight transportation will be performed.

DataBank will also provide services to return all source documents, deliver images and associated data, unless the images and data are delivered electronically via our Digital Mailroom processes (email, SFTP, hard drive), as applicable.

<b>ENTER PICK UP ADDRESS</b> 7008 South Rice Ave	<b>ENTER DELIVERY ADDRESS IF DIFFERENT FROM PICK UP ADDRESS.</b>
<b>Bellaire TX 77401</b> <b>Patrice Baltuskonis</b> <b>713-662-8262</b> <b>pbaltuskonis@bellairetx.gov</b>	<b>CITY, ST, ZIP</b> <b>CONTACT</b> <b>PHONE</b> <b>EMAIL</b>

## DOCUMENT PREPARATION

DataBank anticipates that the documents to be converted are heavy prep in nature. DataBank defines heavy prep as:

More than 25% of the population has staples, clips, post it notes or other barriers. Prep also includes mixed paper sizes that require more handling and organizing and any projects marked "copy tagged pages only." Originals may need special handling with the possibility that photocopying prior to scanning will be needed (if applicable, copy price will be separate). DataBank will insert standard barcode and document coding sheets as needed.

## SCANNING

All pages will be scanned as Black & White Group IV TIFF images at 300 dots per inch. All pages will be scanned using preferred settings for best capture methods. DataBank will incorporate electronic blank page deletion of images with an application setting size of 1KB per image. Automatic cropping to page border, double feed detection and automatic de-skewing are standard enhancements and will apply to all scanning operations.

The final output for the images will be that of searchable multipage PDFs. Each document will contain a single PDF. OCR will be run to make documents searchable.



## SCANNING QUALITY CONTROL

DataBank shall utilize a sampling method of quality control whereby 10% of the images will be reviewed post scan for quality and accuracy. All pages will be reviewed during the scanning phase to ensure quality scanning.

## REASSEMBLY

DataBank's reassembly will be limited to placing the scanned pages back into their corresponding folders. All barcoded sheets will remain within the folder and no additional reassembly will be performed.

## INDEXING & QUALITY CONTROL

DataBank will utilize CITY OF BELLAIRE's provided manifest to index the documents. Barcoded document identifiers will be created based on the manifest and the corresponding identifier will be matched with its folder during the prep phase of the project. Folders that are found to not have a corresponding control sheet will be set aside for additional client review. DataBank will also identify up to 10 documents types as provided by CITY OF BELLAIRE. Approved City of Bellaire employees may visit the DataBank facility to perform any quality control reviews deemed necessary.

## DELIVERABLES

DataBank will deliver the named images along with its corresponding data file to the client via encrypted file transfer.

DataBank will deliver all images and data in the following format(s):

The images will be delivered to the customer in the form of named searchable multipage PDF files along with a CSV file of corresponding data.

Deliverables will be compatible for loading into City of Bellaire's Laserfiche document management system.

## DOCUMENT REQUESTS

It is anticipated that the customer will need access to their records when in production at DataBank. DataBank will pull and deliver requested records on a scan on demand basis. Requests will be charged as specified in the pricing section below.

Customer will provide DataBank with an authorized list of requesters. Request deliveries are made via DataBank's secure email system or other agreed upon secure method.

Requests should be submitted via email to: [rreeves@databankimx.com](mailto:rreeves@databankimx.com) and [esoto@databankimx.com](mailto:esoto@databankimx.com)

Only requests from the authorized requestors below will be fulfilled. Any unauthorized requests will be forwarded to the project team contacts on file. The primary contact listed on the project team is responsible to provide/manage/change the authorized requestor list and communicate it to DataBank's primary team member. The list below includes a finite list of the specific requesters who are authorized.



NAME	TITLE	PHONE	EMAIL
Yolanda Howze	HR Director	713-662-8270	yhowze@bellairetx.gov
Shadae Martin	Senior Human Resources Generalist	713-662-8271	smartin@bellairetx.gov
Patrice Baltuskonis	IT Director	713-662-8262	pbaltuskonis@bellairetx.gov

**Request Process:**

Requested records will be scanned as a multi-page PDF file and securely emailed to the requestor or other agreed upon secure method. As an exception, the physical record can be delivered to Yolanda Howze.

**Request Turnaround Time:**

The turnaround time for record requests will be one business day from time of request. Requests must be received at DataBank by 5:00 PM Monday through Friday, excluding DataBank holidays.

In the event of an emergency request, please contact the following individuals.

NAME	TITLE	PHONE	EMAIL
Rob Reeves	Operations Director	346-543-6777	rreeves@datbankimx.com

**CUSTOMER RESPONSIBILITIES**

1. Sign SOW
2. See above boxing section
3. Provide sample for POC
4. Sign off on POC
5. Issue Purchase Order, if applicable
6. Provide database, in specified format, if applicable
7. Provide Project Team Members full contact information
8. Assign Project Manager, when applicable
9. QC delivered data and images within 15 days of receipt. Communicate any issues to DataBank immediately for issue resolution.
10. Customer will make the records/boxes available during normal business hours of 8am to 5pm local time for DataBank to pick up records/boxes.
11. Sign off on Change Orders, as needed.
12. Any data the Customer provides for index matching will be accurate, consistent and clearly documented.
13. Customer will download files within five (5) working/business days of notification.



## ASSUMPTIONS

The following assumptions apply:

- All pages that are 11" x 17" or smaller and of suitable quality for high-speed production scanning. No flatbed scanners will be used.
- All pages received will be scanned including envelopes, photos, photostats etc.
- Poor Quality Targets will not be used unless specified by the customer. Poor quality original documents may result in poor quality image files. Examples of poor quality originals are:
  - Onion Skin Paper
  - NCR paper
  - Thermal Fax Paper
  - Carbon Paper
  - Pages containing a lot of folds
  - Light/Worn originals
  - Documents with pencil writing
  - Photostats
  - Previously reduced pages i.e. "E" size drawing converted to 8" x 11".
- DataBank will provide a receipt for each shipment in the form of a "Receiving Form" which will identify the number of boxes in each shipment. The document will be signed by the DataBank driver and the Customer.
- Once the records arrive at DataBank, they will be entered into DataBank's inventory and assigned a unique shipment\box number.
- All pages will be scanned in the order received.
- Any documents larger than 11" x 17" will be scanned on a large format scanner. The digital image will be delivered as a separate indexed document. Additional charges will apply.
- Barcode separation sheets will be left in the scanned files.
- All documents will be returned to the original box in the same order received, with empty folders in the back of the original box.

### OCR will be performed

- OCR will not be edited and therefore not 100% accurate. Accuracy of the searchable text is dependent on the quality of the original document.
- All OCR images will be delivered based on original orientation. Mixed text, graphs and/ or charts etc. may result in an image that needs to be rotated. DataBank will not perform any manual image rotation.

## CHANGE PROCEDURE

From time to time based on changes with business processes, client objectives, and volumes it may be necessary to change or add services and specifications to the Statement of Work. The specifications outlined in Statement of Work shall govern until a "Change Order" is prepared that addresses the scope and details of the program modifications. This Change Order may result in additional data capture needs, software needs, professional service fees, increase in processing time, creation of additional reports, and increased or adjusted conversion fees. DataBank will not make any changes to the current program until the new Change Order has been mutually reviewed and approved by all organizations. The Change Order will detail all changes to the SOW. DataBank will not make any changes to the current process until both parties have mutually accepted the Change Order. Change Order review may halt production and affect the original timeline of the project. Even \$0 changes must have a Change Order signed and filed with this SOW.

## INVESTMENT SUMMARY

#	SPECIFICATION	QTY	UOM	UNIT PRICE	EXTENDED PRICE
1	Black & White Image Capture (and misc. image processing)	150,000	Ea.	\$0.047	\$7,050
2	Document Preparation	180	Hrs.	\$20.000	\$3,600
3	OCR	150,000	Ea.	\$0.015	\$2,250
4	Data Entry (Document Classification)	150	Hrs.	\$24.000	\$3,600
5	Project Management	20	Ea.	\$48.000	\$960
6	Transportation: Pickup and Delivery	4	Ea.	\$0.000	\$0
7	Box Destruction	60	Ea.	\$4.00	\$240
	Subtotal				<b>\$17,700</b>
8	Contingency	10	Percent		\$1,770
	Total				<b>\$19,470</b>

The pricing listed above is based on volume estimates and instructions provided by the customer to DataBank. DataBank will bill for actual volumes received and processed. DataBank will bill for actual volumes received and processed. The pricing has a contingency of plus 10% of the total amount if necessary. **Pricing expires after 30 days of last published revision of this document.**

## INVOICE CONSTRUCTION

DataBank IMX will invoice the customer for all work delivered bi-monthly. The invoice will contain the line items listed above in the Pricing Detail and on the Purchase Order (if applicable). Payment terms are net 30 days from receipt of invoice.

City of Bellaire  
 Attn: Accounts Payable  
 7008 South Rice Avenue  
 Bellaire, TX 77401  
 713-662-8256

mbrownlow@bellairetx.gov

Special Line Item Details: Please note the Purchase Order Number



## PRICING AND PAYMENT TERMS

Pricing is valid for thirty (30) days from the date of last revision of the Statement of Work. Each project is priced based on DataBank's understanding of the scope and volume of the requirements as presented herein. Changes in that understanding or in the underlying express and/or implicit assumptions related to it may require substantial changes in price and schedule. All changes will be made in writing and agreed to by all parties prior to commencement of billable work.

1. DataBank's services are offered based on the assumptions as defined herein. If the collection characteristics are substantially different from these assumptions, DataBank reserves the right to re-price the services.
2. Delivery schedules are based on assumptions defined herein and substantial change in these assumptions may require delivery schedule changes.
3. Failure to provide DataBank with a regular and consistent flow of materials may result in an increase in pricing and/or schedule delays.
4. Processing will be performed in accordance with the instructions set forth in this document and the addenda stated herein.
5. Pricing is offered as a comprehensive package of services. DataBank reserves the right to re-price services if the Customer decides not to have DataBank perform certain services that have been quoted.
6. Invoicing will be based on the actual number of units multiplied by its unit or hourly rate and totaled.
7. Invoicing will be issued throughout the duration of the project in a bi-weekly manner. Invoicing will include all billable work processed up to the date of the invoice, even if that work-product has not yet been delivered to the Customer.
8. Payment for DataBank services will be made to DataBank and are due within thirty (30) days from receipt of invoice.
9. In the event payment is not received within ten (10) days of its due date a late charge of one and a half percent (1.5%) per month of the overdue amount will be charged to the Customer.
10. The Customer has thirty (30) days from receipt of a delivery to identify accuracy or image file formatting issues. After this period, a service charge may be applied for corrections. This service charge accounts for reloading the data and/or images onto the system, reallocating staff, etc.

## Terms and Conditions

The performance of the services described in this Statement of Work ("SOW") by DataBank IMX, LLC. ("DataBank") for the Customer referenced on the cover page of this document ("Customer") is subject to and shall be governed solely by the following terms and conditions. If this SOW is made pursuant to a Master Services Agreement ("MSA"), the terms and conditions set forth in such MSA are incorporated herein by reference and made a part of this SOW, and shall control in the event of any conflict.

This SOW is not pursuant to Master Service Agreement.



**AUTHORIZATION TO COMMENCE WORK**

Customer hereby authorizes DataBank to proceed with services described and specified in the foregoing Statement of Work for DataBank Services, and agrees to the terms and conditions as specified herein.

DATABANK IMX, LLC. REVIEW SIGNATURE

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
PRINTED NAME AND TITLE

\_\_\_\_\_  
DATE

City of Bellaire

\_\_\_\_\_  
COMPANY NAME

DATBANK IMX, LLC

\_\_\_\_\_  
COMPANY NAME

\_\_\_\_\_  
SIGNATURE

Paul A Hofmann

\_\_\_\_\_  
PRINTED NAME AND TITLE

City Manager

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
PRINTED NAME AND TITLE

Attachment: City of Bellaire HR SOW - final (2520 : DS Document Scanning)



## **MEET THE FUTURE & KNOW THE PAST**

CITY OF BELLAIRE – March 19, 2018

### **MEET THE FUTURE**

- Someone who is “new to town” – moved to Bellaire within the last 5 years
- Could be an individual, a family, or a new business owner
- What section of town do you live in? Where did you live prior to Bellaire?
- What’s your favorite part of Bellaire? Other things you like here?
- What’s your favorite park in town? Favorite store?
- Who is your most fascinating or helpful neighbor?
- What have you learned from your neighbors who have been in Bellaire a long time?
- Tell us about your career, your accomplishments and your family
- If you were Mayor for the day, what would you change about Bellaire?
- Tell us what you would like to know more about in the City of Bellaire.

### **KNOW THE PAST**

- Past events in Bellaire history
- Specific issue or
- A particular “era” in Bellaire history
- If it’s an issue, give insight into the various points of view
- If it’s an era, give a sense of what came before and what happened after
- Give any updates since it happened