

Brooke T. Paup, *Chairwoman*
Bobby Janecka, *Commissioner*
Catarina R. Gonzales, *Commissioner*
Kelly Keel, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
Protecting Texas by Reducing and Preventing Pollution

August 1, 2025

Sanjay Bapat
Allen Boone Humphries Robinson, LLP
3200 Southwest Freeway, Suite 2600
Houston, Texas 77027

RE: Rice Village Management District
TCEQ Internal Control No. D-04042025-011

This letter is your notice that the Texas Commission on Environmental Quality (TCEQ) executive director (ED) has acted on the above-named application. According to 30 Texas Administrative Code (TAC) Section 50.135 the ED's action became effective on the date the ED signed the permit or other action. A copy of the final action is enclosed and cites the effective date.

For certain matters, a **motion to overturn**, which is a request that the commission review the ED's action on an application, may be filed with the chief clerk. Whether a motion to overturn is procedurally available for a specific matter is determined by Title 30 of the Texas Administrative Code Chapter 50. According to 30 TAC Section 50.139, an action by the ED is not affected by a motion to overturn filed under this section unless expressly ordered by the commission.

If a motion to overturn is filed, the motion must be received by the chief clerk within 23 days after the date of this letter. An original motion must be filed with the chief clerk in person or by mail. The Chief Clerk's mailing address is Office of the Chief Clerk (MC 105), TCEQ, P.O. Box 13087, Austin, Texas 78711-3087. On the same day the motion is transmitted to the chief clerk, please provide copies to the Environmental Law Deputy Director (MC 173), and the Public Interest Counsel (MC 103), both at the same TCEQ address listed above. If a motion is not acted on by the commission within 45 days after the date of this letter, then the motion shall be deemed overruled.

You may also request **judicial review** of the ED's action. The procedure and timelines for seeking judicial review of a commission or ED action are governed by Texas Water Code Section 5.351.

Individual members of the public may seek further information by calling the TCEQ Public Education Program, toll free, at 1-800-687-4040.

Sincerely,

A handwritten signature in cursive script that reads "Laurie Gharis".

Laurie Gharis
Chief Clerk

LG/km

cc: Garrett T. Arthur, TCEQ Public Interest Counsel (MC 103)

Brooke T. Paup, *Chairwoman*
Bobby Janecka, *Commissioner*
Catarina R. Gonzales, *Commissioner*
Kelly Keel, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

August 1, 2025

Mr. Sanjay Bapat
Allen Boone Humphries Robinson, LLP
3200 Southwest Freeway, Suite 2600
Houston, Texas 77027-7537

Re: Rice Village Management District, Order approving the Creation of the District

Dear Mr. Bapat:

Enclosed is a certified copy of an Order issued by the Texas Commission on Environmental Quality (TCEQ) regarding the above referenced matter. This action is taken under authority delegated by the Executive Director of the Texas Commission on Environmental Quality.

Should you have a question, please contact James Walker at (512) 239-2532.

Sincerely,

A handwritten signature in black ink, appearing to read "Michele Risko".

Michele Risko, Deputy Director
Water Supply Division

MR/jkw

Enclosures

cc: Mailing List

MAILING LIST

Rice Village Management District
TCEQ Internal Control No. D-04042025-011

Mr. Sanjay Bapat Allen Boone Humphries Robinson, LLP 3200 Southwest Freeway, Suite 2600 Houston, Texas 77027-7537 Mr. Ken Heroy, P.E. Jones-Heroy & Associates, Inc. 13915 North Mopac Expressway, Suite 200 Austin, Texas 78728 Ms. Nicole Bealle TCEQ Region 12 5425 Polk Street, Suite H Houston, Texas 77023-1452 The Honorable Ann Johnson State Representative, District No. 134 Room E2.718 P.O. Box 12910 Austin, Texas 78711-2910 The Honorable Molly Cook State Senator, District No. 15 P.O. Box 12068 Capitol Station Austin, Texas 78711-2068 City of Houston Attn: Pat J. Daniel, City Secretary 900 Bagby Street, Room P101 Houston, Texas 77002-2527 Harris County The Honorable Teneshia Hudspeth, County Clerk P.O. Box 1525 Houston, Texas 77251-1525 Mr. Chuck Wemple, Executive Director Houston-Galveston Area Council P.O. Box 22777 Houston, Texas 77227-2777	Texas Commission on Environmental Quality P. O. Box 13087 Austin, Texas 78711-3087 Todd Galiga, Senior Attorney, Environmental Law Division, MC-173 James Walker, Technical Manager, Districts Creation Review Team, MC-152 Stephanie DeSouza, Districts Creation Review Team, MC-152 Justin P. Taack, Manager, Districts Section, MC-152 Sean Ables, Drinking Water Special Functions Section, Water Supply Division, MC-153 Garrett Arthur, Office of the Public Interest Counsel, MC-103
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AUG 01 2025

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

OF THE COMMISSION, GIVEN UNDER MY HAND AND THE
SEAL OF OFFICE ON
Laurie Gharris
LAURIE GHARRIS, CHIEF CLERK
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



AN ORDER GRANTING THE PETITION FOR CREATION OF
RICE VILLAGE MANAGEMENT DISTRICT
AND APPOINTING INITIAL DIRECTORS

A petition by William Marsh Rice University, 2401 University LLC, a Texas limited liability company, Amherst North LLC, a Texas limited liability company, Chaucer East LLC, a Texas limited liability company, Chaucer West LLC, a Texas limited liability company, University Northeast LLC, a Texas limited liability company, University Northwest LLC, a Texas limited liability company, University South LLC, a Texas limited liability company, Morningside South LLC, a Texas limited liability company, Morningside North LLC, a Texas limited liability company, and 5607 Morningside LLC, a Texas limited liability company (Petitioners) was presented to the Executive Director of the Texas Commission on Environmental Quality (TCEQ) for consideration of approval of the creation of Rice Village Management District (District) pursuant to Article XVI, § 59 of the TEXAS CONSTITUTION, Chapter 375, TEX. LOCAL GOVERNMENT CODE, and TEX. WATER CODE Chapter 49.

The TCEQ, after having considered the petition, application material, and memorandum from the Executive Director dated July 17, 2025 (Memorandum), attached as Exhibit "B," finds that the petition for creation should be approved.

The TCEQ finds that the creation of the proposed District as set out in the application is feasible and would be a benefit to the land to be included in the proposed District.

The TCEQ further finds that the proposed District and its system and subsequent development within the proposed District will not have an unreasonable effect on total tax assessments on all land located within the proposed District.

All of the land and property proposed may properly be included within the proposed District.

All statutory and regulatory requirements for creation of Rice Village Management District have been fulfilled in accordance with TEX. LOCAL GOVERNMENT CODE §§ 375.022-375.026 and 30 TEX. ADMIN. CODE §§ 293.11-239.12.

NOW THEREFORE, BE IT ORDERED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY THAT:

1. The petition for the creation of Rice Village Management District is hereby granted.
2. The District is created under the terms and conditions of Article XVI, § 59 of the TEXAS CONSTITUTION, Chapter 375, TEX. LOCAL GOVERNMENT CODE, and TEX. WATER CODE Chapter 49.
3. The District shall have, and shall be subject to, all of the rights, duties, powers, privileges, authority, and functions conferred and imposed by the Commission and the general laws of the State of Texas relating to municipal management districts.

4. The Memorandum dated July 17, 2025, attached as Exhibit "B" is hereby incorporated as part of the Order.

5. The general nature of the work proposed to be done by the District at the present time is to purchase, design, construct, acquire, maintain, own, operate, repair, improve, and extend a waterworks and sanitary sewer system for residential and commercial purposes; construct, acquire, improve, extend, maintain, and operate works, improvements, facilities, plants, equipment, and appliances helpful or necessary to provide more adequate drainage for the proposed District; control, abate, and amend local storm waters or other harmful excesses of waters; purchase, construct, acquire, maintain, own, operate, repair, improve, and extend additional facilities, including roads, parks and recreational facilities, systems, plants, and enterprises as shall be consonant with the purposes for which the proposed District is created.

6. The District shall be composed of the area situated entirely within the corporate limits of the City of Houston and outside the corporate limits or extraterritorial jurisdiction of any other city or town, as described by metes and bounds in Exhibit "A" attached hereto and incorporated for all purposes.

7. The persons listed in Recommendation No. 2 of the Memorandum are hereby named and appointed as initial directors and shall, as soon as practicable after the date of entry of this Order, execute their official bonds and take their official oaths of office. All such bonds shall be approved by the Board of Directors of the District, and each bond and oath shall be filed with the District and retained in its records.

8. This Order shall in no event be construed as an approval of any proposed agreements or of any particular items in any documents provided in support of the petition for creation, nor as a commitment or requirement of the TCEQ in the future to approve or disapprove any particular items or agreements in future applications submitted by the District for TCEQ consideration.

9. This order shall not constitute approval or recognition of the validity of any provision in the City of Houston consent Ordinance No. 2025-214, approved on March 19, 2025, and any other ordinance/resolution incorporated therein by reference to the extent that such provisions exceed the authority granted to the City of Houston, by the laws of the State of Texas.

10. The Chief Clerk of the TCEQ shall forward a copy of this Order to all affected persons.

11. If any provision, sentence, clause, or phrase of this Order is for any reason held to be invalid, the invalidity of any portion shall not affect the validity of the remaining portions of the Order.

Issue Date: July 25, 2025

A handwritten signature in black ink, appearing to read "K. Keel", is written over a horizontal line.

For the Commission

Exhibit "A"

**RICE VILLAGE MANAGEMENT DISTRICT
METES AND BOUNDS DESCRIPTION
28.7262 ACRES OUT OF
A.C. REYNOLDS SURVEY, ABSTRACT 61
HOUSTON, HARRIS COUNTY, TEXAS**

The herein described 28.7262 acres being generally bounded on the **north** by the north right-of-way line of Times Boulevard between west right-of-way line of Kirby Drive and the north boundary line extending east through Blocks 12 and 13, Windermere Subdivision to the east right-of-way line of Greenbriar Drive, on the **east** by the east right-of-way line of Greenbriar Drive, on the **south** by the south right-of-way line of University Boulevard between the east right-of-way line of Greenbriar Drive and the west right-of-way line of Kirby Drive and on the **west** by the west right-of-way line of Kirby Drive between south right-of-way line of University Boulevard and north right-of-way line of Times Boulevard;

All that certain 28.7262 acres being within A.C. Reynolds Survey, Abstract 61, City of Houston, Harris County, Texas and being comprised of the following tracts:

- All of Block 24, West Houston as filed in Volume 60, Page 184 Harris County Deed Records
- All of Unrestricted Reserve "A", Block 1, Rice Village Amherst Replat No. 1 as filed in Film Code Number 689192 Harris County Map Records
- All of Unrestricted Reserve "A", Block 1, Village Arcade Replat No. 1 and Extension as filed in Film Code Number 699757 Harris County Map Records
- All of Unrestricted Reserve "A", Block 1, Windermere Partial Replat No. 1 as filed in Film Code Number 688683 Harris County Map Records
- All of Unrestricted Reserve "A", Block 1, Chaucer Children as filed in Film Code Number 613062 Harris County Map Records
- All of Lots 1 – 5, 19, 22 and 23, Block 13, Windermere Subdivision as filed in Volume 08, Page 08 Harris County Map Records
- All of Lots 2 – 5 and 11 – 18 and a portion of Lots 1 and 6, Block 12, Windermere Subdivision as filed in Volume 08, Page 08 Harris County Map Records
- All of Lots 5 – 10, Block 27 and all of Lots 8, 9 and 10, Block 28, West Houston Wessex Subdivision Plat (Revised Plat) as filed in Volume 14, Page 31 Harris County Map Records

The above referenced 28.7262 acres being more particularly described by metes and bounds as follows (Bearings shown are based on the Texas Coordinate System of 1983, South Central Zone 4204);

Commencing at a found 5/8" iron rod with cap (stamped C.L. DAVIS - RPLS 4464) marking the north end of a cut-back corner at the intersection of the north right-of-way line of University Boulevard and the east right-of-way line of Kirby Drive; Thence S 43° 38' 55" W - 102.97' to a point on the west right-of-way line of Kirby Drive marking a point southerly 10' more or less from the intersection of the west right-of-way line of Kirby Drive and the south right-of-way line of University Boulevard and marking the POINT OF BEGINNING of herein described tract;

1. Thence N 02° 24' 08" W - 639.98' with the monumented west right-of-way line of Kirby Drive to a point for corner;
2. Thence N 87° 39' 29" E - 1,180.62' with the north right-of-way line of Times Boulevard to a point for corner, marking a point on the east right-of-way line of Morningside Drive;
3. Thence S 02° 25' 20" E - 93.62' with the east right-of-way line of Morningside Drive to a found 5/8" iron rod with cap (stamped C.L. DAVIS - RPLS 4464) for corner, marking the northwest corner of said Unrestricted Reserve "A", Block 1, Windermere Partial Replat No. 1;
4. Thence N 87° 46' 18" E - 104.81' with the north line of said Windermere Partial Replat No. 1 to a found 5/8" iron rod with cap (stamped C.L. DAVIS - RPLS 4464) for corner;
5. Thence N 02° 13' 42" W - 90.00' with the west line of said Unrestricted Reserve "A", Block 1, Chaucer Children to a found 5/8" iron rod for corner, marking the northwest corner of Chaucer Children;
6. Thence N 87° 46' 18" E - 125.00' with the north line of said Chaucer Children to a found 5/8" iron rod for corner, marking the northeast corner of said Chaucer Children;
7. Thence N 87° 42' 38" E - 70.09' to a found 5/8" iron rod with cap (stamped C.L. DAVIS - RPLS 4464) for corner, marking the northwest corner of Lot 11, Block 12 of said Windermere Subdivision;
8. Thence N 87° 45' 57" E - 125.00' with the north line of Lot 11, Block 12 of said Windermere Subdivision to a found 5/8" iron rod with cap (stamped C.L. DAVIS - RPLS 4464) for corner, marking the southeast corner of Lot 10, Block 12 of said Windermere Subdivision;
9. Thence N 02° 14' 03" W - 29.30' with the east line of said Lot 10 to a found 5/8" iron rod with cap (stamped C.L. DAVIS - RPLS 4464) for corner, marking the most southerly west corner of Christ the King Evangelical Lutheran Church Replat No. 1 and Extension according to the plat thereof as filed in Film Code Number 675014 Harris County Map Records;

10. Thence N 87° 45' 57" E - 295.41' with the south line of said Christ the King plat to a point for corner, marking a point on the east right-of-way line of Greenbriar Drive;
11. Thence S 02° 14' 03" E - 663.34' with the east right-of-way line of Greenbriar Drive to a point for corner, marking a point on the south right-of-way line of University Boulevard;
12. Thence S 87° 37' 39" W - 778.70' with the south right-of-way line of University Boulevard to a point for corner marking the intersection of the south right-of-way line of University Boulevard and the west right-of-way line of Morningside Drive and the northeast corner of Lot 10, Block 27 of said West Houston Wessex Subdivision Plat (Revised Plat);
13. Thence S 02° 25' 53" E - 112.41' with the west right-of-way line of said Morningside Drive to a found 5/8" iron rod with cap (stamped C.L. DAVIS – RPLS 4464) for corner;
14. Thence S 87° 43' 07" W - 300.00' with the north line of Unrestricted Reserve "A", Block 1, Rice Village Apartments according to the plat thereof as filed in Film Code Number 613060 Harris County Map Records to a point for corner;
15. Thence N 02° 25' 53" W - 111.93' with the common line of Lots 4 and 5 of said Block 27 to a found P-K nail for corner;
16. Thence S 87° 37' 39" W - 250.00' with the south right-of-way line of University Boulevard to a found P-K nail for corner, marking the northeast corner of Lot 10, Block 28 of said West Houston Wessex Subdivision Plat (Revised Plat);
17. Thence S 02° 25' 53" E - 111.53' with the east line of said Lot 10, Block 28 to an existing building corner for corner;
18. Thence S 87° 43' 07" W - 150.00' with the south line of Lots 8, 9 and 10 of said Block 28 to a point for corner;
19. Thence N 02° 25' 53" W - 111.30' with the west line of said Lot 8, Block 28 to a found "X" cut in concrete for corner;
20. Thence S 87° 37' 39" W - 420.67' with the south right-of-way line of University Boulevard to the POINT OF BEGINNING and containing a gross area of 28.9645 acres (1,261,693 square feet) more or less. **SAVE AND EXCEPT** that certain 0.2383 acre (10,379 square feet) being all of Lots 20 and 21, Block 13, Windermere Subdivision according to the plat thereof filed in Volume 08, Page 08 Harris County Map Records and leaving a **NET AREA OF 28.7262 ACRES (1,251,314 SQUARE FEET)** and said save and except tract being more particularly described by metes and bounds as follows (Bearings shown are based on the Texas Coordinate System of 1983, South Central Zone 4204);

Commencing at a point marking the southwest corner of said Block 13 and the intersection of the north right-of-way line of University Boulevard and the east right-of-way line of Morningside Drive; Thence N 02° 25' 20" W -125.00' with the east right-of-way line of Morningside Drive to a found P-K nail marking the southwest corner of said Lot 21 and marking the POINT OF BEGINNING of herein described tract;

1. Thence N 02° 25' 20" W - 100.00' continuing with the east right-of-way line of Morningside Drive to a point for corner, marking the northwest corner of said Lot 20;
2. Thence N 87° 46' 18" E - 103.96' with the north line of said Lot 20 to a point for corner, marking the northeast corner of said Lot 20;
3. Thence S 02° 13' 42" E - 100.00' with the east line of said Lots 20 and 21 to a point for corner, marking the southeast corner of said Lot 21;
4. Thence S 87° 46' 18" W - 103.62' with the south line of said Lot 21 to the POINT OF BEGINNING and containing 0.2383 acre (10,379 square feet) of land more or less.

"This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared."

This metes and bounds description is accompanied by a separate plat, drawing or exhibit per Texas Board of Professional Land Surveyor's "General Rules of Procedures and Practices" Section 663.19(9).

Compiled by:
C.L. Davis & Company
Firm No. 10082000
Job Number: 11-95-147-SPD-29 ACRES M&B.doc
12-09-2024



Texas Commission on Environmental Quality

TECHNICAL MEMORANDUM

To: Justin P. Taack, Manager
Districts Section *JPT*
7/17/2025

Date: July 17, 2025

Thru: Michael Briscoe, Team Lead
Districts Creation Review Team

From: James Walker
Districts Creation Review Team

Subject: Petition by William Marsh Rice University, 2401 University LLC, Amherst North LLC, Chaucer East LLC, Chaucer West LLC, University Northeast LLC, University Northwest LLC, University South LLC, Morningside South LLC, Morningside North LLC, and 5607 Morningside LLC for the Creation of Rice Village Management District; Pursuant to Texas Local Government Code Chapter 375 and Texas Water Code Chapter 49.
TCEQ Internal Control No. D-04042025-011 (TC)
CN: 606373256 RN: 112190970

A. GENERAL INFORMATION

The Texas Commission on Environmental Quality (TCEQ) received a petition within the application requesting approval for the creation of Rice Village Management District (District). The petition was signed by Kelly Lynn Fox as Executive Vice President for Operations, Finance, and Support for William Marsh Rice University, a Texas non-profit corporation and by Jennifer Phillips as Vice President of: 2401 University LLC, a Texas limited liability company; Amherst North LLC, a Texas limited liability company; Chaucer East LLC, a Texas limited liability company; Chaucer West LLC, a Texas limited liability company; University Northeast LLC, a Texas limited liability company; University Northwest LLC, a Texas limited liability company; University South LLC, a Texas limited liability company; Morningside South LLC, a Texas limited liability company; Morningside North LLC, a Texas limited liability company; and 5607 Morningside LLC, a Texas limited liability company (Petitioners). The petition states that the Petitioners hold title to a majority in value of the land within the proposed District, and it further states that there is one lienholder, Rinkoff Rice Village, L.P., a Texas limited partnership, on the land in the proposed District and information provided indicates that the aforementioned entity has consented to the petition.

The District is proposed to be created and organized according to the terms and provisions of Article XVI, Section 59 of the Texas Constitution, Chapter 375 of the Texas Local Government Code, and Chapter 49 of the Texas Water Code (TWC).

Location and Access

The proposed District is located in southern Harris County, Texas, bound by Kirby Drive in the west, Times Boulevard in the north, Greenbriar Drive in the east, and University Drive in the south. The proposed District is located entirely within the corporate limits of the City of Houston (City). Access to the proposed District will be provided by US 59 off of Kirby Drive.

Metes and Bounds Description

The proposed District contains one tract of land totaling 28.7262 acres. The metes and bounds description of the proposed District has been checked by TCEQ staff and has been found to form an acceptable closure.

City Consent

By Ordinance No. 2025-214, approved March 19, 2025, the City granted its consent to the petition for creation of the proposed District. Accordingly, the requirements of Texas Local Government Code Section 42.042 and 30 Texas Administrative Code (TAC) Section 293.11(j)(1)(F) have been satisfied.

Statements of Filing Petition

Evidence of filing the petition with the City Secretary's office, the Harris County Clerk's office, the TCEQ's Houston Regional office, the Texas State Representative, and the Texas State Senator was included in the application.

Type of Project

The proposed District will be considered a "developer project" as defined by 30 TAC Section 293.44(a). Therefore, developer cost participation in accordance with 30 TAC Section 293.47 will be required.

Developer Qualifications

Application material indicates that University Northwest LLC, a Texas limited liability company will develop the proposed District. University Northwest LLC serves as the real estate development and marketing wing of Rice University.

Appraisal District Certificate

By certificate dated February 11, 2025, the Harris Central Appraisal District has certified that the appraisal roll indicates that as of January 1, 2025, the Petitioners represent the owners of the majority in value of the property in the proposed District.

Initial Director Affidavits

The TCEQ has received affidavits for consideration of the appointment of initial directors for the following:

Two-Year Term
Karen Ostrum George
Janet Frances Clark

Four-Year Term
Kenneth Earl Jett
Todd Catlett Litton
Kelly Lynn Fox

Submitted within the application were notarized affidavits for each of the proposed initial directors, indicating that each meets the qualification requirements of Texas Local Government Code Section 375.063.

Pursuant to Texas Local Government Code Section 375.062, the Petitioner requests that the TCEQ divide the initial directors into two groups, with two directors serving two-year terms and three directors serving four-year terms, as indicated above.

Notice Requirements

Proper notice of the application was published on May 9 and May 16, 2025, in the *Houston Business Journal*, a newspaper regularly published or circulated in Harris County, the county in which the District is proposed to be located. Accordingly, the notice requirements of 30 TAC Section 293.12(g) have been satisfied. The opportunity for the public to request a contested case hearing (comment period) expired June 16, 2025.

B. ENGINEERING ANALYSIS

Availability of Comparable Service

The proposed District is within the corporate limits and Certificate of Convenience and Necessity for water and wastewater service of the City. The City will provide water and wastewater service to the proposed District. No other comparable water or wastewater services are available in the area.

Design Considerations

All water, wastewater, storm sewer, and road projects for the proposed District will be designed and constructed in accordance with applicable ordinances and rules adopted by the City, Harris County, and/or the TCEQ. All water and wastewater plans will be submitted to the TCEQ as required for review and approval prior to construction.

Water Supply and Distribution Improvements

The proposed District is located entirely within the corporate limits of the City and will receive retail water service from the City. The proposed District will utilize the existing water distribution system to serve existing and future customers.

The proposed water distribution system will consist of an existing network of arterial and interconnecting loop mains. The design of the water supply and distribution system will be based on a projection of the water demand conditions based on service connections, and the pressure at which it must be supplied.

Wastewater Collection and Treatment Improvements

It is estimated that the proposed District will contain 1,417 equivalent single-family connections (ESFCs) at ultimate development, requiring 425,100 gallons per day of wastewater treatment capacity, using 300 gallons per day per connection. The proposed District will receive wastewater treatment and collection service from the City. The wastewater generated by the proposed District will be treated by a City owned wastewater treatment plant.

The proposed wastewater collection system will predominantly utilize the existing wastewater collection system within the proposed District. The proposed District plans to abandon certain existing wastewater lines along Times Boulevard and along the extension of Morningside Drive. The wastewater collection system primarily consists of existing gravity wastewater lines that flow into collector mains, and eventually to the City's wastewater treatment plant.

Storm Water Drainage System and Drainage Improvements

The stormwater runoff within the proposed District will be collected in curb and gutters streets into flumes or inlets which will convey the flows overland or via underground storm sewer pipes, respectively. Stormwater from the northern portion of the proposed District will be conveyed to drain into existing storm sewers along Rice Boulevard, while stormwater from the southern portion of the proposed District will drain into existing storm sewer lines along Kirby Drive. The proposed storm sewer system will eventually discharge into Brays Bayou. The proposed storm sewer and drainage system will be designed to comply with the City's requirements for 100-year storm events as required for the land uses and development plan.

Road Improvements

The proposed District will fund the improvements to the existing roads. The developer will improve a portion of Times Boulevard, Kirby Drive, Amherst Street, Chaucer Drive, and Greenbriar Drive to provide improvement within the proposed District based on new land uses.

Recreational Facilities

The proposed District will fund park improvements. The developer will construct four park areas along Amherst Drive to provide recreational facilities to the areas of the proposed District depending on land use.

Floodplain

According to Federal Emergency Management Agency Flood Insurance Rate Map No. 48201C0860L, effective June 18, 2007, no portion of land within the proposed District is within the 100-year floodplain.

Topography/Land Elevation

The proposed District is a developed urban landscape of commercial buildings. Much of the natural drainage is in an easterly direction to Brays Bayou via underground storm drainage systems. Elevations range from 50 feet above mean sea level (msl) in the western portion to approximately 45 feet above msl in the eastern portion. The developer has no plans to significantly alter land elevations or the natural topography on the land in the proposed District. Proposed structures are anticipated to maintain a natural state whenever possible. Elevations may be lowered or raised as needed to provide positive drainage. Design of street improvements based on existing natural grades will be optimized to minimize excavation. Flumes and existing draws will be used to convey runoff into creek beds with minimal excavation. Therefore, development of the proposed District is not expected to have an unreasonable impact on land elevation.

Subsidence/Groundwater Level/Recharge

The proposed District will receive retail water service from the City. The City uses both surface and groundwater. The groundwater use is permitted through the Harris Galveston Subsidence District (HGSD). The City obtains a majority of its surface water supply from Lake Houston, and the HGSD is charged with eliminating subsidence in Harris County. Also, the City uses predominately surface water for its water supply. The proposed District is not in a recharge zone and runoff from the proposed development will generally follow existing topographical flow patterns. Therefore, development of the proposed District is not expected to have an unreasonable impact on subsidence, groundwater levels, or recharge.

Natural Run-off and Drainage

Runoff from the proposed District will be collected through existing and proposed storm sewers and will be ultimately discharged into Brays Bayou. All drainage facility construction within the proposed District will be required to obtain plan approval from the City and will comply with all applicable City regulations related to runoff and drainage. Therefore, the proposed District is not expected to have an unreasonable impact on natural runoff or drainage.

Water Quality

All construction within the proposed District will include erosion control measures which comply with the Stormwater Pollution Prevention Plan regulated by the TCEQ. Also, all wastewater will be collected and treated in a wastewater treatment facility that is permitted and approved by the TCEQ, which should minimize the effects on water quality. All drainage projects will be designed to comply with all federal, state, and local regulations, including any regulations related to stormwater quality. Therefore, the proposed District is not expected to have an unreasonable impact on water quality.

Dam Safety Analysis

The TCEQ Dam Safety Program personnel reviewed the location of the District and confirmed by letter dated October 15, 2024, that there are no dam safety issues associated with the proposed District.

C. SUMMARY OF COSTS

WATER, WASTEWATER, AND DRAINAGE

		District's ⁽¹⁾ Share
<u>Construction Costs</u>		
A. Water Distribution System	\$	1,364
B. Wastewater Collection System		616,258
C. Storm Drainage System		4,022,878
D. Contingencies		464,050
E. Engineering Costs		<u>696,075</u>
TOTAL CONSTRUCTION COSTS (73.61% of Bond Issue)	\$	5,800,625
<u>Non-construction Costs</u>		
A. Legal Fees	\$	236,400
B. Fiscal Agent Fees		197,000
C. Interest		
1. Capitalized Interest (1 year at 5.5%)		433,400
2. Developer Interest (2 years at 5.5% of Construction Costs)		638,069 ⁽²⁾
D. Bond Discount (3%)		236,400
E. Bond Issuance Expenses		63,246
F. Bond Application Report Costs		47,280
G. Creation/Organization Expenses		100,000
H. Administration and Operations		100,000

I.	Attorney General Fee (0.10%)	7,880
J.	TCEQ Bond Issuance Fee (0.25%)	<u>19,700</u>
	TOTAL NON-CONSTRUCTION COSTS	\$ 2,079,375
	TOTAL W, WW, & D BOND ISSUE REQUIREMENT	\$ 7,880,000

Notes:

- (1) Assumes 100% funding of anticipated developer contribution items, where applicable.
- (2) Based on developer advancing funds approximately two years prior to reimbursement.

Eligibility of costs for District funding and 30% developer contribution requirements will be determined in accordance with TCEQ rules in effect at the time bond applications are reviewed.

ROADS

		District's	(1)
<u>Construction Costs</u>		<u>Share</u>	
A. Roads	\$	5,576,980	
B. Sidewalk/Streetscape		4,173,464	
C. Contingencies		975,044	
D. Engineering Costs		<u>1,462,567</u>	
TOTAL CONSTRUCTION COSTS (76.29% of Bond Issue)	\$	12,188,055	

Non-construction Costs

A. Legal Fees	\$	479,250
B. Fiscal Agent Fees		399,375
C. Interest		
1. Capitalized Interest (1 year at 5.5%)		878,625
2. Developer Interest (2 years at 5.5% of Construction Costs)		1,340,686 ⁽²⁾
D. Bond Discount (3%)		479,250
E. Bond Issuance Expenses		111,825
F. Bond Engineering Costs		81,959
G. Attorney General Fee (0.10%)		<u>15,975</u>
TOTAL NON-CONSTRUCTION COSTS	\$	3,786,945

TOTAL ROAD BOND ISSUE REQUIREMENT	\$ 15,975,000
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Notes:

- (1) Assumes 100% funding of anticipated devel.03oper contribution items, where applicable.
(2) Based on developer advancing funds approximately two years prior to reimbursement.

A preliminary layout of roads proposed for funding has been provided, and they appear to benefit the proposed District, and the land included within the proposed District. Eligibility of costs may be subject to TCEQ review to be determined in accordance with TCEQ rules in effect at the time bond applications are reviewed.

RECREATIONAL FACILITIES

<u>Construction Costs</u>		District's ⁽¹⁾ <u>Share</u>
A. Landscaped Park	\$	6,560,273
B. Contingencies		656,027
C. Engineering Costs		<u>984,041</u>
TOTAL CONSTRUCTION COSTS (76.53% of Bond Issue)	\$	8,200,341
 <u>Non-construction Costs</u>		
A. Legal Fees	\$	321,450
B. Fiscal Agent Fees		267,875
C. Interest		
1. Capitalized Interest (1 year at 5.5%)		589,325
2. Developer Interest (2 years at 5.5% of Construction Costs)		902,038 ⁽²⁾
D. Bond Discount (3%)		321,450
E. Bond Issuance Expenses		42,873
F. Bond Engineering Costs		32,145
G. Attorney General Fee (0.10%)		10,715
H. TCEQ Bond Issuance Fee (0.25%)		<u>26,788</u>
TOTAL NON-CONSTRUCTION COSTS	\$	2,514,659
 TOTAL RECREATION BOND ISSUE REQUIREMENT	 \$	 10,715,000

Notes:

- (1) Assumes 100% funding of anticipated developer contribution items, where applicable.
- (2) Based on developer advancing funds approximately two years prior to reimbursement.

Eligibility of costs may be subject to TCEQ review to be determined in accordance with TCEQ rules in effect at the time bond applications are reviewed.

D. ECONOMIC ANALYSIS

Land Use

The land use for the proposed District is projected in the following table:

<u>Development</u>	<u>Acres</u>	<u>ESFCs</u>
Mixed-Use Lots ⁽¹⁾	19.8456	1,417
Right-of-Way	8.0702	0
Open Space/Park	<u>0.8104</u>	<u>0</u>
Total	28.7262	1,417

Note:

- (1) Includes 1,850 multi-family units using 0.45 ESFCs per unit; the remaining 584 ESFCs will be used for commercial and retail.

Market Study

A market study, prepared in October 2024 by Location Strategy, LLC, was submitted in support of the creation of the proposed District. The proposed District is expected to include approximately 1,417 ESFCs on a tract totaling approximately 28.7262 acres. The proposed District will be composed of multi-family residential and commercial development and consist of approximately 1,395 multi-family units, 240,000 square feet (ft²) of retail space, 204,000 ft² of office space, 310 hotel keys, and 3,650 parking stalls.

Project Financing

Per the preliminary engineering report, the estimated total assessed valuation of the proposed district at completion is as follows:

<u>Units Planned</u>	<u>Number of Lots</u>	<u>Total Value at Build-Out</u>
Mixed Used (Multi-family residential, commercial, and retail lots)	7	<u>\$1,071,030,031</u>
Total Assessed Valuation		\$1,071,030,031

The application considers an estimated bond issue requirement of \$34,570,000 (\$7,880,000 for utilities, \$15,975,000 for roads, and \$10,715,000 for recreational facilities), assuming 100% financing, a bond coupon rate of 5.5%, and a 25-year bond life; therefore, the average annual debt service requirement would be \$2,577,171 (\$587,449 for utilities, \$1,190,926 for roads, and \$798,796 for recreational facilities). Assuming a 98% collection rate and an ultimate assessed valuation of \$1,071,030,031, a tax rate of approximately \$0.25 (\$0.06 for utilities, \$0.11 for roads, and \$0.08 for recreational facilities) per \$100 assessed valuation would be necessary to meet the annual debt service requirement. An additional \$0.05 per \$100 AV is projected to be levied for maintenance and operating expenses, for a combined proposed District tax rate of \$0.30.

The total 2024 overlapping tax rates on land within the proposed District are shown in the following table.

<u>Taxing Jurisdiction</u>	<u>Tax Rate</u> ⁽¹⁾
Rice Village Management District (District)	\$ 0.424608 ⁽²⁾
City of Houston	0.519190
Houston ISD	0.868300
Harris County	0.385290
Harris County Flood Control District	0.048970
Port of Houston Authority	0.006150
Harris County Hospital District	0.163480
Harris County Education Department	0.004800
Harris County Community College	<u>0.096180</u>
Total Tax Rate	\$ 2.516968

Notes:

- (1) Represents tax rate per \$100 assessed valuation.
- (2) Represents \$0.06 for utilities, \$0.11 for roads, \$0.08 for recreational, \$0.05 for operation and maintenance tax, \$0.124608 for attributable City tax.

Based on the proposed District tax rate and the year 2024 overlapping tax rate on land within the proposed District, the project is considered economically feasible.

Water and Wastewater Rates

According to information provided, the City will provide retail water and wastewater services to the proposed District's customers. The estimated monthly fee for 10,000 gallons of water and wastewater would be \$194.01.

Comparative Water District Tax Rates

A combined projected tax rate of \$0.424608 (\$0.30 District tax rate plus \$0.124608 attributable City tax rate) per \$100 assessed valuation for 100% financing for the proposed District is comparable to other districts in the area. Based on the requirements and the intent of 30 TAC Section 293.59, this project is considered economically feasible. Each particular bond issue will be evaluated based on its own economic feasibility merits and the rules and regulations in place at the time prior to the issuance of any bonds by the proposed District.

E. SPECIAL CONSIDERATIONS

Powers of Municipal Management Districts

Municipal management districts have the general powers granted to conservation and reclamation districts pursuant to Article XVI, Section 59 of the Texas Constitution, including those conferred by Chapter 49, Texas Water Code. Pursuant to Article III, Sections 52 and 52(a) of the Texas Constitution municipal management districts also have the powers and authorities granted to road utility districts which includes the power to levy ad valorem taxes for construction and maintenance of roads, and for the provision of mass transit services. Municipal management districts may borrow money, purchase, or lease property, enter into agreements for joint use of facilities, establish fees for use of district facilities or property, pursue grants from government or private entities, among other things. Municipal management districts do not have the power of eminent domain.

A municipal management district may issue either general obligation or revenue bonds to finance improvements or services. Bonds payable from taxes may only be issued after first holding an election.

F. CONCLUSIONS

1. Based on TCEQ policy, compliance with TCEQ rules, and review of the engineering report and supporting documents, the proposed District is considered feasible and would be a benefit to the land within the proposed District.
2. Based on a review of the preliminary engineering report, market study, the proposed District's water, wastewater, drainage, road, and recreational facilities; a combined projected tax rate of \$0.424608 per \$100 assessed valuation when assuming 100% financing; the proposed District obtaining a 5.5% bond coupon rate; and other supporting data, the proposed District is considered feasible under the intent of the feasibility limits prescribed by 30 TAC Section 293.59.
3. The recommendations are made under authority delegated by the Executive Director of the TCEQ.

G. RECOMMENDATIONS

1. Grant the petition for creation of Rice Village Management District.
2. Appoint the following to serve as initial directors, with terms as noted, until permanent directors are elected and qualified:

<u>Two-Year Term</u>	<u>Four-Year Term</u>
Karen Ostrum George	Kenneth Earl Jett
Janet Frances Clark	Todd Catlett Litton
	Kelly Lynn Fox

3. The order granting the petition should include the following statements:

"This Order shall in no event be construed as an approval of any proposed agreements or of any particular items in any documents provided in support of the petition for creation, nor as a commitment or requirement of the TCEQ in the future to approve or disapprove any particular items or agreements in future applications submitted by the District for TCEQ consideration."

"This Order shall not constitute approval or recognition of the validity of any provision in the City of Houston consent Ordinance No. 2025-214, approved March 19, 2025, and any other ordinance/resolution incorporated therein by reference to the extent that such provisions exceed the authority granted to the City of Houston, by the laws of the State of Texas."

H. ADDITIONAL INFORMATION

The petitioner's professional representatives are:

Attorney: Mr. Sanjay Bapat - Allen Boone Humphries Robinson, LLP
Engineer: Mr. Ken Heroy, P.E. - Jones-Heroy & Associates, Inc.
Market Analyst: Ms. Julie Chang - Location Strategy, LLC