SITE DESIGN AND DEVELOPMENT FEASIBILITY REPORT

Heritage Seniors

Prepared for:

Nantucket Housing, LLC
9219 Katy Freeway, Suite 200
Houston, Texas 77024

February 27, 2018

STATE OF TEXAS

WILLIAM J. KOTLAN
80229
LICENSED PROFESSIONAL ENGINEER

TBPE Firm No. 1046
# Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. EXECUTIVE SUMMARY</td>
<td></td>
</tr>
<tr>
<td>A. Introduction</td>
<td>4</td>
</tr>
<tr>
<td>B. Project Location</td>
<td>4</td>
</tr>
<tr>
<td>C. Summary of Findings</td>
<td>4</td>
</tr>
<tr>
<td>II. BOUNDARY AND TOPOGRAPHIC SURVEY</td>
<td>5</td>
</tr>
<tr>
<td>III. TAXING JURISDICTIONS</td>
<td>5</td>
</tr>
<tr>
<td>IV. SITE REVIEW FINDINGS</td>
<td>5</td>
</tr>
<tr>
<td>A. Project Location</td>
<td>5</td>
</tr>
<tr>
<td>B. Site Observation and Comments</td>
<td>5</td>
</tr>
<tr>
<td>C. Environmental Site Assessment</td>
<td>6</td>
</tr>
<tr>
<td>D. Geotechnical Report</td>
<td>6</td>
</tr>
<tr>
<td>V. GOVERNMENTAL/ REGULATORY ISSUES</td>
<td>6</td>
</tr>
<tr>
<td>A. Subdivision Plat</td>
<td>6</td>
</tr>
<tr>
<td>B. Zoning</td>
<td>6</td>
</tr>
<tr>
<td>C. Building Permits</td>
<td>7</td>
</tr>
<tr>
<td>D. Detention Requirements</td>
<td>7</td>
</tr>
<tr>
<td>E. Sediment Control and Water Quality Requirements</td>
<td>8</td>
</tr>
<tr>
<td>F. Ingress and Egress Requirements</td>
<td>8</td>
</tr>
<tr>
<td>G. Floodplain Review</td>
<td>8</td>
</tr>
<tr>
<td>H. Environmental/ Wetlands Review</td>
<td>8</td>
</tr>
<tr>
<td>I. Future Roadway Plans</td>
<td>8</td>
</tr>
<tr>
<td>J. Other Approvals</td>
<td>8</td>
</tr>
<tr>
<td>K. Assessments, Fees, Schedule</td>
<td>9</td>
</tr>
<tr>
<td>VI. UTILITY SERVICES</td>
<td>9</td>
</tr>
<tr>
<td>A. Public Utility Information</td>
<td>9</td>
</tr>
<tr>
<td>B. Private Utility Information</td>
<td>10</td>
</tr>
<tr>
<td>VII. PRELIMINARY SITE PLAN</td>
<td>10</td>
</tr>
<tr>
<td>VIII. ENTITLEMENT SUMMARY</td>
<td>11</td>
</tr>
</tbody>
</table>
TABLES

TABLE 1  SUMMARY OF TAXING JURISDICTIONS  5
TABLE 2  ESTIMATE OF DEVELOPMENT FEES AND SCHEDULE  9

APPENDICES

Exhibit 1  Project Location Map
Exhibit 2  Preliminary Site Plan
Exhibit 3  Heritage Plaza Section I Final Plat
Exhibit 4  Aerial of Existing Site
Exhibit 5  Environmental Site Assessment (Phase I)
Exhibit 6  FEMA Map
Exhibit 7  Water & Sewer Will Serve Letter
Exhibit 8  Electricity Will Serve Letter
Exhibit 9  Cable/ Telephone Will Serve Letter
I. EXECUTIVE SUMMARY

A. Introduction
The scope of this investigation is to review the site conditions and development requirements for a multifamily development proposed on a 4.09 acre site forming a portion of Reserve B of Heritage Plaza Section 1 in the John Corner Survey, A-8 of Montgomery County, Texas.

B. Project Location
The location of the site as shown on Exhibit 1 is south of Flagship Boulevard just east of FM 149 in the city limits of Montgomery, Texas. The site is cleared and is adjacent to Heritage Plaza Apartments to the west and the Randall ranch to the south and east.

C. Summary of Findings
This investigation included a topographic survey of the site as well a preliminary evaluation of the site for drainage, flood, and aquatic features. City and County officials were consulted regarding water and sewer service; applicable zoning, subdivision, fire, and building codes; and local design requirements for drainage, ingress and egress, and utilities.

BGE, Inc. has conducted this site design and development feasibility study as required by Texas Administrative Code Title 10, Part 1, Chapter 10, Rule 10.205 in accordance with professional standards. A summary of findings is as follows:

1. The site appears to be suitable for development for the proposed project including 80 apartment units. The local development agency is the City of Montgomery, Texas. A variance of the zoning ordinance requirement for 2.0 parking spaces per unit is recommended based industry standards for senior apartments.

2. Drainage from the site will be mitigated in accordance with City of Montgomery standards in an existing regional detention pond designed for that purpose and discharged into Stewart Creek.

3. Water and sewer utilities are available to the site and will be accessed by connecting to Phase I utilities extended for that purpose. Electric, gas, telephone, and cable/internet services are available to the site.

5. The City of Montgomery has contracted with Montgomery County Fire Marshal for fire code permit review and inspection.

II. BOUNDARY AND TOPOGRAPHIC SURVEY

A plat of the property is included in Exhibit 3. The proposed site is shown on Exhibit 2 and is located along the southern boundary of Reserve B of the plat. The project is Phase II of an integrated apartment project located on the property.

III. TAXING JURISDICTIONS

The following table includes all of the taxing jurisdictions related to the site and the ad valorem tax rate for each jurisdiction.

<table>
<thead>
<tr>
<th>Taxing Jurisdiction</th>
<th>2017 Tax Rate ($/$100 Value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Services District # 2</td>
<td>0.1000</td>
</tr>
<tr>
<td>City of Montgomery</td>
<td>0.4155</td>
</tr>
<tr>
<td>Montgomery County</td>
<td>0.4667</td>
</tr>
<tr>
<td>Montgomery County Hospital District</td>
<td>0.0664</td>
</tr>
<tr>
<td>Montgomery Independent School District</td>
<td>1.3700</td>
</tr>
<tr>
<td>Total Tax Rate</td>
<td><strong>2.4186</strong></td>
</tr>
</tbody>
</table>

IV. SITE REVIEW FINDINGS

A. Project Location

The proposed site is located in Montgomery County, Texas near the intersection of FM 149 and SH 105. The site is within Precinct 2 of Montgomery County and is in the city limits of Montgomery. The site location is shown on Exhibit 1 – Project Location Map.

B. Site Observation and Comments

The site is a cleared commercial site originally developed in 2001 as part of the Montgomery Trace Center, a commercial shopping center. An aerial photograph of the property is shown in Exhibit 4 Aerial of Existing Site.
Soils on the site include a mixture of sand and clay that have been leveled and filled in preparation for development. The site drains toward the south to a tributary of Stewart Creek.

The site is adjacent to Stewart Creek. According to the boundary survey shown in Exhibit 3, the site is located in Zone X of the creek and will not be subject to the floodplain ordinance. A copy of the FEMA Firm Map for the area is included in Exhibit 6.

C. Environmental Site Assessment

A Phase I Environmental Assessment was conducted by Phase Engineering and is included in Exhibit 5. This report did not identify any issues that would negatively affect development.

D. Geotechnical Report

A geotechnical report for the site has been prepared by MTEC Companies, Inc. The building foundations and pavements will be designed in accordance with the information and recommendations of the report.

V. GOVERNMENTAL/REGULATORY ISSUES

A. Subdivision Plat

1. Subdivision Platting – The site is currently platted in accordance with the subdivision codes of the City of Montgomery.

2. Development Codes – The project is currently on a developed tract with access to public water and sewer. No public utility extensions or roads are required for the project.

B. Zoning

The site was zoned R-2 Multifamily on July 15, 2014 - ordinance 2014-08 at this site:

Requirements of the zoning ordinance have been considered in the preliminary design which include:

1. No building shall exceed 45 feet tall or 3 stories.

2. Building lines of 25 feet.

3. Visual barrier on side and back property lines.

4. Lot dimensions are in accordance with plat.
5. Parking of 2 spaces per unit. 1.50 parking spaces per unit are provided. A variance of the zoning ordinance is recommended based on industry standards for senior apartments.

C. Building Permits

Building permits as discussed below will be required by the City of Montgomery. All of these requirements listed below have been accounted for in the preliminary design and budgets for the project.

1. **Fire Code Permit** – Building plans must be submitted to the Montgomery County Fire Marshal for review for compliance with the 2015 International Fire Code and Amendments approved by Montgomery County found at the following link.


Several items that may affect the design and cost of the project are as follows:

   a) Emergency Vehicle Access: The proposed site plan is designed to provide emergency vehicle access as required by the fire code.

   b) Lock Boxes: Lock boxes shall be provided to facilitate entry into locked areas by emergency personnel.

2. **Building Permit** – The City of Montgomery has adopted the 2015 International Building Code as amended by ordinance as found in the link below.

   City Ordinances and Codes

   https://www.municode.com/library/tx/montgomery/codes/code_of_ordinances

D. Detention Requirements

Runoff mitigation is required and has been designed for the site in an existing regional detention pond which discharges to Stewart Creek.

E. Sediment Control and Storm Water Quality Requirements

National Pollution Discharge Elimination System (NPDES) rules are administered by the Texas Commission on Environmental Quality (TCEQ). These rules provide federal guidelines for storm water management. For property development, the main objective of the
NPDES is to control sediment conveyance and subsequent siltation during construction through the use of erosion/sedimentation controls. Since the site is more than 1 acre, a Stormwater Pollution Prevention Plan addressing sediment controls must be prepared and remain active on the site during construction. The TCEQ must be notified before the start of construction and after project completion. Permanent stormwater quality features are not required.

F. Ingress and Egress Requirements
The development will access Flagship Blvd, which is regulated by the City of Montgomery. Flagship is connected to FM 149 on the west and to SH 105 on the north. A secondary entrance to Flagship Blvd is provided through Phase I of the apartments. Because of the low volume of traffic generated by the project, a Traffic Impact Analysis will not be required.

G. Floodplain Review
The site is located on Flood Insurance Rate Map Number 48339C0189F, revised August 18, 2014 (Exhibit 6). According to the survey included in Exhibit 3, the site is located in Zone X and is not in the 100-year floodplain.

H. Future Roadway Plans
No future roadway plans are known at this time.

I. Other Approvals
Building and site construction plans shall also be designed in accordance with 2012 Texas Accessibility Standards which are found at the following link.

http://www.tdlr.texas.gov/ab/2012TAS/2012tascomplete.pdf

Regulations require that the plans are reviewed and approved by the Texas Department of Licensing and Regulations or a Registered Accessibility Specialist.
J. Assessments, Fees, Schedule

Following is a table with an estimate of development regulatory fees and schedule for the project presented for planning purposes. Fees and review times are subject to change and are presented as an estimate only.

### TABLE 2 – ESTIMATE OF DEVELOPMENT FEES AND SCHEDULE

<table>
<thead>
<tr>
<th>Item</th>
<th>Estimated Fee</th>
<th>Estimated Schedule</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Permit/Plan Review Fee</td>
<td>$26,750</td>
<td>60 Days</td>
<td>Montgomery City</td>
</tr>
<tr>
<td>Fire Permit</td>
<td>$5,000</td>
<td>60 Days</td>
<td>Montgomery County</td>
</tr>
<tr>
<td>Accessibility</td>
<td>$1,750</td>
<td><strong>60 Days</strong></td>
<td>TAS Reviewer</td>
</tr>
<tr>
<td>Notice of Intent</td>
<td>NA</td>
<td>10 Days</td>
<td>TCEQ</td>
</tr>
<tr>
<td>Total</td>
<td>$33,500</td>
<td><strong>130 Days</strong></td>
<td></td>
</tr>
</tbody>
</table>

** Reviews that can be done simultaneously with other activities and do not add to the Permitting Schedule.

***Total Schedule does not include design time or time for resubmittals.

Note:

VI. UTILITY SERVICES

A. Public Utility Information

Water and Wastewater utility services are available from the City of Montgomery (contact: (936)-597-6434). A copy of their “Will Serve” letter is included in Exhibit 7.

1. Water

There is a 12-inch water line along the north side of Flagship Boulevard. The proposed development will connect to an existing 8-inch water line which is then connected to the 12-inch water main at Flagship Blvd. Each building will be served with a 6-inch fire line and a 1-1/2 inch domestic line.

2. Sanitary

Sanitary sewer will be connected to an existing 8-inch sanitary sewer line located adjacent to the project.

3. Storm

On site storm sewer will discharge to the detention pond which
discharges to Stewart Creek.

B. Private Utility Information

1. Electric

   Electric power service will be provided by Entergy. A copy of their “Will Serve” letter is included as Exhibit 8. Contact information for Entergy’s account representative is as follows:

   Entergy Business Center
   1-800-766-1648

2. Telephone, Cable and Internet

   Consolidated has confirmed that they are able to provide telephone, cable and internet service to the site. A copy of their “Will Serve” letter is included as Exhibit 9. Contact information for their account representative is as follows:

   Consolidated Communication
   1-800-500-9000

3. Gas

   LDC Gas has confirmed they are able to provide natural gas service to the development. Contact information for their account representative is as follows:

   Larry Corley
   LDC Gas
   (936) 539-3500

VII. PRELIMINARY SITE PLAN

Based on the results of the Site Design and Development Feasibility Study, a preliminary site plan has been prepared and is included as Exhibit 2.
VIII. ENTITLEMENT SUMMARY

BGE, Inc. has performed a professional level of due diligence as required by Texas Administrative Code Title 10, Part 1, Chapter 10, Rule 10.205. We have contacted the relevant officials of Montgomery County and the City of Montgomery as well as private utilities. It is our professional opinion that the proposed 80 unit apartment complex can be developed on the referenced site.

The development process will be regulated primarily by the City of Montgomery. Details of regulations, fees, and schedules are included above.

Water and sewer service is available from the City of Montgomery in accordance with their Utility Ordinance. Electric, Telephone, Cable, and Gas services are also available.

Other agencies with potential regulatory influence are Montgomery County Fire Marshal, Texas Department of Licensing and Regulation (accessibility standards), and Texas Commission on Environmental Quality (construction stormwater discharge).

Unusual development issues are summarized as follows:

- City of Montgomery has adopted various development ordinances as well as the 2015 International Building Code, 2015 International Fire Code, and 2014 National Electric Code. A variance of the city zoning ordinance requirement for 2.0 parking spaces per unit is recommended.
- Drainage from the site will be mitigated in accordance with City standards and released into Stewart Creek on site.
- Montgomery County Fire Marshal shall review plans and conduct inspections in connection with Fire Code Permit.
Exhibit 1

Project Location Map
Land Tracts
Montgomery County MUDs
City of Conroe Planning Area
Parcel
Texas Counties

Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand), OpenStreetMap contributors, and the GIS User Community

Disclaimer: Every effort has been made to ensure the accuracy of the basemap data. Brown & Gay Engineers, Inc. assumes no liability or damages due to errors or omissions.

Heritage Plaza Phase II - Location Map
Exhibit 2

Preliminary Site Plan
This Preliminary Site Plan is released for planning purposes under the authority of William J. Kotlan, PE No. 80229 on February 27, 2018. It is not to be used for building permits, bidding or construction.

This Preliminary Site Plan materially adheres to all applicable zoning, site development, and building code ordinances.
Exhibit 3

Heritage Plaza Section 1 – Final Plat
Exhibit 4

Aerial of the Existing Site
Exhibit 5

Environmental Site Assessment (Phase I)

Phase Engineering

February 28, 2018

(Under a Separate Cover)
Exhibit 6

FEMA Firm Map
Exhibit 7

Water & Sewer Will Serve Letter
January 28, 2015

Mr. Matt Fuqua
Blazer Building, Inc.
9219 Katy Freeway, Suite 264
Houston, Texas 77024

Re: Heritage Plaza - Plat
The City of Montgomery

Mr. Fuqua:

We are writing this letter in response to your request to verify that the City of Montgomery (the "City") has capacity to serve the Heritage Plaza development described in the referenced plat. The City has existing water and sanitary sewer facilities along FM 149 and Flagship Boulevard to serve the development. These lines and the City's water supply and wastewater treatment facilities have capacity to serve the development.

If you have any questions or need any additional information, please contact Ed Shackelford, P.E. or myself.

Sincerely,

Jack Yates
Interim City Administrator

EHS/gef:lr2
P:\PROJECTS\W5841 - City of Montgomery\W5841-1001-00 Heritage Plaza Letters\Heritage Plaza Plat Letter.doc
cc: Mr. Kirk Jones – City of Montgomery, Mayor Pro Tem
Ms. Ashley Slaughter – City of Montgomery, City Clerk
Exhibit 8

Electricity Will Serve Letter
February 22, 2016

Matt Fuqua  
9219 Katy Freeway  
Houston, Texas 77024

Attention: Mr. Fuqua

RE: Service Availability  
Heritage Plaza – Phase 2  
Flagship Boulevard  
Montgomery, TX 77356

Dear Mr. Fuqua:

Entergy can provide electrical service to Heritage Plaza – Phase 2 located on Flagship Boulevard in Montgomery, Texas 77356. Extension of electric service is subject to Entergy’s Electric Extension Policy as filed with the Public Utility Commission of Texas. Application for service has been received and Entergy has begun the distribution design process.

If you have any other questions, please contact me at (936)-760-7422.

Sincerely,

John (Bernard) Henderson, Jr.  
Field Engineer  
West Region Engineering  
Entergy Texas, Inc.
Exhibit 9

Cable/ Telephone Will Serve Letter
February 9, 2018

Matt Fuqua
Nantucket Housing
4001 W Sam Houston Pkwy, Suite 100
Houston, TX 77043

RE: Phone, DSL & Video Services for Heritage Plaza Sec 1, Res B in
Montgomery, Texas

Dear Customer:

Consolidated Communications has facilities in place and will be able to provide
Phone, DSL & Video Services to Heritage Plaza at Flagship Boulevard in
Montgomery, Texas. To order service or to inquire about the different charges and
features that are offered, please call the Consolidated Communications business
service center at 1-800-500-9000. If you have specific questions concerning our
requirements for entrance cable and termination equipment, please call me at 936-
521-5870.

Sincerely,

Troy Allen Neumann
OSP Engineering