

MINUTES OF THE
MIDTOWN MANAGEMENT DISTRICT
BOARD OF DIRECTORS MEETING

July 1, 2015

The Board of Directors of the Midtown Management District held a meeting, open to the public, on July 1, 2015 at 11:00 a.m. in the 3rd floor conference room located at 410 Pierce Street, Houston, Texas 77002, inside the boundaries of the District, and the roll was called of the duly appointed members of the Board, to-wit:

Darcy John Lefsrud
Diane Cervenka
Jacques Fox
Allen Douglas
Kim Cook
Monte Large
Willie Coleman
Deborah Tyler Dillard
Eileen J. Morris

John Castillo
Marylene Chan
William R. Franks
Debra McGaughey
Gary Noble
Charles Washington
Amar Mohite
Nancy J.W. Darst

All of the above were present except Directors Mohite and Castillo, thus constituting a quorum

In addition, present at the meeting were Cynthia Alvarado, Elizabeth Powell, and Kandi Schramm; Peggy Foreman of Burney & Foreman; Lewis Goldstein; Jordan Davis and Anna Jarowicz.

Cynthia Alvarado called the roll of the Board of Directors and verified that a quorum was present.

Chair Franks called the meeting to order and welcomed everyone.

RECEIVE PUBLIC COMMENTS.

Guests in attendance were invited to introduce themselves and address the Board on any issues of concern.

Lewis Goldstein a Midtown resident, shared his concerns about car break-ins in the 300 block of Dennis Street. He expressed the need for more police patrol and enforcement to reduce the number of burglary of motor vehicles. Chairman Franks stated he would have the Staff raise the issue with the Houston Police Department (HPD) and reminded everyone that any suspicious activity should be reported to HPD immediately.

APPROVE BOND, OATH AND SWORN STATEMENT FOR NEW BOARD MEMBERS.

Chair Franks announced that City Council had voted to appoint and reappoint Board members as recommended. Kandi Schramm administered the oath of office to newly appointed Board member, Darcy John Lesfrud.

Director Coleman made a motion to approve the Bond, Oath and Sworn Statement of the new Board member. Director Cook seconded the motion which carried by unanimous vote.

CONSENT AGENDA

- a. Approve Minutes for the June 3, 2015 Board meeting.
- b. Approve the financial report for the month of April 2015.
- c. Approve the payment invoices for June 2015.
- d. Approve Equi-Tax Report for June 2015.

Director Coleman made a motion to approve the Consent Agenda as presented. The motion was seconded by Director Large and carried by unanimous vote.

REVIEW, DISCUSS AND TAKE NECESSARY ACTION REGARDING THE TRI-PARTY AGREEMENT BETWEEN THE DISTRICT, MIDCORP AND THE MIDTOWN REDEVELOPMENT AUTHORITY FOR CERTAIN MANAGEMENT AND MAINTENANCE SERVICES

Peggy Foreman gave a brief presentation regarding the Tri-Party Agreement between the District, the Midtown Redevelopment Authority (the "Authority"), and the Midtown Improvement and Development Corporation ("MidCorp") for certain management and maintenance services (the "Agreement"). Ms. Foreman explained the major terms of the Agreement pursuant to which MidCorp would manage and maintain certain capital improvements in Midtown. Ms. Foreman stated that the Agreement allows for a one-time payment of \$250,000 from the District to MidCorp in July 2015. She stated that the \$250,000 would be used to pay the costs of maintaining certain improvements defined as the "Legacy Improvements" from July to December 2015, perform some deferred maintenance on such Legacy Improvements and to establish a Repair and Replacement Fund. Ms. Foreman further stated that beginning February 1, 2016 and continuing for each year thereafter during the term of the Agreement, the District will pay \$200,000 per year to MidCorp to pay the costs of maintaining the Legacy Improvements. She also stated that for new improvements, the Authority and the District will share the maintenance costs on a 50%-50% basis, provided the District Board agrees to assume maintenance responsibility for such new improvements. Finally, she stated that the Parties will reconsider the payment amount and arrangements in 2018, once more actual cost data has been gathered.

Director Coleman made a motion to approve the Tri-Party agreement between the District, MidCorp, and the Midtown Redevelopment Authority as presented. The motion was seconded by Director Washington. Several Board members asked questions regarding the Agreement, which Ms. Foreman answered. Following all discussion, the motion carried by unanimous vote.

RECEIVE COMMITTEE ACTIVITY REPORTS AND REVIEW, DISCUSS AND TAKE NECESSARY ACTION REGARDING THE FOLLOWING, AS APPROPRIATE:

A. Public Safety Committee – John G. Castillo, Chair

Cynthia Alvarado reported on the activities of the Public Safety Committee. She stated that according to law enforcement reports overall crime is down in Midtown, however auto thefts are up slightly, and BMVs are down in the Central Division and up slightly in

the South Central Division. She further reported that HPD continues to monitor area night clubs to ensure they are in compliance with various state and local laws.

i. AMENDING THE CURRENT SMC LOGISTICS AGREEMENT TO INCLUDE LIGHT SURVEY OF ALL MIDTOWN PARK SPACES.

Ms. Alvarado reported that the Public Safety Committee had received calls and emails regarding lights being out in Baldwin Park and other areas of Midtown and that the Committee was recommending that a survey of lights in the parks in Midtown be included as part of the current bimonthly Street Light Survey Project. She stated that under a proposal from the current vendor, the initial cost would be \$100 and \$75 for each month thereafter. Ms. Alvarado stated that the vendor would walk the Midtown park spaces bimonthly and identify any light outages and report them to the District.

Director Noble made a motion to approve amending the current agreement with SMC Logistics to include a light survey of the parks in Midtown. The motion was seconded by Director Darst and carried by unanimous vote.

Cynthia Alvarado announced that the next Public Safety Committee meeting will be held on Tuesday, July 21, 2015, at 11:30 a.m. in the District's offices.

B. Marketing Committee

Elizabeth Powell reported on the activities of the Marketing Committee. She stated that Phase II of the Website development has been completed and is currently being tested, with an expected launch date in the next few weeks. Ms. Powell stated that the Committee is continuing to work on the Cultural Arts and Entertainment Guide.

C. Service & Maintenance Committee

i. REQUEST TO USE FUNDS FROM RESERVE ACCOUNT TO PAY FOR IRRIGATION SYSTEM REPAIRS.

Elizabeth Powell presented a request from the Service & Maintenance Committee to use a total of \$25,000, consisting of \$10,000 from the Elgin Street PROW Capital Reserve Account and \$15,000 from the funds on reserve in the Central Bank Certificate of Deposit to pay the costs of repairing the irrigation systems in the Elgin Street esplanade and in Baldwin Park.

Director Large made a motion to use \$10,000 from the Elgin Street PROW Capital Reserve Account and \$15,000 from the funds on reserve in the Central Bank Certificate of Deposit to pay the costs of repairing the irrigation systems in the Elgin Street esplanade and in Baldwin Park. The motion was seconded by Director Morris and carried by unanimous vote.

ii. AUTHORIZE ASSIGNMENT OF CERTAIN MAINTENANCE CONTRACTS TO MIDCORP.

Ms. Foreman reminded the Board that maintenance of the Main and Bagby Street Improvements were included in the Legacy Improvements and that maintenance responsibility for the Main & Bagby Street Improvements was being transferred to MidCorp. She further explained that the District's existing contracts for maintenance of Main & Bagby Street Improvements could be assigned to MidCorp for the term remaining.

Director McGaughey made a motion to Authorize Assignment of the Main and Bagby Street Contracts to MidCorp. The motion was seconded by Director Dillard and carried by unanimous vote.

D. Urban Planning Committee – Monte Large, Chair

Director Large reported on the activities of the Urban Planning Committee. He stated that the Authority owned property near Walgreen's has been determined to be a good location for a new B-Cycle station. He further reported that a survey had been ordered to determine if the property would be a suitable location for a new B-Cycle Station.

E. Finance Committee – Marylene Chan, Chair

Director Chan reported on the District's finances noting that approximately 96% of the 2014 assessments have been collected. She stated the Committee was reviewing the FY 2015 Budget and expenditures to determine if a budget amendment would be necessary.

i. TRANSFER \$25,000 FROM RESERVE ACCOUNT TO OPERATING ACCOUNT TO PAY THE COST OF REPAIRING THE IRRIGATION SYSTEM IN CERTAIN AREAS OF BALDWIN PARK AND ON THE ELGIN ESPLANADE.

The Finance Committee is recommending that \$10,000 from the Elgin Street PROW Capital Reserve and \$15,000 from the funds on reserve in the Central Bank Certificate of Deposit be transferred to the District's Operating Account to cover the anticipated cost to repair the irrigation systems in the Elgin Street esplanade and in Baldwin Park.

Director Darst made a motion to approve a transfer of \$10,000 from the Elgin Street PROW Capital Reserve and \$15,000 from the funds on reserve in the Central Bank Certificate of Deposit to the Operating Account to pay the cost of repairing the irrigation systems in the Elgin Street esplanade and in Baldwin Park. The motion was seconded by Director Washington and carried by unanimous vote.

ii. TRANSFER \$250,000 FROM RESERVE ACCOUNT TO FUND CERTAIN MAINTENANCE OBLIGATIONS PURSUANT TO THE AGREEMENT WITH MIDCORP.

Director Noble made a motion to approve the transfer of \$250,000 from the Parks Capital Reserve Account to fund certain maintenance obligations and a repair and replacement fund pursuant to the Tri-Party Agreement between the District, the Authority, and MidCorp. The motion was seconded by Director Dillard and carried by unanimous vote.

F. Cultural Arts & Entertainment – Eileen Morris, Chair

Director Morris reported on the activities of the Cultural Arts & Entertainment Committee. She reported the Committee continues to work with the Core Committee for the Cultural Arts Master Plan (CAMP). Director Morris reported that the CAMP Core Committee has outlined 15 Programs, 11 Policies and 11 Projects which are all key to the future success of the Cultural Arts and Entertainment District. Director Morris stated that the Committee wants to move funds from other Committee projects and use approximately \$25,000 of such funds to expand their work on the CAMP in order to develop a more comprehensive cultural arts master plan. Director Morris reiterated how important it is to have a fully developed and complete CAMP since it is critical to getting grant funding for other cultural arts projects and for planning for the next 10 years.

Cynthia Alvarado announced that the Committee was sponsoring a Jazz Concert in Bagby Park on Friday, July 10, 2015 from 12:30 to 1:30 p.m. and invited all to attend.

G. Nominating Committee – Debra McGaughey, Chair

Director McGaughey reported that the New Board Member Orientation was held on June 9, 2015.

H. Service and Improvement Plan – Willie Coleman, Chair

i. UPDATE REGARDING THE PETITIONS REQUESTING SERVICES AND IMPROVEMENTS FROM THE MIDTOWN MANAGEMENT DISTRICT.

Director Coleman stated that the District has secured 62 Petitions representing approximately 5.77% of assessed property value. Director Coleman asked the Board and Staff to continue working hard to obtain more signed petitions from Midtown property owners. Peggy Foreman reported that Clark Lord with Bracewell and Giuliani will take the lead role in reviewing the Petitions and advising the District regarding the public hearing and that a date for the public hearing is expected to be announced at the annual meeting in August 2015.

I. Executive Committee – William Franks, Chair

Chairman Franks reported that the Executive Committee meeting was canceled due to inclement weather. He advised the Board that MidCorp is looking for ideas for programming at Bagby Park and invited Board members to offer ideas and suggestions.

REPORT ON CAPITAL PROJECTS OF THE MIDTOWN REDEVELOPMENT AUTHORITY (MRA).

Kandi Schramm gave the following report on the status of the current MRA capital improvement projects:

Bagby Park Project – The kiosk tenant is finalizing tenant improvements and anticipates completion of kiosk build out and opening by end of June 2015. The park opening event will be rescheduled in consideration of the summer weather.

Midtown Park Project – Construction continues with excavation for the underground parking garage. Some progress has been made with start of concrete pours for column footings. Retail consultants are working to finalize the terms of an agreement with a prospective restaurant operator. The Design Team is updating core and shell design schemes to provide to the prospective restaurant tenant for review and feedback.

Caroline Street Project – Staff and consultants met with Mayor’s office to further discuss the request for an Interlocal Agreement for reimbursement of costs associated with utility replacements (water, wastewater, and storm sewer). The Mayor’s office will continue discussions with COH Public Works department regarding the funding request. TxDOT has delayed the decision to award the project until more information is available regarding funding.

Holman Street Project – The bid opening for the Holman Street Project was held on June 22, 2015. Two contractors attended the bid opening but only one submitted a bid. That contractor’s bid was approximately \$3 Million more than the engineer’s construction estimate. Staff and consultants are reviewing the bid to assess overruns and determine next steps for the Project.

Main Street Improvements Project – The Main Street Master Plan Project will include capital improvements in the public right-of-way along Main Street from Pierce to Wheeler. Improvements to the rail transit corridor will include landscaping, street furniture, and other pedestrian-related infrastructure to encourage redevelopment and support existing developments along Main Street. The Main Street Project will provide an enhanced rail transit corridor to increase comfort and safety for pedestrians and offer unique identity branding through Midtown.

WITH RESPECT TO THE FOREGOING AGENDA ITEMS, CONDUCT AN EXECUTIVE SESSION WITH REGARDS TO THE FOLLOWING, AS APPROPROATE AND NECESSARY.

- a. Consultation with attorney (Section 551.071, Texas Government Code);
- b. Personnel matters (Section 551.074, Texas Government Code).

There was no executive session.

ANNOUNCEMENTS

Chairman Franks reminded Board Members about the first event at Bagby Park, a Jazz Concert called “Live at Lunch” to be held on Friday, July 10, 2015 and encouraged everyone to come out and enjoy the new park.

NEXT MEETING DATE

Chairman Franks announced that the Annual Midtown Management District Board meeting will be held on Wednesday, August 5, 2015, at 6:00 p.m. at Houston Community College-Central Campus in the HUB, 1300 Holman St., Houston, TX 77004. He stated that the Staff will issue press releases and general information about the meeting in the next two weeks.

ADJOURN

There being no other business, the meeting was adjourned.



Eileen J. Morris, Board Secretary

Date: 9/2/15