



**MIDTOWN REDEVELOPMENT AUTHORITY  
and**

**REINVESTMENT ZONE NUMBER TWO, CITY OF HOUSTON, TEXAS  
(ALSO KNOWN AS THE MIDTOWN REINVESTMENT ZONE)**

**TO: THE BOARD OF DIRECTORS OF THE MIDTOWN REDEVELOPMENT AUTHORITY AND THE MIDTOWN REINVESTMENT ZONE AND TO ALL OTHER INTERESTED PERSONS:**

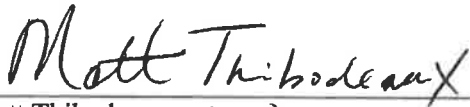
Notice is hereby given that the Board of Directors of the Midtown Redevelopment Authority (the "Authority") will hold a **joint regular** meeting, open to the public, with the Board of Directors of the Midtown Reinvestment Zone to be held on **Thursday, August 30, 2018 at 12:30 P.M.** on the **3rd Floor of the Houston Technology Center Phase II, 410 Pierce Street, Suite 355, Houston, Texas**. The Board of Directors of each of the Authority and the Midtown Reinvestment Zone will (i) consider, present and discuss orders, resolutions or motions; (ii) adopt and approve such orders, resolutions or motions; and (iii) take other actions as may be necessary, convenient or desirable, with respect to the following matters:

**AGENDA**

1. Call to Order and Introduction of Guests.
2. Public Comment.
3. Consent Agenda for the Midtown Reinvestment Zone:
  - a. Minutes for July 26, 2018.
4. Consent Agenda for the Authority:
  - a. Minutes for July 26, 2018;
  - b. Monthly financial reports for July 2018;
  - c. Invoices from Trustee and Operating Accounts for August 2018;
  - d. Ford Momentum Agreement;
  - e. Annual renewal of Professional Services Agreement with IDS Engineering Group;
5. Amended & Restated Administrative Policy and Amended & Restated Employee Manual.
6. Municipal Advisor Engagement Letter with Masterson Advisors.

7. Caydon Development Agreement.
8. Midtown Affordable Housing Program:
  - a. Resolution – Land Acquisitions;
  - b. Affordable Housing Development Update.
9. Midtown Capital Improvements Program:
  - a. Parks and Greenspace - Walter P Moore / Design Workshop
    - i. Midtown Park
      1. Approve Garage Change Orders – Camden
      2. Approve Park Change Orders – Millis
    - ii. Entry Portals
      1. Approve Change Orders – B&D Contractors
  - b. HCC Capital Projects - IDS Engineering
    - i. Holman Street Pedestrian Enhancements
      1. Approve Change Orders – SER
  - c. Main Street Enhancements - Walter P. Moore / Design Workshop
    - i. Approve Change Orders – SER
  - d. Caroline Street Reconstruction – ESPA Corp/KCI
    - i. Approve Change Orders
  - e. FTA Grant Program - The Goodman Corporation
10. With respect to the foregoing agenda items, the Authority may conduct an executive session with regard to the following, as appropriate and necessary:
  - a. Consultation with attorney (Section 551.071, Texas Government Code);
  - b. The purchase, exchange, lease or value of real property (Section 551.072, Texas Government Code);
  - c. Personnel matters (Section 551.074, Texas Government Code);
  - d. Security personnel or devices (Section 551.076, Texas Government Code); and
  - e. Economic development negotiations (Sections 551.087, Texas Government Code).

Upon entering into the executive session, the presiding officer shall announce which agenda items will be discussed.
11. Adjourn.

  
 \_\_\_\_\_  
 Matt Thibodeaux (SA)  
 Executive Director



**MINUTES OF THE BOARD OF DIRECTORS OF  
REINVESTMENT ZONE NUMBER TWO, CITY OF HOUSTON, TEXAS**

**July 26, 2018**

A regular meeting of the Board of Directors (the "Board") of the Reinvestment Zone Number Two, City of Houston, Texas (the "Zone"), a non-profit corporation, was held at the Midtown Redevelopment Authority's offices in the Houston Technology Center, 410 Pierce, Houston, Texas 77002, on Thursday, July 26, 2018, at 12:30 p.m. The meeting was open to the public. The roll was called of the duly appointed members of the Board, to-wit:

<u>Pos. #</u>	<u>Name</u>	<u>Pos. #</u>	<u>Name</u>
1	Camille Foster	6	Abe Goren
2	Doug Erwing	7	Caton M. Fenz
3	Vacant	8	John Thomas
4	Pamela Ngo Castleman	9	Brandon Dudley
5	Al Odom		

and all of the above were present with the exception of Directors Castleman, Odom and Thomas.

Also in attendance were Kandi Schramm, Sally Adame; Marlon Marshall, Todd Edwards, Jalisa Hurst, Amaris Salinas, Mechelle Phillips and LaMorris McClendon of Midtown; Barron Wallace of Bracewell LLP; Rachel Rae and Erin Friedrichs of Walter P. Moore; Carol Harrison of IDS Engineering; Jim Webb of The Goodman Corporation; Alex Ramirez and Emily Risinger of Design Workshop; Rebecca Leonard of Lionheart; Roberta Burroughs, Algenita Davis, Angie Gomez, Susanne Kartze, Joy Fitzgerald & Robert Bradford of CCPPI; Jeri Brook of One World Strategy Group; Jon Ward and Giovanni Pena of Kirksey; Jennifer Curley of the City of Houston; Jackie Swindle of Houston Community College; Grant Georgia of Navigant Consulting, Inc.; Ed Pettitt of Emancipation Economic Development Council; Theola Petteway of OST/Almeda TIRZ; Peggy Foreman of Burney and Foreman who participated via tele-conference; Midtown resident Cynthia Aceves-Lewis, and Brian Van Tubergen of University Village Civic Club

Vice Chairman Goren called the meeting to order.

**CONSENT AGENDA**

**MINUTES FOR JUNE 28, 2018**

Matt Thibodeaux, Executive Director, presented the consent agenda to the Board.

Director Erwing made a motion to approve the consent agenda. The motion was seconded by Director Fenz and carried by unanimous vote.

**ADJOURNMENT**

There being no further business to come before the Board, the meeting was adjourned.

\_\_\_\_\_  
Pamela N. Castleman, Secretary

\_\_\_\_\_  
Date

DRAFT

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**MINUTES OF THE BOARD OF DIRECTORS OF  
THE MIDTOWN REDEVELOPMENT AUTHORITY**

**July 26, 2018**

A regular meeting of the Board of Directors (the “Board”) of the Midtown Redevelopment Authority (the “Authority”) was held at the Authority’s offices in the Houston Technology Center, 410 Pierce, Houston, Texas 77002, on Thursday, July 26, 2018 at 12:30 p.m. The meeting was open to the public. The roll was called of the duly appointed members of the Board, to-wit:

<u>Pos. #</u>	<u>Name</u>	<u>Pos. #</u>	<u>Name</u>
1	Camille Foster	6	Abe Goren
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Vice Chairman Goren called the meeting to order and asked the guests to introduce themselves.

**PUBLIC COMMENTS**

Brian Van Tubergen of University VCC made comments regarding the affordable housing plan timeline. Ed Pettitt of Emancipation Economic Development Council distributed brochures presenting the bike and hike trail in his neighborhood. Cynthia Aceves-Lewis of Super Neighborhood #62 invited residents to attend their next Board meeting on August 9, 2018 at the Crime Stoppers location and stated that crime continues to be a major concern for the group.

**CONSENT AGENDA FOR THE AUTHORITY:**

- a. **MINUTES FOR JUNE 28, 2018;**
- b. **MONTHLY FINANCIAL REPORTS FOR JUNE 2018;**
- c. **INVOICES FROM TRUSTEE AND OPERATING ACCOUNTS FOR JULY 2018;**
- d. **ANNUAL INSURANCE RENEWAL 8/1/2018 – 7/31/19.**

Executive Director Matt Thibodeaux presented the various items on the consent agenda. Director Fenz made a motion to approve the consent agenda as presented. The motion was seconded by Director Dudley, which carried by unanimous vote.

**INVESTMENT REPORT FOR QUARTER ENDING JUNE 30, 2018.**

Mr. Thibodeaux presented the Investment Report for the Quarter ending June 30, 2018, reporting that the total amount of interest earned for the quarter was \$172,696.73. Director Erwing made a motion to accept the Investment Report for the Quarter ending June 30, 2018 as presented. The motion was seconded by Director Dudley and carried by unanimous vote.

**INVESTMENT POLICY AND BROKER/DEALER LIST.**

Mr. Thibodeaux presented the Amended Investment Policy and Broker/Dealer list. Barron Wallace of Bracewell LLP reported that there were no revisions to the Investment Policy. The Broker/Dealer List revisions consisted of the deletion of 2 closed financial institutions and the addition of Masterson Advisors. Director Dudley made a motion to approve the Investment Policy and Broker/Dealer List as presented. The motion was seconded by Director Fenz and carried by unanimous vote.

**MIDTOWN AFFORDABLE HOUSING PROGRAM**

**a. RESOLUTION;**

No Resolution was presented at this meeting.

**b. CCPPI**

**i. CONSULTANT AGREEMENT**

**ii. OPERATIONS CENTER DEVELOPMENT AGREEMENT**

Barron F. Wallace of Bracewell LLP presented agenda items b(i) and b(ii) together. He summarized the purpose and terms of the Affordable Housing Initiative Services Agreement (the "Consultant Agreement") and the Operations Center Construction and Operations Development Agreement (the "Operations Center Development Agreement"), by and among TIRZ#2, MRA and CCPPI. Director Fenz reported that these two agreements would activate Midtown's Affordable Housing Plan for the Operations building, 20 units of affordable housing and a parking garage to be constructed over the next 24 months. Director Dudley made a motion to approve the Consultant Agreement and the Operations Center Development Agreement, each by and among TIRZ#2, MRA and CCPPI. The motion was seconded by Director Fenz. Following all discussion, the motion carried by unanimous vote.

**c. AFFORDABLE HOUSING DEVELOPMENT UPDATE.**

Todd Edwards updated the Board Members on the status of construction for the projects of HOU Homes, Epic Homes and Mayberry Homes and our newest partner Cole Klein Builders. Mr. Edwards presented a letter from the City of Houston to Senator Borris Miles, dated July 9, 2018, regarding the "Local Action Plan for Harvey Recovery Comments" and the consideration for incorporating Midtown's Affordable Housing pPlan into program guidelines for the programs presented in the Local Action Plan.



**MIDTOWN CAPITAL IMPROVEMENT PROGRAM**

**a. PARKS AND GREENSPACE – WALTER P. MOORE/DESIGN WORKSHOP**

Marlon Marshall reported that project close out documentation is in progress for the Midtown Parking Garage. The contractor for the Midtown Park has started landscape installation along Travis Street and the remaining landscape is on hold pending the completion of Camden’s courtyard. He further stated that work is continuing on the B-Cycle infrastructure, McGowen utility connections and the front 90 plaza site work.

**i. MIDTOWN PARK**

**1. APPROVE GARAGE CHANGE ORDERS – CAMDEN**

Mr. Marshall stated that there were no change orders at this time.

**2. APPROVE PARK CHANGE ORDERS – MILLIS**

Mr. Marshall stated that there were no change orders at this time.

**3. APPROVE ADDITIONAL SERVICES REQUEST FOR CONSTRUCTION MANAGEMENT AND INSPECTION (PARK) - IDS ENGINEERING**

Mr. Marshall reported that due to the delay in the project close out IDS Engineering was requesting Additional Services Request for Construction Management and Inspection of Midtown Park in the amount of \$397,954.00. Director Erwing made a motion to approve the Additional Services Request for Construction Management and Inspection for Midtown Park in an amount not to exceed \$397,954.00. The motion was seconded by Director Fenz and carried by unanimous vote.

**ii. ENTRY PORTALS**

No report was given on Entry Portals at this meeting.

**APPROVE CHANGE ORDERS – B & D CONTRACTORS**

Mr. Marshall stated that there were no change orders to be presented at this time.

**b. HCC CAPITAL PROJECTS - IDS ENGINEERS**

**i. HOLMAN STREET PEDESTRIAN ENHANCEMENTS**

Mr. Marshall reported that the team is processing project close out documentation and the final pay application.

**1. APPROVE CHANGE ORDERS – SER**

There were no change orders for Holman Street presented.

**c. MAIN STREET ENHANCEMENTS – WALTER P. MOORE /DESIGN WORKSHOP**

Mr. Marshall reported that the project requires 2 flaggers to continue the work in the esplanade. The team is waiting on METRO to provide the needed flaggers so that work can continue.

**i. APPROVE CHANGE ORDERS – SER**

There were no change orders presented for Main Street.

**d. CAROLINE STREET RECONSTRUCTION – ESPA/KCI**

Mr. Marshall gave the Board a brief report on the history of the Caroline Street project which originally went out for bid in 2013 and bids came back well above the amounts budgeted for the project. TxDOT agreed to allow Midtown to redesign the project and reduce the scope of work in order to be more aligned with the available funding. The Goodman Corporation worked to secure additional grant funding to assist with the increased costs associated with the project. Currently, Center Point Energy is working to place new utility poles in the project area where needed. It is anticipated that the construction team will remobilize on July 19, 2018 and that work will begin in early August 2018.

**i. APPROVE CHANGE ORDERS**

There were no change orders presented for Caroline Street.

**e. FTA GRANT PROGRAM – THE GOODMAN CORPORATION**

Jim Webb of The Goodman Corporation reported that a meeting would be held on August 3, 2018 in Dallas, Texas to discuss the possibility of relocation of the bus transportation center currently located in Midtown. Cushman and Wakefield is the realtor working with the transit center for its relocation efforts.

Mr. Webb reported that a grant application had been submitted in an effort to secure approximately 90% of the funding for the traffic signal to be installed at the Bagby and Pierce Streets intersection.

**f. MIDTOWN STRATEGIC GUIDE AND DESIGN GUIDELINES PRESENTATION – DESIGN WORKSHOP**

Rebecca Leonard of Lionheart and Emily Risinger of Design Workshop presented a draft of the Midtown 2018 Strategic Guide and Design Guidelines. They identified the 4 nodes for the District: Pierce Node, Midtown Park Node, HCC/Ensemble Node and the Main Street/Wheeler Innovation Hub Node. The team described the collaborative process used get input from Midtown stakeholders, including use of community meetings and surveys, to ensure that various viewpoints were considered on issues such as east/west mobility, drainage improvements, walkability, etc.

**WITH RESPECT TO THE FOREGOING AGENDA ITEMS, CONDUCT AN EXECUTIVE SESSION WITH REGARD TO THE FOLLOWING, AS APPROPRIATE AND NECESSARY:**

- a. **CONSULTATION WITH ATTORNEY (SECTION 551.071, TEXAS GOVERNMENT CODE);**
- b. **THE PURCHASE, EXCHANGE, LEASE OR VALUE OF REAL PROPERTY (SECTION 551.072, TEXAS GOVERNMENT CODE);**
- c. **PERSONNEL MATTERS (SECTION 551.074, TEXAS GOVERNMENT CODE);**
- d. **SECURITY PERSONNEL OR DEVICES (SECTION 551.076, TEXAS GOVERNMENT CODE); AND ECONOMIC DEVELOPMENT NEGOTIATIONS (SECTIONS 551.087, TEXAS GOVERNMENT CODE).**

The Board did not conduct an executive session at this meeting.

**ADJOURNMENT**

There being no further business to come before the Board, the meeting was adjourned.

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Pamela N. Castleman, Secretary

\_\_\_\_\_  
Date

DRAFT

**Midtown Redevelopment Authority**  
**Balance Sheet**  
As of July 31, 2018

Jul 31, 18

**ASSETS**

**Current Assets**

**Checking/Savings**

101001 · Wells Fargo Ope Acctg 64040	2,534,397.49
101002 · Infrastructure Projects 1731	948.67
101010 · WF Surplus Acct 63943	895.39
101020 · WF FTA Enhanced Path 63919	59.84
102200 · Logic Operating Account (Investment Account)	5,060,174.00
103200 · TexStar Operating Acct 1111	6,307.06
103600 · Wells Fargo Oper Inves 63901	727.95
103700 · WF Operating Saving 3215777180	45,296.83
104000 · Affordable Housing Accounts	
104021 · WF Afford Hous 3927	61,109.48
104022 · WF Pilot Program 3935	342.85
104116 · TexStar Aff. Hsng MM 1800	1,944.22
104200 · Logic Affordable Housing (Investment Account)	5,057,968.19
<b>Total 104000 · Affordable Housing Accounts</b>	<u>5,121,364.74</u>
105000 · Trustee Investments	
105001 · Pledge Revenue Fund 422885	
105100 · Pledge Revenue Fund -422885	12,668.60
<b>Total 105001 · Pledge Revenue Fund 422885</b>	<u>12,668.60</u>
105002 · Debt Service Fund	
105200 · BNY-Debt Service Fund 422896	8,566,996.06
<b>Total 105002 · Debt Service Fund</b>	<u>8,566,996.06</u>
105003 · Reserve Fund 422897	
105324 · TexStar Debt Res Fnd MM 1023 (Debt Reserve Fund)	7,950,008.77
<b>Total 105003 · Reserve Fund 422897</b>	<u>7,950,008.77</u>
105009 · Austin Park Maint. Fund 422919	
105901 · Austin Park Money Market Acct.	3,490.42
<b>Total 105009 · Austin Park Maint. Fund 422919</b>	<u>3,490.42</u>
107000 · BOND FUNDS	
107012 · BNY 443264 2011 Escrow	9.99
107017 · 937933 8400 2017 ESCROW	1,236,345.26
107018 · LOGIC 2017 PROJECT FUND (Trust Account 7487592004)	11,827,945.59
107019 · LOGIC 2017 AFFORDABLE HOUSING (Trust Account 7487592004)	4,761,337.58
<b>Total 107000 · BOND FUNDS</b>	<u>17,825,638.42</u>
<b>Total 105000 · Trustee Investments</b>	<u>34,358,802.27</u>
<b>Total Checking/Savings</b>	<u>47,128,974.24</u>

**Accounts Receivable**

170000 · Accounts Receivable	
123001 · FTA Main Street	1,309,542.00
170010 · Midtown Management District	104,336.03
170011 · MIDCORP	149,781.40
170020 · HX Houston Exponential AR	22,957.62
170021 · HTC BUILTOUT	338,285.67

**Midtown Redevelopment Authority**  
**Balance Sheet**  
As of July 31, 2018

	Jul 31, 18
170030 · FTA INCOME	7,340.00
170060 · Fourth Ward Redevelopment Autho (Expense Reimbursement)	5,452.64
Total 170000 · Accounts Receivable	1,937,695.36
Total Accounts Receivable	1,937,695.36
Total Current Assets	49,066,669.60
Fixed Assets	
150000 · Fixed Assets	
150010 · Office Furniture & Equipment	26,321.36
150011 · Accumulated Depreciation-Furn.	-26,321.36
150020 · Computer Equipment	32,057.11
150021 · Accumulated Depreciation-Comp.	-32,057.11
150040 · Land - JPI Park	736,911.00
150045 · Walgreens/Lui Park Land	141,000.00
150062 · Land - Houston Tech.Center I	798,053.89
150063 · Houston Tech Center I	2,667,192.62
150064 · Accm Deprec-Houston Tech Cntr I	-2,023,132.11
150065 · Land - HTC Phase II	697,219.00
150066 · Houston Tech Center II	2,816,117.96
150067 · Accum.Deprec. HTC Phase I	-1,677,937.12
150069 · Land - Bagby Park	1,318,870.15
150070 · BagbyPark	2,453,218.83
150071 · Accum.Deprec. BagbyPark	-1,067,195.91
150075 · Midtown Park 2905 Travis St	3,506,306.26
150078 · Midtown Park Land-Tracts I & II	8,210,142.45
150078A · Midtown (Superblock) Garage	21,250,200.87
150078B · Midtown (Superblockj) Park	16,407,192.34
150080 · Land (Resale) (Land purchase for resale)	
150081 · Earnest Money	36,686.18
150082 · Option Fees	11,200.00
150803 · Affordable Housing Legal	109,050.45
150804 · Affordable Housing Misc	752,799.46
150805 · AFFORD HOUS GRANTS	126,750.28
150080 · Land (Resale) (Land purchase for resale) - Other	51,320,944.17
Total 150080 · Land (Resale) (Land purchase for resale)	52,357,430.54
150089 · Land HMAAC (Land)	1,206,150.00
150090 · HMAAC Property	918,850.00
150091 · Accum Depr HMAAC	-352,225.38
150100 · 2800 MAIN	317,069.93
Total 150000 · Fixed Assets	110,681,435.32
Total Fixed Assets	110,681,435.32
TOTAL ASSETS	159,748,104.92
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	

**Midtown Redevelopment Authority**  
**Balance Sheet**  
As of July 31, 2018

Jul 31, 18

200000 · Accounts Payable	
202001 · Retainage Payable	2,378,099.71
200000 · Accounts Payable - Other	837,952.75
Total 200000 · Accounts Payable	<u>3,216,052.46</u>
Total Accounts Payable	<u>3,216,052.46</u>
Other Current Liabilities	
200001 · Current Liabilities	
201001 · MIDCORP Kios	27,354.84
202000 · Project Fund Liabilities	18,578.35
2021062 · Due MMD	-3,657.45
204000 · HMAAC NOTE - CURRENT	102,902.00
2103008 · CRI Current Camden	17,760,642.00
200001 · Current Liabilities - Other	13,800.00
Total 200001 · Current Liabilities	<u>17,919,619.74</u>
Total Other Current Liabilities	<u>17,919,619.74</u>
Total Current Liabilities	21,135,672.20
Long Term Liabilities	
210000 · Long Term Liabilities	
210044 · Bonds Payable Series 2011	16,775,000.00
210047 · Bonds Payable Series '13	23,325,000.00
210048 · Current Portion Bonds Payable	6,315,000.00
210049 · Bond Payable Series '15	11,280,000.00
210050 · Bond Payable Series 2017	37,060,000.00
210058 · Series 2013 BOND PREMIUM	1,148,288.45
210059 · Series 2015 Bond Prem	877,152.36
210061 · Series 2017 Bond Premium	4,038,596.85
2103000 · LOANS	
2103003 · HMAAC LOAN REFINANCED	1,262,573.08
Total 2103000 · LOANS	<u>1,262,573.08</u>
Total 210000 · Long Term Liabilities	<u>102,081,610.74</u>
Total Long Term Liabilities	<u>102,081,610.74</u>
Total Liabilities	123,217,282.94
Equity	
1110 · Retained Earnings (Retained Earnings)	42,426,985.34
Net Income	-5,896,163.36
Total Equity	<u>36,530,821.98</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>159,748,104.92</u></u>

# Midtown Redevelopment Authority

## Profit & Loss

July 2017 through June 2018

Jul 18

Ordinary Income/Expense

Income

400000 · Revenue & Support

400025 · Interest-Debt Service & Reserve	5,431.70
400026 · Interest-Other Bond Funds	47,194.88
400029 · Interest - Affordable Housing	9,055.99
400030 · Interest-Operating Funds	8,728.92
400032 · Other Revenue	1,672.22

Total 400000 · Revenue & Support	72,083.71
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Total Income

72,083.71

Gross Profit

72,083.71

Expense

500000 · BOND FUND EXPENSES

505000 · T-0220 Afford.Hous Lnd Bk Prg	
500023 · AFH Legal Fees	31,715.00
Total 505000 · T-0220 Afford.Hous Lnd Bk Prg	31,715.00

Total 500000 · BOND FUND EXPENSES	31,715.00
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510000 · INCREMENT PROJECTS/EXPENSE

510002 · T-0214 Caroline St near HCCS	2,926.50
510003 · Holman Street St T-0211	553.44
510008 · T-0220 Afford Housing Land Bnk	
510009 · T-0220 Afford Housing Ins	11,780.00
510013 · T-0220 Affordable Housing Legal	2,440.00
510017 · T-0220 Drainage Fees	983.67
512001 · T-0220 Aff Hous Expense	211,447.18

Total 510008 · T-0220 Afford Housing Land Bnk	226,650.85
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510041 · CIP Program Expenses	30,675.81
510043 · T-0234 Parks & Open Space	3,831.70
510045 · T-0224 HTC I - Bldg Maintenance	5,190.13
510046 · T-0221 Midtown Pk	108,803.68
510050 · T-0210 Main Street Enhancements	59,009.70
510095 · Main Street Project	4,300.00
510102 · HMAAC Interest Expense	4,585.37
510534 · T-0225 Mobility & Pedest Imprv	39,455.70
510700 · Municipal Services Costs	4,386.47
511002 · T-0233 Midtown Park Garage	5,088,547.48

Total 510000 · INCREMENT PROJECTS/EXPENSE	5,578,916.83
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550000 · General & Admin. Expense

550002 · Contract Labor	3,388.00
550003 · Rent Expense (Additional office space)	6,045.00
550004 · Salaries	
550014 · Health Insurance	7,199.76
550015 · AFLAC	255.22
550018 · Life Insurance	22.10
550004 · Salaries - Other	111,618.20

111,618.20



# Midtown Redevelopment Authority

## Profit & Loss

July 2017 through June 2018

	Jul 18
Total 550004 · Salaries	119,095.28
5500047 · Overtime	357.26
550007 · Courier Service	248.88
550008 · Office Supply & Expense	2,047.74
550009 · Misc Exp	196.70
550010 · Telephone & Utilities	
550110 · Cellular Service	121.79
550010 · Telephone & Utilities - Other	1,192.27
Total 550010 · Telephone & Utilities	1,314.06
550012 · Postage	33.29
550022 · Bank Charges & Fees	1,770.61
550025 · Professional Services	48,387.37
550026 · Accounting Consultants	1,640.00
550028 · Legal Consultants	7,014.42
550032 · Engineering Consultants	2,096.25
550034 · Equip Rent & Lease Expense	586.52
550037 · Workman's Comp Insurance	299.96
550038 · Insurance - All	141,837.00
550039 · Computers & Repairs & Maint	3,245.00
550044 · Payroll Expense & PR Tax Exp	8,886.80
550045 · Payroll Fees	1,625.10
550061 · Public Relations	7,500.00
Total 550000 · General & Admin. Expense	357,615.24
Total Expense	5,968,247.07
Net Ordinary Income	-5,896,163.36
Net Income	-5,896,163.36

## Midtown Redevelopment Authority

## Trial Balance

As of June 30, 2018

Jul 31, 18

## ASSETS

## Current Assets

## Checking/Savings

101001 · Wells Fargo Ope Acctg 64040	2,534,397.49
101002 · Infrastructure Projects 1731	948.67
101010 · WF Surplus Acct 63943	895.39
101020 · WF FTA Enhanced Path 63919	59.84
102200 · Logic Operating Account (Investment Accou	5,060,174.00
103200 · TexStar Operating Acct 1111	6,307.06
103600 · Wells Fargo Oper Inves 63901	727.95
103700 · WF Operating Saving 3215777180	45,296.83
104000 · Affordable Housing Accounts	
104021 · WF Afford Hous 3927	61,109.48
104022 · WF Pilot Program 3935	342.85
104116 · TexStar Aff. Hsng MM 1800	1,944.22
104200 · Logic Affordable Housing (Investment Ac	5,057,968.19
Total 104000 · Affordable Housing Accounts	5,121,364.74
105000 · Trustee Investments	
105001 · Pledge Revenue Fund 422885	
105100 · Pledge Revenue Fund -	12,668.60
Total 105001 · Pledge Revenue Fund 422885	12,668.60
105002 · Debt Service Fund	
105200 · BNY-Debt Service Fund	8,566,996.06
Total 105002 · Debt Service Fund	8,566,996.06
105003 · Reserve Fund 422897	
105324 · TexStar Debt Res Fnd M	7,950,008.77
Total 105003 · Reserve Fund 422897	7,950,008.77
105009 · Austin Park Maint. Fund 422919	
105901 · Austin Park Money Mart	3,490.42
Total 105009 · Austin Park Maint. Fund 422919	3,490.42
107000 · BOND FUNDS	
107012 · BNY 443264 2011 Escr	9.99
107017 · 937933 8400 2017 ESC	1,236,345.26
107018 · LOGIC 2017 PROJECT	11,827,945.59
107019 · LOGIC 2017 AFFORDA	4,761,337.58
Total 107000 · BOND FUNDS	17,825,638.42
Total 105000 · Trustee Investments	34,358,802.27
Total Checking/Savings	47,128,974.24

## Accounts Receivable

170000 · Accounts Receivable	
123001 · FTA Main Street	1,309,542.00
170010 · Midtown Management District	104,336.03
170011 · MIDCORP	149,781.40
170020 · HX Houston Exponential AR	22,957.62
170021 · HTC BUILTOUT	338,285.67

## Midtown Redevelopment Authority

## Trial Balance

As of June 30, 2018

Jul 31, 18

## ASSETS

170030 · FTA INCOME	7,340.00
170060 · Fourth Ward Redevelopment Autho (Exp	5,452.64
Total 170000 · Accounts Receivable	1,937,695.36
Total Accounts Receivable	1,937,695.36
Total Current Assets	49,066,669.60
Fixed Assets	
150000 · Fixed Assets	
150010 · Office Furniture & Equipment	26,321.36
150011 · Accumulated Depreciation-Furn.	-26,321.36
150020 · Computer Equipment	32,057.11
150021 · Accumulated Depreciation-Comp.	-32,057.11
150040 · Land - JPI Park	736,911.00
150045 · Walgreens/Lui Park Land	141,000.00
150062 · Land - Houston Tech.Center I	798,053.89
150063 · Houston Tech Center I	2,667,192.62
150064 · Accm Deprec-Houston Tech Cntr I	-2,023,132.11
150065 · Land - HTC Phase II	697,219.00
150066 · Houston Tech Center II	2,816,117.96
150067 · Accum.Deprec. HTC Phase I	-1,677,937.12
150069 · Land - Bagby Park	1,318,870.15
150070 · BagbyPark	2,453,218.83
150071 · Accum.Deprec. BagbyPark	-1,067,195.91
150075 · Midtown Park 2905 Travis St	3,506,306.26
150078 · Midtown Park Land-Tracts I & II	8,210,142.45
150078A · Midtown (Superblock) Garage	21,250,200.87
150078B · Midtown (Superblockj) Park	16,407,192.34
150080 · Land (Resale) (Land purchase for resale)	
150081 · Earnest Money	36,686.18
150082 · Option Fees	11,200.00
150803 · Affordable Housing Legal	109,050.45
150804 · Affordable Housing Misc	752,799.46
150805 · AFFORD HOUS GRANTS	126,750.28
150080 · Land (Resale) (Land purchase for resale)	51,320,944.17
Total 150080 · Land (Resale) (Land purchase for resale)	52,357,430.54
150089 · Land HMAAC (Land)	1,206,150.00
150090 · HMAAC Property	918,850.00
150091 · Accum Depr HMAAC	-352,225.38
150100 · 2800 MAIN	317,069.93
Total 150000 · Fixed Assets	110,681,435.32
Total Fixed Assets	110,681,435.32
TOTAL ASSETS	159,748,104.92
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	

Midtown Redevelopment Authority

Trial Balance

As of June 30, 2018

Jul 31, 18

ASSETS

Accounts Payable

200000 · Accounts Payable

202001 · Retainage Payable 2,378,099.71

200000 · Accounts Payable - Other 837,952.75

Total 200000 · Accounts Payable 3,216,052.46

Total Accounts Payable 3,216,052.46

Other Current Liabilities

200001 · Current Liabilities

201001 · MIDCORP Kios 27,354.84

202000 · Project Fund Liabilities 18,578.35

2021062 · Due MMD -3,657.45

204000 · HMAAC NOTE - CURRENT 102,902.00

2103008 · CRI Current Camden 17,760,642.00

200001 · Current Liabilities - Other 13,800.00

Total 200001 · Current Liabilities 17,919,619.74

Total Other Current Liabilities 17,919,619.74

Total Current Liabilities 21,135,672.20

Long Term Liabilities

210000 · Long Term Liabilities

210044 · Bonds Payable Series 2011 16,775,000.00

210047 · Bonds Payable Series '13 23,325,000.00

210048 · Current Portion Bonds Payable 6,315,000.00

210049 · Bond Payable Series '15 11,280,000.00

210050 · Bond Payable Series 2017 37,060,000.00

210058 · Series 2013 BOND PREMIUM 1,148,288.45

210059 · Series 2015 Bond Prem 877,152.36

210061 · Series 2017 Bond Premium 4,038,596.85

2103000 · LOANS

2103003 · HMAAC LOAN REFIN/ 1,262,573.08

Total 2103000 · LOANS 1,262,573.08

Total 210000 · Long Term Liabilities 102,081,610.74

Total Long Term Liabilities 102,081,610.74

Total Liabilities 123,217,282.94

Equity

1110 · Retained Earnings (Retained Earnings) 42,426,985.34

Net Income -5,896,163.36

Total Equity 36,530,821.98

TOTAL LIABILITIES & EQUITY 159,748,104.92

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Midtown Redevelopment Authority  
Operating Account

Date	Num	Name	Memo	Debit
<b>AUGUST 2018</b>				
101001 - Wells Fargo Ope Acctg 64040				
DATE	CHECK	NAME	MEMO	AMT
08/01/2018	8753	Midtown Scouts Square Property. LP	CONTRACT PARKING AUGUST 2018	300.00
08/07/2018	8765	Purchase Power	800900007893559JUL18	33.29
08/07/2018	8768	City of Houston-Public Works	1,100 SQ FT BRICK PAVERS	3,300.00
08/07/2018	8769	HX Houston Exponential	JULY 2018 RENT AND PARKING	5,745.00
08/07/2018	8770	PHONOSCOPE SERVICES, INC.	AUGUST 2018	144.75
08/14/2018	8772	CHAMPION ENERGY SERVICES	2811 Travis St	3,409.76
08/21/2018	8773	TLC Engineering, Inc.	Professional Consulting	152,574.80
08/30/2018	8774	All Covered	IT Service	1,750.00
08/30/2018	8775	Bee-Line Delivery Service	Courier Service	244.24
08/30/2018	8776	Bracewell LLP	Legal Services	6,485.00
08/30/2018	8777	Burney & Foreman	Legal Services	10,557.50
08/30/2018	8778	City of Houston - Water	Water Bill	23,343.61
08/30/2018	8779	Design Workshop, Inc.	Professional Consulting	15,734.59
08/30/2018	8780	FireTron, Inc.	Trouble Shoot 05/17/2018	600.00
08/30/2018	8781	FirstSouthwest	Computational fee incurred in connection with abritrage ca	6,400.00
08/30/2018	8782	FordMomentum, LLC	COMM RSRCH for Internal alignment for PIO	2,500.00
08/30/2018	8783	IDS Engineering Group	Professional Consulting	177,987.65
08/30/2018	8784	marimon	Copier Service	636.52
08/30/2018	8785	MATCH	Grant Agreement FY2018 Payment	100,000.00
08/30/2018	8786	MBM Financial Corporation	CANON/IRAC5250	233.00
08/30/2018	8787	McCall, Gibson & Company, PLLC	Public Funds Investment Act Seminar Oct 27 2018	660.00
08/30/2018	8788	McConnell & Jones, LLP	Professional services July 2018	1,640.00
08/30/2018	8789	Midtown Scouts Square Property. LP	CONTRACT PARKING SEPTEMBER 2018	300.00
08/30/2018	8790	NEVA Corporation	Monthly Inspections	4,295.78
08/30/2018	8791	One World Strategy Group, LLC	Professional Services	7,500.00
08/30/2018	8792	Staples Advantage	office supplies	2,002.74
08/30/2018	8793	The Goodman Corporation	Professional Consulting	31,004.70
08/30/2018	8794	THR Enterprises, Inc.	Garbage Removal	12,298.97
08/30/2018	8795	ThyssenKrupp Elevator	Elevator Service	341.02
08/30/2018	8796	TLC Engineering, Inc.	Professional Consulting	16,674.00
08/30/2018	8797	Walter P. Moore	Professional Consulting	23,642.30
08/30/2018	8798	West Unified Communications Services Inc	Meeting Center Audio	174.03
08/30/2018	8799	VOID		0.00
08/31/2018	8800	VOID		0.00
08/30/2018	8801	PHONOSCOPE SERVICES, INC.	AUGUST 2018	144.75
08/30/2018	8802	AFLAC	AUGUST 2018	2,452.90
08/30/2018	8803	Hawes Hill & Associates	Professional Consulting fee #2	2,000.00
<b>TOTAL</b>				<b>617,110.90</b>

Midtown Redevelopment Authority  
 Transactions by Account  
 As of August 31, 2018

Date	Num	Name	Memo	Credit
<b>AUGUST 2018</b>				
<b>104021 - WF Afford Hous 3927</b>				
08/24/2018	3640	CDS	071829 Market Demand Study (	6,375.00
08/24/2018	3641	American Fence Company	Fence Rental	181.21
08/24/2018	3642	CCPI	Affordable Housing Grant	517,378.95
08/24/2018	3643	CORTEZ LANDSCAPING, LLC	Affordable Housing Landscapin	103,030.62
08/24/2018	3644	KCK Demolition and Landscapi	3611 BEEKMAN 6411 BEEKIN	30,000.00
08/24/2018	3645	TransTeQ	AUGUST 2018 LAWN SERVIC	30,308.54
08/30/2018	3646	UNIVERSAL HOUSING SOLU	Consulting Services	28,039.00
08/30/2018	3647	Roberta F. Burroughs & Assoc	March 23, 2018 - April 23 2018	5,000.00
				720,313.32
<b>TOTAL</b>				

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**Midtown Redevelopment Authority  
Bond & Project Fund Expenses & Balances  
Friday, August 31, 2018**

<b>Trustee Investments (Bond Funds)</b>	<b>Beginning Balance</b>	<b>Chase</b>	<b>BKLY MELLON</b>	<b>WELLS FARGO</b>	<b>TexSTAR/LOGIC</b>	<b>Ending Balance</b>
<b>422885 Pledge Reserve Funds 422896</b>	12,668.60					12,668.60
<b>422896 Debt Service US Treasury Money Market Funds</b>	8,566,996.06					8,566,996.06
<b>422897 Reserve Fund US Treasury Money Market Funds</b>	0.00					-
<b>Texstar Debt Service Reserve</b>	7,950,008.77					7,950,008.77
<b>422919 Austin Park Maint.(2001 Series) US Treasury Money Market Funds</b>	3,490.42					3,490.42
<b>LOGIC 2017 AFFORDABLE HOUSING (Trust Account)</b>	4,761,337.58		274,224.67			4,487,112.91
<b>BNY-TICR AFF HSG 693802</b>	274,224.67					274,224.67
REQ 146 Star Tex Title Agency LLC			162,690.50			
REQ 146 CCPPI			91,666.67			
REQ 147 Bracewell LLP			29,867.50			
			274,224.67			-
<b>LOGIC 2017 Project Funds</b>	11,827,945.59					11,827,945.59
<b>2017 Project 937932</b>						
<b>443264 2011 Escrow 1998 2001</b>	9.99					9.99
<b>9379338400 2017 ESCROW</b>	1,236,345.26					1,236,345.26



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**ATTACHMENT B**

**Form of Work Order**

**WORK ORDER NO. 001 Ext 07**

This Work Order No. 001 Ext 07 (this "Work Order") is issued subject to and is governed by that certain professional services agreement between Midtown and Consultant dated as of November 16, 2010 (the "PSA").

Work Order Date: August 24, 2018

Consultant: IDS Engineering Group

Type of Compensation: Cost Plus, Time & Materials, Firm Fixed Price, Lump Sum (Circle and set forth price if Firm Fixed Price or Lump Sum)

Compensation: \$75,000

Location of Services: Midtown District

Description of Services: Scope of Services as described in Article 1 of the PSA dated November 16, 2010.

Schedule Requirements: Commencement of Services: 08-30-2018  
Completion of Services: 08-31-2019 (estimated)

**Midtown:**

**Consultant:**

MIDTOWN REDEVELOPMENT  
AUTHORITY

IDS ENGINEERING GROUP

By: \_\_\_\_\_

By: Timothy E. Buscha

Mathias T. Thibodeaux  
Executive Director  
Printed Name and Title

Timothy E. Buscha, P.E.  
President  
Printed Name and Title

\_\_\_\_\_  
Date

August 24, 2018  
Date

Scope of Services – Midtown Redevelopment Authority PSA Work Order Extension:

IDS will perform professional engineering and surveying services and/or retain specialty subconsultant services to provide hourly general consultation services for civil engineering tasks for technical reviews, planning, data gathering, coordination with other consultants, studying of development opportunities to support present and future plans adopted by the Midtown TIRZ, development of Graphic Information System (GIS) deliverables, field surveys or boundary determinations, and attendance of meetings as requested by Midtown staff. This level of funding is based upon anticipated needs of the TIRZ during the upcoming 12-month period. Engineering services currently identified for this time period include coordination with Goodman Corporation, Midtown, and the City of Houston for improvements along Crawford, Alabama and Tuam, as well as Phase II of the Sidewalk Assessment to develop a sidewalk implementation plan.

Invoicing for these services will be consistent with our past standard practice of hourly charges for the general consultation services listed above. From time to time under the PSA Work Orders we are requested to perform specific engineering or survey assignments, for such assignments a separate scope is typically prepared and the fee is based upon an agreed to lump sum amount under this work order or as assigned a new work order. Our current hourly rate table is attached.

The estimated breakdown of fee allocation for Work Order #1, Ext 007 is as follows:

- \$66,000 Engineering/ General Services  
(Hourly or Lump Sum per Task)
- \$ 4,000 GIS Support Services
- \$ 4,000 Survey Services
- \$ 1,000 Reimbursable Expenses
- \$75,000 Total**

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Originally Adopted on August 30, 2018

# **ADMINISTRATIVE PROCEDURE MANUAL**

**Midtown  
Redevelopment  
Authority**

**Midtown Redevelopment Authority  
Administrative Procedure Manual**

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## **Section 1. PREAMBLE**

The Midtown Redevelopment Authority (the “Authority”) was created by Resolution No. 95-96, adopted on June 28, 1995, to aid, assist and act on behalf of the City of Houston, Texas (the “City”) in the performance of the City’s governmental and proprietary functions with respect to the common good and general welfare of Midtown and neighboring areas as described in Ordinance No. 94-1345. Many of the contractual obligations and administrative practices of the Authority are contained in a certain amended and restated Agreement dated July 18, 2000, and approved as Ordinance No. 2000-494, by and between the City, the Authority, and the Tax Increment Reinvestment Zone Number Two, City of Houston, Texas (the “Midtown Zone”) (the “Tri-Party Agreement”).

The purpose of this Administrative Procedure Manual (the “Manual”) is to supplement the Tri-Party Agreement and all practices and obligations specified therein are incorporated herein. This Manual may be supplemented from time to time at the discretion of the Board of Directors of the Authority (the “Board”) and it and the Tri-Party Agreement shall serve as the primary sources for the Authority’s administrative practices and procedures. This Manual is designed to provide an overview of the procedures that relate to administrative processes on behalf of the Authority. Board members and employees are expected to know and be familiar with the contents of this Manual, as applicable.

**THIS MANUAL DOES NOT CONSTITUTE A CONTRACT AND DOES NOT CREATE ANY CONTRACTUAL RIGHTS.** Instead, the policies and procedures set forth herein establish guidelines only. They do not create, and are not intended to create, a contract between the Authority and any employee or other party. The employment relationship between the Authority and its employees is at-will. Where any policies in the Manual conflict with applicable law, applicable law shall control.

## Section 2. AUTHORITY MANAGEMENT

- A. Board of Directors. Only the Board, in an open, properly called meeting, may enter into contracts or agreements (other than real estate contracts associated with the Authority's Affordable Housing Program), that obligate the Authority or authorize the expenditure of funds over \$25,000. The Board in such sessions may direct Directors of the Board, the Executive Director and/or specified personnel to take specific actions within parameters as set by the Board.
- B. Executive Director. The Authority's Executive Director shall be vested with the authority to take any managerial actions or implement administrative policies as necessary for the efficient administration of the Authority and incidental to the following powers, subject to the Board's failure to object to such actions in a timely manner, compliance with the provisions contained in this Manual and to the extent such actions do not conflict with existing policies approved by the Board, including but not limited to:
1. Permanent designation as an Investment Officer in accordance with the Authority's Investment Policy, attached as Exhibit A of this Manual;
  2. Authority to negotiate, or assign negotiation authority, and execute real estate transactions on behalf of the Authority, subject to ratification by the Board in a reasonable amount of time thereafter;
  3. In coordination with the Chair of the Board and consistent with the Authority's Budget, authority to hire and to terminate personnel of the Authority and to administer the Authority's Employee Policy Manual. The authority to terminate the employment of Authority employees is with the Executive Director, in consultation with 2 or more members of the Board;
  4. Authority to make representations and prepare documents for the Authority with the Secretary of State's office in compliance with the Texas Non-Profit Corporation Act;
  5. Authority to approve and provide procedures for employee expense reimbursements;
  6. Authority to make payments pursuant to any contracts or agreements, previously approved by the Board or not subject to approval by the Board, that obligate the Authority for any amount without additional action by the Board;
  7. Authority to negotiate and renew or enter into consultant contracts not exceeding \$25,000, subject to ratification by the Board in a reasonable amount of time thereafter, and to administer such contracts upon approval or ratification thereof, as applicable; and
  8. Authority to approve change orders in accordance with the Authority's change order policy found in Section 4 hereof.



### **Section 3. FINANCIAL PRACTICES**

#### **A. Bank Accounts.**

1. The signatures of any two of the following officers: Chairman, Vice Chairman, Secretary, Assistant Secretary, Treasurer or Executive Director will be required on all checks, drafts, warrants or orders greater than \$25,000. The Executive Director's signature only will be required on all checks, drafts, warrants or orders \$25,000 and less, subject to Board ratification in a reasonable amount of time after the check is signed. Funds may be transferred between different Authority accounts by the Executive Director without the requirement of an additional signature and regardless of the amount.
2. The bank will deposit and pledge securities having at all times a market value greater than the funds of the Authority which are required to be collateralized.
3. Funds not needed for current operations may be invested in a manner consistent with the Authority's Investment Policy, attached hereto as **Exhibit A.**
4. The Executive Director's signature only will be required for all wire transfers providing payment by the Authority pursuant to a contract or agreement approved by the Board obligating the Authority to make such payment. Additionally, the Executive Director is approved to make wire transfers of \$25,000 and less, subject to Board ratification. Wire transfers shall require bank notification in writing. The Authority's Board will pre-approve individuals authorized to request such transfers, the purposes for which a wire transfer may be used, and monetary limits for such transfers.

#### **B. Financial Reporting**

1. Monthly financial reports shall be reviewed by the Executive Director and presented to the Board.

## Section 4. **PROCUREMENT AND CAPITAL IMPROVEMENTS**

### A. Construction Contracts

1. All construction contracts shall be procured in a manner consistent with applicable state law and shall be authorized by the Board if such contract is for an amount greater than \$25,000. The Manager of Capital Improvements shall determine with legal counsel the appropriate procurement method for each project.
2. Construction contract budgets presented to the Board shall include a construction contingency, which shall be approximately 5% of the total construction contract amount, as further described in subsection B below.

### B. Change Order Policy

1. After the Board has duly approved a construction contract, the Executive Director is authorized to execute change orders so long as the change order, when added to the original contract amount and all prior change orders, does not exceed the lesser of (A) the approved construction contingency and (B) \$250,000 in the aggregate. Change orders approved by the Executive Director must be recommended for ratification by the Board of Directors in a reasonable amount of time after the approval of such change order (i.e. within 60 days). Change orders that, when added to the original contract amount and all prior change orders, would exceed the lesser of (A) the current, approved project contingency and (B) \$250,000 in the aggregate, must be approved by the Board of Directors.
2. The construction contingency shall be as authorized by the Board of Directors in the construction project budget established when the original contract is presented to the Board for approval. The Board shall be advised, at the time of approval of the construction contract, as to the construction contingency amount and the rationale (i.e. certain types of projects may require greater construction contingencies) for the specified amount, which shall be approximately 5% of the total construction contract amount.
3. Board approval must be obtained for any increases in the construction contingency above the previously-authorized amount. Contractors shall not be directed or authorized to perform any work not covered by an authorized and approved budget.

### C. Non-Construction Contracts Funded by Federal Awards

1. Small Purchases – For non-construction contracts with a value between \$3,000 and \$25,000 where all or a portion of the costs will be funded by federal awards, including contracts securing equipment, services, or supplies for use in federally funded programs, written or telephonic price or rate quotations must be obtained from at least three (3) qualified sources and records of quotes must be maintained by the Authority.

2. Micro Purchases – For contracts with a value below \$3,000 where all or a portion of the costs will be funded by federal awards, including contracts securing equipment, services, or supplies for use in federally funded programs using simplified acquisition procedures, written or telephonic price or rate quotations must be obtained from at least one (1) other qualified source and be attached to the invoice or maintained by the Authority.
3. All non-construction contracts should be procured in a manner consistent with applicable state law, and staff shall determine in conjunction with legal counsel the appropriate procurement method for each such contract.

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## **Section 5. RECORD RETENTION POLICY**

### **A. Purpose**

This Record Retention Policy (the “Policy”) is intended to comply with applicable law and to encourage all personnel to generate and retain only those records that are required to conduct effective and efficient operation of the Authority, to help the Authority comply with its obligations under applicable law, and to meet the Authority’s obligations to the government and to vendors, employees and others. All Authority personnel must comply with this Policy. Where this Policy conflicts with applicable law, such law will control (with the exception noted below regarding maintaining records for the longest period of time in any retention schedule).

### **B. Definitions**

As used in this Policy, the term “records” broadly refers to all information generated, received, distributed or maintained by the Authority and its personnel in the course of transacting business, regardless of the medium used to develop, maintain, transmit or store the records. The medium used includes paper and non-tangible electronic format, such as electronic mail (e-mail), or electronic storage. The same retention standards that apply to tangible records also apply to electronic records. Examples of records are: correspondence, memoranda, contracts, designs and drawings, studies, stenographic or handwritten notes, drafts, publications, photographs, invoices, ledgers, journals, notebooks, diaries, accounts, pamphlets, voice records, e-mails, calendars, appointment records, reports, surveys, telephone call slips, statistical compilations, work papers, computer tapes, and printouts.

### **C. Requirements**

The Government Code, Section 441.158, provides that the Texas State Library and Archives Commission (“TSLAC”) shall issue records retention schedules for each type of local government, including a schedule for records common to all types of local government. As a local government corporation, the Authority complies with such record retention schedule issued by TSLAC (the “Local Government Retention Schedule”).

Authority records must be maintained according to the guidelines established in this Policy, including the Local Government Retention Schedule and the below Employment Record Retention Schedule. The Authority encourages record retention in an electronic format whenever possible and legally permissible. The Authority prohibits the inappropriate destruction of any records. Likewise, records should not be retained beyond the period indicated in the Local Government Retention Schedule or below Employment Record Retention Schedule, unless a valid business reason (or a litigation hold or other special situation) calls for its continued retention. Documents that have met or exceeded the retention period should be destroyed by shredding or other means that will render them unreadable. All questions about the retention or destruction of specific records or departmental or divisional responsibility for maintaining certain types of records should be referred to the employee’s supervisor or the Executive Director.

Retention periods in this Policy apply to records in any medium. If records are stored electronically, they must remain available and accessible until the retention period assigned by this schedule, along with any hardware or software required to access or read them. Electronic records may include electronic mail (e-mail), websites, electronic publications, or any other machine-readable format. Paper or microfilm copies may be retained in lieu of electronic records. Original paper records may be disposed of prior to the expiration of their minimum retention periods if they have been microfilmed or electronically stored pursuant to the provisions of the Local Government Code, Chapter 204 or Chapter 205, as applicable, and rules of the TSLAC adopted under those chapters.

#### D. Litigation Hold

1. The destruction of all records shall be suspended immediately upon the receipt of legal process or notice of pending or foreseeable investigations or litigation, whether internal, civil, or governmental. Any employee who receives a litigation hold must immediately and unconditionally comply with it.
2. Employees must understand and adhere to the following general exception to any stated destruction schedule: If an employee believes, or the Authority informs an employee, that Authority records are relevant to current litigation, potential litigation (that is, a dispute that could result in litigation), government investigation, audit or other event, the employee must preserve and not delete, dispose, destroy or change those records, including e-mails, until the Authority determines those records are no longer required to be preserved. This exception, usually referred to as a "litigation hold" or "legal hold," replaces any previously or subsequently established destruction schedule for those records.
3. Any employee who becomes aware of an incident that may reasonably be expected to give rise to litigation or a governmental investigation, or any employee who actually receives notice of an investigation, agency charge, legal complaint, claim, demand letter or similar notice must immediately inform the Executive Director.

#### E. Storage

All records must be stored in a safe, secure and accessible manner. Any records that are essential to the Authority's business operations during an emergency must be duplicated and/or backed up and maintained off site (either in hard copy or electronic format).

#### F. Record Retention Schedule

See the current Local Government Retention Schedule. Employees may obtain copies from the Authority's Administrative Manager.

#### G. Employment Record Retention Schedule

In addition to the Local Government Retention Schedule, the Authority maintains employment records according to the following schedule. Please note that if any records listed in this

schedule are also covered in the Local Government Retention Schedule, then the Authority must retain the record for the length of time of the schedule with *the longest retention period*.

***Employee Benefits***

<b>Data or record category</b>	<b>Retention Period</b>
Benefit plans	Superseded + 8 years
Disability benefits records	Employment termination + 3 years
Education assistance files	8 years
ERISA Benefit Claims	Settlement of all appeals + 8 years
Incentive plans	Superseded + 8 years
Unemployment insurance records	Later of 7 years after contributions are due or paid

***EEO***

<b>Data or record category</b>	<b>Retention Period</b>
Affirmative action plans	Superseded + 1 years
Forms EEO-2 and EEO-1	2 years

***General Personnel***

<b>Data or record category</b>	<b>Retention Period</b>
Employee manuals	Superseded + 4 years
Employee performance reviews, counseling, or disciplinary documents	Duration of employment + 8 years
Employee vacation schedules/vacation requests	6 years
Job descriptions	Superseded + 4 years

***Personnel Actions***

<b>Data or record category</b>	<b>Retention Period</b>
Documents relating to charges and investigations of harassment or discrimination	Later of 4 years after employee termination or 1 year after charge or litigation is resolved
Records relating to applicants for employment or hiring (including, without limitation job ads, recruiting records, resumes, employment inquiries, offer letters and rejected offers of employment)	4 years
Employee Immigration Reports (I-9 Form)	3 years from the date of completion or 1 year from termination of employment, whichever is later
Layoff records	5 years
Pre-employment screening documents (including pre-employment drug tests and background checks)	Later of duration of employment +2 years or 5 years from the date of the screen

<b>Data or record category</b>	<b>Retention Period</b>
Records related to background checks or drug or alcohol tests on current employees	Later of duration of employment +2 years or 5 years from the date of the background check
Personnel files	Duration of employment + 8 years
Employment contracts; employment termination agreements	3 years from their last effective date
Consent/Authorization forms	Duration of employment + 8 years
Pre-adverse action and adverse action notices	5 years from date of adverse action
Employment leave of absence records	Duration of employment + 8 years
All other records relating to employment actions not specifically covered in another category	Duration of employment + 8 years

*Salary Administration*

<b>Data or record category</b>	<b>Retention Period</b>
Payroll records	Termination + 8 years
Form W-2	Tax due date + 8 years
Form W-4	Tax due date + 8 years
Pay/wage rates	Termination + 8 years
Payroll deductions	Termination + 8 years
Time cards/sheets or other record of hours worked	Termination + 8 years
Garnishment records	Termination + 8 years

*Safety*

<b>Data or record category</b>	<b>Retention Period</b>
Accident reports	Termination + 8 years
First aid records excluding minor injuries	Termination + 8 years
OSHA Form 301	5 years
OSHA Form 300	5 years
Workers' Compensation records	Termination + 30 years
Employee exposure records	Termination + 30 years
Medical records	Termination + 30 years

**Section 6. ADOPTION AND REVISION**

- A. Review and Amendment. This Manual may be reviewed from time to time; and, if necessary, amended and approved by a majority vote of the Authority's Board in an open meeting. The Board, by majority vote in an open meeting, reserves the right to alter, modify, and, or terminate any provisions of this Manual.
  
- B. Superseding Clause. This Manual supersedes any prior policies adopted by the Board of Directors regarding policies and procedures governing Authority administration.
  
- C. Adoption. The Board officially finds, determines and declares that the policies in this Manual were reviewed, carefully considered, and adopted at a regular meeting of the Board, and that a sufficient written notice of the date, hour, place, and subject of the meeting was posted at a place readily accessible and convenient to the public within the Authority and on a bulletin board located at a place convenient to the public outside the City Hall of the City of Houston, Texas for the time required by law preceding the meeting, as required by Chapter 551, Texas Government Code, and that this meeting had been open to the public as required by law at all times during which this Manual was discussed, considered, and acting upon. The Board further ratifies, approves, and confirms such written notice and the contents and posting thereof.

Adopted on the 30th day of August, 2018.

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**EXHIBIT A**  
**INVESTMENT POLICY**

DRAFT

SECRETARY'S CERTIFICATE

THE STATE OF TEXAS           §  
  §  
COUNTY OF HARRIS           §

I, the undersigned officer of the Board of Directors of the Midtown Redevelopment Authority (the "Board") do hereby certify as follows:

1. The Board convened in regular session on the 30th day of August, 2018, at the regular meeting place thereof within said Midtown Zone, and the roll was called of the duly constituted officers and members of the Board to-wit:

<u>Pos. #</u>	<u>Name</u>	<u>Pos. #</u>	<u>Name</u>
<u>1</u>	Camille Foster	6	Abe Goren
<u>2</u>	Doug Erwing	7	Caton M. Fenz
<u>3</u>	Vacant	8	John Thomas
<u>4</u>	Pamela Ngo Castleman	9	Brandon Dudley
<u>5</u>	Al Odom		

and all of said persons were present, except Director(s) \_\_\_\_\_, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting: a written

**Administrative Procedure Manual**

was introduced for the consideration of the Board. It was then duly moved and seconded that the manual be ratified and adopted, and, after due discussion, the motion, carrying with it the adoption of the manual, prevailed and carried unanimously.

2. That a true, full and correct copy of the aforesaid Manual adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that the Manual has been duly recorded in the Board's minutes of the meeting; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Board as indicated therein; that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that the Manual would be introduced and considered for adoption at the meeting, and each of the officers and members consented, in advance, to the holding of the meeting for such purpose; that the meeting was open to the public as required by law; and that public notice of the time, place and subject of the meeting was given as required by Chapter 551, Texas Government Code.

SIGNED this 30th day of August, 2018.

\_\_\_\_\_  
Secretary, Midtown Redevelopment Authority

**ACKNOWLEDGMENT OF RECEIPT OF MANUAL**

I have received a copy of the Midtown Redevelopment Authority Administrative Procedure Manual, as amended from time to time, and I have read and understand it. I agree to follow the rules and procedures set out in the Manual. I understand that the Authority can unilaterally rescind, modify, or make exceptions to any of these policies, or adopt new policies, at any time. I also understand that the policies and procedures contained in this Manual do not create contractual rights.

**DRAFT**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

DRAFT

Originally Adopted on June 26, 2008  
Ratified: November 19, 2009  
Ratified and Amended: February 24, 2011  
Ratified and Amended: April 28, 2011  
Ratified and Amended: January 10, 2013  
Ratified and Amended: January 30, 2014  
Ratified and Amended: February 27, 2014  
Ratified and Amended: April 30, 2015  
Ratified and Amended: October 27, 2016  
Ratified and Amended: August 30, 2018

# **EMPLOYEE POLICY MANUAL**

**Midtown Redevelopment Authority**

**Midtown Redevelopment Authority  
Employee Policy Manual**

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## **Section 1. PREAMBLE**

The Midtown Redevelopment Authority (the “Authority”) was created by Resolution No. 95-96, adopted on June 28, 1995, to aid, assist and act on behalf of the City of Houston, Texas (the “City”) in the performance of the City’s governmental and proprietary functions with respect to the common good and general welfare of Midtown and neighboring areas as described in Ordinance No. 94-1345. The Midtown Management District (“MMD”) was created in 1999 by the Texas Legislature with the consent of the City, and operates under Chapter 375, Texas Local Government Code, and Chapter 3809, Texas Special Districts Local Laws Code. The Midtown Parks Conservancy (“MPC”) is an entity that works in conjunction with the Authority and MMD under various agreements.

Employees of the Authority are subject to the policies set forth in this Employee Policy Manual (the “Manual”). At times, employees of the Authority may perform services for the benefit of MMD or MPC; Authority employees remain subject to the policies set forth in this Manual, even when engaging in work for the benefit of MMD or MPC. The Authority, MMD, and MPC are collectively referred to in this Manual as the “Midtown Entities.”

The purpose of this Manual is to provide Authority employees with an overview of the policies and procedures that relate to employment. Authority employees are expected to know and be familiar with the contents of this Manual. This Manual may be supplemented from time to time at the discretion of the Board of Directors of the Authority (the “Board”). In addition, the policies in this Manual supplement any governing documents of the Authority, as applicable.

**THIS MANUAL DOES NOT CONSTITUTE A CONTRACT AND DOES NOT CREATE ANY CONTRACTUAL RIGHTS, NOR DOES IT GUARANTEE EMPLOYMENT FOR ANY SPECIFIC DURATION.** Instead, the policies and procedures set forth herein establish guidelines only. They do not create, and are not intended to create, a contract between the Authority and any employee or other party. Nothing contained in the Manual should be construed as a promise or guarantee of continued employment or any benefit. The employment relationship between the Authority and its employees is at-will. This at-will relationship cannot be altered by any oral statements or any statements in the Manual.

All Authority employees are subject to the terms and conditions of the policies contained in the Manual. Employment or continued employment after receipt of the Manual constitutes the employee’s agreement to abide by the policies contained in the Manual. If any policy in the Manual conflicts with applicable law, the Authority will comply with the applicable law.

## **Section 2. EMPLOYEE POLICIES AND PROCEDURES**

### **A. General Provisions.**

1. Administrative, managerial, and supporting employees are to be hired, managed, and developed in a manner that meets the objectives of the Authority.
2. When performing work on behalf of the Authority, employees must conduct themselves in a manner consistent with sound business and ethical practices; the public interest must always be considered in conducting business on behalf of the Authority; and the appearance of impropriety must be avoided to ensure and maintain public confidence.
3. Compliance with the policies in this Manual is a condition of initial and continued employment. Disciplinary action, up to and including termination of employment, will be taken against any employee who violates such policies as described herein.
4. The Executive Director of the Authority (the “Executive Director”) is responsible for administering and enforcing the Employee Policies in this Manual.
5. Should the Executive Director be unable to fulfill his or her duties under this Manual, the Board shall have the right to designate an individual within the Authority to perform the Executive Director’s duties in his or her absence.

### **B. Equal Employment Opportunity**

1. The Authority is an equal opportunity employer. It is the commitment of the Authority to select and retain the best qualified individuals based upon job-related qualifications, regardless of race, sex, sexual orientation, gender identity, color, religion, national origin, citizenship, age, military and/or veteran status, disability, genetic information, or any other characteristic protected by applicable federal, state, or local law. This commitment includes recruitment, selection, transfers, promotions, scheduling, corrective action, compensation, benefits, separation or any other term of employment.
2. The Authority will provide reasonable accommodations in accordance with applicable laws prohibiting discrimination in employment against qualified individuals with disabilities to qualified individuals with known physical or mental disabilities, unless undue hardship would result.
3. In accordance with applicable laws, absent undue hardship, the Authority will make reasonable accommodations for sincerely held religious beliefs.
4. The Authority prohibits intimidation, coercion or harassment of any kind. If any employee is asked to participate in, is a witness to, or has experienced an activity that the employee considers discriminatory, the employee should immediately



bring the situation to the attention of his or her supervisor or the Executive Director—whichever the employee feels most comfortable.

5. It is the obligation of each employee to comply with the spirit and intent of this EEO Policy. Any violations of this EEO Policy will be cause for disciplinary action, up to and including termination of employment.

C. Policy Prohibiting Harassment and Discrimination.

1. Policy

- (a) The Authority is committed to maintaining a work environment free of unlawful discrimination, harassment, and retaliation. The Authority prohibits all behavior which is motivated by, pertains to, or is offensive on the basis of the protected characteristics and statuses described the above EEO Policy. Employees engaging in any form of harassment, discrimination, or retaliation in violation of the Authority's policies will be subject to disciplinary action, up to and including termination of employment.
- (b) Harassment or discrimination prohibited by this policy includes, without limitation, harassing or discriminatory intimidations, insult, ridicule and comments where:
  - (1) The conduct has the purpose or effect of creating an intimidating, hostile, or offensive work environment; or
  - (2) The conduct has the purpose or effect of unreasonably interfering with an individual's work performance; or
  - (3) The conduct otherwise adversely affects an individual's employment opportunities.
- (c) The Authority will not tolerate sexual harassment by any person who is employed by or associated with the Authority. Sexual harassment includes, but is not necessarily limited to, unwelcome sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature where:
  - (1) Submission to such conduct is made either explicitly or implicitly a term or condition of employment; or
  - (2) Submission to or rejection of the conduct is used as the basis for an employment decision affecting the employee (e.g., demotion, promotion, performance evaluation or compensation); or
  - (3) The conduct or speech has the purpose or effect of unreasonably interfering with an employee's work

performance or creating an intimidating, hostile or offensive working environment (e.g., unwanted sexual jokes, vulgar language, sexual gestures, physical assaults, sexual advances or displaying sexually oriented materials like publications, pictures, cartoons or photographs).

(d) The definition of sexual harassment may be easier to understand if an employee recognizes that the definition identifies 2 types of sexual harassment:

- (1) Quid Pro Quo - this typically describes a situation in which an employee is confronted with sexual demands, and the response to the demands will dictate whether, for example, this employee will get a promotion or keeps his or her job; and
- (2) Hostile Work Environment - this typically involves unwelcomed sexual conduct that permeates the work environment and interferes with an employee's ability to do his or her job, or unwelcomed sexual conduct that is sufficiently severe and pervasive that it creates an abusive or offensive work environment.

In addition, any unwelcomed sexual conduct by a vendor or supplier of the Authority, or by any other non-employee of the Authority who is likely to have workplace contact with Authority employees, is prohibited and must also be reported and addressed.

## 2. Complaint Procedure

- (a) Any employee who feels that he or she has been subjected to behavior that violates this policy should immediately tell the individual engaging in the behavior that it is offensive and ask that it stop. The employee also should immediately contact his or her supervisor to report the behavior. If the behavior involves the employee's supervisor or the employee is not comfortable making a report to the supervisor, the employee should report the behavior to the Executive Director. Employees should report the behavior to the person—supervisor or Executive Director—whom the employee feels most comfortable.
- (b) All employees are responsible for maintaining a workplace free of discrimination, harassment, and retaliation in violation of this policy. Any person may initiate a complaint regarding incidents experienced personally or observed in the workplace. If any employee is asked to participate in, is a witness to, or has experienced an activity that the employee considers discrimination, harassment, or retaliation, the employee should immediately bring the situation to the attention of his or her supervisor and/or the Executive Director. It is the responsibility of all employees to

bring complaints to the attention of his or her supervisor and/or the Executive Director so that the Authority can help resolve them. An employee should never assume that the Authority is aware of inappropriate conduct that an employee has witnessed or experienced. Employees are encouraged to report any conduct that they feel may be inappropriate regardless of whether the employee is confident that such conduct violates this policy, or any other Authority policy or standards. Employees should understand that the Authority wants them to bring any concerns related to harassment, discrimination, or retaliation to its attention so that the Authority can review such matters and address them as appropriate, regardless of whether such conduct is an express violation of a specific policy.

- (c) Upon receipt of a report or complaint of harassment, discrimination, or retaliation, the Authority will promptly and discretely, to the extent possible, conduct an investigation. In determining whether the alleged conduct constitutes a violation of this policy, the totality of the circumstances, the nature of, and the context in which the alleged conduct or incident occurred will be considered.
- (d) If it is determined that a violation of this policy has occurred, prompt and appropriate action will be taken.

3. No Retaliation.

- (a) The Authority prohibits retaliation in any form against any employee who, in good faith, initiates a complaint; any employee who, in good faith, reports the possible existence of harassment or discrimination against others; or any employee who, in good faith, participates in or assists with investigation of a complaint. Any employee who believes retaliation has occurred should immediately report the alleged retaliation using the complaint procedure described above.

D. Drug-Free Workplace.

- 1. It is the policy of the Authority to maintain a drug-free workplace. The Authority prohibits the manufacture, distribution, dispensation, possession, concealment, use, sale, or transfer of alcohol, inhalants, drugs, synthetic drugs, or controlled substances (collectively "prohibited substances") and the possession of drug-related paraphernalia or literature promoting the use of illegal drugs, while at work, on Authority premises (including in parking lots), in Authority vehicles, or on business for any of the Midtown Entities. Possession and use include having the metabolites of a prohibited substance in the employee's system resulting in a positive test. The Authority also prohibits the presence of any person on the premises of the Authority while under the influence of any prohibited substance. If approved by the Executive Director, the moderate use of alcoholic beverages at Authority -sponsored or business/social events is permitted.

2. To the extent that it does not impair an employee's job performance or safety or the safety of others, employees may possess and use over the counter and prescription medication in the workplace provided that:
  - (a) *For prescription medication:* A licensed health care provider has prescribed the medication for the employee's use and the employee has a current and valid prescription. Marijuana is never permitted, even if lawfully prescribed under state law for medicinal purposes.
  - (b) The employee uses the medication in a manner and for the purpose prescribed (if a prescription medication) and the intended purpose.
  - (c) All medication is kept in the original container.
  - (d) The employee can safely perform his or her essential job functions while taking the medication. If the employee's use of medication may impair or affect the employee's ability to safely perform his or her essential job functions, the employee should advise the Executive Director that he or she is taking the medication and its potential safety impact, prior to performing any work assignment while under the influence of the medication.
3. Consistent with our intent to maintain a work environment that is safe, drug-free, conducive to high work performance, and in compliance with our standards, the Authority may conduct drug and alcohol testing on applicants as a condition of hire and on employees as a condition of continued employment. The Authority may conduct tests when there is reasonable-suspicion of a violation of this policy and after an accident or incident, in appropriate circumstances and other testing in a manner that is consistent with the intent and enforcement of this policy. The Authority may, from time to time and without prior notice, also conduct random drug testing. These tests may include chemical analyses of urine, hair, blood, breath, or saliva specimens. It is the intent of the Authority to comply with any applicable federal, state, and local laws and regulations governing drug and alcohol use and testing in the workplace.
4. From time to time and without prior notice, authorized representatives of the Authority may conduct searches for prohibited items and substances of individuals entering the workplace or performing assigned duties for the Authority at any location. These searches may include, but are not limited to, vehicles, offices, desks, personal possessions, luggage, clothing, lockers, and living quarters. When appropriate, prohibited items and substances discovered during these searches may be retained by the Authority or reported and released to appropriate law enforcement agencies. Employees should have no expectation of privacy while in the workplace or performing assigned duties for the Midtown Entities at any location.

E. Weapons in the Workplace.

1. The Authority prohibits employees from possessing weapons of any kind in the workplace, while engaged in Authority activities, and at Authority-sponsored events.
2. Notwithstanding the above, in compliance with applicable law, an employee who holds a license to carry a concealed handgun, or who otherwise lawfully possesses a firearm or ammunition, may store such weapons out of plain view within a locked, privately owned vehicle in the Authority's parking area. Under no circumstance shall an employee store or possess any weapons in any Authority vehicle.
3. Weapons include, but are not limited to: guns; knives; mace; explosives; or any item with the potential to inflict harm that has no common purpose. This list is illustrative only, and not exhaustive.

F. Employment.

1. Employment Status
  - (a) "Full-Time Employee" means an employee who regularly works a minimum of forty hours a week and has been employed at least 90 days by the Authority.
  - (b) "Part-Time Employee" means an employee who regularly works less than forty hours a week.
2. Time Reporting.
  - (a) It is the policy of the Authority to comply with all applicable laws that require records to be maintained of the hours worked by its employees. To ensure that accurate records are kept of hours worked (including overtime work), all non-exempt employees must keep a record of, and report to the Authority, all hours worked in a workweek.
  - (b) Non-exempt employees must accurately record all of their actual working hours. This is not only a matter of strict policy, but it is a requirement of applicable law as well. No supervisor may ask or require non-exempt employees to work without properly recording their time, or to record their time improperly. Non-exempt employees may not work any hours without reporting those hours to the Authority. This includes, for example, time worked before or after the regular scheduled work day and during meal periods. No "off-the-clock" work is permitted. Off-the-clock work means work a non-exempt employee performs but fails to report on his or her time record. If an employee is asked to work without reporting his or her time by any supervisor or other individual, that employee must report the

request immediately to the Executive Director. Non-exempt employees will be paid for all hours worked.

(c) An exempt employee's weekly salary is pay for all hours worked in a week and is not subject to deductions for variation in the quantity or quality of the work the employee performs. There are only a few instances where deductions are permitted, and these include the following: any full week an employee does not work; full day absences for personal reasons or illness in accordance with the Authority's PTO policy; and, full day disciplinary suspensions for major safety violations and significant infractions of written workplace conduct rules.

(d) Any employee who believes that he or she is being asked to work without properly recording work hours, or to record less than all hours worked, or has had an improper deduction in the employee's paycheck, should notify his or her supervisor or the Executive Director. An employee's report of non-compliance with this policy will be promptly investigated and he or she will be promptly reimbursed for any errors in payment for all hours worked, any improper deductions from wages, or any other errors relating to pay. An employee who makes any such report in good faith will suffer no retaliation for bringing such information to the attention of management. An employee who believes that he or she was retaliated against for making a report regarding wage or pay discrepancies should report this to the Executive Director as well.

#### G. Employment Termination.

Employees are employed by the Authority on an at-will basis. Nothing in this Manual restricts or in any way modifies the Authority's right or the employee's right to terminate the employee's employment at any time.

1. *Voluntary Termination.* Employees wishing to resign should give at least two weeks advance notice of the effective date of resignation. All resignations must be in writing to the Executive Director.
2. *Abandonment Termination.* After an unreported, unapproved absence of three or more consecutive workdays, an employee may be terminated or considered to have resigned. Reinstatement may occur, in the sole discretion of the Authority, if the employee can explain the extenuating circumstances that prevented them from notifying the Authority regarding the absence at issue. Pay will cease effective the first day of absence.
3. *Involuntary Termination.*
  - (a) *Discharge.* Any employee is subject to being discharged from employment at any time.

- (b) *Death.* Deceased employees will be removed from the payroll at the end of the day on which death occurred.
- 4. All employees who are separating from employment, either voluntarily or involuntarily, are required to schedule an exit interview with the Executive Director at a time and place as specified by the Executive Director.
- 5. Final pay is made in accordance with applicable law.

H. Attendance and Attire.

- 1. Employees are required to maintain attendance that facilitates working cooperatively with other employees during normal work hours. "Attendance" is limited to mean work performed in the offices of the Authority and in the field within the Zone, and local meetings in the Houston area as well as continuing education seminars, or as otherwise designated.
- 2. The general workweek is eight hours a day, Monday through Friday. Normal work hours are from 8:00 a.m. to 5:00 p.m. excluding one hour for lunch. However, from time to time and at the discretion of the Executive Director, the workweek may be modified or an alternative workweek may be implemented upon reasonable notice to all employees and the Board.
- 3. Tardiness and Other Absence.
  - (a) It is the employee's responsibility to be at work and on time and to call his or her designated supervisor when it is not possible to be at work on time. Repeated unexcused tardiness is grounds for termination of employment.
  - (b) In the case of illness, the employee is asked to contact the Administrative Manager or the employee's supervisor as soon as possible, but no later than the time the employee is scheduled to begin work.
- 4. Dress Code
  - (a) Attire at all times should be professional and in good taste.
  - (b) The Executive Director may provide additional guidelines on appropriate professional attire at his or her discretion.

I. Compensation.

- 1. The Executive Director shall determine the salary, or equivalent hourly rate, and benefits for each individual professional or staff member upon review and evaluation of such professional or staff member. The Board retains authority to approve or deny any compensation decisions made by the Executive Director.
- 2. Salaries are paid either by check or direct deposit, as elected by the employee, semi-monthly on the 15<sup>th</sup> and last working day of each month. The pay period

cut-off dates are the 5<sup>th</sup> and 20<sup>th</sup> of each month. Any special situations regarding payment of salaries are handled at the discretion of the Executive Director. The employee is responsible for the completion and accuracy of all records related to timesheets, withholding requests, and other documentation authorizing payroll deductions. Employees must review their paychecks promptly and report any errors to the Executive Director. All errors will be promptly corrected.

3. Pay increases are made in the sole discretion of the Authority and generally are based on each employee's performance and other economic factors impacting the Authority. Employees should not construe this policy as requiring any increase salaries at any time.

J. Vacation Plan.

1. Vacation practices are intended to grant eligible employees time off with pay according to their years of service. These practices apply to all regular, full-time employees. Part-time employees are not eligible for paid vacation.
2. Prior supervisory approval through normal reporting channels is required for employees to take vacation.
3. Vacation time allotments are based on length of service.
4. All vacations will be determined on a calendar-year basis. For instance, an increase in an employee's allotment of vacation days does not take effect until January 1 of the year after the year in which the employee completes the service requirement set out below.
  - (a) If an otherwise eligible employee is absent from work at the beginning of a calendar year for any reason (including paid sick leave, unpaid leave of absence, etc.), the employee is not eligible for paid vacation in that calendar year unless and until the employee returns to active work in that calendar year.
  - (b) If an employee has not performed active work in a calendar year, the employee is not eligible for paid vacation in that calendar year.
  - (c) If an employee is on authorized absence (with or without pay) throughout an entire calendar year, the employee is not eligible for paid vacation in that calendar year; therefore, the employee will not receive vacation in that calendar year.
5. New Employees are eligible for: (Employees hired during the year in which vacation would be taken or the directly preceding year ("New Employee")):
  - (a) Two (2) weeks of vacation after one (1) year of service, to be taken between January 1 after the end of the one (1) year period and December 31 of the following year hired; and



- (b) Three (3) weeks of vacation after five (5) years of service, to be taken between January 1 after the end of the second (2nd) year period and December 31 of the following year.
6. A regular, active employee (not qualifying as a New Employee) is eligible for a paid vacation of two (2) weeks during each calendar year. As years of continuous service increase, weeks of vacation eligibility also increase as shown below:

LENGTH OF SERVICE	WEEKS OF VACATION*
After 1st year	2 weeks
After 5th year	3 weeks
After 10th year	6 weeks or such other amount that may be determined by the Board

\*After the first year of service, vacation periods coincide with calendar years.

- 7. Vacation time must be taken the year earned, with the exception of up to five (5) days of vacation. At the end of one calendar year, an employee may carry over up to five (5) earned, unused vacation days into the next calendar year. Such days must be used in the next calendar year or they will be lost. Employees may not carry over more than five (5) earned, unused vacation days from one calendar year to the next calendar year. Notwithstanding the foregoing, employees who have ten (10) or more years of continuous employment service with the Authority will be permitted to carry over up to 50% of their earned, unused vacation days from one calendar year to the next calendar year, but in no event can such employee carry over more than three (3) weeks of earned, unused vacation days.
- 8. Regular active employees, employees actively at work on December 31 or those on approved vacation on December 31, may take vacation beginning the first work day of a new calendar year.
- 9. Vacations should be scheduled and requested within a reasonable time, as determined by the Executive Director, in advance of such dates requested so plans may be made for personnel replacements, if necessary. If practical, vacation schedules will be approved according to employees' preferences. However, work assignments and responsibilities will be the controlling factors in scheduling vacations of individual employees. Vacation date preferences may be granted based on length of service among other factors.
- 10. If an employee resigns in good standing, as determined by the Executive Director, the employee will be paid for accrued vacation time not taken in that current calendar year. If an employee's employment is terminated by the Authority for any reason, that employee will not be paid for accrued vacation time not yet taken.
- 11. Employees who do not actively perform their jobs during a calendar year (e.g., those who are on paid or unpaid authorized or unauthorized absences or as determined by the Executive Director) will not receive pay in lieu of vacation.

12. If a Paid Holiday (see Section K below) occurs during the period of an employee's vacation, the employee will be granted either the last scheduled work day before the vacation or the first scheduled work day after the completion of the vacation as a substitute vacation day. If two or more Paid Holidays occur during an employee's vacation, the employee will be granted an equivalent number of substitute vacation days. The designation of days to be recognized as substitute vacation days shall be at the employer's option, as determined at the discretion of the Executive Director.
13. Vacation time is not considered hours worked for the purpose of calculating overtime

K. Paid Holidays.

1. The Authority has designated and observes certain days of the year as Paid Holidays with pay for eligible employees. These practices apply to all regular, full-time employees. Part-time employees are not eligible for Paid Holidays.
2. The Authority grants **ten (10)** paid holidays per year plus **one (1)** floating holiday. The Authority follows the City Office Holiday Schedule and guidelines as established and approved by the City Council each year. The Authority does not provide additional pay or holidays for "Paid Holidays" not taken. Paid Holidays are generally as follows, however, the Authority reserves the right to modify this list as necessary:

New Year's Day  
Martin Luther King, Jr. Day  
Memorial Day  
Independence Day  
Labor Day

Veteran's Day  
Thanksgiving Day  
Day after Thanksgiving Day  
Christmas Eve  
Christmas Day

3. Holidays are not considered hours worked for the purpose of calculating overtime

L. Personal Time Off.

1. The Authority has established personal time off to grant eligible employees time off with pay in the event of the employee's own injury or illness, doctor's appointments, or other unforeseen need to be absent for personal reasons and also in the event of the short-term need to care for a spouse, child, or parent. The following personal time off guidelines have been established for all employees who qualify.
2. Full-Time Employees will be eligible for **seven (7)** days of personal time off effective January 1 of each year following the employee's first year of service. Part-time employees are not eligible for personal time off.

3. In the event personal time off is to be taken for a planned absence, such as a doctor's appointment or other personal appointment, the employee must seek the supervisor's advance approval in order to apply PTO to the absence. Employees are encouraged to schedule appointments in a manner that does not interfere with work schedules, where possible. In the event the need to use PTO is for an unforeseen absence, employees must notify their supervisor as soon as reasonably practicable to their normal report to work time in order to designate the day as personal time off.
4. The Authority reserves the right to require written verification of illness from a licensed practicing medical physician or healthcare provider for any absence due to illness, injury, or medical appointment that lasts three (3) consecutive days or more, within the scope of this Section prior to approving payment of personal time off benefits to an employee. Absent extenuating circumstances, employees will not be permitted to apply personal time off to three (3) or more consecutive days of planned absences. Moreover, the Authority retains the right to deny personal time off requests that are longer than three (3) consecutive days in length, regardless of the reason for the absence.
5. Payment of personal time off benefits does not automatically constitute an acceptable reason to be absent from work. Employees with absenteeism problems, as determined by the Authority, regardless of whether they receive personal time off benefits or not, may find themselves subject to disciplinary action up to and including termination.
6. Personal time off may not be carried over from the prior year or borrowed from the next calendar year, and payment in lieu of personal time off is prohibited. Accrued, unused personal time off is not paid to the employee upon the employee's separation from employment for any reason.
7. Personal time off is not vacation time, and should not be used as such. Personal time off may be used for reasons such as an employee's own injury or illness, doctor's appointments, or other unforeseen need to be absent for personal reasons and also in the event of the short-term need to care for a spouse, child, or parent.
8. In the event an employee exhausts his or her seven (7) days of personal time off in a calendar year, the employee must charge any additional absences to vacation or unpaid leave.
9. Personal time off is not considered hours worked for the purpose of calculating overtime.

M. Bereavement Leave.

1. Effective January 1 of each year following the employee's first year of service, full-time employees will be eligible for three (3) days of paid bereavement leave for the death of an immediate family member. Part-time employees are not eligible for bereavement leave.

2. For purposes of this policy, immediate family members include an employee's:

- Spouse or domestic partner.
- Parent.
- Step-parent.
- Parent-in-law.
- Sibling.
- Brother-in-law; Sister-in-law.
- Child.
- Step-child.
- Son-in-law; Daughter-in-law.
- Grandparent.
- Grandchild.
- Aunt; Uncle
- Niece; Nephew

3. Bereavement leave is not considered hours worked for the purpose of calculating overtime. Accrued, unused bereavement leave is not paid to the employee upon the employee's separation from employment for any reason.

4. Employees are responsible for requesting bereavement leave from their supervisor as far in advance as possible. The Authority may require verification of the need for bereavement leave.

N. Leave.

1. Upon written request or in an emergency, paid or unpaid leave of absence may be given for various reasons upon the approval of the Executive Director.

2. Benefits do not accrue while the employee is on leave without pay.

3. An employee who requires a leave of absence for medical reasons in order to return to work and perform the employee's essential job functions, with or without reasonable accommodations, may be provided a leave of absence as a reasonable accommodation.

O. Confidential Information.

1. In the course of performing duties for the Authority, employees will have access to or gain knowledge of Confidential Information belonging to the Authority or the other Midtown Entities, their clients, and other contacts. Confidential Information (defined below) is to be used for the exclusive benefit of the Midtown Entities and their business operations. Maintaining confidentiality is important to the mission and work of the Authority. Therefore, employees have a duty to protect this information and to use this information only as needed during the performance of their regular job duties for the benefit of the Midtown Entities. During employment with the Authority, and at all times thereafter, employees,

former employees, and all agents, representatives, and third parties acting on their behalf must: (i) keep strictly confidential and not directly or indirectly communicate, divulge, or use any Confidential Information for the benefit of any other person or entity, without the prior written consent of an authorized representative of the Authority; and (ii) not copy, duplicate, record or otherwise reproduce any Confidential Information, nor otherwise disclose, disseminate or make such information, available to any person or entity without the prior written consent of an authorized representative of the Authority. Employees who leave employment must immediately return any Confidential Information, proprietary information, records, documents, or other property belonging to the Midtown Entities that is in their possession.

2. "Confidential Information," includes, without limitation, technical, economic, financial, marketing, client and other information that is not common knowledge outside the Midtown Entities. Some examples of Confidential Information include, but are not limited to, research and development materials; electronic databases and internet website specifications and methodologies; methods of operation; computer programs and technologies; marketing and analysis; marketing presentations and/or strategies; contracts; accounting and business systems; short and long range business planning; financial information; trade secrets; business policies; methods of operation; implementation strategies; business files or other information; or any other confidential information concerning the business and affairs of the Midtown Entities. Confidential Information includes any such information that the Employee may originate, learn, have access to or obtain, whether in tangible form or memorized. Confidential Information shall not include material that (i) is in the possession of or known by an employee prior to the receipt thereof from the Midtown Entities; (ii) becomes generally available to the public other than as a result of disclosure by the employee; or (iii) becomes available to the employee from another source outside of employee's employment with the Authority.

P. Technology in the Workplace.

1. The Authority's e-mail, computing, network, internet, telephone, and voicemail systems (collectively "Electronic Communication Systems") are the property of the Authority. As such, these resources are to be used only to conduct Authority business; however, the Electronic Communication Systems can be used during non-working time for statutorily protected employee activity, if applicable. Incidental and occasional personal use of the Electronic Communications Systems is permitted so long as such use does not detract in any way from the conduct of employee responsibilities and Authority business. Personal use must be kept at a minimum and must not violate any other Authority policies.
2. The Authority reserves and exercises the right to access, intercept, monitor, record, copy, review, disclose, download, and delete any communication or information that employees create or maintain using the Electronic

Communication Systems. As a result, employees must have no expectation of privacy in their use of the Electronic Communication Systems.

3. Employees are also advised that certain information on each employee's Electronic Communication System may fall under the Public Information Act (Texas Government Code, Chapter 552). Furthermore, employees shall cooperate with the designated Public Information Coordinator of the Authority to provide requested information in a timely manner and all requests for information from outside the Authority shall be promptly referred to the Public Information Coordinator.
4. The Executive Director, from time to time, at his or her discretion, may provide guidelines on appropriate email and internet usage by all Authority employees.
5. Failure to adhere to any guidelines, provided by the Executive Director as authorized by this Section or the general prohibition contained herein, may lead to disciplinary action up to and including termination of employment.
6. Technological advances have made smartphones, personal digital assistants, and similar small-scale, handheld computers relatively inexpensive and widely available for business and personal use. While such devices increase productivity, features such as text, picture, and video messaging are subject to misuse in the workplace. The Authority prohibits any and all manner and means of harassment, discrimination, and otherwise inappropriate behavior, including harassing or otherwise inappropriate conduct by phone; electronic mail; and text, picture, or video message (e.g. "sexting" or "textual harassment").
7. Social media (e.g., Facebook, Twitter, LinkedIn, YouTube, Instagram, Snapchat, and Flickr) has revolutionized the way people interact with one another online. The Authority recognizes that employees may choose to use social media. It also recognizes, however, that if improperly used, social media can result in a variety of adverse consequences, such as disclosure of sensitive or confidential information, copyright violations, and damage to reputation. As a result the Authority has adopted the following policy and guidelines on its employee's use of social media.
  - (a) *Definition of Social Media.* As used in this policy, "social media" is any means of communicating with others over the Internet for social or business development purposes. Social media applications include, without limitation, Facebook, Twitter, LinkedIn, YouTube, Instagram, Snapchat, and Flickr, but can also occur on user forums that are offered by television networks, newspapers, magazines, and other websites that permit readers to post comments.
  - (b) *Guidelines for Postings.* Some social networking sites may provide an appropriate forum to keep current on matters of interest, to make professional connections, and to locate links to other pertinent sources. Users must be careful, however, that their online postings do not violate

Authority policies or the law. Users are personally responsible for all content they post on social networking sites. Users should assume that anything posted to an internet site is impossible to modify or remove. In addition, all users should assume that their internet postings can and will be read by anyone. Finally, users should understand that material posted on an internet site may be obtained and used by litigants in both personal and professional litigation. When using social media, consider the following guidelines:

- (1) Do not disclose the Confidential information belonging the Midtown Entities, advertise on behalf of the Midtown Entities, or in any way suggest that you are writing on behalf of the Midtown Entities. Employees who identify their Authority affiliation, either directly or indirectly, must identify themselves using their real names and add the following disclaimer: “The opinions expressed in this posting are solely my own and do not represent the views of my employer.”
  - (2) Do not post any content that could be characterized as defamation, plagiarism, unlawful harassment or a copyright violation. Identify all copyrighted or borrowed material with citations and links and obtain permissions when necessary.
  - (3) Use the same judgment in writing your postings that you would in writing any formal letter. Post only content that you would be comfortable having the Authority, your colleagues, and the general public read, hear, or see.
- (c) This policy does not prohibit (i) employees’ use of social media to discuss or address, for concerted activity purposes, matters concerning the employment terms and conditions, or (ii) other off-duty conduct, not involving the use of Authority’s systems or devices, with respect to which employees are protected by law from adverse employment actions.

Q. Workplace Searches.

1. The Authority believes that maintaining a workplace that is free of harmful materials is vital to the health and safety of employees and to the success of the Authority’s business. To maintain a safe, healthy and productive work environment, the Authority reserves the right at all times to search or inspect employees’ surroundings and possessions while on the premises of the Midtown Entities. This right extends to the search or inspection of offices, files, desks, credenzas, lockers, bags, briefcases, containers, packages, boxes, any employer-owned or leased vehicles and any vehicles parked on Midtown Entity property, computer files, voice mails, or similar places, whether or not the places are locked

or protected by access codes. Employees should have no expectation of privacy while on the premises of the Midtown Entities.

R. Personnel Files.

1. All employee files are the property of the Authority. Active employees may view their respective files in the presence of the Executive Director. Files are available for review only. No items may be added to or removed from the personnel file by an employee. An employee may copy a document in his or her personnel file only if the employee has previously received the document. Upon termination of employment, all files will remain the property of the Authority, and terminated employees will no longer have access to their files.

S. Code of Ethics and Conflict of Interest.

1. The Authority is committed to achieving the highest standards of ethical conduct and compliance with applicable laws in their operations and activities. This policy is intended to increase awareness of potential conflicts of interest and establish a procedure for reporting them.
2. It is the policy of the Authority to prohibit employees from engaging in any business arrangements with clients, customers, vendors, suppliers, contractors, governmental authorities, and other external parties when it presents an actual or perceived conflict of interest with the Authority, unless they have prior written approval from the Executive Director. The Authority prohibits all employees from using their position with the Authority or the Authority's relationship with their clients, customers, vendors, suppliers, contractors, governmental authorities, and other external parties for private gain or to obtain benefits for themselves or members of their family.
3. For purposes of this policy, a potential conflict of interest occurs when an employee's outside interests (for example, financial interests) interfere with the interests of the Authority's or the employee's work-related duties. For example, a conflict of interest can occur when an employee is in a position to influence a decision that may result in a personal gain for the employee or the employee's family member as a result of the business dealings of the Authority. If you have a question about whether a situation is a potential conflict of interest, please contact the Executive Director.
4. If an employee becomes aware of any potential conflict of interest or ethical concern regarding his or her employment or that of another employee at the Authority, the employee must promptly speak to, write or otherwise contact his or her direct supervisor or, if the conduct involves the direct supervisor, the Executive Director as soon as possible. The Authority prohibits any form of reprisal, intimidation or retaliation for good faith reporting of a potential conflict of interest or violation of this policy or cooperating in related investigations.



T. Gift Policy.

1. Authority employees are prohibited from accepting gifts under specific job-related circumstances. Gifts may be defined as anything of value, or the offer of a discount, rebate or privilege. For further information, consult the Executive Director and refer to the City of Houston Executive Order Regarding Gifts, Executive Order 1-28.

U. Safe Work Practices.

1. The Authority seeks to provide a safe workplace for all employees. As part of that effort, the Authority expects employees to work in a safe and responsible manner at all times. Employees must not abuse property belonging to the Authority and should use such property only for the purposes for which it is designed.

V. Whistleblower Policy.

1. It is the policy of the Authority to timely investigate allegations of employee misconduct or other Authority impropriety.
2. If an employee becomes aware of any potential employee misconduct, conflict of interest, ethical concern, or other impropriety involving the Authority, the employee should must promptly report the concern to the employee's direct supervisor or to the Executive Director. If the conduct involves the Executive Director, the employee should report the concern to the Board. The employee should provide specific facts or circumstances giving rise to the concern.
3. Employees must cooperate fully with any investigation conducted by the Authority under this policy and must provide truthful information, written statements, documents, and related materials upon request.
4. The Authority prohibits any form of discipline, reprisal, intimidation or retaliation for reporting a violation of this policy or cooperating in related investigations.

W. Workplace Injuries.

1. All job-related injuries, illnesses, and accidents, or any potential safety hazards or dangerous conditions, must be reported to the Authority, no later than 24 hours after the incident or discovery of the hazard.
2. Any work-related injury suffered by an employee must be reported to the Employee's supervisor immediately. This applies to both injuries that require medical attention and those that do not. The supervisor should note the type of injury, date, time, place and person(s) involved, and circumstances relevant to the injury.
3. When medical attention is required, the supervisor must summarize the incident the same day of the accident and submit the summary report to the Executive

Director. The supervisor should note the type of injury, date, time, place and person(s) involved, and circumstances relevant to the injury.

4. When immediate medical attention is required, supervisors should ensure that treatment is provided. If the situation is non-life-threatening, the supervisor should ensure the employee is transported to the nearest medical facility. If life-threatening, emergency responders should be contacted by dialing 9-1-1. If anyone present has proper First Aid training, that person may administer aid until responders arrive.
5. If no medical attention is required, a summary report must still be filed with the Executive Director within 24 hours of the incident.

X. Policy Violations.

1. Any violation of the policies set forth in this Manual may result in disciplinary action, up to and including termination of employment.

**Section 3. ADOPTION AND REVISION**

- A. Review and Amendment. This Manual may be reviewed from time to time; and, if necessary, amended and approved by a majority vote of the Board in an open meeting. The Board, by majority vote in an open meeting, reserves the right to alter, modify, and, or terminate any provisions of this Manual.
  
- B. Superseding Clause. This Manual supersedes any prior policies adopted by the Board regarding policies and procedures governing employees of the Authority.
  
- C. Adoption. The Board officially finds, determines and declares that the policies in this Employee Policy Manual were reviewed, carefully considered, and adopted at a regular meeting of the Board, and that a sufficient written notice of the date, hour, place, and subject of the meeting was posted at a place readily accessible and convenient to the public and on a bulletin board located at a place convenient to the public outside the City Hall of the City of Houston, Texas for the time required by law preceding the meeting, as required by Chapter 551, Texas Government Code, and that this meeting had been open to the public as required by law at all times during which this Manual was discussed, considered, and acting upon. The Board further ratifies, approves, and confirms such written notice and the contents and posting thereof.

Adopted on the 30<sup>th</sup> day of August, 2018.

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SECRETARY'S CERTIFICATE

THE STATE OF TEXAS           §  
  §  
COUNTY OF HARRIS           §

I, the undersigned officer of the Board of Directors of the Midtown Redevelopment Authority (the "Board") do hereby certify as follows:

1. The Board convened in regular session on the 30<sup>th</sup> day of August, 2018, at the regular meeting place thereof within said Midtown Zone, and the roll was called of the duly constituted officers and members of the Board to-wit:

<u>Pos. #</u>	<u>Name</u>	<u>Pos. #</u>	<u>Name</u>
<u>1</u>	Camille Foster	6	Abe Goren
<u>2</u>	Doug Erwing	7	Caton M. Fenz
<u>3</u>	Vacant	8	John Thomas
<u>4</u>	Pamela Ngo Castleman	9	Brandon Dudley
<u>5</u>	Al Odom		

and all of said persons were present, except Director(s) \_\_\_\_\_, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting: a written

**EMPLOYEE POLICIES MANUAL**

was introduced for the consideration of the Board. It was then duly moved and seconded that the manual be ratified and adopted, and, after due discussion, the motion, carrying with it the adoption of the manual, prevailed and carried unanimously.

2. That a true, full and correct copy of the aforesaid Manual adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that the Manual has been duly recorded in the Board's minutes of the meeting; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Board as indicated therein; that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that the Manual would be introduced and considered for adoption at the meeting, and each of the officers and members consented, in advance, to the holding of the meeting for such purpose; that the meeting was open to the public as required by law; and that public notice of the time, place and subject of the meeting was given as required by Chapter 551, Texas Government Code.

SIGNED this 30th day of August, 2018.

\_\_\_\_\_  
Secretary, Midtown Redevelopment Authority

**ACKNOWLEDGMENT OF RECEIPT OF EMPLOYEE POLICY MANUAL**

I have received a copy of the Midtown Redevelopment Authority Employee Policy Manual, as amended from time to time, and I have read and understand it. I agree to follow the rules and procedures set out in the Manual. I understand that the Authority can unilaterally rescind, modify, or make exceptions to any of these policies, or adopt new policies, at any time. I also understand that the provisions of this Manual will control over any contrary statements, representations or assurances made by any supervisory personnel except for written statements signed by the Executive Director of the Authority.

I understand that this Manual is not a contract of employment. I also understand that the policies and procedures contained in this Manual do not create contractual rights. I acknowledge and understand that my employment relationship with the Authority is at-will, which means that the Authority or I may terminate the employment relationship at any time with or without cause or reason.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

DRAFT

# MUNICIPAL ADVISOR ENGAGEMENT LETTER

## MIDTOWN REDEVELOPMENT AUTHORITY TAX INCREMENT REINVESTMENT ZONE NO. 2

MASTERTSON ADVISORS LLC (“Municipal Advisor”) appreciates the opportunity to serve as municipal advisor to MIDTOWN REDEVELOPMENT AUTHORITY, TAX INCREMENT REINVESTMENT ZONE NO. 2 (“Client”). Upon your acceptance, this engagement letter (the “Agreement”) will serve as our mutual agreement with respect to the terms and conditions of our engagement as your municipal advisor, effective on the date this Agreement is executed by Client (the “Effective Date”).

### 1. Scope of Services.

(a) **Services to be provided.** Municipal Advisor is engaged by Client as its municipal advisor to provide the services with respect to the issuances of municipal securities (“Issues”) set forth in Appendix A (the “Scope of Services”).

(b) **Limitations on Scope of Services.** The Scope of Services is subject to the following limitations:

(i) The Scope of Services is limited solely to the services described therein and is subject to any limitations set forth within the description of the Scope of Services.

(ii) Unless otherwise provided in the Scope of Services described herein, Municipal Advisor is not responsible for certifying as to the accuracy or completeness of any preliminary or final official statement, other than with respect to any information about Municipal Advisor provided by Municipal Advisor for inclusion in such documents.

(iii) The Scope of Services does not include tax, legal, or accounting advice with respect to any Issue or in connection with any opinion or certificate rendered by counsel or any other person at closing and does not include review or advice on any feasibility study.

(iv) If Client has designated Municipal Advisor as its independent registered municipal advisor (“IRMA”) for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the “IRMA exemption”) with respect to the activities and aspects described in the Scope of Services, the Scope of Services as they relate to such designation as IRMA shall be subject to any limitations with respect to Municipal Advisor’s activities as IRMA as may be provided in the Scope of Services described herein. Municipal Advisor is not responsible for verifying that it is independent (within the meaning of the IRMA exemption as interpreted by the SEC) from another party wishing to rely on the exemption from the definition of municipal advisor afforded under the IRMA exemption. Any reference to Municipal Advisor, its personnel and its role as IRMA in the written representation of Client contemplated under SEC Rule 15Ba1-1(d)(3)(vi)(B) is subject to prior approval by Municipal Advisor, and Client agrees not to represent, publicly or to any specific person, that Municipal Advisor is Client’s IRMA with respect to any aspect of municipal financial products or the issuance of municipal securities, or with respect to any specific municipal financial product or any specific issuance of municipal securities, outside the Scope of Services without Municipal Advisor’s prior written consent.

(c) **Amendment to Scope of Services.** The Scope of Services may be changed only by written amendment or supplement to the Scope of Services described herein. The parties agree to amend or supplement the Scope of Services described herein promptly to reflect any material changes or additions to the Scope of Services.

### 2. Municipal Advisor’s Regulatory Duties When Servicing Client.

MSRB Rule G-42 requires that Municipal Advisor make a reasonable inquiry as to the facts that are relevant to Client’s determination whether to proceed with a course of action with a course of action or that form the basis for and advice provided by Municipal Advisor to Client. The rule also requires that Municipal Advisor undertake a reasonable investigation to determine that it is not basing any recommendation on materially inaccurate or incomplete information. Municipal Advisor is also required under the rule to use reasonable diligence to know the essential facts about Client and the authority of each person acting on Client’s behalf.

Client agrees to cooperate, and to cause its agents to cooperate, with Municipal Advisor in carrying out these regulatory duties, including providing to Municipal Advisor accurate and complete information and reasonable access to relevant documents, other information and personnel needed to fulfill such duties. In addition, Client agrees that, to the extent Client seeks to have Municipal Advisor provide advice with regard to any recommendation made by a third party, Client will provide to Municipal Advisor written direction to do so as well as any information it has received from such third party relating to its recommendation.

### **3 Fiduciary Duty**

Municipal Advisor is registered as a Municipal Advisor with the SEC and Municipal Securities Rulemaking Board ("MSRB"). As such, Municipal Advisor has a Fiduciary duty to Client and must provide both a Duty of Care and a Duty of Loyalty that entails the following.

#### **Duty of Care:**

- a) exercise due care in performing its municipal advisory activities;
- b) possess the degree of knowledge and expertise needed to provide Client with informed advice;
- c) make a reasonable inquiry as to the facts that are relevant to Client's determination as to whether to proceed with a course of action or that form the basis for any advice provided to Client; and
- d) undertake a reasonable investigation to determine that Municipal Advisor is not forming any recommendation on materially inaccurate or incomplete information; Municipal Advisor must have a reasonable basis for:
  - i. any advice provided to or on behalf of Client;
  - ii. any representations made in a certificate that it signs that will be reasonably foreseeably relied upon by Client, any other party involved in the municipal securities transaction or municipal financial product, or investors in Client securities; and
  - iii. any information provided to Client or other parties involved in the municipal securities transaction in connection with the preparation of an official statement.

#### **Duty of Loyalty:**

Municipal Advisor must deal honestly and with the utmost good faith with Client and act in Client's best interests without regard to the financial or other interests of Municipal Advisor. Municipal Advisor will eliminate or provide full and fair disclosure (included herein) to Issuer about each material conflict of interest (as applicable). Municipal Advisor will not engage in municipal advisory activities with Client as a municipal entity, if it cannot manage or mitigate its conflicts in a manner that will permit it to act in Client's best interests.

### **4. Term of this Engagement.**

This Agreement shall become effective on the date executed by the Client, and unless terminated by either party, this Agreement will remain in effect for a period of five (5) years from the effective date. Unless Municipal Advisor or Client notify the other party in writing at least thirty (30) days in advance of the applicable anniversary date that this Agreement will not be renewed, this Agreement will be automatically renewed on the fifth anniversary of the effective date for an additional one (1) year period and thereafter will be automatically renewed on each anniversary date for successive one (1) year periods. This Agreement may be terminated with or without cause by either party upon the giving of at least thirty (30) days' prior written notice to the other party of its intention to terminate, specifying in such notice the effective date of such termination.

### **5. Compensation.**

(a) ***Fees and expenses.*** The fees due to Municipal Advisor hereunder shall be, and expenses incurred by Municipal Advisor in connection with any services provided hereunder shall be reimbursed, as set forth in **Appendix B** hereto.



(b) **Limitation of liability.** In the absence of willful misconduct, bad faith, gross negligence or reckless disregard of obligations or duties hereunder on the part of Municipal Advisor or any of its associated persons, Municipal Advisor and its associated persons shall have no liability to Client for any act or omission in the course of, or connected with, rendering services hereunder, or for any error of judgment or mistake of law, or for any loss arising out of any issuance of municipal securities, any municipal financial product or any other investment, or for any financial or other damages resulting from Client's election to act or not to act, as the case may be, contrary to any advice or recommendation provided by Municipal Advisor to Client. No recourse shall be had against Municipal Advisor for loss, damage, liability, cost or expense (whether direct, indirect or consequential) of Client arising out of or in defending, prosecuting, negotiating or responding to any inquiry, questionnaire, audit, suit, action, or other proceeding brought or received from the Internal Revenue Service in connection with any Issue or otherwise relating to the tax treatment of any Issue, or in connection with any opinion or certificate rendered by counsel or any other party. Notwithstanding the foregoing, nothing contained in this paragraph or elsewhere in this Agreement shall constitute a waiver by Client of any of its legal rights under applicable U.S. federal securities laws or any other laws whose applicability is not permitted to be contractually waived, nor shall it constitute a waiver or diminution of Municipal Advisor's fiduciary duty to Client under Section 15B(c)(1) of the Securities Exchange Act of 1934, as amended, and the rules thereunder.

## 6. Required Disclosures.

MSRB Rule G-42 requires that Municipal Advisor provide you with disclosures of material conflicts of interest and of information regarding certain legal events and disciplinary history. Such disclosures are provided in Municipal Advisor's Disclosure Statement delivered to Client together with this Agreement.

Municipal Advisor, represent that, to the extent this Agreement constitutes a contract for goods or services within the meaning of Section 2270.002 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2270 of the Texas Government Code, and subject to applicable Federal law including without limitation, 50 U.S.C. Section 4607, none of the Municipal Advisor, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Municipal Advisor (i) boycotts Israel or (ii) will boycott Israel through the term of this Agreement. The terms "boycotts Israel" and "boycott Israel" as used in this paragraph have the meanings assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code, as amended.

Pursuant to Texas Government Code, Chapter 2252, as amended, Municipal Advisor represents and verifies that at the time of execution and delivery of this Agreement and for the term of this Agreement, neither Municipal Advisor, its parent companies, nor its common-control affiliates (i) engage in business with Iran, Sudan, or any foreign terrorist organization as described in Chapters 806 or 807 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) is a company listed by the Texas Comptroller of Public Accounts under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" in this paragraph the meaning assigned to such term in Section 2252.151 of the Texas Government Code.

## 7. Recommendations

If Municipal Advisor makes a recommendation of a municipal securities transaction or municipal financial product or if the review of a recommendation of another party is requested in writing by Client and is within the scope of the engagement, Municipal Advisor will determine, based on the information obtained through reasonable diligence of Municipal Advisor whether a municipal securities transaction or municipal financial product is suitable for Client. In addition, Municipal Advisor will inform Client of:

- the evaluation of the material risks, potential benefits, structure, and other characteristics of the recommendation;
- the basis upon which Municipal Advisor reasonably believes that the recommended municipal securities transaction or municipal financial product is, or is not, suitable for Client; and
- whether Municipal Advisor has investigated or considered other reasonably feasible alternatives to the recommendation that might also or alternatively serve the Client objectives.

If Client elects a course of action that is independent of or contrary to the advice provided by Municipal Advisor, Municipal Advisor is not required on that basis to disengage from Client.

**8. Record Retention**

Effective July 1, 2014, pursuant to the Securities and Exchange Commission (SEC) record retention regulations, Municipal Advisor is required to maintain in writing, all communication and created documents between Municipal Advisor and Client for 5 years.

**9. Waiver of Jury Trial.**

EACH PARTY AGREES TO WAIVE ANY RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY CLAIM, COUNTERCLAIM OR ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE RELATIONSHIP BETWEEN THE PARTIES. PARTIES AGREE TO WAIVE CONSEQUENTIAL AND PUNITIVE DAMAGES.

**10. Choice of Law.**

This Agreement shall be construed and given effect in accordance with the laws of Texas.

**11. Binding Effect; Assignment.**

This Agreement shall be binding upon and inure to the benefit of Client and Municipal Advisor, their respective successors and permitted assigns; provided however, neither party may assign or transfer any of its rights or obligations hereunder without the prior written consent of the other party.

**12. Entire Agreement.**

This instrument, including all appendices hereto, contains the entire agreement between the parties relating to the rights herein granted and obligations herein assumed. This Agreement may not be amended, supplemented or modified except by means of a written instrument executed by both parties.

**13. Severability.**

If any provision of this Agreement is, or is held or deemed to be, invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions because it conflicts with any provisions of any constitution, statute, rule or public policy, or for any other reason, such circumstances shall not make the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or make any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

**14. No Third Party Beneficiary.**

This Agreement is made solely for the benefit of the parties and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, is intended to confer on any person, other than the parties and their respective successors and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

**15. Authority.**

The undersigned represents and warrants that (s)he has full legal authority to execute this Agreement on behalf of Client. The following individual has the authority to direct Municipal Advisor's performance of its activities under this Agreement:

**DREW MASTERSON, MANAGING DIRECTOR, MASTERSON ADVISORS LLC**

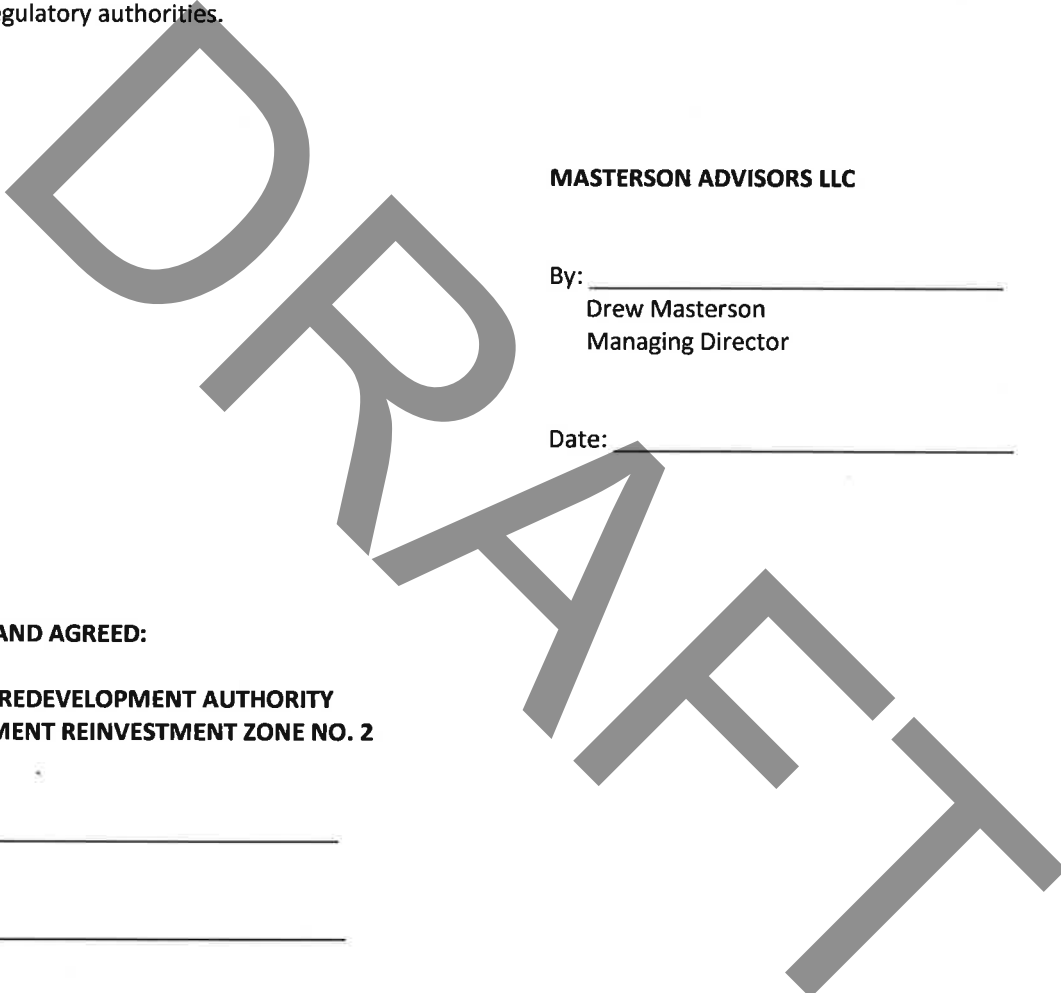
**16. Counterparts.**

This Agreement may be executed in counterparts, each of which shall be an original, but which taken together, shall constitute one and the same instrument.

**17. Municipal Securities Rulemaking Board Rule G-10 Disclosure**

Pursuant to Municipal Securities Rulemaking Board Rule G-10, on Investor and Municipal Advisory Client Education and Protection, Municipal Advisors are required to provide certain written information to their municipal entity and obligated person clients which include the following:

- Municipal Advisor is currently registered as a Municipal Advisor with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board.
- Within the Municipal Securities Rulemaking Board (“MSRB”) website at [www.msrb.org](http://www.msrb.org), Client may obtain the Municipal Advisory client brochure that is posted on the MSRB website. The brochure describes the protections that may be provided by the MSRB Rules along with how to file a complaint with financial regulatory authorities.



**MASTERTSON ADVISORS LLC**

By: \_\_\_\_\_  
Drew Masterson  
Managing Director

Date: \_\_\_\_\_

**ACCEPTED AND AGREED:**

**MIDTOWN REDEVELOPMENT AUTHORITY  
TAX INCREMENT REINVESTMENT ZONE NO. 2**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**CITY OF HOUSTON**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## APPENDIX A SCOPE OF SERVICES

The Scope of Services to be provided under this Agreement shall consist of the activities described below with respect to Client's new and outstanding issues of bonds, direct bank placements and anticipation notes issued or outstanding during the term of this Agreement (the "Issue(s)"). The Scope of Services shall also include activities during the term of this Agreement. In addition, Municipal Advisor is designated as Client's independent registered municipal advisor ("IRMA") for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the "IRMA exemption") with respect to the aspects of the Issue(s) described in this Appendix A.

### Activities

Municipal Advisor shall or may undertake some or all of the following activities for or on behalf of Client with respect to the Issue(s) in carrying out this engagement, as directed by Client

- A. **New Issues.** Provide some or all of the following services with respect to Client's new Issue(s):
1. Evaluate options or alternatives with respect to the proposed new Issue
  2. Review recommendations made by other parties to Client with respect to the new Issue
  3. Review financial and other information regarding Client, the proposed Issue and any source of repayment of or security for the Issue
  4. Consult with and/or advise Client on actual or potential changes in market place practices, market conditions, regulatory requirements or other matters that may have an impact on Client and its financing plans
  5. Assist Client in establishing a plan of financing
  6. Assist Client in establishing the structure, timing, terms and other similar matters concerning the Issue
  7. Prepare the financing schedule
  8. Provide assistance as to scheduling, coordinating and meeting procedural requirements relating to any required bond referendum, other than through cash or in-kind contributions with respect to such referendum
  9. Consult and meet with representatives of Client and its agents or consultants with respect to the Issue
  10. Attend meetings of Client's governing body, as requested
  11. Advise Client on the manner of sale of the Issue
  12. Assist in the gathering of information with respect to financial, statistical and factual information relating to Client in connection with the preparation of the preliminary and final official statement
  13. If the Issue is to be sold on a competitive bid basis and Client has not engaged disclosure counsel to prepare the preliminary and final official statement, prepare the preliminary and final official statement and the bid package, obtain CUSIP numbers and provide an electronic version of the official statement to the winning underwriter
  14. If the Issue is to be sold on a negotiated basis, assist in the preparation and/or review the preliminary and final official statement
  15. Make arrangements for printing, advertising and other vendor services necessary or appropriate in connection with the Issue
  16. In a competitive bid sale, assist Client in collecting and analyzing bids submitted by underwriters and in connection with Client's selection of a winning bidder
  17. In a negotiated sale, assist Client in the selection of underwriters
  18. At the time of sale, provide Client with relevant data on comparable issues recently or currently being sold nationally and by comparable Clients
  19. In a negotiated sale, coordinate pre-pricing discussions, supervise the sale process, advise Client on matters relating to retail or other order periods and syndicate priorities, review the order book, advise on the acceptability of the underwriter's pricing and offer to purchase
  20. Advise Client with respect to recommendations made by the underwriters and other interactions between Client and the underwriters
  21. Review required underwriter disclosures to Client
  22. Assist Client in selecting legal and other professionals (such as trustee, escrow agent, accountant, feasibility consultant, etc.) to work on the Issue
  23. Respond to questions from bidders, underwriters or potential investors
  24. Arrange and facilitate visits to, prepare materials for, and make recommendations to Client in connection with credit ratings agencies, insurers and other credit or liquidity providers

25. Work with bond counsel and other transaction participants to prepare and/or review necessary authorizing documentation of Client and other documents necessary to finalize and close the Issue
  26. Coordinate working group sessions, closing, delivery of the new Issue and transfer of funds
  27. Prepare a closing memorandum or transaction summary, together with general guidance for Client with respect to post-closing requirements relating to the use and investment of bond proceeds and the payment of debt service
  28. Provide such other usual and customary financial advisory services as may be requested by Client
- B. **Outstanding or Potential Issues.** Provide some or all of the following services with respect to Client's outstanding Issue(s):
1. Advise Client on potential exercise of optional or other call rights, or potential tender offers, for outstanding Issue(s)
  2. Advise Client on potential refunding or other refinancing opportunities of its outstanding Issue(s)
  3. Review recommendations made by other parties to Client with respect to outstanding Issue(s)
  4. Evaluate options or alternatives for Client with respect to, and assist in identifying, financing opportunities, including recommendations by other parties to Client for potential financings
  5. Consult with and/or advise Client on actual or potential changes in market place practices, market conditions, regulatory requirements or other matters that may have an impact on Client's outstanding Issue(s)
  6. Advise Client on post-issuance disclosure compliance matters, including specific issues that may arise from time to time and the preparation, review and revision of applicable policies and procedures, relating to outstanding Issue(s)
  7. Advise Client on matters relating to compliance with, including testing and/or reporting on compliance with, bond or other covenants relating to outstanding Issue(s)
  8. Review documentation of outstanding Issue(s) with Client personnel and with Client's bond counsel and other consultants
  9. Assist Client in responding to inquiries from investors or other market participants in connection with Client's outstanding Issue(s)
- C. **Products.** Provide some or all of the following services with respect to Client's Product(s) relating to its Issue(s):
1. Advise Client on the investment of proceeds of Client's Issue(s) or on municipal escrow investments relating to such Issue(s), including but not limited to advice on or brokerage of guaranteed investment contracts for the investment of proceeds of the Issue or for municipal escrow investments, or the recommendation and brokerage of municipal escrow investments in connection with the Issue(s)
  2. Advise Client on municipal derivatives

**APPENDIX B  
COMPENSATION**

The fees due to Municipal Advisor will not exceed those contained in our customary fee schedule as listed below:

\$12.50	per \$1,000	for the first	\$5,000,000
plus \$6.00	per \$1,000	for the next	\$5,000,000
plus \$3.00	per \$1,000	thereafter	

Minimum Fee \$25,000

The above charges shall be multiplied by 1.25 times for the completion of an application to federal or state government agency or for the issuance of refunding bonds, reflecting the additional services required.

*The payment of charges for municipal advisory services described in the foregoing Agreement shall be contingent upon the delivery of the Issue and shall be due at the time that Issue is delivered.*

If we are requested to perform additional financial advisory services for the Issuer other than in connection with the issuance and sale of Issues, such additional services will be billed at the hourly rates shown below based on the time spent by the personnel who work on the matter. Prior to Municipal Advisor performing any such additional financial advisory services, the Issuer and Municipal Advisor must first agree in writing as to a scope of work and budget for such services.

The Issuer shall be responsible for the following expenses, if and when applicable, whether they are charged to the Issuer directly as expenses or charged to the Issuer by Municipal Advisor as reimbursable expenses:

- Bond counsel
- Bond printing
- Bond ratings
- Computer structuring
- Credit enhancement
- CPA fees for refunding
- Official statement preparation and printing
- Paying agent/registrar/trustee
- Travel expenses
- Underwriter and underwriters counsel
- Miscellaneous, including copy, delivery, and phone charges

*The payment of reimbursable expenses that Municipal Advisor has assumed on behalf of the Client shall NOT be contingent upon the delivery of the Issue and shall be due at the time that services are rendered and payable upon receipt of an invoice submitted by Municipal Advisor.*

**APPENDIX C**  
**DISCLOSURE STATEMENT OF MUNICIPAL ADVISOR**

This Disclosure Statement is provided by **MASTERSON ADVISORS LLC** (the "**Municipal Advisor**") to you (the "**Client**") in connection with our current municipal advisory agreement, (the "**Agreement**"). This Disclosure Statement provides information regarding conflicts of interest and legal or disciplinary events of Municipal Advisor that are required to be disclosed to Client pursuant to MSRB Rule G- 42(b) and (c)(ii).

**PART A - Disclosures of Conflicts of Interest**

MSRB Rule G-42 requires that municipal advisors provide to their clients disclosures relating to any actual or potential material conflicts of interest, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable.

**Material Conflicts of Interest** – Municipal Advisor makes the disclosures set forth below with respect to material conflicts of interest in connection with the Scope of Services under the Agreement with the Municipal Advisor together with explanations of how the Firm addresses or intends to manage or mitigate each conflict.

**General Mitigations** - As general mitigations of the Municipal Advisor conflicts, with respect to all of the conflicts disclosed below, Municipal Advisor mitigates such conflicts through its adherence to its fiduciary duty to Client, which includes a duty of loyalty to Client in performing all municipal advisory activities for Client. This duty of loyalty obligates the Municipal Advisor to deal honestly and with the utmost good faith with Client and to act in Client's best interests without regard to the Municipal Advisor's financial or other interests. The disclosures below describe, as applicable, any additional mitigations that may be relevant with respect to any specific conflict disclosed below.

- I. **Other Municipal Advisor Relationships.** Municipal Advisor serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of Client. For example, Municipal Advisor serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to Client. These other clients may, from time to time and depending on the specific circumstances, have competing interests, such as accessing the new issue market with the most advantageous timing and with limited competition at the time of the offering. In acting in the interests of its various clients, Municipal Advisor could potentially face a conflict of interest arising from these competing client interests. None of these other engagements or relationships would impair Municipal Advisor's ability to fulfill its regulatory duties to Client.
- II. **Compensation-Based Conflicts.** Fees that are based on the size of the issue are contingent upon the delivery of the Issue. While this form of compensation is customary in the municipal securities market, this may present a conflict because it could create an incentive for the Firm to recommend unnecessary financings or financings that are disadvantageous to Client, or to advise Client to increase the size of the issue. This conflict of interest is mitigated by the general mitigations described above.

Fees based on a fixed amount are usually based upon an analysis by Client and Municipal Advisor of, among other things, the expected duration and complexity of the transaction and the Scope of Services to be performed by Municipal Advisor. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, Municipal Advisor may suffer a loss. Thus, Municipal Advisor may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. This conflict of interest is mitigated by the general mitigations described above.

Hourly fees, if any, are calculated with, the aggregate amount equaling the number of hours worked by Municipal Advisor personnel times an agreed upon hourly billing rate. This form of compensation presents a potential conflict of interest if Client and Municipal Advisor do not agree on a reasonable maximum amount at the outset of the engagement, because the Municipal Advisor does not have a financial incentive to recommend alternatives that would result in fewer hours worked. This conflict of interest is mitigated by the general mitigations described above.

## **PART B - Disclosures of Information Regarding Legal Events and Disciplinary History**

MSRB Rule G-42 requires that municipal advisors provide to their clients certain disclosures of legal or disciplinary events material to its client's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel.

Accordingly, Municipal Advisor sets out below required disclosures and related information in connection with such disclosures.

- I. **Material Legal or Disciplinary Event.** There are no legal or disciplinary events that are material to Client's evaluation of Municipal Advisor or the integrity of Municipal Advisor's management or advisory personnel disclosed, or that should be disclosed, on any Form MA or Form MA-I filed with the SEC.
- II. **How to Access Form MA and Form MA-I Filings.** Municipal Advisor's most recent Form MA and each most recent Form MA-I filed with the SEC are available on the SEC's EDGAR system. For purposes of accessing reports, Municipal Advisor's CIK number is 0001733756 and SEC number is 867-02338.

## **PART C - Future Supplemental Disclosures**

As required by MSRB Rule G-42, this Municipal Advisor Disclosure Statement may be supplemented or amended, from time to time as needed, to reflect changed circumstances resulting in new conflicts of interest or changes in the conflicts of interest described above, or to provide updated information with regard to any legal or disciplinary events of the Municipal Advisor. The Municipal Advisor will provide Client with any such supplement or amendment as it becomes available throughout the term of the Agreement.



DRAFT

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS    §  
  §  
COUNTY OF HARRIS    §

I, the undersigned officer of the Board of Directors of Midtown Redevelopment Authority (the "Board") do hereby certify as follows:

1.     The Board convened in regular session on the 30<sup>th</sup> day of August, 2018, at the regular meeting place thereof within said Midtown Zone; and the roll was called of the duly constituted officers and members of said Board, to-wit:

1	Camille L. Foster	Director
2	Douglas Erwing	Director
3	Vacant	Chair
4	Pamela N. Castleman	Secretary
5	Al Odom	Director
6	Abe S. Goren	Vice Chair
7	Caton M. Fenz	Director
8	John Thomas	Director
9	Brandon Dudley	Director

and all of said persons were present, except \_\_\_\_\_, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written

**RESOLUTION RATIFYING THE ACQUISITION OF CERTAIN PROPERTIES**

was introduced for the consideration of the Board. It was then duly moved and seconded that the Resolution be adopted; and, after due discussion, the motion, carrying with it the adoption of the Resolution, prevailed and carried unanimously.

2. That a true, full and correct copy of the aforesaid Resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that the Resolution has been duly recorded in the Board's minutes of the meeting; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Board as indicated therein; that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that the Resolution would be introduced and considered for adoption at the meeting, and each of the officers and members consented, in advance, to the holding of the meeting for such purpose; that the meeting was open to the public as required by law; and that public notice of the time, place and subject of the meeting was given as required by Vernon's Texas Codes Annotated, Chapter 551, Government Code.

SIGNED this \_\_\_\_\_, 2018.

\_\_\_\_\_  
Secretary, Midtown Redevelopment Authority

## RESOLUTION RATIFYING THE ACQUISITION OF CERTAIN PROPERTIES

WHEREAS, by Ordinance No. 94-1345, adopted on December 14, 1994, the City of Houston (the “City”) created Reinvestment Zone Number Two, City of Houston, Texas (the “Midtown Zone”) pursuant to Chapter 311, Texas Tax Code (the “Act”), and approved a preliminary project plan for the Midtown Zone and a preliminary reinvestment zone financing plan for the Midtown Zone; and

WHEREAS, by Resolution No. 95-96, adopted on August 28, 1995, the City authorized the creation of the Midtown Redevelopment Authority (the “Authority”) to aid, assist and act on behalf of the City in the performance of the City’s governmental and proprietary functions with respect to the common good and general welfare of Midtown and neighboring areas as described in Ordinance No. 94-1345; and

WHEREAS, the City, the Midtown Zone and the Authority have entered into that certain amended and restated Agreement dated July 18, 2000, and approved as Ordinance No. 2000-494 (the “Tri-Party Agreement”), pursuant to which the City delegated to the Authority the power and authority to administer the Midtown Zone including, but not limited to, the power to engage in activities relating to the acquisition and development of land, construction and improvement of infrastructure in the Midtown Zone, and provide affordable housing, in accordance with, and subject to the limitations set forth in, the Tri-Party Agreement and Project and Financing Plan; and

WHEREAS, the Authority’s Board of Directors (the “Board”) has determined that it is in the best interest of the Midtown Zone and the Authority to acquire tracts of land in certain adjacent historic neighborhoods to be developed as affordable housing and to commit certain available tax increment or bond proceeds received for this purpose; and

WHEREAS, the Authority has previously acquired certain parcels of land (the “Acquired Property”), as described in **Exhibit A**; and

WHEREAS, the Authority has evaluated the Acquired Property substantially in accordance with the due diligence checklist of the Midtown Redevelopment Authority Land Assembly and Affordable Housing Strategy; and

WHEREAS, the Authority believes it is in the best interest of the Authority to acquire the Acquired Property for the purpose of providing affordable housing consistent with the City’s affordable housing policies.

NOW THEREFORE, BE IT RESOLVED BY the Board of Directors of the Midtown Redevelopment Authority:

1. That the Board adopts the findings and recitations set out in the preamble to this Resolution and finds them to be true and correct.
2. That the Board hereby ratifies all actions previously taken by the officers of the Board, Executive Director or his agent with delegated authority, and Authority staff and consultants in connection with the acquisition of the Acquired Property.

3. That the Board hereby authorizes the Executive Director or his agent with delegated authority, the Authority staff, and consultants and officers of the Board to negotiate additional real estate contracts between the Authority or its agent and landowners, and authorizes the officers of the Board or Executive Director or his agent with delegated authority to execute any certificates, receipts, affidavits and necessary related agreements pertaining to the purchase of additional land in adjacent historic neighborhoods (the “Additional Property”) on behalf of the Authority, and to take all necessary steps on behalf of the Authority to consummate the acquisition of the Additional Property.

DRAFT

PASSED AND APPROVED this 30<sup>th</sup> day of August, 2018.

/s/Abe Goren  
Vice Chair, Midtown Redevelopment Authority

ATTEST:

/s/ Pamela N. Castleman  
Secretary, Midtown Redevelopment Authority

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