



**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 special** meeting, open to the public, with the Board of Directors of the Midtown Reinvestment Zone to be held on **Thursday, May 16, 2019 at 12:30 P.M.** on the 3rd Floor of the Houston Exponential Center, 410 Pierce Street, Suite 355, Houston, Texas 77002. 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, approve and ratify 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 April 30, 2019.
4. Consent Agenda for the Authority:
 - a. Minutes for April 30, 2019;
 - b. Monthly financial reports for April 2019;
 - c. Invoices from Trustee and Operating Accounts for May 2019.
5. Joint Agenda for the Midtown Reinvestment Zone and the Authority:
 - a. Restated and Revised Interlocal Agreement between Harris County, Midtown Redevelopment Authority and Tax Increment Reinvestment Zone Number Two;
 - b. Project Plan Amendment and Supplement to Debt Authorization;
 - c. Advancing Term Loan with Compass Mortgage Corporation.
6. Midtown Building Option: Letter of Intent for Option of Property.



- 7. Bagby Park Restaurant Kiosk Lease.
- 8. Midtown Affordable Housing Program:
 - a. Affordable Housing Operations Center;
 - i. Financing Options
 - b. Affordable Housing Development.
- 9.10. Midtown Capital Improvements Program:
 - a. Parks and Greenspace - Walter P Moore / Design Workshop
 - i. Midtown Park
 - 1. Approve Park Change Orders – Millis
 - 2. Approve Additional Services Request for Construction Management and Inspection Services (Garage) - TLC Engineering, Inc.
 - b. Caroline Street Reconstruction – ESPA Corp/KCI
 - i. Approve Change Orders
 - c. 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
 Matt Thibodeaux
 Executive Director

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

April 30, 2019

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 Exponential Building, 410 Pierce, Houston, Texas 77002, on Tuesday, April 30, 2019, 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	Gayle Fortson	8	John Thomas
4	Pamela Ngo Castleman	9	Brandon Dudley
5	Al Odom		

and all of the above were present except Directors Foster and Dudley.

Also in attendance were Matt Thibodeaux, Vernon Williams, Kandi Schramm, Todd Edwards, Cynthia Alvarado, Sally Adame, Theresa Gilmore, David Thomas, Jalisa Hurst, Mechelle Phillips, Madeline Pena, Amaris Salinas and Mark Sullivan of Midtown; Barron F. Wallace of Bracewell LLP; Peggy Foreman of Burney & Foreman; Rachel Rae Welsh of Walter P. Moore; Carol Harrison of IDS Engineering; Bob Sellingsloh and Michelle Sobiesk of Wulfe & Co.; Roberta Burroughs of Roberta Burroughs & Associates; Drew Masterson and Kristin Blomquist of Masterson Advisors; Jennifer Curley of the City of Houston; Theodore Andrews of TIRZ #25; Theola Petteway of Almeda/OST TIRZ; Vernon N. Smith of Dominion; Shamier Bouie of One World and Mariana Rashcke of the Goodman Corporation.

Chairman Odom called the meeting to order and welcomed the guests.

CONSENT AGENDA

MINUTES FOR March 28, 2019.

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.

JOINT AGENDA FOR THE MIDTOWN REINVESTMENT ZONE AND THE AUTHORITY:

a. RESTATED AND REVISED INTERLOCAL AGREEMENT BETWEEN HARRIS COUNTY, MIDTOWN REDEVELOPMENT AUTHORITY AND TAX INCREMENT REINVESTMENT ZONE NUMBER TWO;


Barron F. Wallace of Bracewell LLP reported that he has reviewed the final comments from the City of Houston and certain Harris County departments and has prepared a final draft of the Restated and Revised Interlocal Agreement between Harris County, Midtown Redevelopment Authority and Tax Increment Reinvestment Zone Number Two. He provided a summary of the Agreement for the Board Members noting that the City of Houston had signed off on the Agreement. He stated that Harris County requested an option to review the Agreement every 5 years during the Agreement term, including the Midtown Contractor Standards policy, minority and disadvantaged businesses' participation and that the Commissioner shall have the option to review and provide comments to and approve any Development Agreements entered into by the Zone and Authority in excess of \$1,000,000.00. Following all discussion, Director Erwing made a motion to ratify and approve the Restated and Revised Interlocal Agreement between Harris County, Midtown Redevelopment Authority and Tax Increment Reinvestment Zone Number Two. The motion was seconded by Director Castleman and carried by unanimous vote.

PROJECT PLAN AMENDMENT AND SUPPLEMENT TO DEBT AUTHORIZATION.

No report given on the Project Plan Amendment and Supplement to Debt Authorization at this time.

ADJOURNMENT

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



Pam Castleman, Secretary

5/16/19

Date

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

April 30, 2019

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 Tuesday, April 30, 2019 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	Gayle Fortson	8	John Thomas
4	Pamela Ngo Castleman	9	Brandon Dudley
5	Al Odom		

and all of the above were present except Directors Foster, and Dudley.

Also in attendance were Matt Thibodeaux, Vernon Williams, Kandi Schramm, Todd Edwards, Cynthia Alvarado, Sally Adame, Theresa Gilmore, David Thomas, Jalisa Hurst, Mechelle Phillips, Madeline Pena, Amaris Salinas and Mark Sullivan of Midtown; Barron F. Wallace of Bracewell LLP; Peggy Foreman of Burney & Foreman; Rachel Rae Welsh of Walter P. Moore; Carol Harrison of IDS Engineering; Bob Sellingsloh and Michelle Sobiesk of Wulfe & Co.; Roberta Burroughs of Roberta Burroughs & Associates; Drew Masterson and Kristin Blomquist of Masterson Advisors; Jennifer Curley of the City of Houston; Theodore Andrews of TIRZ #25; Theola Petteway of Almeda/OST TIRZ; Vernon N. Smith of Dominion; Shamier Bouie of One World and Mariana Rashcke of the Goodman Corporation.

Chairman Odom called the meeting to order and welcomed the guests.

PUBLIC COMMENT.

There were no public comments at this meeting.

CONSENT AGENDA FOR THE AUTHORITY:

- a. **MINUTES FOR MARCH 28, 2019;**
- b. **MONTHLY FINANCIAL REPORTS FOR MARCH 2019;**
- c. **INVOICES FROM TRUSTEE AND OPERATING ACCOUNTS FOR APRIL 2019.**

Executive Director Thibodeaux presented the Consent Agenda. Director Erwing made a motion to approve consent agenda items a – c, as presented. The motion was seconded by Director Fenz and carried by unanimous vote.

JOINT AGENDA FOR THE MIDTOWN REINVESTMENT ZONE AND THE AUTHORITY:

a. **RESTATED AND REVISED INTERLOCAL AGREEMENT BETWEEN HARRIS COUNTY, MIDTOWN REDEVELOPMENT AUTHORITY AND TAX INCREMENT REINVESTMENT ZONE NUMBER TWO;**

Barron F. Wallace of Bracewell LLP reported that he has reviewed the final comments from the City of Houston and certain Harris County departments and has prepared a final draft of the Restated and Revised Interlocal Agreement between Harris County, Midtown Redevelopment Authority and Tax Increment Reinvestment Zone Number Two. He provided a summary of the Agreement for the Board Members noting that the City of Houston had signed off on the Agreement. He stated that Harris County requested an option to review the Agreement every 5 years during the Agreement term, including the Midtown Contractor Standards policy, minority and disadvantaged businesses' participation and that the Commissioner shall have the option to review and provide comments to and approve any Development Agreements entered into by the Zone and Authority in excess of \$1,000,000.00. Following all discussion, Director Erwing made a motion to ratify and approve the Restated and Revised Interlocal Agreement between Harris County, Midtown Redevelopment Authority and Tax Increment Reinvestment Zone Number Two. The motion was seconded by Director Castleman and carried by unanimous vote.

b. **PROJECT PLAN AMENDMENT AND SUPPLEMENT TO DEBT AUTHORIZATION.**

No report was given on the Project Plan Amendment and Supplement to Debt Authorization at this time.

MIDTOWN BUILDING OPTION: LETTER OF INTENT FOR OPTION OF PROPERTY.

Chairman Odom announced that the Board would go into Executive Session later during the meeting to discuss this agenda item, Midtown Building Option: Letter of Intent for Option of Property, as it involved real estate matters. Upon return to open session, Chair reported that no action was taken on this agenda item at this time pending receipt of additional information.

BAGBY PARK RESTAURANT KIOSK LEASE.

Bob Sellingsloh and Michelle Sobiesk of Wulfe & Co. made a presentation regarding the Bagby Park Restaurant Kiosk. Mr. Sellingsloh reported that there were 202 inquiries, 46 property tours and 7 top prospects. The selection group interviewed all 7 top prospects, discussed their vision for the space, tasted their food and reviewed their financials. He stated that La Calle, which serves authentic Mexican food, was selected as the potential tenant. He presented the proposed terms contained in a signed Letter of Intent and advised the Board that the Staff was currently working with Bracewell on negotiating a lease. Director Goren made a motion to approve the terms of a lease with La Calle as presented and authorized Directors Erwing and Castleman and the Executive Director to review, approve and execute the final lease on behalf of the Authority. The motion was seconded by Director Thomas and carried by unanimous vote.

Mr. Sellingsloh reported that the Midtown Staff and consultants were exploring the possibility of constructing a food hall with multiple smaller food vendors in the area designated for a restaurant on the Front 90 portion of Midtown Park. He outlined the benefits of a food hall and stated that several of the top 7 potential tenants for the Bagby Park Kiosk also expressed interest in leasing space in the food hall.

ENGAGEMENT LETTER FOR FY 2019 & 2020 FINANCIAL AND AGREED UPON PROCEDURES AUDITS.

Kandi Schramm, Administrative Manager, presented the Engagement Letters for the FY 2019 Agreed Upon Procedures Audit and the Financial Audit which included a 3% increase over fees charged for the FY 2018 audits. Director Castleman made a motion to approve the Letters of Engagement for the Fiscal Year 2019 Agreement Upon Procedures Audit and the Financial Audit. The motion was seconded by Director Fortson and carried by unanimous vote.

MIDTOWN AFFORDABLE HOUSING PROGRAM:

a. AFFORDABLE HOUSING OPERATIONS CENTER;

i. Financing Options

Kristin Blomquist of Masterson Advisors presented a summary of the financing proposals from four banks, BBVA Compass, Frost Bank, Regions Bank and Spirit Bank, to finance a portion of the costs of construction of the Affordable Housing Operations Center. Ms. Blomquist stated that the recommendation is that the Board consider the proposal from BBVA Compass due to low cost, required collateral, no pre-payment penalty and no requirement for deposit of a reserve fund. Director Fenz made a motion to authorize the staff to move forward with negotiations with BBVA Compass and authorize the Executive Director to execute the financing documents consistent with the terms proposed. The motion was seconded by Director Erwing. Following all discussion, the motion carried by unanimous vote.

b. NHP CONTRACT TO SELL AFFORDABLE HOUSING PROPERTY;

Todd Edwards reported that the Authority received a request from NHP Foundation and Trinity East CDC to grant them 3 lots in Third Ward on which to construct a multi-family affordable housing complex consisting of 116 rental units. He stated that 80% of the units will be rented at rates affordable to families making 80% or less of area median income and the balance will be rented at market rates. Mr. Edwards stated that he and Mr. Thibodeaux reviewed the proposal and consented to providing site control by means of a purchase contract contingent upon NHP and Trinity being awarded housing tax credits from the Texas Department of Housing and Community Affairs or an award of construction funding from the City of Houston. Director Thomas made motion to ratify the contract to grant 3 lots from the Authority's inventory to NHP Foundation and Trinity East CDC. The motion was seconded by Director Fenz. Following all discussion, the motion carried by unanimous vote.

c. RESOLUTION AUTHORIZING A DEVELOPMENT AND PURCHASE AGREEMENT FOR AFFORDABLE HOUSING;

Todd Edwards reminded the Board that Developers Epic Homes, LLC and Cole/Klein Builders, LLC were participants in the affordable housing pilot program and have already demonstrated capacity and commitment. He gave an overview of the status of work of each Developer.

i. EPIC HOMES, LLC

Peggy Foreman presented a Resolution authorizing a Development and Purchase Agreement with Epic Homes, LLC. Ms. Foreman summarized the terms of the Agreement which provides for the sale of nine (9) lots for construction of single family affordable homes at a price of \$1.50 per square foot. She stated that each

home is required to be sold to Qualified Homebuyers, will have an affordability period of at least 20 years, and will have at least 3 bedrooms, 2 baths, & a 2 car garage. Director Fenz made a motion to approve the Resolution Authorizing a Development and Purchase Agreement for nine (9) residential lots at a cost of \$1.50 per square foot to Epic Homes, LLC. The motion was seconded by Director Thomas. Following all discussion, the motion carried by unanimous vote.

ii. **COLE/KLEIN BUILDERS, LLC**

Ms. Foreman presented a Resolution authorizing a Development and Purchase Agreement with Cole Klein Builders, LLC. Ms. Foreman summarized the terms of the Agreement which provides for the sale of five (5) lots for construction of single family affordable homes at a price of \$1.50 per square foot. She stated that each home is required to be sold to Qualified Homebuyers, will have an affordability period of at least 20 years, and will have at least 3 bedrooms, 2 baths, & a 2 car garage. Director Goren made a motion to approve the Resolution Authorizing a Development and Purchase Agreement for five (5) residential lots at a cost of \$1.50 per square foot to Cole/Klein Builders, LLC. The motion was seconded by Director Castleman and carried by unanimous vote.

Chairman Odom asked the Staff to do all that it can to accelerate the development of affordable housing. Director Castleman stated that she believes it is a prudent practice to convey a few lots at a time to developers due to the fact that financial circumstances can change quickly for real estate developers.

d. **AFFORDABLE HOUSING DEVELOPMENT**

Todd Edwards presented the Board Members with data showing the average salaries earned by individuals working for major employers in the City of Houston and Harris County to demonstrate that individuals working as teachers, firefighters, police officers, municipal workers, hospital workers, etc. meet the eligibility requirements for affordable/workforce housing, depending on family size. Mr. Edwards also reported that he is trying to form partnerships with the City of Houston and Harris County to get help in providing infrastructure improvements in the areas where new homes are being constructed to support development of affordable housing.

MIDTOWN CAPITAL IMPROVEMENTS PROGRAM:

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

I. MIDTOWN PARK

Marlon Marshall reported that the revised sanitary sewer installation in the Front 90 Plaza area has been completed. He stated that the Midtown team is now working with Bob Sellingsloh's team on ideas for a food hall for the restaurant portion of the Front 90 Plaza.

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

There were no Garage change orders presented for consideration.

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

Mr. Marshall presented Change Order #37 in the amount of \$102,292.41 for the work in connection with the revised sanitary sewer connection to Main Street in the Front 90 and for relocation of vent pipe in service drive. Director Castleman made a motion to approve Change Order #37 in the amount of \$102,292.41. The motion was seconded by Director Goren. Following all discussion the motion carried by unanimous vote.

II. BAGBY PARK – STORAGE AND RENOVATIONS

Mr. Marshall reported on the Bagby Park renovations of the stage, onsite storage facility, park lighting and re-grading of the lawn. He stated that the bid opening was held on April 16, 2019 and that 2 companies, Texas Wall & Landscape and Jerdon Enterprise, submitted bids for the project. He further reported that the Staff and design team reviewed the bids and were recommending selection of the lowest, most responsible bidder, Jerdon Enterprise with a bid of \$480,480.80. Mr. Marshall stated that the stage canopy will be handled as a separate project under a separate contract but that it is currently estimated to cost approximately \$125,000.00.

1. AWARD CONSTRUCTION CONTRACT

Director Goren made a motion to approve Award of Construction Contract for Bagby Park Renovations to Jerdon Enterprise with a bid amount of \$480,480.80. The motion was seconded by Director Erwing. Following all discussion, the motion carried by unanimous vote.

2. APPROVE WORK ORDER FOR CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES

Mr. Marshall presented the IDS Engineering Work Order for Construction Management and Inspection Services for the Bagby Park Renovations in the amount of \$140,508.00. Director Goren made a motion to approve the Work Order for Construction Management and Inspection Services with IDS Engineering in the amount of \$140,508.00. The motion was seconded by Director Fenz. Following all discussion, the motion carried by unanimous vote.

b. CAROLINE STREET RECONSTRUCTION – ESPA CORP/KCI

Mr. Marshall reported that the Contractor is continuing work on the waterline installation on the east side of Caroline Street between Dennis and McGowen Streets and on storm sewer installation on Anita Street between Caroline and Austin Streets. He stated that once storm sewer installation on Anita Street is completed, work will begin on McIlhenny Street. Mr. Marshall also reported that work has started on installation of sanitary sewer near the intersection of Caroline and Tuam Streets. He stated that the design and construction management teams continue to work with TxDOT and City of Houston to provide direction with respect to ongoing challenges caused by discrepancies in specifications of TxDOT and City of Houston and traffic signal design revisions.

I. APPROVE CHANGE ORDERS

Mr. Marshall presented Change Orders #8 in the amount of \$43,650.30 for additional lateral connections to existing storm sewer on Austin Street and Change Order #9 in the

amount of \$42,891.39 for additional concrete barriers required by Traffic Control Plan revisions.

Director Castleman made a motion to approve Change Order #8 in the amount of \$43,650.30 for additional lateral connections to existing storm sewer on Austin Street and Change Order #9 in the amount of \$42,891.39 for additional concrete barriers required by Traffic Control Plan revisions. The motion was seconded by Director Goren. Following all discussion, the motion carried by unanimous vote.

c. FTA GRANT PROGRAM - THE GOODMAN CORPORATION.

Mariana Rashcke of The Goodman Corporation reported that they are continuing to follow up with the City of Houston on issues relating to possible relocation of the Greyhound Bus Terminal.

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

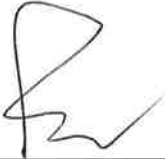
- a. CONSULTATION WITH ATTORNEY (SECTION 551.071, TEXAS GOVERNMENT CODE);**
- b. THE PURCHASE, EXCHANGE, LEASE OR VALUE OF REAL PROPERTY (SECTION 551.072, TEXAS GOVERNMENT CODE);**
- c. PERSONNEL MATTERS (SECTION 551.074, TEXAS GOVERNMENT CODE);**
- d. SECURITY PERSONNEL OR DEVICES (SECTION 551.076,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

Chairman Odom announced that the Board would enter Executive Session to discuss agenda item #6, Midtown Building Option: Letter of Intent for Option of Property, pursuant to Section 551.072 of the Texas Government Code. Certain information relating to agenda item #6 was presented to the Board in Executive Session. .

Chair Odom reconvened the Board in open session. He announced that no action was being taken on agenda item #6.

ADJOURN.

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



Pam Castleman, Secretary

5/16/19

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

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

1. The Authority Board convened in special session on the 16th day of May, 2019, at the regular meeting place thereof; and the roll was called of the duly constituted officers and members of said Authority Board, to-wit:

- | | | |
|---|---------------------|------------------------------|
| 1 | Camille Foster | Director |
| 2 | Douglas A. Erwing | Director |
| 3 | Gayle Fortson | Director/Chair |
| 4 | Pamela N. Castleman | Director/Secretary |
| 5 | Al Odom | Director/Assistant Secretary |
| 6 | Abe S. Goren | Director/Vice Chair |
| 7 | Caton M. Fenz | Director |
| 8 | John Thomas | Director |
| 9 | Brandon Dudley | Director |

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

RESOLUTION APPROVING AN ADVANCING TERM LOAN FROM COMPASS MORTGAGE CORPORATION; AUTHORIZING FINANCING OF CAPITAL INFRASTRUCTURE PROJECTS; AND APPROVING MATTERS RELATING THERETO

was introduced for the consideration of the Authority 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 Authority 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 Authority Board as indicated therein; that each of the officers and members of the Authority 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 16th day of May, 2019.

Secretary, Midtown Redevelopment Authority

RESOLUTION APPROVING AN ADVANCING TERM LOAN FROM COMPASS MORTGAGE CORPORATION; AUTHORIZING FINANCING OF CAPITAL INFRASTRUCTURE PROJECTS; AND APPROVING MATTERS RELATING THERETO

WHEREAS, by Ordinance No. 1994-1345, adopted on December 14, 1994, the City Council of the City of Houston, Texas (“**City**”) created Reinvestment Zone Number Two, City of Houston, Texas (“**Zone**”), pursuant to Chapter 311 of the Texas Tax Code, as amended, for the purposes of development and redevelopment in the area of the City generally referred to as the Midtown area; and

WHEREAS, by Resolution No. 95-96, adopted on June 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 the portion of the Zone and neighboring areas as described in Ordinance Nos. 94-1345, 97-600, 97-1338 and 99-850; and

WHEREAS, the City, the Zone and the Authority have entered into that certain Agreement dated April 1, 1996, approved as Ordinance No. 96-389, and amended by Ordinance No. 97-1540, adopted on December 10, 1997, and Ordinance No. 98-301, adopted on April 22, 1998, as amended and restated pursuant to Ordinance No. 2000-494, adopted on June 7, 2000 (collectively, the “**Tri-Party Agreement**”), pursuant to which the City delegated to the Authority the power and authority to administer the Zone and authorized the Authority to issue, sell or deliver its bonds, notes or other obligations, subject to City Council approval; and

WHEREAS, pursuant to the Tri-Party Agreement, the City also delegated to the Authority the power to fund capital projects consistent with such projects listed in the Project Plan and Reinvestment Zone Financing Plan approved by City Ordinance No. 97-600, adopted on May 28, 1997, as amended by City Ordinance Nos. 97-1338, adopted on October 22, 1997, 99-850, adopted on August 11, 1999, 09-1395, adopted on December 29, 2009, 11-534, adopted on June 22, 2011, 2013-638, adopted on July 10, 2013, and 2015-1001, adopted on October 14, 2015 (collectively, the “**Project Plan**”), including costs of construction of infrastructure, subject to the limitations set forth in the Tri-Party Agreement; and

WHEREAS, by Ordinance No. 1997-1540, adopted on December 10, 1997, the City authorized the Authority to issue additional bonds in order to continue to implement the Project Plan; provided that all bonds and notes outstanding at any one time shall not exceed a certain principal amount secured by Tax Increment paid by the City to the Authority (“**Tax Increment**”), set forth in the Amended and Restated Trust Indenture dated as of September 1, 2003 (as further amended and supplemented, the “**Indenture**”) between the Authority and the Trustee, thereby constituting “**Pledged Revenues**”; and

WHEREAS, as permitted by the Indenture, the Authority has reserved the right to issue, for any lawful purpose, bonds, notes, or other obligations secured in whole or in part by liens on the Pledged Revenues that are subordinate to the lien on Pledged Revenues securing payment of the Authority’s Tax Increment Contract Revenue Bonds; and

WHEREAS, the Board of Directors of the Authority (the “Authority Board”) and the Zone plan to construct and develop an affordable housing operations center and related parking, facilities and infrastructure improvements (collectively, the “**Affordable Housing Center**”), which constitutes an eligible public improvement consistent with the Project Plan; and

WHEREAS, the Authority Board has determined that it is in the best interest and consistent with the purposes of the Zone and the Authority for the Authority to enter into a tax-exempt advancing term loan with Compass Mortgage Corporation (the “**Bank**”) in an aggregate amount not to exceed \$14,000,000 (the “**Advancing Term Loan**”) secured by a subordinate security interest in a portion of Tax Increment received by Borrower from the Surplus Fund (as defined in the Indenture) that is required to be applied to the provision of affordable housing (“**Housing Tax Increment**”); and

WHEREAS, the proceeds of the Advancing Term Loan are to be used to pay certain Project Costs related to the construction and development of the Affordable Housing Center, as authorized by the Project Plan; and

WHEREAS, the Authority Board has accepted from the Bank a Summary of Terms and Conditions of a Proposed Credit Facility, dated April 3, 2019 (the “**Commitment Letter**”) containing agreed-upon terms relating to the Advancing Term Loan; and

WHEREAS, the Authority Board has been presented with and has examined a form of loan agreement for the Advancing Term Loan, as well as other related documents, including but not limited to a promissory note, and pledge and security agreement (collectively, the “**Loan Documents**”) and desires hereby to approve the same and to authorize the execution and delivery by Authorized Officers of the Authority of the Loan Documents in substantially the form and substance of such documents reviewed by the Authority Board.

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

1. That the Authority Board adopts the findings and recitations set out in the preamble to this Resolution and finds them to be true and correct.
2. The Authority Board hereby authorizes and approves the terms and provisions of the forms of the Loan Documents provided to the Authority Board for review and authorizes the execution and delivery of the Loan Documents by one or more of the Chair, Vice Chair and Executive Director of the Authority (the “**Authorized Officers**”) in substantially the form of the documents presented to the Authority Board with such changes therein as are deemed required or desirable by the Authorized Officer or Officers executing the same, such approval to be conclusively evidenced by the execution and delivery thereof.
3. The Chair, Vice Chair, and the other members of the Authority Board, the Executive Director and other officers of the Authority, and appropriate employees of the Authority are each hereby severally authorized and directed to do all things and to execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, in the name and on behalf of the Authority all such documents,

certificates, notices and other papers, whether or not herein mentioned, as they may determine to be necessary or desirable in order to carry out the terms and provisions of this Resolution and of the Loan Documents hereby authorized and approved, and to perform the obligations of the Authority under the Loan Documents, such determination to be conclusively evidenced by the performance of such acts and things and the execution of any such document, certificate, notice or other paper.

4. Any action not consistent with this Resolution previously taken by the Authority, or by any of its officers, employees, or agents, in connection with the Commitment Letter, the Advancing Term Loan or the Loan Documents is hereby ratified.
5. No obligation imposed under this Resolution or any document executed by the Authority in connection therewith shall be deemed to be the obligation, in an individual capacity, of any officer, employee, or agent of the Authority, and no such officer, employee, or agent or any individual executing any such document on behalf of any such entity shall be subject to any personal liability with respect thereto.
6. This Resolution shall take effect immediately upon its adoption.

[Execution Page to Follow]

PASSED AND APPROVED this 16th day of May, 2019.

Chair
Midtown Redevelopment Authority

ATTEST:

Secretary
Midtown Redevelopment Authority

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

I, the undersigned officer of the Board of Directors of Reinvestment Zone Number Two, City of Houston, Texas (the “**Zone Board**”) do hereby certify as follows:

1. The Zone Board convened in special session on the 16th day of May, 2019, at the regular meeting place thereof; and the roll was called of the duly constituted officers and members of said Zone Board, to-wit:

- | | | |
|---|---------------------|------------------------------|
| 1 | Camille Foster | Director |
| 2 | Douglas A. Erwing | Director |
| 3 | Gayle Fortson | Director/Chair |
| 4 | Pamela N. Castleman | Director/Secretary |
| 5 | Al Odom | Director/Assistant Secretary |
| 6 | Abe S. Goren | Director/Vice Chair |
| 7 | Caton M. Fenz | Director |
| 8 | John Thomas | Director |
| 9 | Brandon Dudley | Director |

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

RESOLUTION APPROVING AN ADVANCING TERM LOAN FROM COMPASS MORTGAGE CORPORATION; AUTHORIZING FINANCING OF CAPITAL INFRASTRUCTURE PROJECTS; AND APPROVING MATTERS RELATING THERETO

was introduced for the consideration of the Zone 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 Zone 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 Zone Board as indicated therein; that each of the officers and members of the Zone 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 16th day of May, 2019.

Secretary
Reinvestment Zone Number Two
City of Houston, Texas

RESOLUTION APPROVING AN ADVANCING TERM LOAN FROM COMPASS MORTGAGE CORPORATION; AUTHORIZING FINANCING OF CAPITAL INFRASTRUCTURE PROJECTS; AND APPROVING MATTERS RELATING THERETO

WHEREAS, by Ordinance No. 1994-1345, adopted on December 14, 1994, the City Council of the City of Houston, Texas (“**City**”) created Reinvestment Zone Number Two, City of Houston, Texas (“**Zone**”), pursuant to Chapter 311 of the Texas Tax Code, as amended, for the purposes of development and redevelopment in the area of the City generally referred to as the Midtown area; and

WHEREAS, by Resolution No. 95-96, adopted on June 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 the portion of the Zone and neighboring areas as described in Ordinance Nos. 94-1345, 97-600, 97-1338 and 99-850; and

WHEREAS, the City, the Zone and the Authority have entered into that certain Agreement dated April 1, 1996, approved as Ordinance No. 96-389, and amended by Ordinance No. 97-1540, adopted on December 10, 1997, and Ordinance No. 98-301, adopted on April 22, 1998, as amended and restated pursuant to Ordinance No. 2000-494, adopted on June 7, 2000 (collectively, the “**Tri-Party Agreement**”), pursuant to which the City delegated to the Authority the power and authority to administer the Zone and authorized the Authority to issue, sell or deliver its bonds, notes or other obligations, subject to City Council approval; and

WHEREAS, pursuant to the Tri-Party Agreement, the City also delegated to the Authority the power to fund capital projects consistent with such projects listed in the Project Plan and Reinvestment Zone Financing Plan approved by City Ordinance No. 97-600, adopted on May 28, 1997, as amended by City Ordinance Nos. 97-1338, adopted on October 22, 1997, 99-850, adopted on August 11, 1999, 09-1395, adopted on December 29, 2009, 11-534, adopted on June 22, 2011, 2013-638, adopted on July 10, 2013, and 2015-1001, adopted on October 14, 2015 (collectively, the “**Project Plan**”), including costs of construction of infrastructure, subject to the limitations set forth in the Tri-Party Agreement; and

WHEREAS, by Ordinance No. 1997-1540, adopted on December 10, 1997, the City authorized the Authority to issue additional bonds in order to continue to implement the Project Plan; provided that all bonds and notes outstanding at any one time shall not exceed a certain principal amount secured by Tax Increment paid by the City to the Authority (“**Tax Increment**”), set forth in the Amended and Restated Trust Indenture dated as of September 1, 2003 (as further amended and supplemented, the “**Indenture**”) between the Authority and the Trustee, thereby constituting “**Pledged Revenues**”; and

WHEREAS, as permitted by the Indenture, the Authority has reserved the right to issue, for any lawful purpose, bonds, notes, or other obligations secured in whole or in part by liens on the Pledged Revenues that are subordinate to the lien on Pledged Revenues securing payment of the Authority’s Tax Increment Contract Revenue Bonds; and

WHEREAS, the Board of Directors of the Authority and the Zone plan to construct and develop an affordable housing operations center and related parking, facilities and infrastructure improvements (collectively, the “**Affordable Housing Center**”), which constitutes an eligible public improvement consistent with the Project Plan; and

WHEREAS, the Zone’s Board of Directors (the “**Zone Board**”) has determined that it is in the best interest and consistent with the purposes of the Zone and the Authority for the Authority to enter into a tax-exempt advancing term loan with Compass Mortgage Corporation (the “**Bank**”) in an aggregate amount not to exceed \$14,000,000 (the “**Advancing Term Loan**”) secured by a subordinate security interest in a portion of Tax Increment received by Borrower from the Surplus Fund (as defined in the Indenture) that is required to be applied to the provision of affordable housing (“**Housing Tax Increment**”); and

WHEREAS, the proceeds of the Advancing Term Loan are to be used to pay certain Project Costs related to the construction and development of the Affordable Housing Center, as authorized by the Project Plan; and

WHEREAS, the Authority has accepted from the Bank a Summary of Terms and Conditions of a Proposed Credit Facility, dated April 3, 2019 (the “**Commitment Letter**”) containing agreed-upon terms relating to the Advancing Term Loan; and

WHEREAS, the Zone Board has been presented with and has examined a form of loan agreement for the Advancing Term Loan, as well as other related documents, including but not limited to a promissory note, and pledge and security agreement (collectively, the “**Loan Documents**”) and desires hereby to approve the same and to authorize the execution and delivery by authorized officers of the Authority of the Loan Documents in substantially the form and substance of such documents reviewed by the Zone Board.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of Reinvestment Zone Number Two, City of Houston, Texas:

1. That the Zone Board adopts the findings and recitations set out in the preamble to this Resolution and finds them to be true and correct.
2. The Zone Board hereby authorizes and approves the terms and provisions of the forms of the Loan Documents provided to the Zone Board for review and authorizes the execution and delivery of the Loan Documents by authorized officers of the Authority in substantially the form of the documents presented to the Zone Board with such changes therein as are deemed required or desirable by the officer or officers executing the same, such approval to be conclusively evidenced by the execution and delivery thereof.
3. The officers and directors of the Authority and appropriate employees of the Authority are further authorized to do all things and to execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, in the name and on behalf of the Authority all such documents, certificates, notices and other papers, whether or not herein mentioned, as they may determine to be necessary or desirable in order to carry out the terms and provisions of this Resolution and of

the Loan Documents hereby authorized and approved, and to perform the obligations of the Authority under the Loan Documents, such determination to be conclusively evidenced by the performance of such acts and things and the execution of any such document, certificate, notice or other paper.

4. Any action not consistent with this Resolution previously taken by the Authority, or by any of its officers, employees, or agents, in connection with the Commitment Letter, the Advancing Term Loan or the Loan Documents is hereby ratified.
5. This Resolution shall take effect immediately upon its adoption.

[Execution Page to Follow]

PASSED AND APPROVED this 16th day of May, 2019.

Chair
Reinvestment Zone Number Two
City of Houston, Texas

ATTEST:

Secretary
Reinvestment Zone Number Two
City of Houston, Texas

ATTACHMENT B

Form of Work Order

WORK ORDER NO. 04

This Work Order No 04 (this "Work Order") is issued subject to and is governed by that certain Professional Services Agreement between Midtown and Consultant dated as of November 30, 2018 (the "PSA").

Work Order Date, November 30, 2018

Consultant: TLC Engineering, INC.

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: Requesting an additional \$57,650.00 to be added to our contract, due to the extended time of construction.

Location of Services: Superblock Parking Garage (2800 Main Street)

Description of Services: Construction Management, Inspection Services and Materials Testing

Schedule Requirements: Commencement of Services: April 6, 2015
Completion of Services: June 2018

Midtown:

MIDTOWN REDEVELOPMENT
AUTHORITY

By: _____

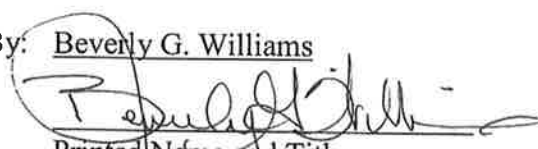
Printed Name and Title

Date

Consultant:

TLC Engineering, Inc.

By: Beverly G. Williams


Printed Name and Title

05/13/2019

Date