

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

October 29, 2020

A regular meeting of the Board of Directors (the “Board”) of the Midtown Redevelopment Authority (the “Authority”) was held via video and telephonic conferencing on Thursday, October 29, 2020 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 | Donald Bond | 7 | Caton M. Fenz |
| 3 | Vacant | 8 | John Thomas |
| 4 | Michael F. Murphy | 9 | Zoe Middleton |
| 5 | Al Odom | | |

and all of the above were present.

Also in attendance were Midtown Staff members: Matt Thibodeaux, Vernon Williams, Kandi Schramm, Todd Edwards, Theresa Gilmore, David Thomas, Madeline Pena, Marlon Marshall, Mark Sullivan, Cynthia Alvarado and Jalisa Hurst; Barron F. Wallace of Bracewell LLP; Peggy Foreman of Burney & Foreman; Algenita Davis and Angie Gomez of CCPPI; Rachel Ray, Bryan Lozano and Edwin Friedrichs of Walter P. Moore; Barry Goodman and Mariana Rashcke of The Goodman Corporation; Theola Petteway of the OST/Alameda Corridors Redevelopment Authority; Jeri Brooks and Ashley Small of One World Strategy Group; Ryan LaVasseur and Sam Dike of Rice Management Company; Roberta Burroughs of Roberta Burroughs & Associates; Zack Martin of Martin Construction, Charlotte Knight Marshall of TKG; Kate Dentler of the Office of City Council Member Abbie Kamin; City Council Member Letitia Plummer, Theodore Andrews of TIRZ#25 and other attendees - Lisa Harper, Linda Trevino, Christopher Johnston, , Sean Haley, Ed Pettitt, Brian Van Tubergen, Judy Redd Wells, Raymond Bourgoies, Courtney DeVille, Ray Valdez, Jack Valeinski, Jim Honey, Bryson Grover, Brian Chambers, Steve Wells, William Franks, Aaron Abelson, Allen Douglas, Cynthia Aceves Lewis, John Alschuler, Joe Davidson, Frank Jones, Dawn Malone, Cade Snyder, Andrew Earles, and Christopher Shannon. There were 70 attendees on the call; five (5) of the attendees failed to introduce themselves and therefore their identities were unknown.

Chairman Odom called the meeting to order and welcomed the guests. He announced that the meeting was being recorded and stated that **“In accordance with section 418.016 of the Texas Government Code, as amended, the Texas Governor has temporarily suspended certain open meeting statutes that require government officials and members of the public to be physically present at a specified meeting location. As a result, governmental entities, such as the Authority and the Zone, are permitted to meet via telephonic meeting. Members of the public are invited to join the telephonic meeting and may make public comments during the public comment portion of the agenda.”**

PUBLIC COMMENTS:

Theodore Andrews of TIRZ#25 expressed appreciation for the recent neighborhood cleanup sponsored by the Authority and Keep Houston Beautiful.

Reverend Steve Wells, a representative from South Main Baptist Church spoke in favor of the work of Rice ION to preserve the historic Sears building and redevelop it into a technology campus.

Brian Van Tubergen, a resident of the University Village neighborhood expressed concern that 0 homes have been built on the Midtown lots and that the property was not maintained properly.

Cynthia Aceves Lewis, a Midtown resident, asked questions and expressed concern regarding the potential annexation of the LULAC building into the Midtown TIRZ. She also expressed concern about the amount of criminal activity, homelessness and vagrancy in Midtown. Ms. Aceves Lewis also expressed concern about cleanliness in Midtown and weather MRA can help with public safety.

Jim Honey, a Midtown resident, stated that he would like to have the agenda emailed to him prior to each Board meeting rather than having to go to the Midtown website. He also expressed general dissatisfaction with the Midtown Redevelopment Authority and that he would like to see it dissolved.

Raymond Bourgoies, a property owner in Third Ward, he stated that a tree from what he believed to be a Midtown owned property had fallen onto his property and caused some damage. He asked that someone from Midtown to contact him in an effort to resolve the issue.

CONSENT AGENDA FOR THE AUTHORITY:

MINUTES FOR SEPTEMBER 24, 2020;

MONTHLY FINANCIAL REPORTS FOR SEPTEMBER 30, 2020;

INVOICES FROM TRUSTEE AND OPERATING ACCOUNTS FOR OCTOBER 2020;

ANNUAL RENEWAL OF PROFESSIONAL SERVICE AGREEMENT WITH IDS ENGINEERING GROUP.

Executive Director Thibodeaux presented the consent agenda. Director Goren made a motion to approve the consent agenda as presented. The motion was seconded by Director Fenz and carried by unanimous vote.

RICE ION PRESENTATION.

Ryan LeVasseur and Sam Dike of Rice Management Company made a presentation regarding the ION & plans for future development of the Innovation District which would consist of approximately 16 acres of mixed use development in Midtown. Mr. LeVasseur stated that over a period of years he anticipates that approximately One Billion Dollars will be invested in the Innovation District with the potential of generating approximately \$220 Million in additional tax revenues and also create tens of thousands of tech and non-tech jobs. Mr. Dike spoke of efforts to work with small MWDBEs and ways to overcome barriers to participation in various aspects of project development. Board members asked questions about the project and its impact on Midtown and the surrounding communities. Following the presentation, the Midtown staff reported on their discussions with Rice Management Company regarding its request for reimbursement of certain project costs. The Midtown staff also reported that they were reviewing the project and working to identify eligible items that the Authority could reimburse and that they would make a presentation to the Board regarding the Authority's participation in the project at a future Board meeting.

MIDTOWN/TIRZ PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN: ANNEXATION, AMENDMENT AND EXTENSION OF ZONE.

REQUEST FROM LULAC TO BE ANNEXED INTO MIDTOWN/TIRZ#2.

Barron F. Wallace of Bracewell, LLC reported that representatives of the Reinvestment Zone (the "Zone") and the City of Houston (the "City") have worked in conjunction on a draft of a Seventh Amendment to the Project Plan and Finance Plan (Part H). He reported that the Zone had received a request from LULAC for annexation of its historic building located at 3004 Bagby Street into the Midtown TIRZ. Mr. Ray Valdez, Chair of C60, Inc. made a presentation on behalf of LULAC. Mr. Valdez gave a history of the building located at 3004 Bagby and

described the nature and extent of the damages incurred following Hurricane Harvey and the repairs that are needed to restore the structure. Director Goren made a motion to ratify and approve the amended Midtown TIRZ Project Plan and Reinvestment Zone Finance Plan: Annexation, Amendment and Extension of Zone. The motion was seconded by Director Fenz. Following all discussion, the motion carried by unanimous vote.

MIDTOWN AFFORDABLE HOUSING PROGRAM:

AFFORDABLE HOUSING OPERATIONS CENTER;

Marlon Marshall reported on the construction of the Affordable Housing Operations Center. He stated that the Contractor is working on the garage elevators, windows, exterior skin on the building and the housing units.

CHANGE ORDERS

Mr. Marshall presented the following Change Orders:

Change Order #10 in the amount of \$0 for 36 additional days as requested by the Contractor due to the extended period of time it took CenterPoint Energy to complete their work. Director Fenz made a motion to approve Change Order #10 in the amount of \$0 for 36 additional days due to the extended period of time it took CenterPoint Energy to complete their work. The motion was seconded by Director Goren and carried by unanimous vote.

Change Order #12 in the amount of \$16,447.00 for additional support steel to securely support roof top davits. Director Goren made a motion to approve Change Order #12 in the amount of \$16,447.00 for additional support steel to securely support roof top davits. The motion was seconded by Director Fenz and carried by unanimous vote.

Change Order #17 in the amount of \$84,694.00 for design revisions and labor and material costs required for the Level 5 Balcony exterior skin. Director Goren made a motion to approve Change Order #17 in the amount of \$84,694.00 for design revisions and labor and material costs required for the Level 5 Balcony exterior skin. The motion was seconded by Director Bond and carried by unanimous vote.

Change #21 for a credit of \$7,748.00 for reconciliation of signage and stair tread allowances. Director Fenz made a motion to approve Change #21 for a credit of \$7,748.00 for reconciliation of signage and stair tread allowances. The motion was seconded by Director Goren and carried by unanimous vote.

Change Order #22 in the amount of \$9,581.01 for ADA bathroom accessories for the affordable housing living units. Director Middleton made a motion to approve Change Order #22 in the amount of \$9,581.01 for ADA bathroom accessories for the affordable housing living units. The motion was seconded by Director Foster and carried by unanimous vote.

Change Order #23 for a credit amount of \$21,940.00 for material and installation costs associated with signage removed from the scope per signage shop drawings. Director Goren made a motion to approve Change Order #23 for a credit amount of \$21,940.00 for material and installation costs associated with signage removed from the scope per signage shop drawings. The motion was seconded by Director Middleton and carried by unanimous vote.

Change Order #24 in the amount of \$44,850.00 for Design LEED Certification to close out the project. Director Fenz made a motion to approve Change Order #24 in the amount of \$44,850.00 for Design LEED Certification to close out the project. The motion was seconded by Director Foster and carried by unanimous vote.

DEVELOPMENT AND PURCHASE AGREEMENT WITH HOU HOMES, INC.

Peggy Foreman of Burney and Foreman presented the resolution authorizing a Development and Purchase Agreement with HOU Homes, Inc. She stated that under the terms of the proposed Development Agreement, HOU Homes Inc. will construct approximately seventy (70) single-family homes on undivided tracts of land located on MLK Blvd. She stated that the land will have to be replatted and the final number of single family homes will be determined by the City once the replat process is completed. Ms. Foreman stated that each of the homes will be a minimum of three (3) bedrooms, two (2) bathrooms, have an attached 2-car garage and a gross living area of approximately 1600 square feet. Ms. Foreman advised the Board that the sales price of each home will be approximately \$230,000. She stated that the Developer has cited higher construction costs due to increases in the cost of materials and the lack of funding for infrastructure. Mr. Edwards reported that he consulted with A.O Phillips & Associates to confirm the increase in construction costs and that he is continues to look for partners to help with infrastructure costs for the area. Ms. Foreman pointed out that the proposed Development and Purchase Agreement includes a provision allowing for temporary lease of any home that does not sell within 6 months after completion to a family that meets the income requirements for a Qualified Homebuyer. Director Fenz made a motion to approve the resolution authorizing a Development and Purchase Agreement with HOU Homes, Inc. The motion was seconded by Director Thomas. Following all discussion, the motion carried by unanimous vote.

AFFORDABLE HOUSING DEVELOPMENT UPDATE

Todd Edwards, Real Estate Asset Manager, gave an update regarding The Keep Houston Beautiful clean up event in the University Village area that was held on Saturday, October 10, 2020 at 10:00 a.m. to re-engage the community and assist the community in cleaning up illegally dumped trash in the area. Mr. Edwards thanked Mr. Andrews, Council Member Carolyn Shabazz, Change Happens, One World Strategy Group, Keep Houston Beautiful, Pastor Davis and all who participated in the cleanup event. Mr. Edwards also reported that HBDI should be closing soon on Palmetto Place for construction of 43 homes that are part of the 100 Home Initiative. He stated that there were some issues that are being resolved with the title company. He also provided an update on the status of properties being conveyed to Cole Klein Builder LLC., Mayberry Homes, Inc. and HBDI for affordable housing development. Finally, Mr. Edwards announced that he was working with CCPPI regarding development of certain larger tracks in the Griggs/Palm Center area for multifamily housing.

MIDTOWN CAPITAL IMPROVEMENTS PROGRAM:

PARKS AND GREENSPACE - WALTER P MOORE / DESIGN WORKSHOP

BAGBY PARK – STORAGE AND RENOVATIONS

Mr. Marshall reported that construction for the storage building and restrooms is almost complete and that the kiosk tenant has completed their final design plans and will be presenting them to the Midtown staff for review prior to taking them to the City for permitting.

CHANGE ORDERS

Mr. Marshall presented the following Change Orders:

Change Order #7 in the amount of \$1,650.00 to raise grease traps to grade and for paint and stain changes. He stated that the Contractor will deduct the cost of \$1,650 from the remaining contingency funds resulting in \$0 additional dollars from MRA. Director Fenz made a motion to approve Change Order #7 in the amount of \$1,650.00 to be deducted from the remaining contingency funds to raise grease traps to grade and for paint and stain changes. The motion was seconded by Director Bond and carried by unanimous vote.

Change Order #8 in the amount of \$9,393.50 for installation and paint of galvanized chase to cover plumbing in restroom; addition of mirrors above sinks and to install electrical for hand dryers in restrooms. He stated that the Contractor will deduct a portion of the costs (\$2,150) from the remaining contingency funds resulting in a net additional amount of \$7,243.50. Director Foster made a motion to approve Change Order #8 in the amount of \$9,393.50 for installation and paint of galvanized chase to cover plumbing in restroom; addition of mirrors above sinks and to install electrical for hand dryers in restrooms. The motion was seconded by Director Fenz and carried by unanimous vote.

CAROLINE STREET RECONSTRUCTION – ESPA CORP/KCI

Mr. Marshall reported that the Contractor for the Caroline Street Reconstruction continues to work on the paving, sidewalks, streetscape improvements and the water lines and sanitary sewer installation. He reported that the Contractor has completed major paving activity on the west driving lane between Elgin and McGowen Streets and that both driving lanes will soon be opened to full traffic. The work on rain gardens and electrical conduit for pedestrian lighting and irrigation continues on the west block faces between Elgin and McGowen Streets. The waterline and sanitary sewer installation is ongoing between Hadley and Pierce Streets.

CHANGE ORDERS

Mr. Marshall presented the following Change Orders:

Change Order #21 in the amount of \$117,347.05 for removal of existing sanitary sewer lines due to installation of redesigned new sanitary sewer system along same alignment as the existing system. Director Goren made a motion to approve Change Order #21 in the amount of \$117,347.05 for removal of existing sanitary sewer lines due to installation of redesigned new sanitary sewer system along same alignment as the existing system. The motion was seconded by Director Bond and carried by unanimous vote.

Change Order #42 in the amount of \$0 for a time adjustment to add 10 working days to the contract due to change from boring to open-cut/hand dig for installation of long services connections to waterlines. Director Goren made a motion to approve Change Order #42 in the amount of \$0 for a time adjustment to add 10 working days to the contract due to change from boring to open-cut/hand dig for installation of long services connections to waterlines. The motion was seconded by Director Middleton and carried by unanimous vote.

PEDESTRIAN SAFETY ENHANCEMENTS

Mr. Marshall reported on the Pedestrian Safety Enhancements Project in collaboration with the Midtown Management District to install certain crosswalk and curb enhancements in Midtown. Two (2) locations have been identified for a Pilot Project, specifically the Brazos/Webster Streets intersection and the Elgin/Jackson Streets intersection. Mr. Marshall reported that a bid was received for the Pedestrian Safety Enhancements

Project from Jerdon Construction in the amount of \$23,883.00 and that the Midtown Staff was recommending award of the construction contract to Jerdon Construction.

AWARD CONSTRUCTION CONTRACT

Director Goren made a motion to approve award of the construction contract for the Pedestrian Safety Enhancements to Jerdon Construction in the amount of \$23,883.00. The motion was seconded by Director Bond and carried by unanimous vote.

FTA GRANT PROGRAM - THE GOODMAN CORPORATION.

Mr. Marshall reported that Rice Management Company was meeting with City of Houston representatives regarding the proposed Agreement and that the final Agreement would be presented to the Board for a vote at a future Board meeting.

OTHER BUSINESS

There being no further business, the meeting was adjourned.

DocuSigned by:
Caton M. Fenz
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Caton Fenz, Assistant Secretary
11/19/2020

Date