

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

June 26, 2024

A special meeting of the Board of Directors (the “Board”) of the Midtown Redevelopment Authority (the “Authority”) was held at 410 Pierce Street, First Floor Conference Room, Houston, Texas 77002 and via videoconference on Wednesday, June 26, 2024, 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	Terence Fontaine	7	Deanea LeFlore
3	Michael Lewis	8	James Gilford
4	Michael T. Murphy	9	Zoe Middleton
5	Al Odom		

and all of the above were present in person at the meeting location except Director Fontaine, who was absent.

In attendance were Authority staff members Matt Thibodeaux, Kandi Schramm, Vernon Williams, Marlon Marshall, Jeremy Rocha, Kayler Williams, David Thomas, Amaris Salinas, Cynthia Alvarado and Jaime Giraldo; Melissa Morton of The Morton Accounting Services; Peggy Foreman of Burney & Foreman; Barron F. Wallace and Mary Buzak of Bracewell LLP; Jeri Brooks of One World Strategy Group; Algenita Davis and Sean Haley of CCPPI; Roberta Burroughs of Roberta F. Burroughs & Associates; Jennifer Curley of the City of Houston; Carol Harrison of IDS Engineering; Victoria Macalino of Quiddity; Aaron Moore of Binkley & Barfield; Justin Garber and Artur Zigman of Wilson Cribbs + Goren; Paul Castro of A+ Unlimited Potential Charter School; Scott Harbors, Midtown resident and Brian Van Tubergen.

In attendance via video conference were Ashley Small, Ashley Segura, and Ivy Batista of Medley, Inc.; Susan Elmore of Elmore PR; Sally Adame; Peggy Engram; Lorenzo Salinas; Allen Douglas of the Downtown Management District; and four additional attendees who were not identified by first and last name.

Director Odom called the meeting to order.

Director Odom introduced Director Gilford and welcomed him to the Board.

Director Odom provided a report to the Board regarding the recent indictment of a former Authority employee and 2 other individuals who worked for vendors that previously provided services to the Authority. He noted that these indictments do not negate the

significant progress that the Authority has made in furthering its core missions of redeveloping Midtown and facilitating the development of affordable housing.

Director Odom also noted that the Authority has fully cooperated with state and federal law enforcement agencies, providing comprehensive support and all relative materials from its internal investigation and giving grand jury testimony. In addition, the Authority has taken significant steps to implement stronger internal controls, improve procurement processes, require third party evaluation for potential vendors, and undertake ongoing evaluation after the vendors are selected.

PUBLIC COMMENTS

No public comments presented.

CONSENT AGENDA FOR THE AUTHORITY

MINUTES FOR MAY 23, 2024

MONTHLY FINANCIAL REPORTS FOR MAY 31, 2024

RATIFICATION AND ACKNOWLEDGMENT OF SALE OF PROPERTY LOCATED AT 3900 EMANCIPATION

RATIFICATION AND ACKNOWLEDGMENT OF DEVELOPMENT AND PURCHASE AGREEMENT WITH EPIC HOMES, LLC FOR DEVELOPMENT OF SINGLE-FAMILY AFFORDABLE HOMES

ANNUAL REVIEW OF PROFESSIONAL SERVICES AGREEMENT WITH WALTER P. MOORE

Executive Director Matt Thibodeaux presented the Consent Agenda.

Mary Buzak of Bracewell LLP presented the ratification and acknowledgment of the sale of property located at 3900 Emancipation.

Ms. Buzak presented the ratification and acknowledgment of a development and purchase agreement with Epic Homes, LLC (“Epic”) for the development of single-family affordable homes on certain Midtown lots. The initial proposal from Epic was approved by the Board last fall. Epic will construct seven affordable homes on six lots.

With regard to the annual renewal of the Authority’s professional services agreement with Walter P. Moore, Barron Wallace of Bracewell LLP noted that the underlying agreement was approved by the Board following a request for proposals in 2021.

Director Goren moved to approve the Consent Agenda as presented. The motion was seconded by Director Murphy and carried by unanimous vote.

PRESENTATION REGARDING IMPLEMENTATION OF MIDTOWN REINVESTMENT ZONE PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN

Mr. Thibodeaux provided an overview of the Midtown Zone's project plan, creation and goals, partner organizations and capital improvements.

Jennifer Curley with the City stated that the Authority's proposed budget will be presented to City administration for review in August. Coordination is ongoing with Houston Public Works regarding design changes to capital projects to align with City requirements, and the City will provide additional communication to all TIRZs regarding these changes.

Marlon Marshall, Sr. Director of Engineering and Strategic Development, provided additional background on the creation of the Midtown Management District, a municipal management district with a service and assessment plan that covers matters relating to public safety, cultural arts and entertainment, marketing & economic development and urban planning, and the establishment of the Midtown Parks Conservancy, which provides maintenance and operations of Authority-owned facilities including Midtown Park, the Midtown Park garage, Bagby Park and office buildings, in addition to maintaining Authority-funded public right-of-way improvements and streetscape enhancements.

Mr. Marshall also provided a summary of the Authority's efforts to implement the project plan, including entering into development agreements and developing parks and recreational facilities, cultural and public facilities, affordable housing and infrastructure improvements.

Mr. Thibodeaux noted that at future Board meetings, staff from the Midtown Management District and the Midtown Parks Conservancy will provide short presentations of the work that is being done in Midtown with homeless initiatives, public safety and the arts.

FY 2024 AUDIT ENGAGEMENT

Melissa Morton of The Morton Accounting Services presented the Master Services Agreement with Carr, Riggs & Ingram L.L.C. ("CRI") for audit services for the years 2024 and 2025 and noted that the fees reflect a 7% increase over the previous year's fee for 2024 and 2025, respectively. The audit is scheduled to begin the first week of August. The Authority's tri-party agreement with the City requires the Authority to complete the audit, obtain Board approval, and submit the final audit to the City by September 30, 2024.

The Board discussed whether a forensic audit (or other specialized audit) should be undertaken, either by CRI as part of this engagement, or by another auditing firm pursuant to a separate request for proposals. Director Odom directed

Authority staff to review best practices, identify other auditing services that could be included in a scope of work for a forensic audit engagement, and present an overview of internal controls and recommendations at a future Board meeting.

Mr. Wallace recommended that Authority staff initiate its research by requesting a set of recommendations on internal controls from CRI, as well as other auditing firms, to ensure a full review.

In response to a question about whether the scope of the audit includes recommendations on internal controls, or relies upon the information provided by Authority staff, Ms. Morton explained that the audit includes a communications packet identifying weaknesses and determining whether the weaknesses are material or not significant. Director Odom noted that the Authority has never had an audit that identified any material deficiencies.

During discussion, it was noted that CRI has prepared the Authority's annual audits for at least ten years and that it is best practice to issue a request for proposals for audit services every five to seven years. The Board discussed limiting CRI's engagement to the 2024 audit, and Mr. Thibodeaux recommended that the Authority issue a request for proposals in advance of conducting next year's audit. In addition to developing a request for proposals for annual audit services, Authority staff will present to the Board recommendations for forensic audit services.

Director Murphy moved to approve the FY 2024 Audit Engagement for one year. The motion was seconded by Director Goren and carried by unanimous vote.

AFFORDABLE HOUSING PROGRAM

AFFORDABLE HOUSING OPERATIONS CAMPUS

AMENDED AND RESTATED AFFORDABLE HOUSING INITIATIVE SERVICES AGREEMENT WITH THE CENTER FOR CIVIC AND PUBLIC POLICY IMPROVEMENTS

Mr. Wallace recommended that the amended and restated agreement between the Authority and the Center for Civic and Public Policy Improvement ("CCPPI") for affordable housing services be placed on the next agenda and noted that in the meantime, the existing agreement between the Authority and CCPPI will continue on a month-to-month basis, as previously approved by the Board.

CHANGE ORDERS

Mr. Marshall reported that there were no change orders.

RECOMMENDATION FROM THE AFFORDABLE HOUSING CONSULTANT ADVISORY GROUP RELATING TO A REDUCTION IN THE NUMBER OF SINGLE-FAMILY HOMES TO BE DEVELOPED ON AUTHORITY OWNED LAND TO BE CONVEYED TO MORS DEVELOPMENT PARTNERS, SERIES LLC

Roberta Burroughs of Roberta F. Burroughs & Associates presented an update on the Authority's partnership with the City and MORS Development Partners, Series LLC. The qualified homebuyers who purchase these affordable homes are eligible to receive up to \$50,000 from the City in down payment assistance. Ms. Burroughs advised the Board that due to a change in the City's building requirements, the developer will need to reduce the number of single-family homes being constructed on the property from nine (9) to seven (7).

Director Goren moved to approve the reduction in the number of single-family affordable homes to be developed on Authority-owned land to be conveyed to MORS Development Partners, Series LLC. The motion was seconded by Director Murphy and carried by unanimous vote.

MIDTOWN CAPITAL IMPROVEMENTS PROGRAM

CAROLINE STREET RECONSTRUCTION

i. **CHANGE ORDERS**

Mr. Marshall reported that there were no change orders.

ii. **REMEDIAL DRAINAGE PILOT PROJECT – CONSTRUCTION CONTRACT**

Mr. Marshall reported that the City has approved plans for a remedial drainage pilot project for repairs not addressed by TxDOT contractors on the Caroline Street reconstruction project. The Authority received three bids for this work, and the Authority staff recommends awarding a construction contract in the amount of \$70,000 to Elite Construction and Engineering Services LLC for remedial drainage repairs to three areas along Caroline Street. The Authority's consultants will manage the project and inspect the work.

Director Goren moved to approve a construction contract in the amount of \$70,000 to Elite Construction and Engineering Services LLC for remedial drainage repairs to three areas along Caroline Street. The motion was seconded by Director Murphy and carried by unanimous vote.

BRAZOS STREET BRIDGE LANDSCAPE IMPROVEMENTS

Mr. Marshall reported that the punch list items for the Brazos Street Bridge landscape improvements project have been addressed, and damages from recent weather events have been repaired. Authority staff is working with the consultants on project close-out documentation.

CHANGE ORDERS.

Mr. Marshall reported that there were no change orders.

BRAZOS STREET RECONSTRUCTION

Mr. Marshall reported that Authority staff met with the City's Economic Development staff to discuss the timing for implementation of the Authority's capital projects. The City is reviewing capital projects involving fewer street bike lanes, limited roadway reduction, infrastructure, and streetscape enhancements. The Authority and its consultants are developing additional concepts for its capital projects so that plans can be adjusted to align with the City's requirements.

NORTH HOUSTON HIGHWAY IMPROVEMENT PROJECT (NHHIP) – CAROLINE/WHEELER DECK PARK

Mr. Marshall reported the NHHIP project is currently on administrative hold and has not received official approval from the current City administration. The City and partner organizations have met to discuss a proposal to coordinate submittal of a grant application for construction of the deck and cap park spaces to be more competitive with other national projects.

URBAN REDEVELOPMENT PLAN

DEVELOPER ENGAGEMENT WORKSHOPS WORK ORDER

Mr. Marshall reported on the implementation of North Midtown Urban Redevelopment Plan and presented the recommendation to engage Lionheart Places, LLC ("Lionheart") to provide consulting services related to developing a real estate transformation framework for North Midtown community to attract investment and opportunities through a series of developer engagement workshops for a fee not to exceed \$48,500.

The initial workshops will identify barriers to development, increase awareness of existing programs, and develop concepts for new incentives to encourage new development. Lionheart will coordinate with Cushman & Wakefield, the Authority's real estate consultant, and Authority staff to

formulate recommendations for potential grant packages and development agreement terms to incentivize development in North Midtown, using and analyzing the data provided from an urban redevelopment plan funded and prepared by Rice University (“Rice”) as part of the ION District development agreement.

In response to questions from the Board, Mr. Marshall noted that Lionheart has worked with the Authority in the past and is familiar with the Authority’s planning studies and the urban redevelopment plan prepared by Rice.

Director Goren moved to approve the engagement of Lionheart Places, LLC, to provide services related to implementation of the North Midtown Urban Redevelopment Plan, for a fee not to exceed \$48,500. The motion was seconded by Director Murphy. Following discussion, the motion carried by majority vote, with five Board members voting to approve the motion. Directors Middleton and Foster abstained from the vote and Director Lewis voted against the motion.

PERSONNEL AND EMPLOYEE MATTERS


This agenda item was discussed in a closed executive session. Upon returning to the open session, no action was taken on this agenda item.

EXECUTIVE SESSION

The Board entered into a closed executive session at 2:08 p.m. to review personnel and employee matters and consult with its legal counsel pursuant to Sections 551.071 and 551.074, Texas Government Code. The Board returned to open session at 2:31 p.m. No action was taken during the closed executive session.

ADJOURN

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

Signed by:

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Camille Foster, Assistant Secretary
Michael Murphy, Secretary
9/4/2024

Date