

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

December 5, 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 video conference on Thursday, December 5, 2024, at 12:30 p.m. The meeting agenda is attached hereto and incorporated herein. 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 Gilford, who was present via video conference.

In attendance were Authority staff members Matt Thibodeaux, Kandi Schramm, Vernon Williams, Marlon Marshall, Jeremy Rocha, Kayler Williams, David Thomas, Chrystal Robinson-Davis and Amaris Salinas; Melissa Morton of The Morton Accounting Services; Mary Buzak of Bracewell LLP; Peggy Foreman of Burney & Foreman; Algenita Davis and Sean Haley of CCPPI; Roberta F. Burroughs of Roberta F. Burroughs & Associates; Carol Harrison of IDS Engineering; Jennifer Curley of the City of Houston (the “City”); Jeri Brooks of One World Strategy Group; Andrea Moore of Partners Real Estate; Brandon Eads of Fifth Corner; Jennifer Gribble, President of Super Neighborhood #62; Pastor Evan McClanahan of First Lutheran Church; Brendon Duffey and Tim Medrano of the Morgan Group; Barry Espinosa of the Oxberry Group; Rev. Marilyn White of Trinity East UMC; and Brian Van Tubergen and Wanda Williams, residents of the Third Ward.

In attendance via video conference were Ashley Segura and Madison Walkes of Medley, Inc.; Authority staff members Sally Adame and Cynthia Alvarado; Barron Wallace of Bracewell LLP; Katie Johnson of Binkley & Barfield/DCCM; Angie Gomez of CCPPI; Lynda Guidry of Super Neighborhood #62; Allen Douglas of Downtown Houston; Lauren Avioli of NHP Foundation; Maggie Segrich of Sesh Coworking; Juanita Jackson; Jeanette Criglar; Deon Warner of Warner & Associates PLLC; and one additional attendee who was not identified by first and last name.

Director Odom called the meeting to order.

PUBLIC COMMENT

Brian Van Tubergen, a resident of Third Ward, expressed concerns about the 20-year affordability period for homes in the Third Ward, advocating for a return to the original 10-year period to better accommodate changing circumstances for homeowners. Mr. Van Tubergen stated that some homeowners may be renting out their homes despite the restrictions, including one home listed on Airbnb. He questioned whether the original goals of building affordable homes is being met and urged the Board to revert to the original 10-year affordability period.

Brandon Eads of Fifth Corner highlighted ongoing issues with safety and security in Midtown, including instances of homeless individuals threatening customers, and emphasized the need for more funds to improve safety and security in the area. Mr. Eads requested that more funds be allocated to improve safety and security in Midtown. He also stressed that there should be a central focus on ongoing maintenance and infrastructure projects to enhance the Midtown community.

Barry Espinosa of the Oxberry Group expressed concerns about the lack of services, maintenance, and security in Midtown, which negatively impacts the neighborhood's reputation and deters new residents and businesses including issues with sidewalks, lighting, and the continuous presence of the unhoused population. Mr. Espinosa noted that these issues give the neighborhood a bad reputation, making it unappealing to new residents and high-quality businesses, which affect his company's ability to do business and its mission to contribute to growth in Midtown.

Jennifer Gribble, President of Super Neighborhood #62, presented the organization's top priorities: public safety, economic development, and service and maintenance. She urged the Authority to prioritize economic growth and collaboration with stakeholders. Ms. Gribble highlighted the loss of professional-class retail businesses in Midtown and urged the Authority to work on a comprehensive economic development plan.

Pastor Evan McClanahan of First Lutheran Church called for zero tolerance on crime and homelessness in Midtown to improve the neighborhood's safety and appeal. Pastor McClanahan acknowledged the need for compassionate care, but also called for stricter enforcement, including encouraging police officers to arrest offenders and judges to incarcerate them in order to reduce crime and improve the neighborhood's safety.

CONSENT AGENDA FOR THE AUTHORITY

MINUTES FOR OCTOBER 31, 2024

MONTHLY FINANCIAL REPORTS FOR OCTOBER 31, 2024

RESTATEMENT OF CERTAIN MINUTES FOR JANUARY 2024 BOARD MEETING

FUNDING TO LADDER CAPITAL FINANCE LLC, AS ASSIGNEE OF CAYDON HOUSTON PROPERTY LP, PURSUANT TO DEVELOPMENT AGREEMENT

FUNDING TO RICE UNIVERSITY, ACTING BY AND THROUGH RICE MANAGEMENT COMPANY, PURSUANT TO DEVELOPMENT AGREEMENT

Executive Director Matt Thibodeaux presented the Consent Agenda.

Director Murphy made a motion to approve the Consent Agenda as presented. The motion was seconded by Director Foster and carried by majority vote. Directors Goren and Middleton abstained from the vote. All remaining Directors voted in favor of the motion.

INVESTMENT REPORT FOR THE FIRST QUARTER FISCAL YEAR 2025 ENDING SEPTEMBER 30, 2024

Melissa Morton of The Morton Accounting Services presented the Investment Report for the First Quarter of Fiscal Year 2025, highlighting an average yield of 5.1449%, with the highest yield coming from the Logic accounts at 5.23% on average. She reported that the total interest earned was \$473,026.

Director Goren made a motion to approve the Investment Report for the First Quarter of Fiscal Year 2025 ending September 30, 2024, as presented. The motion was seconded by Director Murphy and carried by unanimous vote.

FISCAL YEAR 2024 BUDGET

Ms. Morton presented the Fiscal Year 2024 Budget detailing the Authority's revenues and expenses. She advised the Board that the Budget is representative of the information contained in the final audit report.

Director Fontaine made a motion to approve the Fiscal Year 2024 Budget as presented. Following all discussion, the motion was seconded by Director Murphy and carried by unanimous vote.

DEVELOPMENT AGREEMENT WITH PEARL RESIDENCES AT MIDTOWN OWNER, LLC

Marlon Marshall, Senior Director of Engineering/Strategic Development, introduced Tim Medrano of the Morgan Group, representing Pearl Residences at Midtown Owner, LLC, who provided an update regarding the Pearl Residences development.

Mr. Medrano advised the Board that the unexpected closure of the Whole Foods Market in October 2023 was a surprise to the landlord. He stated that, despite the store closure, the lease with Whole Foods Market (which Amazon now owns) remains in effect and Whole Foods Market continues to pay rent in accordance with the terms of the lease.

Mr. Medrano stated that Whole Foods Markets has engaged both national and local brokers to help sub-lease the space and stated that the landlord is in regular communication with these brokers to monitor progress and receive updates regarding efforts to sub-lease the space.

AFFORDABLE HOUSING PROGRAM

AFFORDABLE HOUSING OPERATIONS CAMPUS

CHANGE ORDERS

Mr. Marshall reported that there were no change orders.

3131 EMANCIPATION BUDGET FOR 2025

Andrea Moore of Partners Real Estate presented the 2025 operating budget for 3131 Emancipation Avenue (One Emancipation Center). Ms. Moore noted that the projected income for 2025 is \$1,270,813, with projected expenses associated with managing the property of \$1,055,033 resulting in a projected net operating income of \$215,780.

Director Goren made a motion to approve the 3131 Emancipation Budget for 2025 as presented. Following all discussion, the motion was seconded by Director Murphy and carried by unanimous vote.

EXTENSION OF OPTION AGREEMENT – TRINITY EAST VILLAGE COMMUNITY DEVELOPMENT CORPORATION

Mary Buzak of Bracewell LLP provided an update on the option agreement between the Authority and Trinity East Village Community Development Corporation (Trinity East Village CDC) related to three Authority owned lots on Tuam Street and St. Charles Street. Ms. Buzak explained that Trinity East Village CDC has requested a one-year extension to the option period to secure funding to acquire the land.

Reverend Marilyn White of Trinity East Village CDC reported that Trinity East Village CDC has been awarded \$3 million in HOME funds from the City and has submitted various funding applications.

Director Middleton made a motion to approve the extension of the Option Agreement with Trinity East Village Community Development Corporation as presented. The motion was seconded by Director Goren and carried by unanimous vote.

AFFORDABILITY PERIOD

Algenita Davis of CCPPI provided a report on affordability periods from various cities.

Ms. Davis noted that the City has recently announced a plan to launch a new down payment assistance program in February 2025. This new program would provide down payment assistance grants of up to \$125,000 to qualified homebuyers and extend the City's standard five-year affordability period to a ten-year period for properties financed under the new program.

Several Board members asked that CCPPI provide a detailed analysis of the pros and cons of different affordability periods (5, 10, 15, 20 years), as well as an illustration of the burn-off period for different affordability periods.

HOUSTON HABITAT EXCHANGE OF 3000 MCILHENNY FOR 3300 MCILHENNY PARCELS

Sean Haley of CCPPI presented a request to exchange three Authority parcels located at 3000 McIlhenny Street with certain other Authority parcels located at 3300 McIlhenny Street, in connection with a proposed Houston Habitat for Humanity, Inc. affordable housing development project.

Director Murphy made a motion to approve the exchange of three Authority owned parcels located in the 3000 block of McIlhenny Street for three other Authority owned parcels located in the 3300 block of McIlhenny Street. The motion was seconded by Director Goren and carried by majority vote. Director Foster abstained from the vote. All remaining Board members voted in favor of the motion.

CAPITAL IMPROVEMENTS PROGRAM

CAROLINE STREET RECONSTRUCTION

i. CHANGE ORDERS

Mr. Marshall reported that there were no change orders.

ii. REMEDIAL DRAINAGE PILOT PROJECT

CHANGE ORDERS

Mr. Marshall reported that the Caroline Street Remedial Drainage Pilot Project contractor discovered utility conflicts while performing preliminary work to locate an existing inlet under the sidewalk. The project team met with the City to discuss alternative designs to connect to the junction box near Dennis Street and submitted a proposed alternative design to the City for approval.

The work included in Change Order #1 (for removal and replacement of existing sidewalk to address an issue with the existing junction box location) will not be performed; a credit for the amount originally authorized in Change Order #1 (\$12,277.60) will be issued.

Mr. Marshall presented Change Order #3 in the amount of \$10,339.60 for removal and replacement of existing sidewalk to uncover and locate an existing inlet and tie-in with 4" PVC pipe with cleanout.

Director Foster made a motion to approve Caroline Street Remedial Drainage Pilot Project Change Order #3 in the amount of \$10,339.60 for removal and replacement of existing sidewalk to uncover and locate an existing inlet and tie-in with 4" PVC pipe with cleanout. The motion was seconded by Director Fontaine and carried by unanimous vote.

URBAN REDEVELOPMENT PLAN

Mr. Marshall reported on the second Developers' Engagement Workshop held at the Ion and noted that the Authority also has received over 300 surveys from the public regarding the urban redevelopment plan. Following Authority staff's review of feedback received from the development community and the public, Authority staff will present the results to the Board at an upcoming meeting.

STREET LIGHT INSTALLATION

Mr. Marshall reported that the Authority has been working with CenterPoint regarding installation of 81 new decorative street lights on the east side of Midtown. CenterPoint has completed the preliminary design, and the cost of the installation is \$276,438.00.

Director Goren made a motion to approve the Street Light Installation as presented. The motion was seconded by Director Murphy and carried by unanimous vote.

PERSONNEL, COMPENSATION AND REVIEW PROCESS

No action was taken on this matter at this time.

EXECUTIVE SESSION

The Board entered a closed executive session at 2:20 p.m. to confer with its attorneys and discuss the personnel, compensation and review process pursuant to Sections 551.071 and 551.074, Texas Government Code. The Board returned to open session at 3:19 p.m. No action was taken upon entering open session.

ADJOURN

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

DocuSigned by:
Camille Foster
EC8422698797420

Camille Foster, Assistant Secretary

1/30/2025

Date

AGENDA OF DECEMBER 5, 2024

[attached]