

MINUTES OF THE
MIDTOWN MANAGEMENT DISTRICT
BOARD OF DIRECTORS MEETING

December 9, 2015

The Board of Directors of the Midtown Management District held a meeting, open to the public, on December 9, 2015 at 11:00 a.m. in the Central Bank Community Room, located at 2217 Milam Street, Houston, Texas 77002, inside the boundaries of the District, and the roll was called of the duly appointed members of the Board, to-wit:

Darcy John Lefsrud
Diane Cervenka
Jacques Fox
J. Allen Douglas
Kim Cook
Monte Large
Willie Coleman
Deborah Tyler Dillard
Eileen J. Morris

John Castillo
Marylene Chan
William R. Franks
Debra McGaughey
Gary Noble
Charles Washington
Amar Mohite
Nancy J.W. Darst

All of the above were present except Directors Large, Mohite, and Dillard, thus constituting a quorum.

In addition, present at the meeting were Cynthia Alvarado, Elizabeth Powell, Kandi Schramm, Marlon Marshall, David Thomas and Matt Thibodeaux of Midtown Management District; Peggy Foreman of Burney & Foreman; Clark Lord of Bracewell Giuliani; Pat Hall Equi-Tax Inc.; Sgt. Odell Haynes of Harris County Precinct 7; James Holston, Doug Oehl, Cynthia Aceves-Lewis, Justin Koh, Barbara Hilburn, Jen Shaw, Robert Sakowitz, Jim Honey, Michael C. Moss, Bill Zimmerman, Monique Ward and Roger Neal.

Cynthia Alvarado called the roll of the Board of Directors and verified that a quorum was present.

Director Franks called the meeting to order and welcomed everyone.

RECEIVE PUBLIC COMMENTS.

Guests in attendance were invited to introduce themselves and address the Board on any issues of concern.

The following persons offered public comments:

James Holston – Asked the Board to delay consideration of the proposed Service Plan and the Petitions for services and improvements.

Cynthia Aceves-Lewis - Asked the Board to delay consideration of the proposed Service Plan and the Petitions for services and improvements.

Barbara Hilburn - Asked the Board to delay approval of the proposed Service Plan and the Petitions for services and improvements. Stated that the Board should be comprised of property owners.

Robert Sakowitz - Asked the Board to reject the proposed Service Plan and the Petitions for services and improvements.

Jen Shaw - Asked the Board to delay approval of the Service Plan and the Petitions for services and improvements. Wants the Board to agree not to increase the Assessment Rate for 5 years and complained that Board members do not pay the assessments out of their own pockets.

Justin Koh – Stated that he does not have the money to pay the assessments and that he has seen no improvements in the District in 15 years.

Jim Honey – Talked about his involvement in working with Charles LeBlanc in getting support for the initial creation of the TIRZ. Stated that he believes there is a crime wave in Midtown on the East side and that more money should be spent on law enforcement. He believes that homeowners and residents are under-represented on the Board.

CONSENT AGENDA

- a. Approve Minutes for the November 4, 2015 Board meeting.
- b. Approve Minutes for the November 18, 2015 Special Board meeting.
- c. Approve the financial report for the month October 2015.
- d. Approve the payment of invoices for November 2015.
- e. Approve Equi-Tax Report for November 2105.

Ms. Alvarado reported that the minutes from the November 4, 2015 and November 18, 2015 Board meetings were being pulled from the consent agenda and would be presented at the January 6, 2016 regular Board meeting for consideration.

Director Coleman made a motion to approve remaining items c–e on the Consent Agenda as presented. The motion was seconded by Director Castillo and carried by unanimous vote.

REVIEW, DISCUSS AND TAKE NECESSARY ACTION REGARDING ANNUAL REVIEW OF THE DISTRICT’S INVESTMENT POLICY.

Peggy Foreman made a brief presentation about the District’s Investment Policy and reminded Board members that Texas Law requires the Board to review the policy annually. Ms. Foreman stated that no changes to the Investment Policy were being recommended. Director Coleman made a motion to approve the Investment Policy as presented. The motion was seconded by Director Noble. Following all discussion, the motion carried by unanimous vote.

REVIEW, DISCUSS AND TAKE NECESSARY ACTION REGARDING ANNUAL REVIEW OF QUALIFIED BROKER/DEALERS.

Ms. Foreman presented the revised list of Qualified Broker/Dealers. She reminded the Board that Texas Law also requires the Board to review the list of Qualified Broker/Dealers annually. Ms. Foreman further explained that the District has always taken a broad approach in identifying Qualified Broker/Dealers in order to give the District's Investment Officer as much flexibility as possible to meet investment objectives pursuant to the Investment Policy.

Director Coleman made a motion to approve the list of Qualified Broker/Dealers. The motion was seconded by Director Cook. Following all discussion, the motion carried by unanimous vote.

REVIEW, DISCUSS AND TAKE NECESSARY ACTION REGARDING THE INVESTMENT REPORT FOR THE PERIOD ENDING SEPTEMBER 30, 2015:

Cynthia Alvarado announced that this item was on the November 4, 2015 Board Agenda and was being pulled since action has already been taken.

CONSIDER PROPOSED BUDGET FOR FISCAL YEAR 2016

Director Coleman made a motion to take the consideration of the proposed Fiscal Year 2016 out of order. The motion was seconded by Director Darst and carried by unanimous vote.

Director Chan and the Staff presented the proposed 2016 Budget to the Board. She stated that the Executive Committee considered the proposed 2016 Budget in detail and suggested some changes to the Committees' budget requests and the proposed rate of assessment for 2016. Director Chan stated that after extensive review and discussion, the Finance Committee's proposed Budget for Fiscal Year 2016 was based on an assumed assessment rate of assessment of 11.81¢ per \$100 of assessed value. Director Chan and Staff answered questions from Board members regarding the proposed Budget for Fiscal Year 2016.

Director Coleman made a motion to adopt the proposed Fiscal Year 2016 Budget as presented. The motion was seconded by Director Morris and passed by unanimous vote.

RECEIVE HEARING EXAMINER'S REPORT AND RECOMMENDATIONS TO THE BOARD RELATING TO THE PROPOSED 10-YEAR SERVICE PLAN; and

ADOPT ORDER GRANTING PETITION; APPROVING A SERVICE PLAN AND AN ASSESSMENT ROLL FOR MIDTOWN MANAGEMENT DISTRICT, LEVYING ANNUAL ASSESSMENTS AGAINST PROPERTY WITHIN THE DISTRICT FOR A TEN YEAR PERIOD, SPECIFYING THE METHOD OF PAYMENT AND THE AMOUNT OF ANNUAL INSTALLMENTS OF THE ASSESSMENT, PROVIDING PENALTIES AND INTEREST ON DELINQUENT ASSESSMENTS, AND AUTHORIZING THE COLLECTION OF ASSESSMENTS AND CONTAINING OTHER MATTERS RELATED THERETO.

Director Coleman made a motion to consider agenda items #7 and #8 together. The motion was seconded by Director McGaughey and passed by unanimous vote.

Director Coleman gave a brief presentation regarding the December 2, 2015 Public Hearing. He advised the Board that the three (3) Hearing Examiners were himself, Director Darst and Director Lefsrud. He stated that the Hearing Examiners met on Monday, December 7, 2015 to review the Hearing Examiners' Report. Director Coleman then summarized the written Hearing Examiners' Report and recommendations to the Board and Coleman responded to questions from Board members.

Clark Lord gave a presentation outlining the process followed to get to the point where the Board was being asked to adopt an Order granting the Petition for Services and Improvements, approving the Service and Improvement Plan and Assessment Plan, approving the District's assessment roll, levying annual assessments against property in the District for a 10 year period, specifying the method of payment and the amount of annual installments of the assessment, providing penalties and interest on delinquent assessments, authorizing the collection of assessments and containing other related matters. Mr. Lord presented the written Order and answered questions from various Board members.

Director McGaughey made a motion to Adopt the Order as presented. Director Washington seconded the motion. Following all discussion, the motion passed by majority vote. Director Chan voted against the motion. Director Noble abstained from the vote on the motion.

APPROVE AMENDMENT TO INFORMATION FORM

Clark Lord presented the Information Form and stated that it is a form required to be filed with Harris County setting forth information regarding the District including the rate of assessment.

Director Coleman made a motion to Approve the Information Form as presented. Director Darst seconded the motion. Following all discussion the motion passed by majority vote.

RECEIVE COMMITTEE ACTIVITY REPORTS AND REVIEW, DISCUSS AND TAKE NECESSARY ACTION REGARDING THE FOLLOWING, AS APPROPRIATE:

A. Public Safety Committee – John G. Castillo, Chair

John Castillo reported on the activities of the Public Safety Committee. He expressed gratitude at the number of residents present at the Board meeting and hoped this level of attendance would occur at every Public Safety Committee meeting and that the citizens in Midtown would work closely with the Committee in an effort to make Midtown a safer community.

Director Castillo reported that the HPD South Central Division continues its proactive initiatives designed to address criminal activity in Midtown. He stated that in November the District Staff reached out to approximately 80 area homeowner associations and apartment properties in the Midtown area to encourage attendance at a Public Safety Educational Program regarding Holiday Safety presented by the Houston Police Department.

Director Castillo reported that in response to concerns raised by constituents, HPD conducted a plain clothes surveillance at Baldwin Park for several hours and reported

finding no significant evidence of criminal activity, however HPD will continue to closely monitor the area in and surrounding Baldwin Park.

Director Castillo announced that the next Public Safety Committee meeting is scheduled for Tuesday, December 15, 2015 at 11:30 a.m. in the District's offices located at 410 Pierce St., Suite 355, Houston, Texas 77004

B. Marketing Committee

Director Darst reported on the activities of the Marketing Committee. She stated that the Marketing Committee has been discussing ways to bring Midtown businesses together for economic development purposes. Ms. Powell reported on efforts to work with local Midtown businesses to activate the neighborhood for Cigna Sunday Streets which will be held on December 13, 2015. Director Darst stated the next Marketing Committee meeting will be on Tuesday, December 15, 2015 at 4:00 p.m. in the Midtown Offices located at 410 Pierce St, Houston, TX 77002

C. Service & Maintenance Committee

Director Lefsrud reported on the activities of the Service and Maintenance Committee. He announced that the contract with SeeClickFix has been executed. He stated the Staff is now working on building the modules for the SeeClickFix application. Director Lefsrud reported that the SeeClickFix Service is expected to launch sometime in January, 2016.

D. Urban Planning Committee – Monte Large, Chair

Ms. Powell reported on the activities of the Urban Planning Committee. She stated the Committee has been working on the Cigna Sunday Streets event and encouraged everyone to attend.

E. Finance Committee – Marylene Chan, Chair

Director Chan reported that the District's financial statements as of October 2015 were contained in the Board Information Packet. She stated that she hopes to schedule a Finance Committee meeting before the end of the year. She thanked the Staff for all their hard work during the last several weeks.

Director Chan also thanked each of the Committees for their cooperation in decreasing their budget requests for 2016 to pay for the cost of adding one additional deputy constable to help patrol Midtown.

F. Cultural Arts & Entertainment – Eileen Morris, Chair

Director Morris reported on the activities of the Cultural Arts & Entertainment Committee. She stated that the District was notified that the Texas Commission on the Arts approved a \$25,000 matching funds grant to build a Cultural Arts and Entertainment District website for the almost 200 cultural arts, restaurants and entertainment venues in Midtown. Director Morris stated that the Mini Murals Project is moving forward, the

Committee has selected the artists and 2 of the sites have been approved with more sites to be identified and submitted to the City for approval.

Finally, Director Morris announced that the next Cultural Arts and Entertainment Committee meeting will be a FOCUS Group meeting on Thursday, January 21, 2015 in the foyer of The Ensemble Theatre located at 3535 Main Street beginning at 6:00 p.m.

G. Nominating Committee – Debra McGaughey, Chair

Director McGaughey stated that there was no current committee activity to report.

H. Service and Improvement Plan – Willie Coleman, Chair

i. UPDATE REGARDING THE PETITIONS REQUESTING SERVICES AND IMPROVEMENTS FROM THE MIDTOWN MANAGEMENT DISTRICT.

Director Coleman announced that the Committee had completed its work and would be dissolved.

I. Executive Committee – William Franks, Chair

Chair Franks announced that he would like to set up a Task Force of Board members and Midtown Property Owners to address some issues that were raised during the Public Hearing and to advise the Board on certain matters. He stated that more information will be presented to the Board at a future Board meeting.

REPORT ON CAPITAL PROJECTS OF THE MIDTOWN REDEVELOPMENT AUTHORITY (MRA).

Marlon Marshall gave the following report on the status of the current MRA capital improvement projects:

Bagby Park Project – The District and the Authority continue to work with MIDCorp on events in the Park. The Midtown “Wine Down” event, sponsored by Central Bank was held in the Park on December 4, 2015. “Live at Lunch” event, sponsored by PrimeWay Credit Union, will be held on December 11, 2015.

Midtown Park Project – Construction continues on the parking garage and is approximately 60-70% complete. The garage lid is expected to be completed in January 2016 and upon completion of the lid, the Park Construction Contractor can begin work on the Park itself which is expected to start in late January or early February 2016.

Caroline Street Project –TxDOT has agreed to rebid the project and the City of Houston has agreed to participate by making a loan to the Authority to fund the costs of certain water and sewer improvements in connection with the project.

Holman Street Project – A Notice to Proceed has been issued and construction has started on the “back of curb” improvements.

Main Street Improvements Project – Project is still in the design phase. The Staff and Consultants have begun work to resolve some encroachment issues with certain property owners along Main Street.

WITH RESPECT TO THE FOREGOING AGENDA ITEMS, CONDUCT AN EXECUTIVE SESSION WITH REGARDS TO THE FOLLOWING, AS APPROPROATE AND NECESSARY.

- a. Consultation with attorney (Section 551.071, Texas Government Code);
- b. Personnel matters (Section 551.074, Texas Government Code).

There was no executive session.

ANNOUNCEMENTS

Elizabeth Powell reminded everyone to attend Cigna Sunday Streets in Midtown on Sunday, December 13, 2015 from noon to 4:00 p.m.

NEXT MEETING DATE

Chair Franks announced that the next Midtown Management District Board meeting will be held on Wednesday, January 6, 2016, at 11:00 a.m. in the 3rd floor conference room of the Midtown Offices, 410 Pierce Street, Houston, TX 77002.

ADJOURN

There being no other business, the meeting was adjourned.


Eileen J. Morris, Board Secretary

Date: 1/6/15