

MINUTES OF THE
MIDTOWN MANAGEMENT DISTRICT
BOARD OF DIRECTORS MEETING

February 4, 2015

The Board of Directors of the Midtown Management District held a meeting, open to the public, on February 4, 2015 at 6:00 p.m. in the Community Room of Central Bank, 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:

Roger Neal	Julie Farr
Monte Large	John Castillo
Willie H. Coleman, Jr.	Marylène Chan
Bryn Poland	William R. Franks
F. Charles LeBlanc	Debra McGaughey
Michelle LeBlanc	Gary Noble
Eileen Morris	Charles Washington
Kim Cook	Amar Mohite
	Nancy J.W. Darst

All of the above were present except Directors Cook, Poland, F. Charles LeBlanc, Morris, Farr and Franks thus constituting a quorum.

In addition, present at the meeting were Matt Thibodeaux, Cynthia Alvarado, Elizabeth Powell, and Marlon Marshall, of the Midtown Management District; Peggy Foreman of Burney & Foreman; Vikki Trammell & Ben Russell of Art Square Studios, Pat Hall of Equi-Tax Inc., Mariana Raschke of The Goodman Corporation, Francisco Rios of Tribe Design, Juan C. Maldonado of Wired International, Francisco Cortez of PrimeWay Federal Credit Union, James & Bobbie Banks of State Farm Insurance, Pam & Brian Martinez of Smiles of Midtown, Gary Bernard of 2016 Main, Joe Candelora, Dan Barnum, Eric Botts, James Crable, Rayan Abu, Grant Gowery, Dahlia Cavazos of Sears, Mildred & Willie Bright, Andrew Rice, Gayle Fortson, Phillip Dee, Jim Tucker, Cindy & Roy Jackson, Charlotta Deason, Mary Chavoustie of Quantum/SUR, Don Chavoustie, Robert Ross of The Ensemble Theatre, Bill Carey, Scott Harbers, Kara Doelling, John Sieger, James Wimbley, Nancy Smith, Allen Douglas, James Llamas, Kyle Berg and Mizen Baltugi of Christian's Tailgate.

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

Vice Chair Coleman 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.

Vicki Trammell thanked the Board and Staff for the very prompt actions it took to clean-up trash, debris and graffiti at Peggy Point Plaza and the area in and around the intersection of Main and Wheeler Streets.

CONSENT AGENDA.

- a. Approve Minutes for the November 5, 2014 Board meeting.
- b. Approve Minutes for the December 3, 2014 Board meeting.
- c. Approve Minutes for the January 7, 2015 Board meeting.
- d. Approve the December 2014 Financial Report.
- e. Approve the payment of invoices for February 2015.
- f. Approve Equi-Tax Report for January 2015.
- g. Ratify Agreement with A-1 Stripping for Art CrossWalk Pilot Project at Elgin and Louisiana

Cynthia Alvarado announced that item "d" was being pulled from the agenda and would be considered at the February 2015 Board meeting. Director Neal asked that item "g" be pulled from the consent agenda and taken up separately. Director McGaughey made a motion to approve the remaining items on the Consent Agenda. The motion was seconded by Director Large and carried by unanimous vote.

RATIFY AGREEMENT WITH A-1 STRIPPING FOR ART CROSSWALK PILOT PROJECT AT ELGIN AND LOUISIANA.

Peggy Foreman explained that due to contract and scheduling issues, the Art CrossWalks Pilot Project was not able to be completed by December 31, 2014 as anticipated. She further advised the Board that the Contractor agreed to eliminate a 3rd day contingency from its proposal to do the stripping for the Art CrossWalk Pilot Project at Elgin and Louisiana. Ms. Foreman stated that based on the approval given at the December 2014 Board meeting, the Chair executed an agreement with A-1 Stripping and that the agreement was being brought back to the Board for ratification. Director Coleman made a motion to ratify the agreement relating to the Art CrossWalks Pilot Project. Director Michelle LeBlanc seconded the motion. Director Neal raised an objection due to the fact that the cost of the project had been included in the FY 2014 budget and had not been included in the Fiscal Year 2014 budget. Cynthia Alvarado advised that overall there were sufficient funds in the Urban Planning Committee's FY 2015 budget to pay for the project. Following all discussion, the motion passed by majority vote. Director Neal opposed the motion.

REVIEW, DISCUSS AND TAKE NECESSARY ACTION REGARDING ELECTION OF A NEW BOARD TREASURER.

Director Coleman announced that Director Noble had submitted his resignation as Treasurer and Finance Committee Chair due to time limitations. He opened the floor for nominations to fill the position of Treasurer. Director Coleman reminded the Board that the person elected as Treasurer would also serve as Finance Committee Chair. Director Neal nominated Marylene Chan to serve as the new Treasurer. Gary Noble seconded the nomination. Director Coleman asked if there were any other nominations and there being none closed the nominations. He then called for the vote and Marylene Chan was elected to serve as Treasurer by unanimous vote.

REVIEW, DISCUSS AND TAKE NECESSARY ACTION REGARDING A LETTER OF ENGAGEMENT FOR THE AUDIT FOR FY 2014.

Cynthia Alvarado advised the Board that the Letter of Engagement for Auditors was included in the Board Information Packet. She stated that the Executive Committee was recommending that Carr, Riggs & Ingram, LLC be engaged to perform the audit for Fiscal Year 2014. She shared the terms of the agreement and stated that the cost was \$500 more than the cost of last year's audit. She stated

that the increase was anticipated and that the cost was within the amount budgeted for the Audit. Director Noble made a motion to approve the Letter of Engagement with Carr, Riggs & Ingram, LLC to perform the audit for Fiscal Year 2014. The motion was seconded by Director Chan. Following all discussion, the motion carried by unanimous vote.

REVIEW, DISCUSS AND TAKE NECESSARY ACTION REGARDING THE DISTRICT'S QUARTERLY INVESTMENT REPORT FOR THE PERIOD ENDING DECEMBER 31, 2014.

Executive Director Matt Thibodeaux presented the Quarterly Investment Report for the Period ending December 31, 2014. He distributed a revised Investment Report and advised the Board that the maturity dates on the first two Certificates of Deposit at East West Bank were incorrectly shown as 6-2-2014 in the Investment Report contained in the Board Packet. He stated that the correct maturity date was 6-2-2015. Mr. Thibodeaux stated that as reflected in the written report, the average interest rate on all District accounts for the quarter ending December 31, 2014 was 0.166715% and that the amount earned was \$400.41.

Director Darst made a motion to approve the Quarterly Investment Report as presented. The motion was seconded by Director Michelle LeBlanc and carried by unanimous 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

Director Castillo reported on the activities of the Public Safety Committee. He stated that crime was down in Midtown including Burglary of a Motor Vehicle. He stated that HPD attributes part of the decrease to the Districts efforts at educating the public on how not to be a victim of crime.

i. Modifications to proposed Agreement with Harris County for Law Enforcement Services

Director Castillo advised the Board that the District received the actual contract from Harris County and the cost was \$470,000. He stated that the final contract amount was within the parameters approved at the January 2015 Board meeting and therefore there was no need to modify the number of officers. He stated that the contract had been executed and returned to Harris County Commissioners' Court for approval and that there should be no lapse in services from Precinct 7 Deputy Constables.

B. Marketing Committee – Michelle LeBlanc, Chair

Director Michelle LeBlanc reported on the activities of the Marketing Committee. She stated that the Committee has been working with the MRA and consultants on the website redesign. She stated that the Committee was looking for photographers to take pictures for use on the website and in the new print materials. Ms. LeBlanc also stated that the Committee was also looking for designers for the new marketing materials. Finally, Director LeBlanc announced that the Marketing Committee would participate in a joint committee meeting with other Board Committees on February 17, 2015.

C. Service & Maintenance Committee – Roger Neal, Chair

Roger Neal reported on the activities of the Service and Maintenance Committee. He announced that new maintenance contractors for Baldwin and Glover Parks, Bagby Street and the Field Services Program began work as of February 1, 2015. Director Neal stated that the

new contracts resulting in a savings in the amount budgeted for maintenance services. He advised the Board that there would likely be an adjustment period and asked all Board members and residents to be especially observant and to report any noticeable changes in the maintenance services provided throughout the District. He announced that the Committee spent the additional funds approved in December 2014 to install new sidewalks and plant new trees.

D. Urban Planning Committee – Monte Large, Chair

Director Large reported on the activities of the Urban Planning Committee. He reported that he has been working with Will Rub, executive director of Houston B-Cycle and that they had identified locations on McGowen Street for a new B-Cycle Station. He stated that Houston B-Cycle was in contact with the property owners regarding the installation. Director Large reported that the Committee's research shows that the costs of a "Circulator System" for Midtown exceeded the District's available funding and that the Committee was continuing to look for partners to try to provide this service. He stated that Committee members met with representatives of three (3) pedi-cab companies to learn more about their operations and whether it would be a good fit for Midtown.

E. Finance Committee – Gary Noble, Chair

Director Noble reported on the District's finances. He stated that the year-end reports for FY 2014 were not yet finalized and would be presented at a future Board meeting. Director Noble pointed out that the District's 2013 assessments were 98% collected and the 2014 assessments were 65% collected as of January 31, 2015. He stated that this was slightly less than prior years. Pat Hall of Equi-Tax pointed out that that her office was still processing payments that were postmarked as of January 31, 2015 but which arrived in their offices on the 1st or 2nd day of February 2015, so she expects the percentage of assessments collected will be higher in the next report.

- i. Review, discuss and take necessary action regarding the transfer of funds from reserve accounts to the operating account to pay for expenses to be incurred in Fiscal Year 2015

Director Noble reported that the Committee was recommending that \$50,000 be transferred from the Gateway Reserve Account to the Operating Account to pay for costs of installing new sidewalks in the District. Director Large made a motion to approve the Committee's recommendation to transfer \$50,000 from the Gateway Reserve Account to pay for installation of new sidewalks in the District. Director Mohite seconded the motion which carried by unanimous vote.

F. Cultural Arts & Entertainment – Eileen Morris, Chair

Cynthia Alvarado reported on the activities of the Cultural Arts & Entertainment Committee. She stated that the Committee was working with Design Workshop on the Cultural Arts Master Plan and would be seeking community input on the plan over the next several weeks.

Ms. Alvarado also reported that the Committee, staff and consultants were working on the 2015 Art in the Park event which will be held in Baldwin Park on April 11, 2015.

G. Nominating Committee – Debra McGaughey, Chair

Director McGaughey announced that the term of office for Board members serving in Positions 1-9 will expire in June 2015. She reminded these Board members that a letter had been sent

out recently with a form to be completed to indicate their interest in being considered for reappointment to the Board. She asked that all Board members eligible for reappointment please complete and return the form as soon as possible but no later than March 4, 2015. Director McGaughey announced that the Committee was accepting resumes from persons interested in filling Position 1 on the Board which will be vacated by Director Neal who is ineligible for reappointment due to term limits. She reported that a press release seeking resumes had been sent to the media, area homeowners associations, certain business owners, and others and that the deadline for receipt of resumes is 5:00 p.m. on March 31, 2015.

H. Service and Improvement Plan – Willie Coleman, Chair

Director Coleman stated that the Service and Improvement Plan Committee is actively working to secure signed Petitions from Midtown property owners. He asked that all property owners in attendance review the proposed Service and Improvement Plan and Assessment Plan (the “2015-2024 Service Plan”) and consider signing a Petition. He stated that Cynthia Alvarado will coordinate getting Petitions signed.

I. Executive Committee – William Franks, Chair

Vice Chair Coleman reported that all matters discussed at the January 27, 2015 Executive Committee meeting had already been discussed under the various agenda items.

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:

Midtown Park Project – There are still punch list items that the contractor has not completed to the Authority’s satisfaction. The Authority is exploring various options to address the situation with the contractor. The Kiosk Tenant has obtained City approval of its plans and has been issued a City permit to complete its interior build-out. The build-out is expected to take approximately six (6) weeks to complete. Plans have been made to celebrate the opening of the Midtown Park. The Authority is in the process of renaming the Midtown Park and has gotten public input via an online survey. The Authority Board will consider all suggestions and make a decision regarding the new name for the park.

SuperBlock Park Project – The Midtown Staff, lawyers and design team are still negotiating with the private development partner for construction of the parking garage. Construction costs came in higher than expected, however, the parties have now agreed on pricing negotiations are expected to be finalized by the end of February, 2015 and construction of the project is expected to begin sometime in March 2015. The public relations team is continuing to work on press releases to be issued in connection with the ground breaking for the parking garage.

Caroline Street Project – The Texas Department of Transportation (TxDOT) will be providing some of the funding for this project. TxDOT officials are managing the construction of the project. The construction bids came in substantially higher than the Midtown Consultant’s estimate. The Staff is pursuing a request for additional funding from the City of Houston and the Houston Galveston Area Council to cover the additional costs. They are unsure whether the funding will be available, and if it is not available the Authority may have to delay the project indefinitely.

Holman Street Project – This project consists of back of curb improvements along a portion of Holman Street and has a construction period of approximately one year. MRA’s plans have been approved by

the City. The project is being done in conjunction with the Houston Community College (HCC). HCC is scheduled to receive City approval of its final plans in February 2015. Once final approval of HCC's plans is obtained, the project will be bid as one combined project.

Main Street Improvements Project – The project will include back of curb improvements along Main Street from Pierce to Wheeler Street. The improvements will include landscaping, street furniture, and other pedestrian-related infrastructure to encourage redevelopment and support existing development along Main Street. The project is still in the preliminary design phase and is scheduled to be bid in late 2015.

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.

PRESENTATION: SERVICE AND IMPROVEMENT PLAN AND ASSESSMENT PLAN (2015-2024).

Cynthia Alvarado made a presentation regarding the new proposed Service and Improvement Plan and Assessment Plan. She highlighted the District's many accomplishments since its inception and its plans for the next ten years. She explained that the District's plans were detailed in the new proposed Service and Improvement Plan and Assessment Plan. She asked Midtown property owners in attendance to help support the efforts of the District by reviewing the new proposed Service and Improvement Plan and Assessment Plan and signing a Petition Requesting Services from the Midtown Management District.

ANNOUNCEMENTS

There were no announcements.

NEXT MEETING DATE

Chairman Franks announced that the next Midtown Management District Board meeting will be held on Wednesday, March 4, 2015, at 11:00 p.m. in Midtown Management District Offices, 410 Pierce, 3rd Floor Conference Room, Houston, Texas 77002.

ADJOURN

There being no other business, the meeting was adjourned.

Eileen J. Morris, Board Secretary

Date: 3/4/15