

MINUTES OF THE BOARD OF DIRECTORS OF THE MIDTOWN REDEVELOPMENT AUTHORITY

June 2, 2016

A regular meeting of the Board of Directors (the "Board") of the Midtown Redevelopment Authority (the "Authority") was held at the Authority's offices in the Houston Technology Center, 410 Pierce, Houston, Texas 77002, on Thursday, June 2, 2016 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	Brandon Dudley	6	Abe Goren
2	Doug Erwing	7	Caton M. Fenz
3	Robert D. Sellingsloh	8	Vacant
4	Pamela Ngo Castleman	9	Jeremy Ratcliff
5	Al Odom		

and all of the above were present with the exception of Directors Erwing, Goren and Ratcliff.

Also in attendance were Matt Thibodeaux, Kandi Schramm, Marlon Marshall, Todd Edwards, Vernon Williams, David Thomas, Araceli Rodriguez and Theresa Gilmore of the Authority; Peggy Foreman of Burney and Foreman; Barron F. Wallace of Bracewell LLP; Tim Buscha of IDS Engineering Group; Edwin Friedrichs, and Rachel Ray of Walter P. Moore; Jennifer Curley of the City of Houston; Mariana Rashcke of the Goodman Corporation; Amy Harbert of Design Workshop; Mechelle Phillips of One World Strategy Group; Tom McCasland and K. Domeracki of CCPPI; Kent Loftin of the Montrose Center; Brenda Kidd of the Houston Community College System; James Honey and Barbara Hilburn as Property Owners & Residents and Brianna Bracken and Kati Walker as visitors.

Chairman Sellingsloh called the meeting to order and asked the guests to introduce themselves.

F. Charles LeBlanc Tribute

A photographic tribute was shown of F. Charles LeBlanc for his time and dedication to Midtown.

CONSENT AGENDA FOR THE AUTHORITY:

- a. **MINUTES OF THE AUTHORITY FOR APRIL 28, 2016;**
- b. **MONTHLY FINANCIAL REPORT OF THE AUTHORITY FOR APRIL 2016;**
- c. **INVOICES OF THE AUTHORITY FROM TRUSTEE AND OPERATING ACCOUNTS FOR MAY 2016**

Matt Thibodeaux, Executive Director, presented the various items of the consent agenda. Director Fenz made a motion to approve the consent agenda items a. through c. The motion was seconded by Director Odom, which carried by unanimous vote.

INVESTMENT REPORT FOR QUARTER ENDING MARCH 31, 2016.

Mr. Thibodeaux presented the Investment Report for the quarter ending March 31, 2016, reporting the total average yield on the interest bearing accounts was 0.703938% which earned in total \$16,882.42.

Director Castleman made a motion to accept the Investment Report for the Quarter ending March 31, 2016. The motion was seconded by Director Fenz, which carried by unanimous vote.

INTERLOCAL AGREEMENT WITH THE MIDTOWN MANAGEMENT DISTRICT RELATING TO A GRANT FROM THE TEXAS COMMISSION ON THE ARTS TO DEVELOP A MIDTOWN CULTURAL ARTS AND ENTERTAINMENT WEBSITE.

Peggy Foreman of Burney and Foreman reported to the Board that the Midtown Management District had applied for and received a \$25,000 grant from the Texas Commission on the Arts (TCA) with a local match from the Management District to develop a Midtown Cultural Arts and Entertainment website. The Management District will cause the website to be created, managed and maintained. The TCA drafted the \$25,000 grant check to the Midtown Redevelopment Authority. The TCA confirmed that the Authority may deposit the check into its account and issue a \$25,000 check to the Management District.

Director Castleman made a motion to approve an Interlocal Agreement with the Midtown Management District relating to a Grant from the Texas Commission on the Arts to Develop a Midtown Cultural Arts and Entertainment website. The motion was seconded by Director Odom, which carried by unanimous vote.

MIDTOWN AFFORDABLE HOUSING PROGRAM

a. MONTROSE CENTER

Kent Loftin with the Montrose Clinic reported on the status of the Montrose Center noting that the group was requesting an extension on the deadline to exercise the options agreement on 2222 Cleburne Street until December 31, 2016. Mr. Loftin reported the Montrose Center had secured \$1.3 million in current commitments with the City of Houston City Council voting to allocate \$2.5 million in funds for the project.

Following all questions from the Board, Director Castleman made a motion to approve the request for an extension on the deadline to exercise the options agreement on 2222 Cleburne Street until December 31, 2016. The motion was seconded by Director Dudley, which carried by unanimous vote.

b. CCPPI

Tom McCasland with CCPPI reported on the status of Phase I of the development of a comprehensive plan to address the development of affordable housing and related community services and infrastructure in the target area. Mr. McCasland noted the primary structure would be for developing and holding land long term into a Community Land Trust, which is a nationally recognized structure for preserving affordable housing. The land would be placed in the trust but the improvements could be sold to homeowners, thus maintaining the affordability of housing stock. Following all questions, Mr. Edwards reported that he would set up an affordable housing workshop to further discuss.

c. HABITAT FOR HUMANITY

Mr. Edwards reported to the Board that Habitat for Humanity had requested that the Authority participate with them by granting some property for an affordable housing project. Mr. Edwards will meet with Habitat for Humanity to further discuss and report back at the next Board meeting.

d. AFFORDABLE HOUSING PROGRAM

Mr. Edwards noted that he nothing further to report at this time.

MIDTOWN CAPITAL IMPROVEMENT PROGRAM

a. PARKS AND GREENSPACE - WALTER P. MOORE/DESIGN WORKSHOP

i. MIDTOWN PARK

Mr. Marshall reported on the progress happening at Midtown Park and shared pictures of the construction site with the Board and visitors. He noted that the team was looking at the addition of a generator, flood gates and other flood precautions for the garage given Houston's recent flooding.

APPROVE GARAGE CHANGE ORDERS – CAMDEN.

Mr. Marshall reported that Change Order #15 was a credit of \$33,018.03 for fire water line modifications per City of Houston; expansion joint and waterproofing changes per architect; and a credit for utilities, stair pavers and irrigation vault changes.

Director Castleman made a motion to approve Change Order #15 in the amount of a credit for \$33,018.03. The motion was seconded by Director Odom, which carried by unanimous vote.

APPROVE PARK CHANGE ORDERS – MILLIS.

Mr. Marshall reported that there were no changes orders at this time for Millis.

HCC CAPITAL PROJECTS - IDS ENGINEERS

i. HOLMAN STREET PEDESTRIAN ENHANCEMENTS

1. Approve Change Orders – SER.

Mr. Marshall reported that the contractor was basically completed with the hard scape and overlay. The area adjacent to the Houston Community College was not reflective of the field conditions on the plan and will slow down the progress somewhat in that area. Mr. Marshall reported there were 2 change orders: Change Order #1 for seat block next MATCH, meter vault; fire hydrant relocation; addition of c-channels at electrical receptacles; and a deduct for bike racks provided by owner in the amount of \$16,775.23 and Change Order #2 for roadway replacement adjustment due to asphalt thickness field conditions in the amount of \$33,566.00.

Director Castleman made a motion to approve Change Order #1 in the amount of \$16,775.23 and Change Order #2 in the amount of \$33,566.00 for SER on the Holman Street Pedestrian Enhancements Project. The motion was seconded by Director Fenz, which carried by unanimous vote.

b. MAIN STREET ENHANCEMENTS – WALTER P. MOORE /DESIGN WORKSHOP

Mr. Marshall reported the design team had met with METRO to review final design. Staff, contractor and team met with the METRO Rail Safety team to go over the requirements for construction along the rail line. He noted that the City of Houston had approved the construction plans for the Main Street Enhancements.

c. CAROLINE STREET RECONSTRUCTION – ESPA CORP/KCI

Mr. Marshall reported The Houston Galveston Area Council had approved the grant in the amount of \$1.5 million at its last meeting for the Caroline Street Project. TxDOT has agreed to hold a pre-bid meeting in August to address contractor questions.

d. FTA GRANT PROGRAM – THE GOODMAN CORPORATION

Mr. Marshall noted that the The Main Street Project grant funding of \$2.7 million has been accelerated to 2016.

MORGAN GROUP PROPOSED DEVELOPMENT AGREEMENT

Mr. Wallace presented the proposed Development Agreement with the Morgan Group noting that this agreement relates to public right of way improvements only and as such does not require the Morgan Group to render the property at set value for a period of years. If the Morgan Group has not completed the project in 48 months, the reimbursement agreement could be terminated. The reimbursement is to be based on a formula of the appraised value as set by the Harris County Appraisal District each year, no interest component in the agreement and would be based on the available increment derived from the Morgan Group project net of the affordable housing set aside. The reimbursement is estimated to be \$3.7 million if the total project's appraised value is \$75 million.

Director Odom made a motion to approve the Resolution Authorizing and Approving Development Agreement with Morgan Group Brazos/Rosalie, LLC; Authorizing the Authority of its Agenda to Enter into Same and to Take All Necessary Actions Regarding Same; and Approving Various Findings and Other Matters Incidental to Same. The motion was seconded by Director Castleman, Director Dudley opposed, motion carried. 4 yeas, 1 opposed.

ROW HOUSE CDC PROJECT; EXTENSION OF NOTE

Mr. Wallace updated the Board on the Row House CDC Project noting that Phase II of the project is currently in the name of the Midtown Redevelopment Authority. The loan would be restructured to a 15 year note instead of a one year note and Midtown would have the Right of First Refusal if Row House CDC defaults.

Director Castleman made a motion to approve the Resolution Authorizing the Conveyance of Certain Property and Modification of Certain Promissory Notes; Authorizing the Authority of its Agenda to Take such Action as is Necessary for the Conveyance of Certain Property and Modification of Certain Promissory Notes; Authorizing the Authority or its Agent to Enter into an Amendment to or Modifications of those Certain Promissory Notes Described in the Development Agreement; and Authorizing the Authority or its Agent to Take All Necessary Actions Regarding Same. The motion was seconded by Director Fenz, which carried by unanimous vote.

WITH RESPECT TO THE FOREGOING AGENDA ITEMS, CONDUCT AN EXECUTIVE SESSION WITH REGARD TO THE FOLLOWING, AS APPROPRIATE AND NECESSARY:

- a. **CONSULTATION WITH ATTORNEY (SECTION 551.071, TEXAS GOVERNMENT CODE);**
- b. **THE PURCHASE, EXCHANGE, LEASE OR VALUE OF REAL PROPERTY (SECTION 551.072, TEXAS GOVERNMENT CODE);**
- c. **PERSONNEL MATTERS (SECTION 551.074, TEXAS GOVERNMENT CODE);**
- d. **SECURITY PERSONNEL OR DEVICES (SECTION 551.076, TEXAS GOVERNMENT CODE); AND ECONOMIC DEVELOPMENT NEGOTIATIONS (SECTIONS 551.087, TEXAS GOVERNMENT CODE)**

The Board did not conduct an executive session at this meeting.

PUBLIC COMMENT

Barbara Hilburn, Midtown property owner, asked about the Eastside Incentive Program. Ms. Hilburn has concerns that the FordMomentum Report will not be developed properly. She would like to know who is being interviewed, what is the cost of the FordMomentum contract, and what is the plan for the Report. Chairman Sellingsloh addressed her concerns and explained that getting commercial property on the Eastside was more of a challenge.

ADJOURNMENT

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



Pamela N. Castleman, Secretary

6/30/16

Date