

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

June 25, 2015

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 25, 2015 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, Sellingsloh and Ratcliff.

Also in attendance were Matt Thibodeaux, Kandi Schramm, Marlon Marshall, Todd Edwards, Vernon Williams, Araceli Rodriguez and Theresa Gilmore of the Authority; Cynthia Alvarado and Elizabeth Powell of the Midtown Management District, Barron F. Wallace of Bracewell & Giuliani LLP; Peggy Foreman of Burney and Foreman; Steven Spears of Design Workshop; Carol Harrison of IDS Engineering Group; Lee Anne Dixon of Walter P. Moore; Joel Alba of the City of Houston; Jeri Brooks, Mechelle Phillips and Courtney Savage of One World; Chris Kerr of Montrose Center; Tamera Sharkey of Wilson, Cribbs & Goren; Rik Van Den Berg of Spaw Glass; Tommy Napier of The Menil Collection; John Bowles and Ursange Mills of Koastai CM and Juane Johnson.

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

CONSENT AGENDA FOR THE AUTHORITY

- a. **MINUTES OF THE AUTHORITY FOR MAY 28, 2015;**
- b. **MONTHLY FINANCIAL REPORT OF THE AUTHORITY FOR MAY 2015;**
- c. **INVOICES OF THE AUTHORITY FROM TRUSTEE AND OPERATING ACCOUNTS FOR JUNE 2015.**

Matt Thibodeaux, Executive Director, presented the various items of the consent agenda. Director Castleman 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 30, 2015.

Executive Director Thibodeaux presented the Investment Report of the quarter ending March 30, 2015 noting an average investment rate of .0963%. Director Fenz made a motion to accept the Investment Report for the quarter ending March 30, 2015. The motion was seconded by Director Dudley, which carried by unanimous vote.

HOUSTON MUSEUM OF AFRICAN AMERICAN CULTURE.

Barron F. Wallace gave a brief update on the Houston Museum of African American Culture (HMAAC) and its relationship with Midtown. Midtown Redevelopment Authority purchased the museum site approximately 4 years ago and included an agreement for HMAAC to lease back the building. HMAAC, the City of Houston and Midtown have recently been in discussions regarding the Grant Agreement between HMAAC and Midtown. The City would like Midtown to have the HMAAC building assessed by Midtown's engineers and review prior financial audits.

MATCH: MIDTOWN ARTS AND THEATER CENTER HOUSTON

Mr. Wallace reported that MATCH had identified \$300,000 of additional public right of way improvements that would need to be completed on their project. In accordance with the City of Houston ordinance, Midtown Redevelopment Authority is authorized to retain proceeds from the sale of 3300 Main conditioned upon using such proceeds on certain uses consistent with the ordinance. The ordinance contemplates that certain proceeds would be to assist MATCH with their overrun of the additional public right of way improvements. This portion of the Amended and Restated Grant Agreement would be contingent upon the closing of the sale of 3300 Main.

Director Fenz made a motion to approve the Amended and Restate Grant Agreement between MATCH and Midtown Redevelopment Authority. The motion was seconded by Director Castleman, which carried by unanimous vote.

MIDCORP

Barron F. Wallace and Peggy Foreman reported that the MIDCorp Maintenance Tri-Party Agreement between the Redevelopment Authority, the Management District and MIDCorp was completed. The Tri-Party Agreement defines the legacy projects and future projects and includes a Repair and Replacement Fund and is anticipated to commence July 1, 2015. Ms. Foreman reported that this agreement will transfer responsibility to MIDCorp and that, subject to approval by the Boards of each entity, the District will pay a certain amount of money to MIDCorp each year and in exchange MIDCorp will assume responsibility for maintenance of certain improvements in the District.

a. **MANAGEMENT AND MAINTENANCE AGREEMENT;**

Director Castleman made a motion to approve the Management and Maintenance Tri-Party Agreement between the Authority, the Management District and MIDCorp. The motion was seconded by Director Dudley, which carried by unanimous vote.

b. **OPERATING AGREEMENT.**

Mr. Wallace reported that there will additionally be an Operating Agreement between the Redevelopment Authority and MIDCorp allowing MIDCorp to act as an independent contractor to operate, manage, maintain and repair the public improvements for a term of 40 years with 20 year renewals. This agreement is still in the draft stage.

MENIL 380 AGREEMENT AND RELATED DEVELOPMENT AGREEMENT

Mr. Wallace presented the Economic Development Agreement and 380 Agreement between the City, the Authority and the Menil. The Menil's Master Site Plan expected the creation of new museum spaces, the expansion of the public landscape, restoration of historic bungalows, construction of single- and multi-family residences, neighborhood retail and green space and a 2.5 acre park. The City has determined that this project will attract tourism and commerce to the City and the area surrounding the Menil. The 380 Fund is a special fund created by the City based upon an annual calculation by the City of a reimbursement amount from tax revenues. The 380 Fund will be used by the Menil to assist with public right of way improvements around their campus if they are annexed into the District.

Director Odom made a motion to approve the Menil 380 Agreement and Related Development Agreement contingent upon annexation into the District. The motion was seconded by Director Fenz, which carried by unanimous vote.

MIDTOWN AFFORDABLE HOUSING PROGRAM

a. **RESOLUTION APPROVING ENTERING INTO CONTRACTS AND ACQUISITION AND SALE OF CERTAIN PROPERTIES BY THE AUTHORITY FOR AFFORDABLE HOUSING**

Director Fenz made a motion to approve the above captioned Resolution. The motion was seconded by Director Odom, which was approved by unanimous vote.

b. **MONTROSE CENTER OPTION AGREEMENT UPDATE.**

Todd Edwards reported on the community discussions/town hall meetings that have been held to discuss the Montrose Center. The property owned by the Authority at 2222 Cleburne has received an environmental site closure letter from TCEQ and an appraisal value of \$3.2 million. The Montrose Center will need the Option Agreement to be able to

apply for tax credits for the project. Mr. Wallace presented the Montrose Center Option Agreement which will allow them the right to property but they will need their financing in place before they would be able to close on the property. This Agreement allows the Authority the ability to step back in if the affordable housing covenants are not met.

Director Dudley made a motion to approve the Option Agreement between the Montrose Center and the Authority. The motion was seconded by Director Fenz, which carried by unanimous vote.

MIDTOWN CAPITAL IMPROVEMENT PROGRAM

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

i. BAGBY PARK (MIDTOWN PARK)

Mr. Marshall reported that Bagby Park was open to the public. The kiosk tenant had anticipated being open at the end of June, but now anticipates opening in July 2015. Staff is still working to reschedule a Bagby Park Grand Opening.

ii. MIDTOWN PARK (SUPERBLOCK PARK)

Mr. Marshall reported that additional bell bottom piers had been discovered underground at Midtown Park and he expects to present a change order at the next meeting. The construction is currently on schedule.

1. APPROVE GARAGE CHANGE ORDER – CAMDEN.

No action was taken on this item.

B. CAROLINE STREET RECONSTRUCTION – ESPA CORP/KCI

Mr. Marshall reported that staff and the engineer team had met with the City of Houston and anticipates that the City will continue to move forward with Public Works for additional funding of the project. If Public Works participates with additional funding, the Houston Galveston Area Council has agreed to fund an additional \$1.5 million for the Caroline Project.

D. HCC CAPITAL PROJECTS - IDS ENGINEERS

i. HOLMAN STREET PEDESTRIAN ENHANCEMENTS

Mr. Marshall reported that the team held the Holman Street Pedestrian Enhancements bid opening on June 22. Two companies were in attendance with only one of them bidding \$6.6 million on the project. The Authority's budget for the project was \$4 million. The team is reviewing the project costs to determine why the bids were over budget. At this time, they believe the overruns are due to traffic control issues but will continue to review for further determination. He anticipates re-bidding in July with award in August.

1. AWARD CONSTRUCTION CONTRACT.
2. APPROVE ADDITIONAL SERVICES REQUEST FOR BIDDING / CONSTRUCTION ADMINISTRATION SERVICES – HCC.
3. APPROVE WORK ORDER FOR CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES – TLC ENGINEERING, INC.

No action was taken on any of the three items listed above.

E. FTA GRANT PROGRAM – THE GOODMAN CORPORATION

i. APPROVE GRANT MANAGEMENT SCOPE OF SERVICES.

Mr. Marshall reported that there were no updates but the application is still in progress.

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 conducted an executive session at this meeting.

PUBLIC COMMENTS

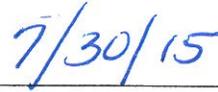
There were no public comments.

ADJOURNMENT

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



Pamela N. Castleman, Secretary



Date