

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

July 30, 2020

A regular meeting of the Board of Directors (the “Board”) of the Midtown Redevelopment Authority (the “Authority”) was held via video and telephonic conferencing on Thursday, July 30, 2020 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	Camille Foster	6	Abe Goren
2	Donald Bond	7	Caton M. Fenz
3	Vacant	8	John Thomas
4	Michael F. Murphy	9	Zoe Middleton
5	Al Odom		

and all of the above were present except Director Murphy.

Also in attendance were Midtown Staff members: Matt Thibodeaux, Vernon Williams, Kandi Schramm, Todd Edwards, Theresa Gilmore, David Thomas and Marlon Marshall; Barron F. Wallace of Bracewell LLP; Peggy Foreman of Burney & Foreman; Algenita Davis and Angie Gomez of CCPPI; Rachel Ray and Brian Lozano of Walter P. Moore; Carol Harrison of IDS Engineering; Mariana Rashcke of The Goodman Corporation; Theola Petteway of the OST/Alameda Corridors Redevelopment Authority; Zack Martin of Martin Construction Management & Designs, LLC; Alex Ramirez of Design Workshop; Maya Ford of Ford Momentum; Charlotte Knight Marshall of TKG; and other attendees were Kay Walton and Monica Aizpurrea. There were 40 attendees on the call; ten (10) of the attendees failed to introduce themselves and therefore their identities were unknown.

Chairman Odom called the meeting to order and welcomed the guests. He announced that the meeting was being recorded and stated that **“In accordance with section 418.016 of the Texas Government Code, as amended, the Texas Governor has temporarily suspended certain open meeting statutes that require government officials and members of the public to be physically present at a specified meeting location. As a result, governmental entities, such as the Authority and the Zone, are permitted to meet via telephonic meeting. Members of the public are invited to join the telephonic meeting and may make public comments during the public comment portion of the agenda.”**

PUBLIC COMMENTS:

There were no public comments presented at this meeting.

CONSENT AGENDA FOR THE AUTHORITY:

MINUTES FOR JUNE 25, 2020;

MONTHLY FINANCIAL REPORTS FOR JUNE 30, 2020;

INVOICES FROM TRUSTEE AND OPERATING ACCOUNTS FOR JULY 2020;

ANNUAL RENEWAL OF PROFESSIONAL SERVICES AGREEMENT WITH WALTER P MOORE.

Executive Director Thibodeaux presented the consent agenda. Director Goren made a motion to approve the consent agenda as presented. The motion was seconded by Director Fenz and carried by unanimous vote.

HOUSTON MUSEUM OF AFRICAN AMERICAN CULTURE AND RELATED FINANCING MATTERS.

Barron Wallace of Bracewell LLP presented background information regarding the Authority's financing of the property which houses the Houston Museum of African American Culture ("HMAC"). He stated that approximately 7 years ago the Authority obtained a loan for the property in the amount of \$1.8 million and that note in the amount of \$1,134,405.19 is due and payable on September 30, 2020. Vernon Williams reported that he had spoken with the lender, Liberty Bank and that the Bank will consider refinancing the note at 4% per annum with no pre-payment penalty and will not require a new appraisal resulting in cost savings. Chairman Odom advised the Board that he has previously had a professional relationship with HMAC and was abstaining from any discussion or vote on this matter. Director Fenz made a motion to authorize Mr. Williams to negotiate terms to refinance the property and bring a recommendation back to the Board for consideration. The motion was seconded by Director Middleton. Following all discussion, the motion carried by majority vote. Chairman Odom abstained from the vote.

MIDTOWN AFFORDABLE HOUSING PROGRAM:

AFFORDABLE HOUSING OPERATIONS CENTER;

Marlon Marshall reported that construction of the affordable housing operations center continued to move forward but he advised the Board that the project schedule has been delayed by the impact of COVID-19 on the construction workers hired by the Contractor and subcontractors. Mr. Marshall stated that the Contractor is taking action to minimize the impact on the project work schedule.

CHANGE ORDERS

Mr. Marshall stated that there were no Change Orders to be presented at this meeting.

DEVELOPMENT AGREEMENT WITH COLE KLEIN BUILDERS, LLC.;

Peggy Foreman of Burney and Foreman presented the Resolution authorizing a Development and Purchase Agreement with Cole Klein Builders, LLC. Ms. Foreman reported that the nine (9) lots in question were originally granted to Epic Homes LLC., however Epic Homes LLC determined they could not timely move forward with construction on the lots at this time. Ms. Foreman stated that the resolution authorizes the termination of the Development Agreement with Epic Homes dated April 30, 2019 and authorizes entering into a substantially similar agreement with Cole Klein Builders, LLC for the conveyance of 9 lots for a consideration of \$1.50 per square foot. Following all discussion, Director Goren made a motion to approve the Resolution authorizing a Development and Purchase Agreement with Cole Klein Builders, LLC. The motion was seconded by Director Fenz and carried by unanimous vote.

REQUEST FROM QUALIFIED HOMEBUYER REGARDING SALE OF HOME;

Peggy Foreman reminded the Board that at the June 2020 Board meeting she presented a request from a homeowner who purchased an affordable home in 2018 under the Authority's affordable housing program to sell the house prior to the expiration of the Affordability Period. Ms. Foreman advised the Board that the restrictive covenants on the property obligates the homeowner to live in the house as his principal residence for a period of 10 years and that this is the first request received by the Authority to sell within the Affordability Period.. Ms. Foreman reported that based on input from Board members at the June 2020 Board meeting, Midtown Staff and legal counsel met with Directors Fenz, Goren and Chairman Odom to consider a policy for responding to such requests. Ms. Foreman outlined the proposed policy for responding to requests to sell prior to expiration of the Affordability

Period. She stated that subject to Board approval, the Authority would offer 3 options: (1) the homeowner can reconvey the property to the Authority subject only to the first lien mortgage (2) the homeowner can reimburse the Authority for the value of the land on which the property sits based on the lower of the fair market value as determined by either HCAD or a 3rd party independent appraisal or (3) the homeowner can, with the consent of the Authority's Executive Director, cause the property be sold to another Qualified Homebuyer (as defined in the Special Warranty Deed to the Developer) who will stand in the shoes of the original qualified homebuyer. Ms. Foreman advised the Board that the homeowner for this current request has identified a potential Qualified Homebuyer to purchase the property. Director Goren made a motion to adopt the policy for as outlined and authorize the Executive Director and staff to implement same. The motion was seconded by Director Fenz. Following all discussion the motion carried by unanimous vote.

AFFORDABLE HOUSING DEVELOPMENT UPDATE

Todd Edwards, Real Estate Asset Manager, reported that he did not have any additional updates to present at this meeting.

EXTENSION OF AFFORDABLE HOUSING INITIATIVE SERVICES AGREEMENT WITH CCPPI.

Mr. Edwards reported that CCPPI has requested an extension of the Affordable Housing Initiative Service Agreement for an additional three (3) years. He provided some background information regarding the agreement and the services provided by CCPPI. Algenita Davis addressed the Board regarding the services provided and discussed the ongoing need for continued services including implementation of the Authority's Affordable Housing Plan as well as the operation plan for the Affordable Housing Operations Center. Ms. Davis also reminded the Board that a RFP has been issued and responses were being evaluated for the hiring of a leasing agent for the Operations Center for a term of at least one year. Director Fenz made a motion to authorize an initial 60 day extension of the Affordable Housing Initiative Service Agreement. The motion was seconded by Director Goren. Director Bond stated that he opposed the motion and suggested that the Agreement until construction of the Operations Center is complete. Director Fenz accepted an amendment to his motion to approve the extension of the Affordable Housing Initiative Service Agreement until December 31, 2020. The motion was seconded by Director Bond. Following all discussion, the motion carried by unanimous vote.

MIDTOWN CAPITAL IMPROVEMENTS PROGRAM:

PARKS AND GREENSPACE - WALTER P MOORE / DESIGN WORKSHOP

BAGBY PARK – STORAGE AND RENOVATIONS

Mr. Marshall reported that the Contractor is progressing with the construction of the storage building and restrooms. He stated that the underground utilities for the storage building and restrooms have been installed, the slab has been poured and framing would begin shortly. Mr. Marshall also reported that the kiosk tenant, La Calle, anticipates opening in the Fall of 2020.

CHANGE ORDERS

Mr. Marshall presented Change Order #5 in the amount of \$3,798.68 for landscape maintenance during the extended construction period. Director Fenz made a motion to approve Change Order #5 in the amount of \$3,798.68 for landscape maintenance during the extended construction period. The motion was seconded by Director Goren and carried by unanimous vote.

CAROLINE STREET RECONSTRUCTION – ESPA CORP/KCI

Mr. Marshall reported that the Caroline Street Reconstruction project is making steady progress and that traffic has switched over to the newly paved section on the east side between Elgin and Dennis Streets. He further reported that paving activity is continuing on the east lanes between Dennis and McGowen Streets. Mr. Marshall also reported that Contractor is working on the rain gardens, sidewalks, and electrical conduit to pedestrian lighting and irrigation. He stated that the Staff and Consultants are continuing to work with CenterPoint regarding the installation of streetlights and consolidation/removal of unnecessary electrical poles.

CHANGE ORDERS

Mr. Marshall presented the following Change Orders for the Caroline Street Reconstruction project.

Change Order #10 in the amount of \$0 for a time adjustment to add 44 working days to the contract due to unforeseen field conflicts. Director Thomas made a motion to approve Change Order #10 in the amount of \$0 for a time adjustment to add 44 working days to the contract due to unforeseen field conflicts. The motion was seconded by Director Goren and carried by unanimous vote.

Change Order #13 in the amount of \$0 for a time adjustment to add 6 working days to the contract due to unforeseen field conflicts. Director Goren made a motion to approve Change Order #13 in the amount of \$0 for a time adjustment to add 6 working days to the contract due to unforeseen field conflicts. The motion was seconded by Director Fenz and carried by unanimous vote.

Change Order #21 in the amount of \$117,347.05 for installation of redesigned new sanitary sewer system along same alignment as the existing system requiring removal of the existing sanitary sewer line and manholes. The Midtown staff recommended that the Board delay consideration of Change Order #21 pending further review by the staff of TxDot and the Midtown staff due to the high cost associated with the proposed scope of work.

Change Order #40 in the amount of \$0 for a time adjustment to add 9 working days to the contract due to the discovery of historical bricks on Webster Street delaying critical drainage activities. Director Goren made a motion to approve Change Order #40 in the amount of \$0 for a time adjustment to add 9 working days to the contract due to the discovery of historical bricks on Webster Street delaying critical drainage activities. The motion was seconded by Director Fenz and carried by unanimous vote.

FTA GRANT PROGRAM - THE GOODMAN CORPORATION.

Mr. Marshall reported that The Goodman Corporation will be presenting a Memorandum of Understanding to engage with Rice University in discussions regarding applying for grant funding at a future Board meeting.

Director Goren thanked Marlon Marshall for his work overseeing the capital improvement projects program on behalf of the Authority.

OTHER BUSINESS

There being no further business, the meeting was adjourned.

DocuSigned by:

Caton M. Fenz

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Caton Fenz, Assistant Secretary

9/3/2020

Date