

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

January 31, 2019

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, January 31, 2019 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 | Doug Erwing | 7 | Caton M. Fenz |
| 3 | Gayle Fortson | 8 | John Thomas |
| 4 | Pamela Ngo Castleman | 9 | Brandon Dudley |
| 5 | Al Odom | | |

and all of the above were present except Directors Erwing, Goren, Castleman and Dudley.

Also in attendance were Matt Thibodeaux, Vernon Williams, Kandi Schramm, Sally Adame, Theresa Gilmore, David Thomas, Jalisa Hurst and Mark Sullivan of Midtown; Peggy Foreman of Burney & Foreman; Alyssa Hill of Carr, Riggs & Ingram; Edwin Friedrichs and Rachel Rae Welsh of Walter P. Moore; Carol Harrison of IDS Engineering; Mariana Raschke of The Goodman Corporation; Roberta Burroughs of Roberta Burroughs & Associates; Algenita Davis, Zachary Martin, Angie Gomez, Joy Fitzgerald & Robert Bradford of CCPPI; Thomas Jones of McConnell & Jones, CPA; Alex Ramirez of Design Workshop; Kristin Blomquist of Masterson Advisors; Jennifer Curley of the City of Houston; Kevin Hoffman of DIG Engineers; Shawnell Holman and Lester Byrd of UBS; Melissa Lujan of the Menil Collection; Gary Bernard and Paul Glenon of 2016 Main; Jeri Brooks and Shamier Bouie of One World Strategy Group; and Theodore Andrews of TIRZ #25.

Chairman Odom called the meeting to order and welcomed the guests.

PUBLIC COMMENT.

There were no public comments.

CONSENT AGENDA FOR THE AUTHORITY:

- a. **MINUTES FOR DECEMBER 12, 2018;**
- b. **MONTHLY FINANCIAL REPORTS FOR NOVEMBER & DECEMBER 2018;**
- c. **INVOICES FROM TRUSTEE AND OPERATING ACCOUNTS FOR JANUARY 2019;**
- d. **RESOLUTION AUTHORIZING EXECUTIVE DIRECTOR TO ESTABLISH NEW BANK ACCOUNT.**

Executive Director Thibodeaux presented the Consent Agenda. Director Fenz made a motion to approve the consent agenda items a – d, as presented. The motion was seconded by Director Fortson and carried by unanimous vote.

JOINT AGENDA FOR THE MIDTOWN REINVESTMENT ZONE AND THE AUTHORITY:

RESTATED AND REVISED INTERLOCAL AGREEMENT BETWEEN HARRIS COUNTY, MIDTOWN REDEVELOPMENT AUTHORITY AND TAX INCREMENT REINVESTMENT ZONE NUMBER TWO:

Barron F. Wallace of Bracewell LLP, gave an update regarding Harris County's consideration of the Restated and Revised Interlocal Agreement between Harris County, Midtown Redevelopment Authority and Tax Increment Reinvestment Zone Number Two. He reported that almost all of the issues had been addressed and that he anticipated that the Restated and Revised Interlocal Agreement would be placed on the Commissioner's Court agenda for approval sometime in February 2019. Mr. Wallace reminded the Board that the revised agreement would extend Harris County's participation in the Authority and Zone for 20 more years with a review at 5 year intervals. He stated that capital improvement projects to be funded with Harris County increment would be subject to certain conditions under the Restated and Revised Interlocal Agreement.

PROJECT PLAN AMEDNMENT AND SUPPLEMENT TO DEBT AUTHORIZATION.

Mr. Wallace proposed that the Authority ask the City of Houston to review the Authority's debt profile and amend the Project Plan.

AGREED UPON PROCEDURES AUDIT FY 2018.

Alyssa Hill of Carr, Riggs & Ingram presented the Agreed Upon Procedures (AUP) Audit for Fiscal Year 2018. Ms. Hill noted that the Authority had expended approximately \$10.6 million on capital improvement projects for Fiscal Year 2018. She noted that a listing of all construction and related contracts/agreements were included in the scope of the AUP Audit along with inspection of supporting invoices, certificates of payment and canceled checks for compliance with contract terms and mathematical accuracy. Ms. Hill reported 2 findings due to mathematical errors and noted that both have been resolved. Director Fortson made a motion to approve the Agreed Upon Procedures Audit for Fiscal Year 2018. The motion was seconded by Director Thomas. Following all discussion, the motion carried by unanimous vote.

MIDTOWN OFFICE LEASE AND RELOCATION OPTIONS; OPTION AGREEMENT TERM SHEET.

Mr. Wallace reported that there had been considerable interest in the Houston Exponential Pierce Street property since the announcement of the Innovation Hub in the former Midtown Sears building. He reported that a developer had approached the Authority about redeveloping the Pierce Street property. Mr. Wallace stated that the Authority is awaiting receipt of a formal structured term sheet from the developer. He advised the Board that the Economic Development Administration which provided a grant to fund the construction of the Houston Exponential buildings would need to sign off on any modifications to the buildings and/or their usage.

MIDTOWN AFFORDABLE HOUSING PROGRAM:

AFFORDABLE HOUSING OPERATIONS CENTER – AWARD CONSTRUCTION CONTRACT

Marlon Marshall reported that an ad for bidders for the construction of the Affordable Housing Operations Center was published in November 2018. Mr. Marshall advised the Board that several construction firms attended the pre-bid meeting and that 2 bidders, Arch-Con Corporation and Sterling Structures, responded and indicated that they would be submitting a bid. He advised the Board that one day prior to the bid due date, the Authority received notification from Sterling Structures that they would not be submitting a bid due to increased workload from recently awarded contracts. Mr. Marshall stated that the Staff and consultants reviewed the Arch-Con Corporation's bid and recommends awarding the contract to Arch-Con Corporation for an amount not to exceed \$25,104,315.00. Mr. Marshall advised the Board that the Notice to Proceed will not be issued until all funding for the project is secured. Director Fenz made a motion to approve the Staff recommendation to award the Affordable Housing Operations Center construction contract to Arch-Con Corporation for an amount not to exceed \$25,104,315.00. Director Thomas seconded the motion. Following all discussion, the motion carried by unanimous vote.

AFFORDABLE HOUSING DEVELOPMENT UPDATE.

No update was given at this meeting.

MIDTOWN CAPITAL IMPROVEMENTS PROGRAM:

MIDTOWN PARK

Marlon Marshall reported that the Midtown Park contractor is working to complete the engraving of stone around the art mural at the Main/Anita entrance and paver lighting installation in the Front 90 Plaza area. He further reported that Camden has repaired the garage tunnel waterproofing and that Millis will begin work on the service drive next month. Mr. Marshall stated that the Staff is working with consultants to review options to determine the best method to proceed on the revised Front 90 sanitary sewer installation.

APPROVE GARAGE CHANGE ORDERS – CAMDEN

There were no garage change orders for this meeting.

APPROVE PARK CHANGE ORDERS – MILLIS

Marlon Marshall presented Change Order #35 in the amount of \$38,800.95 for irrigation design modifications, paving design modifications on McGowen Street, and relocation of the existing traffic signal at the Travis/McGowen METRO bus stop. Director Fenz made a motion to approve Change Order #35 in the amount of \$38,800.95 for irrigation design modifications, paving design modifications on McGowen Street, and relocation of the existing traffic signal at the Travis/McGowen METRO bus stop. The motion was seconded by Director Thomas and carried by unanimous vote.

ENTRY PORTALS

Mr. Marshall reported that Staff has submitted supporting documentation to the driver's insurance company regarding the auto accident that took place last month at the Entry Portal

located at the intersection of Gray and Webster. He stated that the sign that was damaged during the accident cannot be repaired and must be replaced. Staff is awaiting a response from the insurance company.

APPROVE CHANGE ORDERS – B&D CONTRACTORS

There were no change orders for work on the Entry Portals Project presented at this meeting.

HCC CAPITAL PROJECTS - IDS ENGINEERING

HOLMAN STREET PEDESTRIAN ENHANCEMENTS

Mr. Marshall reported that the Staff is closing out the Holman Street Pedestrian Enhancements Project.

APPROVE CHANGE ORDERS – SER

There were no change orders for the Holman Street Pedestrian Enhancements Project presented at this meeting.

MAIN STREET ENHANCEMENTS - WALTER P. MOORE / DESIGN WORKSHOP

Mr. Marshall reported the contractor and team closed out the Main Street Enhancement Project as of January 9, 2019 and that the contractor began the one year landscape maintenance period for the project. He stated that the total project cost for the Main Street Enhancements was \$9,675,819.00. He further stated that the Staff is working to determine the final reimbursement amount to be requested from METRO for the irrigation repairs in the light rail esplanade.

APPROVE CHANGE ORDERS – SER

Mr. Marshall presented Change Order #12 for the Main Street Enhancements Project in the amount of \$338,328.52 for pull box relocation at McGowen Street, additional concrete at various locations, remobilization costs due to METRO shutdowns and for one year of landscape maintenance. Director Fortson made a motion to approve Change Order #12 in the amount of \$338,328.52. The motion was seconded by Director Fenz. Following all discussion, the motion carried by unanimous vote.

CAROLINE STREET RECONSTRUCTION – ESPA CORP/KCI

Mr. Marshall reported that the construction on Caroline Street continues with waterline installation on the east side of Caroline Street between Tuam and Dennis Streets and storm sewer installation on Dennis Street between Caroline and Austin. He stated that the design and construction management teams are continuing to work with TxDOT and City of Houston to provide direction with ongoing TxDOT versus City of Houston construction specification discrepancies.

APPROVE CHANGE ORDERS

There were no change orders for the Caroline Street Reconstruction Project presented at this meeting.

FTA GRANT PROGRAM - THE GOODMAN CORPORATION

Mariana Rashcke with The Goodman Corporation reported on the results from the Houston Galveston Area Council (“HGAC”) regarding grant funding available in the next cycle. She reported that the results appeared to favor larger entities. Ms. Rashcke encouraged the public to submit comments to HGAC supporting providing grant funding for the Midtown projects. She stated that the public comment period ends on February 26, 2019.

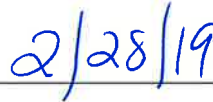
EMPLOYEE COMPENSATION FOR 2019.

Certain information regarding this agenda item was presented in Executive Session. Upon returning to the open session, Director Foster made a motion to approve the Executive Director’s recommendations for employee compensation for 2019 and to make the employee compensation changes effective as of January 1, 2019. The motion was seconded by Director Fenz. Following all discussion, the motion carried by unanimous vote.

There being no further business the meeting was adjourned.



Pam Castleman, Secretary



Date