

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

**April 30, 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 Tuesday, April 30, 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 Foster, and Dudley.

Also in attendance were Matt Thibodeaux, Vernon Williams, Kandi Schramm, Todd Edwards, Cynthia Alvarado, Sally Adame, Theresa Gilmore, David Thomas, Jalisa Hurst, Mechelle Phillips, Madeline Pena, Amaris Salinas and Mark Sullivan of Midtown; Barron F. Wallace of Bracewell LLP; Peggy Foreman of Burney & Foreman; Rachel Rae Welsh of Walter P. Moore; Carol Harrison of IDS Engineering; Bob Sellingsloh and Michelle Sobiesk of Wulfe & Co.; Roberta Burroughs of Roberta Burroughs & Associates; Drew Masterson and Kristin Blomquist of Masterson Advisors; Jennifer Curley of the City of Houston; Theadore Andrews of TIRZ #25; Theola Petteway of Almeda/OST TIRZ; Vernon N. Smith of Dominion; Shamier Bouie of One World and Mariana Rashcke of the Goodman Corporation.

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

**PUBLIC COMMENT.**

There were no public comments at this meeting.

**CONSENT AGENDA FOR THE AUTHORITY:**

- a. **MINUTES FOR MARCH 28, 2019;**
- b. **MONTHLY FINANCIAL REPORTS FOR MARCH 2019;**
- c. **INVOICES FROM TRUSTEE AND OPERATING ACCOUNTS FOR APRIL 2019.**

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

**JOINT AGENDA FOR THE MIDTOWN REINVESTMENT ZONE AND THE AUTHORITY:**

a. **RESTATED AND REVISED INTERLOCAL AGREEMENT BETWEEN HARRIS COUNTY, MIDTOWN REDEVELOPMENT AUTHORITY AND TAX INCREMENT REINVESTMENT ZONE NUMBER TWO;**

Barron F. Wallace of Bracewell LLP reported that he has reviewed the final comments from the City of Houston and certain Harris County departments and has prepared a final draft of the Restated and Revised Interlocal Agreement between Harris County, Midtown Redevelopment Authority and Tax Increment Reinvestment Zone Number Two. He provided a summary of the Agreement for the Board Members noting that the City of Houston had signed off on the Agreement. He stated that Harris County requested an option to review the Agreement every 5 years during the Agreement term, including the Midtown Contractor Standards policy, minority and disadvantaged businesses' participation and that the Commissioner shall have the option to review and provide comments to and approve any Development Agreements entered into by the Zone and Authority in excess of \$1,000,000.00. Following all discussion, Director Erwing made a motion to ratify and approve the Restated and Revised Interlocal Agreement between Harris County, Midtown Redevelopment Authority and Tax Increment Reinvestment Zone Number Two. The motion was seconded by Director Castleman and carried by unanimous vote.

b. **PROJECT PLAN AMENDMENT AND SUPPLEMENT TO DEBT AUTHORIZATION.**

No report was given on the Project Plan Amendment and Supplement to Debt Authorization at this time.

**MIDTOWN BUILDING OPTION: LETTER OF INTENT FOR OPTION OF PROPERTY.**

Chairman Odom announced that the Board would go into Executive Session later during the meeting to discuss this agenda item, Midtown Building Option: Letter of Intent for Option of Property, as it involved real estate matters. Upon return to open session, Chair reported that no action was taken on this agenda item at this time pending receipt of additional information.

**BAGBY PARK RESTAURANT KIOSK LEASE.**

Bob Sellingsloh and Michelle Sobiesk of Wulfe & Co. made a presentation regarding the Bagby Park Restaurant Kiosk. Mr. Sellingsloh reported that there were 202 inquiries, 46 property tours and 7 top prospects. The selection group interviewed all 7 top prospects, discussed their vision for the space, tasted their food and reviewed their financials. He stated that La Calle, which serves authentic Mexican food, was selected as the potential tenant. He presented the proposed terms contained in a signed Letter of Intent and advised the Board that the Staff was currently working with Bracewell on negotiating a lease. Director Goren made a motion to approve the terms of a lease with La Calle as presented and authorized Directors Erwing and Castleman and the Executive Director to review, approve and execute the final lease on behalf of the Authority. The motion was seconded by Director Thomas and carried by unanimous vote.

Mr. Sellingsloh reported that the Midtown Staff and consultants were exploring the possibility of constructing a food hall with multiple smaller food vendors in the area designated for a restaurant on the Front 90 portion of Midtown Park. He outlined the benefits of a food hall and stated that several of the top 7 potential tenants for the Bagby Park Kiosk also expressed interest in leasing space in the food hall.

**ENGAGEMENT LETTER FOR FY 2019 & 2020 FINANCIAL AND AGREED UPON PROCEDURES AUDITS.**

Kandi Schramm, Administrative Manager, presented the Engagement Letters for the FY 2019 Agreed Upon Procedures Audit and the Financial Audit which included a 3% increase over fees charged for the FY 2018 audits. Director Castleman made a motion to approve the Letters of Engagement for the Fiscal Year 2019 Agreement Upon Procedures Audit and the Financial Audit. The motion was seconded by Director Fortson and carried by unanimous vote.

**MIDTOWN AFFORDABLE HOUSING PROGRAM:**

**a. AFFORDABLE HOUSING OPERATIONS CENTER;**

**i. Financing Options**

Kristin Blomquist of Masterson Advisors presented a summary of the financing proposals from four banks, BBVA Compass, Frost Bank, Regions Bank and Spirit Bank, to finance a portion of the costs of construction of the Affordable Housing Operations Center. Ms. Blomquist stated that the recommendation is that the Board consider the proposal from BBVA Compass due to low cost, required collateral, no pre-payment penalty and no requirement for deposit of a reserve fund. Director Fenz made a motion to authorize the staff to move forward with negotiations with BBVA Compass and authorize the Executive Director to execute the financing documents consistent with the terms proposed. The motion was seconded by Director Erwing. Following all discussion, the motion carried by unanimous vote.

**b. NHP CONTRACT TO SELL AFFORDABLE HOUSING PROPERTY;**

Todd Edwards reported that the Authority received a request from NHP Foundation and Trinity East CDC to grant them 3 lots in Third Ward on which to construct a multi-family affordable housing complex consisting of 116 rental units. He stated that 80% of the units will be rented at rates affordable to families making 80% or less of area median income and the balance will be rented at market rates. Mr. Edwards stated that he and Mr. Thibodeaux reviewed the proposal and consented to providing site control by means of a purchase contract contingent upon NHP and Trinity being awarded housing tax credits from the Texas Department of Housing and Community Affairs or an award of construction funding from the City of Houston. Director Thomas made motion to ratify the contract to grant 3 lots from the Authority's inventory to NHP Foundation and Trinity East CDC. The motion was seconded by Director Fenz. Following all discussion, the motion carried by unanimous vote.

**c. RESOLUTION AUTHORIZING A DEVELOPMENT AND PURCHASE AGREEMENT FOR AFFORDABLE HOUSING;**

Todd Edwards reminded the Board that Developers Epic Homes, LLC and Cole/Klein Builders, LLC were participants in the affordable housing pilot program and have already demonstrated capacity and commitment. He gave an overview of the status of work of each Developer.

**i. EPIC HOMES, LLC**

Peggy Foreman presented a Resolution authorizing a Development and Purchase Agreement with Epic Homes, LLC. Ms. Foreman summarized the terms of the Agreement which provides for the sale of nine (9) lots for construction of single family affordable homes at a price of \$1.50 per square foot. She stated that each

home is required to be sold to Qualified Homebuyers, will have an affordability period of at least 20 years, and will have at least 3 bedrooms, 2 baths, & a 2 car garage. Director Fenz made a motion to approve the Resolution Authorizing a Development and Purchase Agreement for nine (9) residential lots at a cost of \$1.50 per square foot to Epic Homes, LLC. The motion was seconded by Director Thomas. Following all discussion, the motion carried by unanimous vote.

ii. **COLE/KLEIN BUILDERS, LLC**

Ms. Foreman presented a Resolution authorizing a Development and Purchase Agreement with Cole Klein Builders, LLC. Ms. Foreman summarized the terms of the Agreement which provides for the sale of five (5) lots for construction of single family affordable homes at a price of \$1.50 per square foot. She stated that each home is required to be sold to Qualified Homebuyers, will have an affordability period of at least 20 years, and will have at least 3 bedrooms, 2 baths, & a 2 car garage. Director Goren made a motion to approve the Resolution Authorizing a Development and Purchase Agreement for five (5) residential lots at a cost of \$1.50 per square foot to Cole/Klein Builders, LLC. The motion was seconded by Director Castleman and carried by unanimous vote.

Chairman Odom asked the Staff to do all that it can to accelerate the development of affordable housing. Director Castleman stated that she believes it is a prudent practice to convey a few lots at a time to developers due to the fact that financial circumstances can change quickly for real estate developers.

d. **AFFORDABLE HOUSING DEVELOPMENT**

Todd Edwards presented the Board Members with data showing the average salaries earned by individuals working for major employers in the City of Houston and Harris County to demonstrate that individuals working as teachers, firefighters, police officers, municipal workers, hospital workers, etc. meet the eligibility requirements for affordable/workforce housing, depending on family size. Mr. Edwards also reported that he is trying to form partnerships with the City of Houston and Harris County to get help in providing infrastructure improvements in the areas where new homes are being constructed to support development of affordable housing.

**MIDTOWN CAPITAL IMPROVEMENTS PROGRAM:**

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

I. **MIDTOWN PARK**

Marlon Marshall reported that the revised sanitary sewer installation in the Front 90 Plaza area has been completed. He stated that the Midtown team is now working with Bob Sellingsloh's team on ideas for a food hall for the restaurant portion of the Front 90 Plaza.

1. **APPROVE GARAGE CHANGE ORDERS – CAMDEN**

There were no Garage change orders presented for consideration.

2. **APPROVE PARK CHANGE ORDERS – MILLIS**

Mr. Marshall presented Change Order #37 in the amount of \$102,292.41 for the work in connection with the revised sanitary sewer connection to Main Street in the Front 90 and for relocation of vent pipe in service drive. Director Castleman made a motion to approve Change Order #37 in the amount of \$102,292.41. The motion was seconded by Director Goren. Following all discussion the motion carried by unanimous vote.

## **II. BAGBY PARK – STORAGE AND RENOVATIONS**

Mr. Marshall reported on the Bagby Park renovations of the stage, onsite storage facility, park lighting and re-grading of the lawn. He stated that the bid opening was held on April 16, 2019 and that 2 companies, Texas Wall & Landscape and Jerdon Enterprise, submitted bids for the project. He further reported that the Staff and design team reviewed the bids and were recommending selection of the lowest, most responsible bidder, Jerdon Enterprise with a bid of \$480,480.80. Mr. Marshall stated that the stage canopy will be handled as a separate project under a separate contract but that it is currently estimated to cost approximately \$125,000.00.

### **1. AWARD CONSTRUCTION CONTRACT**

Director Goren made a motion to approve Award of Construction Contract for Bagby Park Renovations to Jerdon Enterprise with a bid amount of \$480,480.80. The motion was seconded by Director Erwing. Following all discussion, the motion carried by unanimous vote.

### **2. APPROVE WORK ORDER FOR CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES**

Mr. Marshall presented the IDS Engineering Work Order for Construction Management and Inspection Services for the Bagby Park Renovations in the amount of \$140,508.00. Director Goren made a motion to approve the Work Order for Construction Management and Inspection Services with IDS Engineering in the amount of \$140,508.00. The motion was seconded by Director Fenz. Following all discussion, the motion carried by unanimous vote.

## **b. CAROLINE STREET RECONSTRUCTION – ESPA CORP/KCI**

Mr. Marshall reported that the Contractor is continuing work on the waterline installation on the east side of Caroline Street between Dennis and McGowen Streets and on storm sewer installation on Anita Street between Caroline and Austin Streets. He stated that once storm sewer installation on Anita Street is completed, work will begin on McIlhenny Street. Mr. Marshall also reported that work has started on installation of sanitary sewer near the intersection of Caroline and Tuam Streets. He stated that the design and construction management teams continue to work with TxDOT and City of Houston to provide direction with respect to ongoing challenges caused by discrepancies in specifications of TxDOT and City of Houston and traffic signal design revisions.

### **I. APPROVE CHANGE ORDERS**

Mr. Marshall presented Change Orders #8 in the amount of \$43,650.30 for additional lateral connections to existing storm sewer on Austin Street and Change Order #9 in the

amount of \$42,891.39 for additional concrete barriers required by Traffic Control Plan revisions.

Director Castleman made a motion to approve Change Order #8 in the amount of \$43,650.30 for additional lateral connections to existing storm sewer on Austin Street and Change Order #9 in the amount of \$42,891.39 for additional concrete barriers required by Traffic Control Plan revisions. The motion was seconded by Director Goren. Following all discussion, the motion carried by unanimous vote.

**c. FTA GRANT PROGRAM - THE GOODMAN CORPORATION.**

Mariana Rashcke of The Goodman Corporation reported that they are continuing to follow up with the City of Houston on issues relating to possible relocation of the Greyhound Bus Terminal.

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

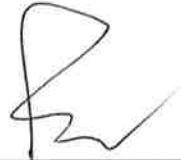
- a. CONSULTATION WITH ATTORNEY (SECTION 551.071, TEXAS GOVERNMENT CODE);**
- b. THE PURCHASE, EXCHANGE, LEASE OR VALUE OF REAL PROPERTY (SECTION 551.072, TEXAS GOVERNMENT CODE);**
- c. PERSONNEL MATTERS (SECTION 551.074, TEXAS GOVERNMENT CODE);**
- d. SECURITY PERSONNEL OR DEVICES (SECTION 551.076,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

Chairman Odom announced that the Board would enter Executive Session to discuss agenda item #6, Midtown Building Option: Letter of Intent for Option of Property, pursuant to Section 551.072 of the Texas Government Code. Certain information relating to agenda item #6 was presented to the Board in Executive Session. .

Chair Odom reconvened the Board in open session. He announced that no action was being taken on agenda item #6.

**ADJOURN.**

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

  
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Pam Castleman, Secretary

5/16/19