

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

February 29, 2024

A regular meeting of the Board of Directors (the “Board”) of the Midtown Redevelopment Authority (the “Authority”) was held at 410 Pierce Street, First Floor Conference Room, Houston, Texas 77002 and via videoconference on Thursday, February 29, 2024, 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	Terence Fontaine	7	Deanea LeFlore
3	Michael Lewis	8	John Thomas
4	Michael F. Murphy	9	Zoe Middleton
5	Al Odom		

and all of the above were present in person at the meeting location except Director Lewis, who was present via videoconference. Directors Foster, Murphy, and Thomas were absent.

In attendance were Authority staff members: Kandi Schramm, Vernon Williams, Marlon Marshall, Jeremy Rocha, Kayler Williams, Willie Larry, and Jaime Giraldo; Melissa Morton of The Morton Accounting Services; Peggy Foreman of Burney & Foreman; Mary Buzak and Barron F. Wallace of Bracewell LLP; Algenita Davis, Alirma Davis, Linda Mitchell, Bob Bradford and Sean Haley of CCPPI; Roberta Burroughs of Roberta F. Burroughs & Associates; Alex Ramirez of Design Workshop; Glen Crawford of Aurora Tech Services; Jennifer Curley of City of Houston; Andrea Moore of Partners Real Estate; Byron Smith of RMS Homes; Rachel Ray and Brian Lozano of Walter P. Moore; Jonathan de la Garza of Houston Homeboys; Carol Harrison of IDS Engineering Group; Bryan Brown of The Goodman Corporation and Scott Harbors, Midtown resident.

Chair Odom called the meeting to order.

PUBLIC COMMENTS

Scott Harbors, Midtown resident, spoke about the Brazos Street Reconstruction. Mr. Harbors recommended underground low water irrigation, using solid plates instead of grids, embedded powerlines, and protecting the tree roots with fencing. Mr. Harbor also noted that all contractors should provide the community or the Authority with an update of the construction progress.

Director Odom requested that Mr. Harbors contact Marlon Marshall, Sr. Director of Engineering and Strategic Development, regarding his requests and concerns.

CONSENT AGENDA FOR THE AUTHORITY

MINUTES FOR JANUARY 25, 2024 **MONTHLY FINANCIAL REPORTS FOR JANUARY 2024** **RATIFY FIRST AMENDMENT TO OPTION AGREEMENT WITH WILLIAM A. LAWSON INSTITUTE FOR PEACE AND PROSPERITY, INC.**

Director Goren noted that he was absent from the January Board meeting and requested that the minutes for January 25, 2024 be amended to reflect that he was not present.

The First Amendment to the Option Agreement with the William A. Lawson Institute for Peace and Prosperity, Inc. (“WALIPP”) includes technical changes to the option agreement to facilitate WALIPP’s application for low-income housing credits from the Texas Department of Housing and Community Affairs for an affordable housing senior residence. WALIPP is partnering with Volunteers of America on the project. Barron Wallace of Bracewell LLP noted that the amendment to the option agreement includes an increase in the number of affordable housing units that will be constructed.

Director Fontaine made a motion to approve the monthly financial reports for January 2024 as presented, the minutes for January 25, 2024, as amended, and the ratification of the First Amendment to Option Agreement with WALIPP as presented. The motion was seconded by Director LeFlore and carried by unanimous vote.

AFFORDABLE HOUSING PROGRAM

AFFORDABLE HOUSING UPDATE

Algenita Davis of CCPPI noted that the affordable housing senior residence that will be constructed by WALIPP, as discussed under the consent agenda, has been approved for support by the City of Houston (“City”) for a 9% tax credit application. The project will have a total of 102 units.

Ms. Davis mentioned the City did not approve the Trinity East CDC projects for support, but Trinity East CDC is proceeding forward with a 4% tax credit application for construction of 100 units.

Ms. Davis reported that on February 28, 2024, the City Council approved the memorandum of understanding with the Authority that will provide up to \$2,300,000 to fund \$50,000 subsidies to qualified homebuyers under the City’s Affordable Housing Development Program.

Ms. Davis also reported that five or six affordable housing homeowners met with HCAD to protest their appraisals to reflect the actual sale price they paid

for their homes and that HCAD has modified the appraisals of those homes following those meetings. CCPPI will schedule a meeting for other homeowners to assist them in contacting HCAD to protest the appraised value of their residences and potentially lower their property tax payments.

RECOMMENDATION OF AWARD RELATING TO 16 LOTS TO PRH PRESERVATION, INC.

Ms. Davis presented a request from PRH Preservation, Inc. (“PRH”) for award of sixteen lots for the purpose of constructing 100 units of affordable housing as part of the Southeast Affordable Housing Initiative targeted for low-income housing.

Director Middleton made a motion to approve the recommendation of award relating to the sixteen lots to PRH as presented. The motion was seconded by Director Goren and carried by unanimous vote.

AFFORDABLE HOUSING OPERATIONS CAMPUS

CHANGE ORDERS

Marlon Marshall, Sr. Director of Engineering & Strategic Development, reported that the construction at the Affordable Housing Operations Campus for the 2nd floor tenant improvements for Third Ward Community Cloth and Houston Area Urban League is nearly complete, pending a punch list inspection.

PRESENTATION BY ARVO REALTY ADVISORS REGARDING 3131 EMANCIPATION

George Wyche, Jr. of ARVO Realty Advisors (“ARVO”) reported on lease projections for 2024 at the Affordable Housing Operations Campus. ARVO anticipates executing a lease for a large block of space on the 3rd floor at market rate, which would put the building at 81% leased, outperforming the market. Overall, there is a 25% vacancy rate for office buildings across Houston.

The remaining space available will be five suites with the largest space being approximately 3,500 square feet. There will be three suites on the 5th floor and two on the 3rd floor. 85% of the building is projected to be under lease by the end of 2024.

Director Goren asked about the identity of the prospective new tenant and the proposed square footage to be leased. Mr. Wyche stated that since

negotiations are currently underway, he would share that information with the Board in an executive session, if requested.

Director Odom asked whether ARVO is pursuing any potential tenants who provide affordable housing-related services for the remaining suites. Mr. Wyche stated that they are aggressively pursuing that market niche and prospects have taken a close look at the Affordable Housing Operations Campus. .

Director Fontaine asked about the average lease term. Mr. Wyche stated that all leases have a term of at least five years and some tenants have seven- and ten-year leases with annual rental increases.

2024 BUDGET FOR AFFORDABLE HOUSING OPERATIONS CENTER

Ms. Andrea Moore of Partners Real Estate (“Partners”) mentioned that Partners presented the 2024 Affordable Housing Operations Campus budget package at the last meeting but the Board did not approve the budget at that time.

Following discussion of the 2024 budget for the Affordable Housing Operations Campus, the Board tabled consideration of the item pending further review of the projections on which the budget is based.

Director Odom stated that the budget should be considered for approval at the next Board meeting.

DEVELOPMENT AND PURCHASE AGREEMENT WITH TITANIUM BUILDERS L.L.C.

Mary Buzak of Bracewell LLP presented the development and purchase agreement with Titanium Builders L.L.C. for development of six affordable single-family residences using two floor plans. A maximum sale price for each floor plan is established in the development agreement, and the homes are required to be sold to income-qualified affordable homebuyers. Ms. Buzak noted that this agreement is one of several that will be presented to the Board in the next few months as part of an affordable housing initiative for the development and construction of fifty single-family affordable homes on Authority lots by six non-profit and for-profit developers.

Director Goren made a motion to approve a resolution authorizing the Development and Purchase agreement with Titanium Builders L.L.C. The motion was seconded by Director Middleton and carried by unanimous vote.

MIDTOWN CAPITAL IMPROVEMENT PROGRAM

CAROLINE STREET RECONSTRUCTION

Mr. Marshall reported the revised design changes have been submitted to the City's Houston Public Works interagency group for final approval of pilot areas for proposed corrections not addressed by TxDOT contractor.

CHANGE ORDERS

Mr. Marshall reported that Change Order #17 is a credit in the amount of (\$249,090.71) for the pedestrian lighting package material provided by the Authority. Director Goren made a motion to approve Change Order #17 as a credit amount of (\$249,090.71) for reimbursement of pedestrian lighting package material provided by the Authority. The motion was seconded by Director Middleton and carried by unanimous vote.

Mr. Marshall reported that Change Order #49 in the amount of \$10,882.24 is for revisions to the traffic control plan for Webster Street. Director Goren made a motion to approve Change Order #49 in the amount of \$10,882.24 for revisions to the traffic control plan. The motion was seconded by Director Fontaine and carried by unanimous vote.

Mr. Marshall reported that Change Order #50 in the amount of \$3,448.64 is for repair to unmarked existing sanitary sewer line at Elgin Street. Director Goren made a motion to approve Change Order #50 in the amount of \$3,448.64 for repair to unmarked existing sanitary sewer line at Elgin Street. The motion was seconded by Director LeFlore and carried by unanimous vote.

Mr. Marshall reported that Change Order #79 in the amount of \$910.59 is for the delay due to unmarked existing communication line. Director Goren made a motion to approve Change Order #79 in the amount of \$910.59 for the delay due to unmarked existing communication line. The motion was seconded by Director Fontaine and carried by unanimous vote.

Mr. Marshall reported that Change Order #80 in the amount of \$2,872.82 is for revisions to traffic control plan between McIlhenny Street and Pierce Street. Director Goren made a motion to approve Change Order #80 in the amount of \$2,872.82 for revisions to traffic control plan between McIlhenny Street and Pierce Street. The motion was seconded by Director Fontaine and carried by unanimous vote.

BRAZOS STREET BRIDGE LANDSCAPE IMPROVEMENTS

Mr. Marshall reported the Brazos Street Bridge Landscape Improvements project will enhance the landscaped area at the intersection of Bagby Street and Elgin Street. The project is scheduled to be installed in early March.

CHANGE ORDER

Mr. Marshall reported that Change Order #1 in the amount of \$3,821.78 is for hand trenching around large tree roots to install additional irrigation lines, remobilization after the freeze for installation of trees and plantings. Director Goren made a motion to approve Change Order #1 in the amount of \$3,821.78 for hand trenching around large tree roots to install additional irrigation lines, remobilization after the freeze for installation of trees and plantings. The motion was seconded by Director Fontaine and carried by unanimous vote.

BRAZOS STREET RECONSTRUCTION

Mr. Marshall reported the updated design concept work for the Brazos Street Reconstruction Project will include roadway, infrastructure, and streetscape enhancements. The initial public engagement has been released and publicized in the Midtown e-newsletter and social media platforms. Public engagement for the project will begin in the early third quarter.

URBAN REDEVELOPMENT PLAN – NORTH MIDTOWN STUDY AREA

Mr. Marshall presented a proposed Consulting Services Agreement from Cushman & Wakefield to provide general real estate advisory services with certain deliverables outlined in the scope of services attached to the agreement.

In response to a question from Director Lewis, Mr. Marshall confirmed that the Authority has entered into similar consulting agreements with other real estate brokers in the past. Mr. Wallace noted that there was such an agreement in connection with the redevelopment of 3300 Main and the Superblock. After further discussion, Director Lewis mentioned reviewing bullets #2, 3, 9, 13, 14 and 15 in the scope of services to ensure that Cushman & Wakefield is providing deliverables that will be useful and valuable to the Authority.

Mr. Marshall reported that the proposed Cushman & Wakefield Consulting Services Agreement will be reviewed by Bracewell LLP. A negotiated agreement will be presented to the Board for consideration at a future meeting.

Director Goren made a motion to authorize Bracewell LLP to negotiate the Cushman & Wakefield Consulting Services Agreement. The motion was seconded by Director Middleton and carried by unanimous vote. Director LeFlore recused herself and abstained from voting.

EXECUTIVE SESSION

The Board did not enter into an Executive Session.

ADJOURN

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

DocuSigned by:

Camille Foster

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Camille Foster, Assistant Secretary

3/29/2024

Date