

# MINUTES OF REGULAR MEETING OF UPTOWN DEVELOPMENT AUTHORITY

August 26, 2015

The Board of Directors of the Uptown Development Authority (the "Authority") met in regular session, open to the public, on August 26, 2015, at 3:30 p.m. at 1980 Post Oak Blvd., Suite 1700, Houston, Texas 77056. The roll was called of the members of the Board, to wit:

Dot Cunningham	Director
Kendall A. Miller	Secretary/Treasurer
Martin Debrovner	Chairman
Judson Robinson, III	Director
Janice Hale-Harris	Director
Lisa Simon	Director
Marvin Kaplan	Director
Louis Sklar	Vice Chairman
Urban F. O'Brien, III	Director

and all of the above were present except Directors Debrovner, Robinson, Sklar and O'Brien, thus constituting a quorum.

Also present were John Breeding, Stephen Wood, Robert Taube, Betsy Kirkgard, Shannon Daniels, Lauren Anderson, Delia Mizwa, Tracie Nugent, Bob Ethington, Rod Smith, and Nat Wanissorn, staff members of Harris County Improvement District No. 1 (the "District"); Rachel Beeton, contract employee of the District; Eugene Shepherd of RBC Capital Markets ("RBC"); Matthew Deal and Thomas Hemingway of Deal, Sikes & Associates; Rafael Ortega of Aurora Technical Services; Rachel Nowicki of Gunda Corporation; Ryan Colburn and John Taylor of Regions Bank; Susan Chadwick of Save Buffalo Bayou; Jennifer Curley of the City of Houston (the "City"); Kim Pettit of the Cosmopolitan Condominium Owners Association; Sandra Montiel of First Service Residential; and Jessica Holoubek and Yvonne Onak of Allen Boone Humphries Robinson LLP.

## CALL TO ORDER

Secretary Miller called the meeting to order at 3:31 p.m.

## APPROVE MINUTES

The Board considered approving the minutes of the June 24, 2015 regular meeting of the Board. Director Simon moved that the minutes of the meeting be

approved. Director Cunningham seconded the motion, which passed unanimously. A copy of the minutes of the June 24, 2015 meeting is attached.

#### RECEIVE COMMENTS OR QUESTIONS FROM THE PUBLIC

There were no comments or questions from the public.

#### REVIEW QUARTERLY INVESTMENT REPORT

Ms. Daniels reviewed the quarterly investment report for the quarter ending June 30, 2015, with reference to the Capital Projects Fund, Infrastructure Fund, Affordable Housing Fund and Pledged Securities. No action was taken on the report.

#### APPROVE INVOICES

Mr. Breeding presented to the Board a list of current invoices from June through August 2015 in the amount of \$3,590,647.59, because there was no Board meeting in July. After discussion, Director Kaplan moved that the Board approve payment of the invoices and was seconded by Director Hale-Harris. The motion passed unanimously. A copy of the list of invoices is attached.

Mr. Breeding reviewed and discussed the cumulative total of MWDBE / SBE expenditures through June, 2015, the end of the fiscal year, and the expenditures for the current fiscal year to date. The Board then reviewed trend graphs of MWBDE/SBE Professional Services beginning with July, 2015 and Construction Services from July, 2014.

#### REVIEW THE AUTHORITY'S INVESTMENT POLICY

Ms. Daniels stated that the Board must annually review its investment policy in accordance with the Public Funds Investment Act. She said that the only change to the policy this year will be to the broker-dealer list. The Board took no action on this matter.

#### EXECUTIVE SESSION – REAL ESTATE MATTERS

Secretary Miller announced that the Board was convening in executive session at 3:45 p.m. The executive session was held pursuant to the provisions of the Texas Government Code §551.072 to discuss acquisition of real property. The Board reconvened in open meeting at 4:11 p.m.

## CONSIDER APPROVAL OF A RESOLUTION AUTHORIZING RIGHT-OF-WAY ACQUISITIONS

Mr. Breeding presented a Resolution Authorizing Right-Of-Way Acquisitions relating to easement Parcel No. AY15-030, owned by Icon Bank and located on the northeast corner of Post Oak Boulevard and San Felipe. He discussed the purchase and sale agreements for Parcel Nos. AY15-017 and AY15-008, the acquisition of which has been previously approved by the Board. He recommended that the Authority offer up to \$5,800,000.00 for the purchase of the rights-of-way and related closing costs for the parcels, subject to required approvals, including Federal Transportation Administration (“FTA”) concurrences.

After discussion, Director Kaplan moved that the Board adopt the Resolution authorizing: (1) the right-of-way acquisition of Parcel No. AY15-030, and (2) the execution of the purchase and sale agreements for the acquisition of Parcel Nos. AY15-017 and AY15-008, all for an amount not to exceed \$5,800,000.00, subject to any required approvals, including FTA concurrences, and authorizing the Authority Administrator to take all appropriate action to acquire the easements. The motion was seconded by Director Simon, and passed with Director Miller abstaining. A copy of the Resolution Authorizing Right-of-Way Acquisitions is attached.

## REVIEW BIDS AND CONSIDER AWARDING A CONSTRUCTION CONTRACT FOR THE 12” WATER LINE PROJECT

Mr. Breeding reviewed with the Board the project, which involves a 12” water line, approximately 12,000 feet in length, to be installed in Memorial Park north of Memorial Drive and east of the railroad tracks, where the park has inadequate or no water supply or pressure, fire-fighting capability, or potable water. Mr. Breeding said that eight bids were received. He said that the construction will be trenchless under sensitive areas like roadways and landscape features. He said that Statewide Services, Inc., which is a DBE business, had the low bid for the construction. In addition to the base bid, he said that a ten percent additive alternate is included to provide for potential trenchless construction on the water line in other areas to minimize disruption and inconvenience to the public. He recommended that the contract be awarded to Statewide Services, Inc.

After discussion, Director Kaplan moved that the contract for the 12” water line project be awarded to Statewide Services, Inc, for an amount not to exceed \$809,620.00, including the additive alternate. Director Simon seconded the motion, which passed unanimously.

REVIEW BIDS AND CONSIDER AWARDING A CONSTRUCTION CONTRACT FOR THE WOODWAY OUTFALL PHASE 2 PARKING AND ACCESS REFURBISHMENT

Mr. Breeding reviewed with the Board the proposed improvements for Phase 2 of the Woodway Outfall Project including guardrails, fencing, parking spaces, signage, landscaping, and irrigation for the Buffalo Bayou Paddle Trail access point. He said that six firms obtained the bid documents but only one submitted a bid. Mr. Breeding recommended that the contract be awarded to Jerdon Enterprises, LP, for \$335,615.00, which includes a ten percent additive alternate for an upgraded landscaping plan. After discussion, Director Cunningham moved that the Board award to Jerdon Enterprises, LP, the contract for not more than \$335,615.00, for the Woodway Outfall Phase 2 Project. Director Hale-Harris seconded the motion, which passed unanimously.

MEMORANDUM OF UNDERSTANDING (MOU) WITH THE HOUSTON ARBORETUM AND NATURE CENTER ("HANC") – HANC MASTER PLAN PHASE 1

Mr. Breeding discussed the roles and responsibilities of the Authority, the Uptown Houston Reinvestment Zone (the "TIRZ") and HANC as set forth in the MOU regarding the planning and implementation of the proposed Phase 1 scope of work. He said that Phase 1 of the plan provides for a new curb cut and entry from the northbound IH-610 feeder road, new loop drives and parking, fencing and entry gates, as well as signage at the existing Woodway, and new IH-610, entries, a shared-use path connecting to the east with the existing TxDOT trail, and to the south with a future trail/bridge under IH-610, connecting Uptown to Memorial Park. Mr. Breeding said that the TIRZ / Authority hold the contracts for developing construction documents, obtaining permits, bidding and construction of Phase 1, but that HANC review and formal acceptance of the design is required.

After discussion, Director Hale-Harris moved that the Board authorize execution of a Memorandum of Understanding setting out the responsibilities of the Authority, the TIRZ and HANC for the implementation of the HANC Master Plan – Phase 1. Director Cunningham seconded the motion, which passed unanimously.

CONSIDER APPROVAL OF A CHANGE ORDER FOR THE BAYOU BEND BRIDGE PROJECT

Mr. Breeding reviewed with illustrations the erosion of Buffalo Bayou at the Bayou Bend Bridge caused by the storms in May 2015. He said that the foundation holding the bridge up was almost washed away. He said that since

Millis Development and Construction, Inc. (“Millis”), the Authority’s contractor, was already on site for the Phase 2 repairs, he authorized the change order to the Phase 2 contract for emergency repair of the bridge supports. He said that the City has provided a design for the long term stabilization of the bridge utilizing eight helical steel pilings to an estimated depth of 42 feet each. He recommended that the Board ratify the emergency change order in the amount of \$46,530.00.

After discussion, Director Simon moved that the Board approve and ratify the change order for the Bayou Bend Bridge Phase 2 project, in an amount not to exceed \$46,530.00. Director Cunningham seconded the motion, which passed unanimously.

### CONSIDER ASSUMPTION OF CONSTRUCTION CONTRACT FOR GRADY PARK IMPROVEMENTS

Mr. Breeding said that the City had awarded a contract to Millis to refurbish Grady Park. He said that the City asked the Authority to participate in the refurbishment by contracting directly with Millis for a portion of the work bid as additive alternates including (1) installation of a perimeter iron picket fence, (2) construction of entry portals, (3) installation of lighting at entry portals, and (4) upgrading electrical panels to support lighting the new entry portals. He said that the Houston Parks and Recreation Department contract share is \$592,000.00, that Councilman Pennington has donated \$25,000.00 to the project and that Marathon Oil has donated \$450,000.00. He recommended that the Authority assume the above-described portions of the City’s contract with Millis. After discussion, Director Simon moved that the Authority assume the portion of the City’s contract for the additive alternates in an amount not to exceed \$135,000.00. Director Cunningham seconded the motion, which passed unanimously.

### CONSIDER APPROVAL OF A FUNDING AGREEMENT WITH TxDOT FOR IH-610 BUS LANES

Mr. Breeding discussed the Advance Funding Agreement for a Texas Mobility Fund and Locally Funded On-System Project (the “Funding Agreement”) between TxDOT and the District, by and through its duly authorized officials (the “Local Government”). He said that the total estimated cost of the IH-610 Dedicated Bus Lane Facility from Post Oak Boulevard to IH-10 project is \$49,740,000.00, and the Local Government portion is \$20,000,000.00. He said that the Funding Agreement provides that the Local Government is responsible for payment to the State of \$5,000,000.00 before construction, and then every 6 months during construction, of \$5,000,000.00 (3 more payments). He said that the Funding Agreement is to be contingent upon METRO’s adding the project to

the "Transitways Master Operations and Maintenance Agreement" (the "Transitways Agreement") an existing agreement between METRO and TxDOT, which would then provide for maintenance of the project by METRO.

Mr. Breeding recommended approval of the Funding Agreement. After discussion, Director Cunningham moved that the Board approve the Funding Agreement between TxDOT and the Local Government, contingent upon the addition of the project to the Transitways Agreement. Director Kaplan seconded the motion, which passed unanimously.

#### CONSTRUCTION OF A WATER LINE ALONG WESTHEIMER

Mr. Breeding said that Authority received only one bid for the construction of a 12" water line along Westheimer. He said there was not enough time allowed and that the project would be re-bid. No action was taken on this matter.

#### CONSIDER APPROVAL OF A TERM SHEET AND AUTHORIZE PRELIMINARY ACTIONS RELATED TO THE ISSUANCE OF BONDS.

Mr. Shepherd discussed with the Board the term sheet and the timetable for a proposed \$35,000,000 bond issue this year. He said that RBC solicited indications of interest from thirteen banks and received 2 proposals on August 21. He recommended a private placement with Regions Bank for a loan amount of \$35,000,000.00, with a maturity date of 15 years, an interest rate of 2.73% and 45 days to deliver the bonds. Mr. Shepherd said that the new issue would increase debt service by an additional \$3,000,000.00 for a total of \$12,500,000.00 in annual payments, leaving approximately \$8,000,000.00 in cash.

Mr. Breeding said that the bond issue supports an \$81,450,000.00 capital improvement program for 2016. He then recommended that the Board approve the term sheet and authorize a financing team to undertake matters preliminary to the bond sale. After discussion, Director Simon moved that the Board approve the term sheet and authorize preliminary actions related to the issuance of bonds. Director Cunningham seconded the motion, which passed unanimously.

#### ADJOURNMENT

There being no further business, the meeting was adjourned.

Respectfully submitted,

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Kendall A. Miller  
Secretary, Board of Directors

Attachments:

Minutes of the June 24, 2015 Board Meeting  
List of Invoices  
Resolution Authorizing Right-of-Way Acquisitions