



Downtown  
Redevelopment  
Authority

**Board of Directors Meeting**  
June 14, 2022

Tax Increment Reinvestment Zone, Number Three  
City of Houston

**Downtown Redevelopment Authority**  
Tax Increment Reinvestment Zone Number Three, City of Houston

**Board of Directors Meeting**  
**June 14, 2022**

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TAB 1

**MINUTES OF REGULAR MEETING  
OF  
DOWNTOWN REDEVELOPMENT AUTHORITY**

May 10, 2022

The Board of Directors (the "Board") of the Downtown Redevelopment Authority (the "Authority") convened in regular session, open to the public, in-person inside the Large Conference Room, Lyondell Basell Tower, located at 1221 McKinney Street, Suite 4250, Houston, TX 77010, on the 10<sup>th</sup> day of May 2022, and the roll was called of the duly constituted officers and members of the Board, to wit:

Curtis Flowers	Chair
Michele Sabino	Vice Chair
Barry Mandel	Secretary
Regina Garcia	Director
Keith Hamm	Director
James Harrison	Director
Sherman Lewis	Director
Tiko Reynolds-Hausman	Director

and all of said persons were present except Secretary Barry Mandel and Director Sherman Lewis.

Also present were J. Allen Douglas, Executive Director; Kris Larson, President; Jackie Traywick, Chief Operating Officer; Jana Gunter, Director of Finance; Jamie Perkins and Yeneby Angeles ("Authority"); Robert Pieroni of Central Houston, Inc. ("CHI"); Lonnie Hoogeboom, Angie Bertinot and Brett DeBord of the Houston Downtown Management District ("District"); Algenita Davis (Consultant to the Authority); and Clark Lord of Bracewell LLP ("Bracewell").

**DETERMINE QUORUM; CALL TO ORDER**

Chair Curtis Flowers requested a roll call, established quorum, and called the meeting to order at 12:09 PM.

**INTRODUCTION OF GUESTS AND PUBLIC COMMENTS**

Chair Flowers requested all meeting attendees briefly introduce themselves and welcomed all.

**MINUTES OF PREVIOUS MEETINGS**

The Board considered approving the minutes of the April 12, 2022, joint meeting. No discussion took place. Upon a motion made and seconded, the Board voted unanimously to approve the minutes of the April 12, 2022, joint meeting as presented.

**FINANCIALS & ADMINISTRATION**

Check Registers – April 2022

Chair Flowers called on Jana Gunter to present the check registers for the month of April. Questions were asked and answered, no action was required.

**DBE REPORT**

Ms.. Gunter continued the discussion with the Disadvantaged Business Enterprise Program Activity Report. Questions were asked and answered. No action was required

**OFFICE/ECONOMIC DEVELOPMENT: DOWNTOWN OFFICE STORY**

Chair Flowers called on Executive Director Allen Douglas to introduce this item. Executive Director Douglas then called on Robert Pieroni, Director of Economic Development(CHI). Mr. Pieroni gave a presentation on the Downtown Office Story regarding 2021 Competitive Market Analysis. The data collected showed the progression of the downtown leasing space from the 1990's to current. Questions were asked and answered. No action was required.

## **CONVERSATION ON AFFILIATE BOARD INVOLVEMENT**

Chair Flowers called on Kris Larson to begin the presentation. President Larson gave a brief overview of the Strategic Planning Workshop held on April 29 with the Board of Directors from the Downtown Redevelopment Authority and its affiliated organizations, CHI and HDMD. President Larson noted the purpose of the workshop was for the Executive members of all three organizations to meet and begin the process of developing a vision and mission statement, and a set of values for the DRA and its affiliate organizations. Next, he shared a slideshow containing the first draft of a vision and mission statement, and set of values for the board members to review and give their thoughts and opinions. President Larson stated virtual meetings will be scheduled in the coming months for the full board to participate in this process. Questions were asked and answered. No action was required.

## **STREET ART FOR MANKIND MURAL PROGRAM**

Chair Flowers called on Executive Director Douglas to present this item. Executive Director Douglas explained how HDMD and the DRA are working hand in hand with this program. Executive Director Douglas then passed the discussion to Angie Bertinot, Director of Marketing (HDMD). Ms. Bertinot gave a brief background overview of the Street Art for Mankind, a non-profit organization that create large scale murals all around the world. She shared a slideshow giving examples of possible mural ideas for downtown, and noted this program would produce 9 large scale murals around Downtown Houston. The goal of the mural art project is to create opportunities to bring people to downtown and share Houston's story. Questions were asked and answered.

Chair Flowers asked for a motion to authorize an amendment to the Façade Preservation and Restoration Agreement permitting the owner of the property at 402 Main to contract with Street Art for Mankind for the appropriate officers of the Authority. Upon a motion duly made and seconded, the Board members voted unanimously to authorize this item.

## **OTHER BUSINESS**

### Project Status Report

Executive Director Douglas called on Lonnie Hoogeboom, Director of Planning & Design (HDMD). Mr. Hoogeboom discussed a planning award entry that was submitted on April 30<sup>th</sup> to the American Planning Association regarding Bagby Street for the Transportation Planning Award Project, one of the 12 eligible categories. Mr. Hoogeboom then presented the submission packet to the Board. Questions were asked and answered. No action was taken.

Brett DeBord, Director of Operations & Capital Projects (HDMD) presented drone footage on Trebly Park showing its build progression from January 2022 to present. Questions were asked and answered. No action was required.

## **NEXT MEETING**

Chair Flowers announced the next Board meeting is scheduled for Tuesday, June 14, 2022, at noon.

## **ADJOURNMENT**

There being no further business to come before the Board, the meeting was adjourned at 1:44 PM.

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Curtis Flowers, Chair  
Downtown Redevelopment Authority (Authority)

**MINUTES OF REGULAR MEETING  
OF  
TAX INCREMENT REINVESTMENT ZONE NUMBER THREE, CITY OF HOUSTON, TEXAS**

May 10, 2022

The Board of Directors (the "Board") of the Tax Increment Reinvestment Zone Number Three ("Zone") convened in regular session, open to the public, in-person inside the Large Conference Room, Lyondell Basell Tower, located at 1221 McKinney Street, Suite 4250, Houston, TX 77010, on the 10<sup>th</sup> day of May 2022, and the roll was called of the duly constituted officers and members of the Board, to wit:

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### **STREET ART FOR MANKIND MURAL PROGRAM**

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Chair Flowers asked for a motion to authorize an amendment to the Façade Preservation and Restoration Agreement permitting the owner of the property at 402 Main to contract with Street Art for Mankind for the appropriate officers of the Zone. Upon a motion duly made and seconded, the Board members voted unanimously to authorize this item.

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Curtis Flowers, Chair  
Tax Increment Reinvestment Zone Number Three  
(Zone)

TAB 2





TAB 3



# TIRZ (TZ03) Overtime Programs 2022

ANNUAL REPORT (JULY 1, 2021 – MAY 31, 2022)

# OUTDOOR DINING BIKE INITIATIVE

▶ This program was implemented in response to several complaints of aggressive panhandlers at outdoor dining locations along Main Street. The mission of this program is to address civility issues and provide a safe environment for individuals utilizing outdoor dining through increased officer presence/visibility.

❖ Logistics: 2-4 Officers per shift.  
Shifts Monday-Friday from 1000-1400.

❖ Officer Hours: 1297.5  
❖ Sergeant Hours: 82

# OUTDOOR DINING BIKE INITIATIVE

Call Activity	
	FY2022
Primary Calls	26
Secondary Calls	32
Offense Reports	8
Accident Reports	2
Tactical Action Plans	0
Warrant Service Attempts	0
Crime Initiatives	1744
Citizen Contacts	7622
Admin Assignment	0

Civility Incidents	
	FY2022
Vagrants/Homeless	1493
Scooter Warnings	0
Street Racer/Loud Veh	0
<b>Total</b>	1493

Seizures/Recoveries	
	FY2022
Autos Recovered	0
Property Recovered Value	0
Money Seized	0
Property Seized Value	0
Weapons Seized	0

Arrest Activity	
	FY2022
Total Suspects in Jail	1
Charge & Activity Types	
Felony Charges	1
Class A/B Charges	0
Class C (No Ticket)	0
To-Be Warrants	0
City Warrants	0
Felony Warrants	0
Misd. Warrants	0
<b>Total</b>	1

Traffic	
	FY2022
Non-Moving	3
Moving	4
Parking Citations	9
<b>Total</b>	16

Narcotics Seized	
Marijuana / Kush	0
Cocaine / Crack	0
<b>Total</b>	0



# SPECIALIZED UNITS INITIATIVES

- ▶ The specialized units attached to the Downtown Division are tasked with all things law enforcement that fall outside of the parameters of patrol. The Crime Suppression Team (CST) conducts proactive and reactive investigations into crime trends and major crimes in the Downtown area. The Differential Response Team (DRT) is tasked with managing the homeless population and other quality of life concerns.
- ▶ CST/DRT worked a few shifts utilizing TZ03 OT when on-duty arrests carried over beyond the end of their shift. The majority of OT worked by CST/DRT during this quarter utilized One Safe Houston and Fall Crime Initiative funds.

- ❖ Officer Hours:  
1,177.5
- ❖ Sergeant Hours:  
237

# SPECIALIZED UNITS INITIATIVES

Call Activity	
	FY2022
Primary Calls	7
Secondary Calls	15
Offense Reports	72
Accident Reports	0
Tactical Action Plans	7
Warrant Service Attempts	5
Crime Initiatives	452
Citizen Contacts	445
Admin Assignment	6

Civility Incidents	
	FY2022
Vagrants/Homeless	164
Scooter Warnings	12
Street Racer/Loud Veh	0
<b>Total</b>	176

Seizures/Recoveries	
	FY2022
Autos Recovered	17
Property Recovered Value	\$106,250
Money Seized	\$42,202
Property Seized Value	\$300
Weapons Seized	20

Arrest Activity	
	FY2022
Total Suspects in Jail	40
Charge & Activity Types	
Felony Charges	26
Class A/B Charges	2
Class C (No Ticket)	0
To-Be Warrants	0
City Warrants	16
Felony Warrants	32
Misd. Warrants	2
<b>Total</b>	78

Traffic	
	FY2022
Non-Moving	616
Moving	0
Parking Citations	6
<b>Total</b>	622

Narcotics Seized (grams)	
	FY2022
Marijuana / Kush	333.01
Cocaine / Crack	0.22
Other	22.71
<b>Total</b>	355.94



# PATROL VISIBILITY INITIATIVE

- Based on feedback from residents & business owners, the following locations have been identified as hotspots where there is a desire for more police presence. Officers visit the following locations during their shift:

- Four Seasons @ 1300 Lamar
- Hilton Americas @ 1600 Lamar
- Marriot Marquis @ 1777 Walker
- Phoenicia Deli @ 1001 Austin
- The Beacon @ 1212 Prairie
- Rice Lofts @ 909 Texas St.
- The Underground Hall @ 1010 Prairie St.
- Moonshiners @ 1000 Prairie St.
- Starbucks @ 914 Dallas St.
- 705 Main St. @ Flying Saucer
- Four Seasons @ 1300 Lamar
- Hilton Americas @ 1600 Lamar
- Marriot Marquis @ 1777 Walker
- Phoenicia Deli @ 1001 Austin
- The Beacon @ 1212 Prairie
- Rice Lofts @ 909 Texas St.
- The Underground Hall @ 1010 Prairie St.
- Moonshiners @ 1000 Prairie St.
- Starbucks @ 914 Dallas St.
- 705 Main St. @ Flying Saucer

❖ Officer Hours: 1836.75

❖ Sergeant Hours:  
512.25



# PATROL VISIBILITY INITIATIVES

Call Activity	
	FY2022
Primary Calls	180
Secondary Calls	58
Offense Reports	48
Accident Reports	5
Tactical Action Plans	0
Warrant Service Attempts	0
Crime Initiatives	4120
Citizen Contacts	5703
Admin Assignment	2

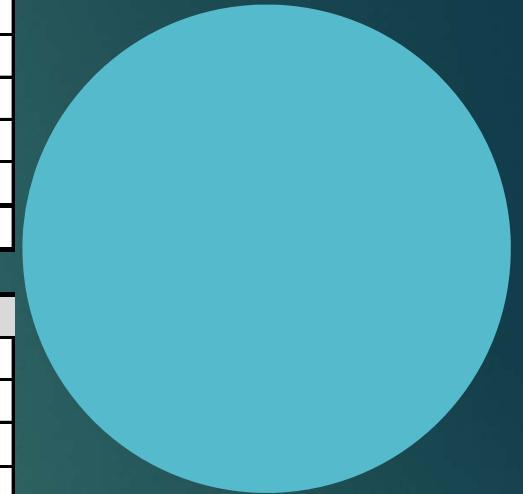
Civility Incidents	
	FY2022
Vagrants/Homeless	1645
Scooter Warnings	30
Street Racer/Loud Veh	0
<b>Total</b>	1675

Seizures/Recoveries	
	FY022
Autos Recovered	2
Property Recovered Value	\$0
Money Seized	\$0
Property Seized Value	\$0
Weapons Seized	0

Arrest Activity	
	FY2022
Total Suspects in Jail	12
Charge & Activity Types	
Felony Charges	6
Class A/B Charges	2
Class C (No Ticket)	0
To-Be Warrants	0
City Warrants	7
Felony Warrants	1
Misd. Warrants	1
<b>Total</b>	17

Traffic	
	FY2022
Non-Moving	249
Moving	61
Parking Citations	228
<b>Total</b>	538

Narcotics Seized (grams)	
	FY2022
Marijuana / Kush	0
Cocaine / Crack	0
Other	0
<b>Total</b>	0



# SCOOTER / STREET RACER INITIATIVE

- ▶ The mission of this program was to restore the right of ways for pedestrians on the sidewalks of downtown by enforcing newly adopted scooter ordinances. Officers focused on issuing citations to vendors in violation and educating scooter riders of the recent legal changes. Officers also targeted street racers downtown & vehicles with loud exhausts.
- ▶ This OT program ended in October. Scooter enforcement is now handled by on-duty patrol units. Patrol officers were provided "Scoot Responsibly" brochures to pass out when violations are observed.
- ▶ DRT continues to warn/cite scooters vendors when violations are observed.

- ❖ Officer Hours: 224.25
- ❖ Sergeant Hours: 318.50

# SCOOTER / STREET RACER INITIATIVE

Call Activity	
	FY2022
Primary Calls	9
Secondary Calls	27
Offense Reports	13
Accident Reports	1
Tactical Action Plans	0
Warrant Service Attempts	0
Crime Initiatives	607
Citizen Contacts	2001
Admin Assignment	0

Civility Incidents	
	FY2022
Vagrants/Homeless	0
Scooter Warnings	2803
Street Racer/Loud Veh	203
<b>Total</b>	3006

Seizures/Recoveries	
	FY2022
Autos Recovered	0
Property Recovered Value	0
Money Seized	0
Property Seized Value	0
Weapons Seized	1

Arrest Activity	
	FY2022
Total Suspects in Jail	5
Charge & Activity Types	
Felony Charges	1
Class A/B Charges	1
Class C (No Ticket)	1
To-Be Warrants	0
City Warrants	1
Felony Warrants	1
Misd. Warrants	0
<b>Total</b>	5

Traffic	
	FY2022
Non-Moving	338
Moving	44
Parking Citations	4
<b>Total</b>	386

Narcotics Seized	
	FY2022
Marijuana / Kush	0
Cocaine / Crack	0
<b>Total</b>	0



# NIGHT LIFE INITIATIVE

- ▶ This program proactively addresses club issues. Officers identify specific performers whose presence poses an increased risk of violence and provide increased visibility around the club. Officers conduct traffic stops in the target areas to identify violent offenders & seize unlawfully carried firearms.
  - ✓ Due to an increase in violent crime and nuisance reports the following have been identified as primary targeted areas: Club Spire, Engine Room, the Jet Lounge and surrounding establishments, and Main Street Corridor.
  
- ❖ Logistics: Generally 2 Officers & 1 Sergeant per shift when needed.
  
- ❖ Officer Hours: 477.50
- ❖ Sergeant Hours: 213.75
- ❖ Mobility: 253.50

## NIGHT LIFE INITIATIVE

Call Activity	
	FY2022
Primary Calls	147
Secondary Calls	109
Offense Reports	29
Accident Reports	9
Tactical Action Plans	3
Warrant Service Attempts	0
Crime Initiatives	1843
Citizen Contacts	482
Admin Assignment	5

Civility Incidents	
	FY2022
Vagrants/Homeless	0
Sobering Center	3
Street Racer/Loud Veh	0
<b>Total</b>	3

Seizures/Recoveries	
	FY2022
Autos Recovered	1
Property Recovered Value	0
Money Seized	0
Property Seized Value	0
Weapons Seized	0

Arrest Activity	
	FY2022
Total Suspects in Jail	6
Charge & Activity Types	
Felony Charges	0
Class A/B Charges	5
Class C (No Ticket)	5
To-Be Warrants	0
City Warrants	0
Felony Warrants	0
Misd. Warrants	0
<b>Total</b>	10

Traffic	
	FY2022
Non-Moving	59
Moving	51
Parking Citations	296
<b>Total</b>	406

Narcotics Seized	
	FY2022
Marijuana / Kush	1.08
Cocaine / Crack	0
<b>Total</b>	1.08



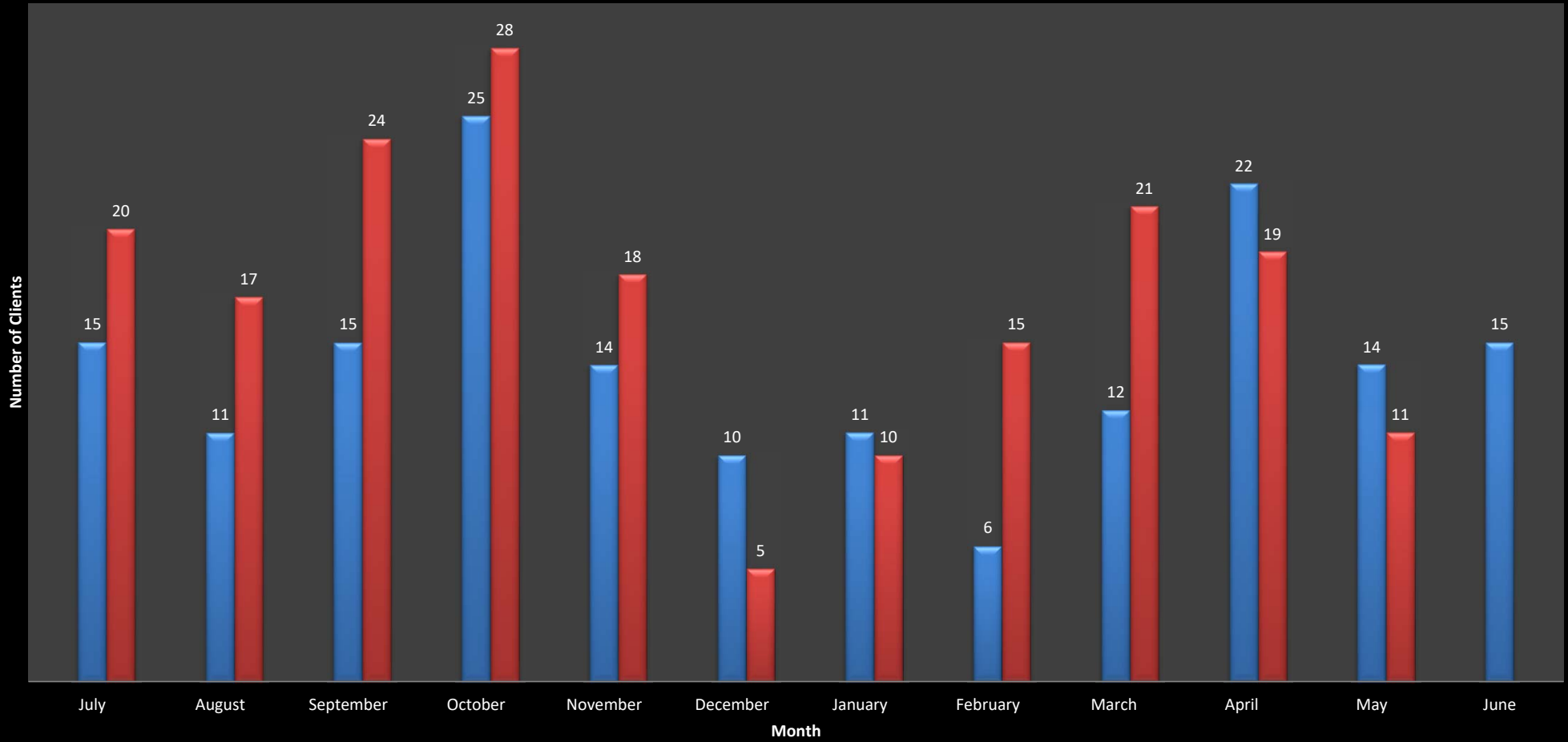
# BUDGET

TIRZ (TZ03) MONTHLY EXPENDITURES (FY21-22)														
		July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Total
Estimated Program Expenditures	Patrol Visibility	35,935.00	38,589.00	33,153.00	20,946.00	0.00					5,466.00	10,184.00		144,273.00
	Night Life	15,950.43	14,484.24	11,341.28	13,774.22	1,553.00				1,748.00	2,650.00	474.00		61,975.17
	Specialized Units	14,243.00	24,009.00	22,926.00	1,835.00	1,220.00					10,545.00	9,700.00		84,478.00
	Scooter/Street Racer	2,618.00	16,048.00	9,934.00	7,158.00	0.00					4,394.00	6,286.00		46,438.00
	Outdoor Dining Bike	5,509.00	5,509.00	5,222.00	5,886.00	5,484.00	11,135.00	10,688.00	11,840.00	7,719.00	8,539.00	8,047.00		85,578.00
	<b>Est. Expenditure Totals</b>	74,255.43	98,639.24	82,576.28	49,599.22	8,257.00	11,135.00	10,688.00	11,840.00	9,467.00	31,594.00	34,691.00		422,742.17
	<b>Adjustments</b>	6,018.21	8,627.97	9,427.14	-213.45	302.45	371.23	-46.28	1,006.74	1,243.51	8,314.56	-6,650.95		28,401.13
Actual Expenditures	<b>Overtime</b>	80,273.64	107,267.21	92,003.42	49,385.77	7,006.45	11,506.23	10,641.72	12,846.74	10,710.51	39,908.56	28,040.05		449,590.30
	<b>Divisional Expenses</b>	40,095.95	16,405.10	62,139.19	2,727.55	20,931.34	38,837.43	40,196.56	4,018.69	4,159.91	3,931.08	2,671.16		236,113.96
													<b>Total Expenditures YTD</b>	<b>685,704.26</b>
													<b>Opening Balance</b>	<b>870,099.00</b>
													<b>Remaining Balance</b>	<b>184,394.74</b>

\* PS10 expenditures are not directly removed from the DT TIRZ budget.

# Houston Recovery Center 1A10 Jail Diversions

■ 2021 ■ 2022



<b>PROJECT NAME</b>	Municipal Services - Supplemental Payment HPD
<b>PROJECT PLAN</b>	Non-Project Cost - Transfer
<b>REQUEST</b>	That the full Board agree to authorize the FY 2023 Municipal Services - Supplemental payment of \$980,000 to the City of Houston for the Downtown Patrol Division overtime initiatives.
<b>DESCRIPTION</b>	<p>This payment to the City began in FY 2008 at \$250,000 and by FY 2012 reached \$980,000 pursuant to a Municipal Services Costs Agreement executed September 9, 2007 between the City, Reinvestment Zone Number Three and the Authority.</p> <p>Beginning in FY 2017, the City initiated a mandatory “shared sacrifice” Municipal Services payment by all TIRZs calculated by formula with the annual payment from TIRZ 3 amounting to \$1,065,000 per year. For FY 2023, the TIRZ continues to contribute the calculated “shared sacrifice” amount of \$1,065,000.</p> <p>Beginning in FY 2017, Authority elected the option of also paying a supplemental amount of \$980,000 because of the high priority for Houston Police Department patrol presence in downtown. Staff has asked that the full \$980,000 be available for funding HPD initiatives in the Downtown Division.</p> <p>Current Downtown Division initiatives include: Patrol Visibility; Outdoor Dining Bike Patrol; Specialized Units – CST &amp; DRT; Scooter &amp; Street Racing Patrols; Night Life Patrols. Leadership and staff will work closely with the Downtown Patrol Commander to ensure the initiatives funded by the TIRZ timely reflect the Downtown’s security and patrol needs as reflected in the data shared between HPD and staff.</p>
<b>ACTION ITEM</b>	Authorize the \$980,000 Municipal Services - Supplemental payment for FY 2023 subject to its full availability to the Downtown Patrol Division for overtime patrolling and authorize execution of agreements as needed to achieve this.
<b>CONTACTS</b>	<p>Andy Icken, City of Houston  DRA: Kris Larson, President  DRA: Allen Douglas, Executive Director</p>



TAB 4

<b>PROJECT NAME</b>	Trebly Park (fka Southern Downtown Park)
<b>PROJECT PLAN</b>	Capital Improvement Project
<b>REQUEST</b>	That the full Board accept the recommendation of the CPC to authorize additional construction financing in an amount not to exceed \$500,000.00 and respective agreements as required for delivery of construction-related and operation-related activities, services, and components beyond the requirements of the prior recommended authorization of \$1,100,000 and beyond the general contract for construction in order to complete the project per the design intent.
<b>DESCRIPTION</b>	<p>In addition to the proposed agreement and related expenses with the General Contractor, Structura, additional funding and execution of respective agreements with multiple vendors in an amount of \$1,100,000 were recommended by the CPC and authorized by the DRA Board in February 2021, as required to deliver a completed project.</p> <p>Estimated cost increases due to extended delivery-time of the project, construction cost requirements, prudential preventative work, and upgraded signage expenses have resulted in an estimated excess above the authorized budgeted amount in "Miscellaneous Expenses" of \$452,228.22 (<i>See Budget Summary Included</i>) To cover any anticipated or unforeseen expenses in this area, the staff is seeking a budget authorization from the Board of \$500,000.</p> <p>Work items include the following:</p> <ul style="list-style-type: none"> <li>Continuation by amendment of design consultant services; <b><i>additional projected cost of approximately \$100,000.00</i></b></li> <li>Materials engineering and testing by consultant to be selected per current Request for Qualifications; <b><i>additional projected cost of approximately \$20,000.00</i></b></li> <li>On-site inspection services; <b><i>additional projected cost of approximately \$160,000.00</i></b></li> <li>Overhead power infrastructure modifications by CenterPoint Energy on San Jacinto and Leeland Streets; <b><i>work performed below estimated cost for a savings of approximately \$24,000.00.</i></b></li> <li>Design, fabrication and installation of sculptural elements in the "playscape" area south of the café building, by Fenris LLC and Chiaozza; <b><i>work performed within estimated budget.</i></b></li> <li>Miscellaneous site lighting fixtures and furnishings from multiple vendors and provided as "Owner-Furnished Contractor-Installed" components, in order to reduce overhead and mark-up expenses for the prime contract; <b><i>additional project cost of approximately \$370.00.</i></b></li> <li>Sponsorship of a BCycle station on Bell Street with Houston Bike Share; <b><i>additional project cost of approximately \$4,400.00</i></b></li> <li>Interior art wall finishes to be developed and installed during construction; <b><i>additional project cost of approximately \$10,000.00</i></b></li> <li>Design, fabrication and installation of miscellaneous park and building signage; <b><i>additional project cost of approximately \$38,000.00.</i></b></li> </ul>

Owner's Contingency for unforeseen expenses beyond the prime contract obligations; **additional projected cost of approximately \$159,000.00**, itemized as follows:

Paver Grates expenses: estimated cost \$98,935.85

Guardrail/Mill Overlay at Bell & Leeland: estimated cost \$50,000.00

Digital Signage Park & Café: estimated cost \$19,498.00

Arborist services: estimated cost: \$10,960.00

Park and building security hardware: estimated cost \$10,000.00

CIPP Sanitary Sewer Rehab; cost estimated \$18,000.00

Water meter fees: estimated cost of \$2,088.40

## PROJECT HISTORY

**April 2018** – The Authority successfully negotiated the ground lease of Block 333.

**July 2017 - August 2020** – The Authority through its consultant, Weston Solutions, conducted the Phase I and Phase II Environmental Site Assessment (ESA) including continued monitoring following demolition activities.

**June - September 2018** – The Authority conducted the programming phase with Project for Public Spaces, including public engagement.

**April - June 2019** – Following a competitive sealed proposal method, the Authority entered agreement with D.H. Griffin for demolition of the Goodyear facility.

**November 2018 - Present** – Following a qualifications-based selection process, the Authority entered agreement with Lauren Griffith Associates as the design prime for the project, with revised Bidding & Permit Documents delivered December 14, 2020.

**September 2019** – Following a request for proposals from restaurateurs, the Authority entered agreement with Tout Suite to serve as the café operator.

**December 2020** – The Authority initiated the public procurement process for the General Contractor with competitive sealed proposals received on January 25, 2021.

**December 2020 – February 2021** – Specific to the contractor procurement process, the recommended Contractor's proposal is within budget tolerances to

advance the Evaluation Panel's recommendation to the Authority Board; no bid value negotiations are required.

**February 2021** – Board authorizes the execution of necessary agreements by the appropriate officers of the Authority for construction services by Structura for the Southern Downtown Park Project for an amount not to exceed \$5,400,000, which includes an approximate 10% construction contingency.

**June 25, 2022** – Capital Project Committee Reviews staff & leadership request to recommend the Board authorize an additional \$500,000.00 for Miscellaneous Expenses as itemized for completion of Trebly Park.

**ACTION ITEM**

Authorize staff & leadership to negotiate and execute miscellaneous agreements and manage up to an additional \$500,000.00, beyond the \$1,100,000.00 authorized by the Board in February 2021, in project account finances for the completion of construction activities related to Trebly Park.

**CONTACTS**

DRA: Allen Douglas, Executive Director

DRA: Lonnie Hoogeboom, Director of Planning & Design

DRA: Brett DeBord, Director of Capital Projects & Maintenance

**BUDGET SUMMARY - Southern Downtown Park**

as of June 10, 2022

EXPENSES	Authorized	Spent/Projected	Delta	
<b>Design &amp; PreConstruction Expenses</b>				
05/08/18 PPS Programming Contract	\$ 70,000.00	\$ 90,419.55	\$ (20,419.55)	closed
06/26/18 A la Carte Food Service Contract & Amendment	\$ 60,000.00	\$ 60,000.00	\$ -	closed
11/13/18 LGA Design Contract & Additional Design Services	15.81% \$ 853,912.80	\$ 853,826.55	\$ 86.25	incl. \$30,000 Reimbursable unspent
04/02/19 DH Griffin Demolition Contract	\$ 100,000.00	\$ 78,427.00	\$ 21,573.00	closed
SWPPP Contract		\$ 7,950.00	\$ (7,950.00)	closed
10/08/19 Shooter & Lindsey Soils Mitigation Contract	\$ 55,000.00	\$ 49,885.00	\$ 5,115.00	closed
07/12/19 EDI Tree Purchase Contract	\$ 129,875.00	\$ 129,875.00	\$ -	closed
??? Core Design Name & Identity	\$ 20,000.00	\$ 19,000.00	\$ 1,000.00	closed \$4K to fencing graphics per AB
<b>TOTAL DESIGN &amp; PRE-CONSTRUCTION EXPENSES</b>	<b>\$ 1,288,787.80</b>	<b>\$ 1,289,383.10</b>	<b>\$ (595.30)</b>	
<b>Construction Expenses</b>				
Structura Bid Proposal including Alternates	\$ 4,905,740.00			
Construction Contingency (10%)	10.08% \$ 494,260.00			
02/16/21 <b>TOTAL CONSTRUCTION + CONTINGENCY AUTHORIZATION</b>	<b>\$ 5,400,000.00</b>	<b>\$ 5,325,985.45</b>	<b>\$ 74,014.55</b>	DRA Board Authorization
Construction Contingency Itemization		\$ 420,245.45		
Change Order No. 1 : RFPs 1-2		\$ 16,440.00		
Change Order No. 2 : RFPs 3-9		\$ 37,361.00		
Change Order No. 3 : RFPs 10-24		\$ 251,444.45		
Change Order No. 4: RFPs		\$ 115,000.00		
<b>Miscellaneous Expenses</b>				
02/16/21 <b>TOTAL MISCELLANEOUS EXPENSE AUTHORIZATION</b>	<b>\$ 1,100,000.00</b>	<b>\$ 1,552,228.22</b>	<b>\$ (452,228.22)</b>	DRA Board Authorization
CPE Street Light Relocation	\$ 2,500.00	\$ 5,151.00	\$ (2,651.00)	
CPE Gas Line & Meter	\$ 20,000.00	\$ 700.00	\$ 19,300.00	
CPE OH to UG Conversion & Power Drop	\$ 30,000.00	\$ 6,148.00	\$ 23,852.00	
Materials Testing Costs	\$ 25,000.00	\$ 45,000.00	\$ (20,000.00)	
Project Inspector (3.25% CoC)	\$ 175,000.00	\$ 335,000.00	\$ (160,000.00)	
LGA Redesign, Bidding & CA Add'l Services	\$ 206,864.50	\$ 306,864.50	\$ (100,000.00)	
Fenris-Chiozza Playscape	\$ 106,000.00	\$ 106,000.00	\$ -	
Café Art Wall	\$ 5,000.00	\$ 15,000.00	\$ (10,000.00)	
OFCI Site Lighting	\$ 196,279.00	\$ 196,649.45	\$ (370.45)	
OFCI Site & Building Furnishings	\$ 231,537.00	\$ 231,537.00	\$ -	
Signage / Design, Fab & Install (Park Rules, Monumentation, Building)	est \$ 26,514.50	\$ 65,000.00	\$ (38,485.50)	
B-cycle Station	quote \$ 25,305.00	\$ 29,696.02	\$ (4,391.02)	
Owner's Contingency	\$ 50,000.00	\$ 209,482.25	\$ (159,482.25)	
Owner's Contingency Itemization				
Arborist		\$ 10,960.00		
Water meter fees		\$ 2,088.40		
Digital Park/Menu Signage - Brackets, Display Screens		\$ 19,498.00		
Security Components - glass breaks, motion detectors, etc.		\$ 10,000.00		
Paver grates		\$ 98,935.85		
Guardrail / Leeland & Bell M&O roadway repair		\$ 50,000.00		
CIPP Sanitary Sewer Rehab		\$ 18,000.00		
<b>Total Amount (Construction Exp + Miscellaneous Exp)</b>	<b>\$ 6,500,000.00</b>	<b>\$ 6,878,213.67</b>	<b>\$ (378,213.67)</b>	
<b>Total All-In Amount (Design+Construction+Misc Expenses)</b>	<b>\$ 7,788,787.80</b>	<b>\$ 8,167,596.77</b>	<b>\$ (378,808.97)</b>	

02/16/21 DRA Board Authorization: Structura + Construction Contingency

02/16/21 DRA Board Authorization: Miscellaneous Construction Expenses

**TAB 5**

**AGENDA ITEM** Authorization of FY 2022 Audit Services

**FIRM** Carr, Riggs & Ingram, LLC

**REQUEST** Approve the engagement of Carr, Riggs & Ingram as auditors for FYE 6/30/22 at a fee and expenses not to exceed \$19,350.

**ITEM HISTORY**

The DRA/ TIRZ #3 has used Carr, Riggs & Ingram as auditors in previous years.

**ACTION ITEM** Authorize the engagement of Carr, Riggs & Ingram as auditors for FYE 6/30/22 at a fee and expenses not to exceed \$19,350 and the execution of necessary agreements by the appropriate officers of the Authority.

**CONTACTS**

DRA: Jana Gunter, Director of Finance  
DRA: Allen Douglas, Executive Director  
Carr, Riggs & Ingram, LLC: Alyssa Hill, Partner

"Authorization of FY 2022 Audit Services"- ACTION ITEM

May 20, 2022

Board of Directors and Management  
Main Street Market Square Redevelopment Authority  
dba Downtown Redevelopment Authority  
1221 McKinney Street, Suite 4250  
Houston, Texas 77010

We are pleased to confirm our understanding of the services we are to provide Main Street Market Square Redevelopment Authority dba Downtown Redevelopment Authority (the Authority) for the year ending June 30, 2022.

### **Audit Scope and Objectives**

We will audit the financial statements of the governmental activities and each major fund, and the disclosures, which collectively comprise the basic financial statements of the Authority as of and for the year ended June 30, 2022. Accounting standards generally accepted in the United States of America (GAAS) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Authority's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Authority's RSI in accordance with GAAS. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles (GAAP) and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – All Funds

We have also been engaged to report on supplementary information other than RSI that accompanies the Authority's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

- 1) Schedule of Operating Expenses and Capital Expenditures
- 2) Schedule of Estimated Project Costs to Actual Costs



The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

Our audit of the financial statements does not relieve you of your responsibilities.

### **Audit Procedures—Internal Control**

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Although planning has not been completed, we have identified the following significant risks of material misstatement from our prior audit that remain relevant to these audit:

- Risk of management override of controls
- Improper revenue recognition

It is possible that modifications may be made to this list as planning and our audit is completed, in which case we will communicate these modifications in writing.

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Authority's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

### **Other Services**

We will assist in preparing the financial statements and related notes of the Authority in conformity with accounting principles generally accepted in the United States of America based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee these services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

### **Responsibilities of Management for the Financial Statements**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

### **Dispute Resolution**

In the event of a dispute between the parties which arises out of or relates to this contract or engagement letter, the breach thereof or the services provided or to be provided hereunder, if the dispute cannot be settled through negotiation, the parties agree that before initiating arbitration, litigation or other dispute resolution procedure, they will first try, in good faith, to resolve the dispute through non-binding mediation. All parties agree that an alternative form of dispute resolution shall not be undertaken by either party until the expiration of fifteen (15) calendar days following notice being provided to the other party indicating that the dispute cannot be settled through mediation. The mediation will be administered by the American Arbitration Association under its *Dispute Resolution Rules for Professional Accounting and Related Services Disputes*. The costs of any mediation proceedings shall be shared equally by all parties.

### **Governing Law; Venue**

This agreement and performance hereunder shall be governed by the laws of the State of Alabama, without reference to any conflict of laws rules or principles. Any action or proceeding arising from or relating to this agreement must be brought in a state or federal court having jurisdiction in Coffee County, Alabama, and each party irrevocably submits to the jurisdiction and venue of any such court in any such action or proceeding and agrees to waive any defenses to venue and jurisdiction including *forum non conveniens*.

### **Statute of Limitations**

The parties agree that there shall be a one-year statute of limitation (from the delivery of the service or termination of the contract) for the filing of any requests for arbitration, lawsuit, or proceeding related to this agreement. If such a claim is filed more than one year, or the minimum durational period having been determined as permissible by applicable statutory law or by a court of competent jurisdiction, subsequent to the delivery of the service or termination of the contract, whichever occurs first in time, then it shall be precluded by this provision, regardless of whether or not the claim has accrued at that time.

### **Disclosure**

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account including service providers located outside of the United States. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. Furthermore, we will remain responsible for the work provided by any such third-party service providers. By signing this letter, you consent to allow us to disclose your financial information, if applicable, or other information to our service providers located abroad. If you want to limit the amount of information that may be disclosed to any third-party service provider, please notify us in writing as an attachment to this letter.

### **Electronic Data Communication and Storage and Use of Third Party Service Provider**

In the interest of facilitating our services to your Authority, we may send data over the Internet, securely store electronic data via computer software applications hosted remotely on the Internet, or allow access to data through third-party vendors' secured portals or clouds. Electronic data that is confidential to your Authority may be transmitted or stored using these methods. We may use third-party service providers to store or transmit this data, such as, but not limited to, providers of tax return preparation software. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and data access secure in accordance with our obligations under applicable laws and professional standards. We also require our third-party vendors to do the same.

You recognize and accept that we have no control over, and shall not be responsible for, the unauthorized interception or breach of any communications or data once it has been sent or has been subject to unauthorized access, notwithstanding all reasonable security measures employed by us or our third-party vendors. You consent to our use of these electronic devices and applications and submission of confidential client information to third-party service providers during this engagement.

To enhance our services to you, we will use a combination of remote access, secure file transfer, virtual private network or other collaborative, virtual workspace or other online tools or environments. Access through any combination of these tools allows for on-demand and/or real-time collaboration across geographic boundaries and time zones and allows CRI and you to share data, engagement information, knowledge, and deliverables in a protected environment. In order to use certain of these tools and in addition to execution of this acknowledgement and engagement letter, you may be required to execute a separate client acknowledgement or agreement and agree to be bound by the terms, conditions and limitations of such agreement. You agree that CRI has no responsibility for the activities of its third-party vendors supplying these tools and agree to indemnify and hold CRI harmless with respect to any and all claims arising from or related to the operation of these tools.

While we may back up your files to facilitate our services, you are solely responsible for the backup of your files and records; therefore, we recommend that you also maintain your own backup files of these records. In the event you suffer a loss of any files or records due to accident, inadvertent mistake, or Act of God, copies of which you have provided to us pursuant to this agreement, we shall not be responsible or obligated to provide you a copy of any such file or record which we may retain in our possession.

#### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing. We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

Alyssa Hill is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to begin our audit in August 2022, as long as you have provided to us substantially all of the schedules, documents, confirmations and other information requested from you in preparation for the audit. If the information requested is not substantially ready and provided to us by the scheduled due dates, we may delay the start of our audit until such time as the information is ready.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, etc.) except that we agree that our audit fee will not exceed \$19,000 for 2022 audit. Additional out-of-pocket expenses are estimated to be \$350. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Main Street Market Square Redevelopment Authority  
dba Downtown Redevelopment Authority  
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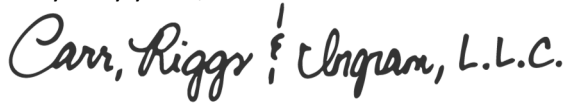
Carr, Riggs & Ingram, LLC reserves the right to assess finance charges on past due balances up to the maximum amount allowed under State law. If we must place your account with a collection agency or attorney because you are seriously overdue, you agree to pay their reasonable fees and expenses. If for any reason you are unable to pay your account balance in a timely fashion, we urge you to call our Accounts Receivable department to make alternate arrangements.

**Reporting**

We will issue a written report upon completion of our audit of the Authority’s financial statements. Our report will be addressed to the Board of Directors of the Authority. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions or add an emphasis-of-matter or other-matter paragraph to our auditors’ report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign below and return this signed letter to us.

Very truly yours,



Houston, Texas

**RESPONSE:**

This letter correctly sets forth the understanding of Main Street Market Square Redevelopment Authority dba Downtown Redevelopment Authority.

Management signature: \_\_\_\_\_

Title: \_\_\_\_\_

Governance signature: \_\_\_\_\_

Title: \_\_\_\_\_

**TAB 6**

<b>PROJECT NAME</b>	Commercial Real Estate Conversion Program
<b>PROJECT PLAN</b>	Economic Development
<b>REQUEST</b>	Recommend the full Board authorize the appropriate officers of the Authority to seek to identify building owners within the Downtown Redevelopment Authority/TIRZ #3 boundaries with an interest in participating in an adaptive reuse feasibility study.
<b>DESCRIPTION</b>	<p>To begin shaping an adaptive reuse incentive program, Central Houston Inc. (CHI), in collaboration with the Downtown Redevelopment Authority (DRA), seeks to identify building owners, within the Downtown Houston boundaries of the DRA, interested in participating in an adaptive reuse feasibility study. This is the first phase of a process that is meant to lay the groundwork for an Office Conversion Program, designed to incentivize the rehabilitation and repurposing of underutilized office space in downtown buildings within the boundaries of the DRA.</p> <p>At this juncture, we are seeking to gauge interest in the initial consideration for the study. We will use a broad set of criteria to identify candidate buildings, including consideration of [ vacancy rate over time, market position, location, overall square footage available, full floor availability, property value performance, access to mass transit, walkability, existence of past building feasibility studies]. To warrant full consideration, building owners will be required to provide design, engineering and financial data on the buildings for the study. Once we have identified buildings/owners we will return to the Board to request authorization to produce a feasibility study – addressing economic, design, and engineering variables -- through a Request for Proposal (RFP) to provide a more comprehensive understanding of the reuse opportunities within each building envelope and the financial challenges in realizing specific adaptative reuse opportunities.</p> <p>We anticipate that the DRA will source and commission the feasibility study once the selection of buildings is completed and an ownership commitment to participate is confirmed.</p>
<b>PROJECT HISTORY</b>	<p>With the flight to quality in Downtown Houston’s office market, coupled with the reduction in demand for office space due to the shift to hybrid and remote work, older but non-historic office buildings constructed in the 1970s, 1980s and 1990s are expected to experience tenancy challenges resulting in widespread structural vacancy and obsolescence. As with the redevelopment of historic structures, there are extensive and unique costs involved in office-to-residential, office-to-institutional and other modes of adaptive use conversions. Critically, conversion costs occur on top of the base cost/investment in the pre-conversion structure, and building owners will pay carrying costs during any adaptive reuse construction. As other cities have recognized in their adaptive reuse programs, the economic challenges of conversion will most likely require an incentive program to encourage adaptive reuse in much the same way that Houston’s historic structures have received tax credits for renovation, or through a program similar to the Downtown Living Initiative that incentivized the construction of mid- and high-rise residential structures in the Downtown Houston market. Noting the challenges, we regard adaptive reuse as a formidable opportunity for advancing Downtown Houston’s residential capacity, providing opportunity for a range of residential spaces reflecting a range of median incomes, and for creatively reimagining former office space Downtown to meet differing demands.-</p> <p><b>6/10/2022</b> – The Economic Development Committee considered and approved this item for recommendation to the full board for approval.</p>



**ACTION ITEM**

Authorize the appropriate officers of the Authority to seek to identify building owners within the Downtown Redevelopment Authority/TIRZ #3 boundaries with an interest in participating in an adaptive reuse feasibility study.

**CONTACTS**

DRA: Robert Pieroni, Director of Economic Development  
DRA: Allen Douglas, Executive Director

## Downtown Commercial Real Estate Conversion Program

### 1. Program Overview and Background

With the flight to quality in Downtown Houston's office market, coupled with the reduction in demand for office space due to the shift to hybrid and remote work, older but non-historic office buildings constructed in the 1970s, 1980s and 1990s are expected to experience tenancy challenges resulting in widespread structural vacancy and obsolescence. As with the redevelopment of historic structures, there are extensive and unique costs involved in office-to-residential, office-to-institutional and other modes of adaptive use conversions. Critically, conversion costs occur on top of the base cost/investment in the pre-conversion structure, and building owners will pay carrying costs during any adaptive reuse construction. The economic challenges of conversion will most likely require an incentive program to encourage adaptive reuse in much the same way that historic structures receive tax credits for renovation, or through a program similar to the Downtown Living Initiative that incentivized the construction of mid- and high-rise residential structures in the Downtown Houston market. Noting the challenges, we regard adaptive reuse as a formidable opportunity for advancing Downtown Houston's residential capacity and for creatively reimagining former office space Downtown.

To begin shaping an adaptive reuse incentive program, Central Houston Inc. (CHI), in collaboration with the Downtown Redevelopment Authority (DRA), seeks to identify building owners, within the Downtown Houston boundaries of the DRA, interested in participating in an adaptive reuse feasibility study. You have received this notification because we regard you as an owner of a building under consideration and within the boundaries of the DRA, with a possible interest in participating in this study. We sincerely hope that you might appreciate learning more about the proposed program, entertain participating in phase one, and applying for phase two when the program is fully operational and open to applicants.

This is the first phase of a process is meant to lay the groundwork for an Office Conversion Program, designed to incentivize the rehabilitation and repurposing of underutilized office space in downtown buildings within the boundaries of the DRA.

**At this juncture, we are seeking to gauge your interest in the initial consideration for the study.** The DRA will then identify a party to produce a feasibility study – addressing economic, design, and engineering variables -- through a Request for Proposal (RFP) to provide a clearer understanding of the reuse opportunities within each building envelope and the financial challenges in realizing specific adaptative reuse opportunities.

**The DRA will source and commission the feasibility study once the selection of buildings is completed and an ownership commitment to participate is confirmed.** In this instance, owner participation would entail permitting the feasibility study team access to the requisite building and financial information sufficient to permit a reliable feasibility finding on the given structure. Any proprietary information provided to CHI will be kept confidential.

From these completed feasibility studies, CHI and the DRA will endeavor to propose an Office Conversion Program, as part of phase two. The Program will seek to stimulate the economic vitality of Downtown by incentivizing the conversion of underutilized office buildings into alternative uses within the boundaries of the DRA. The feasibility studies are designed to assist participating property owners in developing pro formas for multiple adaptive reuse scenarios once the Program is formed, authorized by the DRA Board and passed by Houston City Council. These scenarios will provide a means to assess the efficacy of the current, known tools to bridge financial gaps and help identify the best means of financing approaches as needed.

We hope you will consider participation in the phase one feasibility study of the Office Conversion Program to be undertaken by the DRA. **Please contact CHI by [date] to express your interest and further discuss the opportunity.** We expect to have a final list of owner participants by [date] to permit the DRA to advertise an RFP for the feasibility study by [date].

We look forward to hearing from you and answering your questions.

## **2. Additional timeline information for the program, and multiple phased approached**

- Phase 1 (Feasibility Study): Work with a certain number of buildings that meet specific criteria to develop pro formas for multiple adaptive reuse scenarios.
  - i. Comments: These scenarios will provide us with a sensitivity analysis to help determine the efficacy of the current, known tools to bridge financial gaps and/or help make the case for other tools/creative financing approaches as needed.
  - ii. Funding: The Downtown Redevelopment Authority/Tax Increment Reinvestment Zone Number Three (DRA/TIRZ #3) will be funding the feasibility studies for the selected buildings.
  - iii. Consultant selection: The Downtown Redevelopment Authority/Tax Increment Reinvestment Zone Number Three (DRA/TIRZ #3) will select the third party consultant for the feasibility study through a public Request for Qualifications (RFQ).
- Phase 2 (Agreement): Upon completion of the feasibility studies, CHI staff will work with necessary agencies to develop a customizable incentive solution.

- i. Comments: Please note that this is a governmental process and timeline is subject to statute.

TAB 7

# Urban Alchemy



# Conditions

San Francisco Tenderloin District  
Covid exposed the extent

Housing shortage  
Spiraling living expenses  
Cheap available drugs

Chronic conditions  
Mental Health challenges









# City Fostered

Began  
Tenderloin work  
in August 2021  
-- Phase 1

Hired through  
Mid Market  
Business  
Association

Grants from  
City of San  
Francisco



## Boundaries of the Work



24 blocks

Activating block faces

80-100 Practitioners

# Mid-Market Community-Based Safety Program



Peers - Relatability &  
Emotional Intelligence

Engage in assigned areas

Stewardship over the area

Maintain approachability

Negotiate negative  
behavior

**Practitioners**

# Organizational Clarity

Values

Commitments





URBAN  
ALCHEMY  
OASIS

# VALUES

RESPECT

INTEGRITY

EMPOWERMENT

EMPATHY

SELF - DISCIPLINE

SELF - CONTROL

SELF - CARE



URBAN  
ALCHEMY  
OASIS

BE KIND

BE COMPASSIONATE

DO THE WORK





# FOUR PILLARS



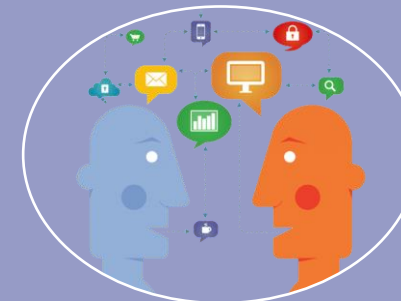
SAFETY



CLEANLINESS



ACTIVATION



COMMUNICATION



# 1. Safety

Establishing nonthreatening atmosphere on the street  
Building relationship of trust

Work the person, not the dispute  
Not enforcement or security

De-escalating street tensions  
Creating space for better guest receptivity  
Create space for all others to feel safe moving through the area

Actively intervene to establish relative comfort  
Address threatening and predatory behavior

Call upon traditional enforcement-policing if de-escalation fails or  
situation assessed as too dangerous









## 2. Cleanliness

Maintain the physical environment

Clean trash, drug paraphernalia, needles, waste

Manage guests when street cleaning crews are deployed

Provide and manage shower trailers and facilities

Provide and manage toilets

Provide separate "oases" using public & private spaces





*Elm & Larkin/  
Before*



730 O'Farrell /  
After



Olive Alley/  
Before



*Olive Alley /  
After*

# 3. Activation



Remake & redefine public space; sidewalks are primary focus of the public realm; activation requires constant presence & engagement



Remake adjacent spaces as congregant gathering places apart from the sidewalks



Oasis: creation of dog parks, rest spaces with furniture, showers, toilets, coffee and donuts provided, Practitioners available to connect



Activating safe and clean passage on sidewalks for ALL









# 4. Communication

75  
Intentional, frequent, non-confrontational levels of communication to establish trust

Trust engenders receptivity toward continuum of care, treatment, housing.

Engagement & interaction takes the guest "where they are"

Engagement not limited to unhoused: shopkeepers, tourists, apartment dwellers





# Accountability



927012

Flushes Year to Date

14624

Showers Provided Year to Date

13

Cities Served

8

Safe Sleeping Sites

436

Overnight Guests Daily

996

Urban Alchemy Practitioners

68825

Positive Engagements

5540

De-escalating Interventions

162

Overdose Reversals Year to Date

282

Tons of Trash Disposed Year to Date



44115

Needles Disposed Year to Date

600

+

Lives Practitioners Saved

# HOUSTON COMPARATIVES

Practitioners work appears to intersects with current programs in Houston.

- ❖◦ **Cleanliness** – BBB, HDMD, contract cleaning crews; UA cleanliness patrols were constant and regular, micro-managed.
- ❖◦ **Safety** – SEAL provides security and enforcement, HPD provides enforcement and arrest powers; UA establishes calm for unhoused as well as housed; dialing down the frenetic street vibration.
- ❖◦ **Communication** –Coalition, SEARCH and PIT teams work to establish a continuum of care, assistance, housing; UA establishes relationships to calm the street and advance receptivity of guests to SEARCH care.
- ❖◦ **Activation** – redefines the public & private spaces for guests that is calming, reducing the anxiety for the unhoused and housed.

**TAB 8**

Date: 6/14/2022

<b>CAPITAL PROJECTS</b>	
Allen Parkway Improvements	Ongoing maintenance agreement with Downtown District has been extended for an additional 5 years through May 2027. Staff is currently finalizing the Agreement with the City.
Bagby Street Improvements	Construction contract executed with Main Lane Industries, Ltd.; construction began mid-January 2020. Substantial completion achieved November 2021; Contractor has corrected punch list items towards final completion.
Lynn Wyatt Square for the Performing Arts (Jones Plaza)	Construction contract executed between Houston First and Manhattan Construction; kick-off ceremony occurred on May 14, 2021, with construction started in late May. DRA staff holds bi-weekly progress meetings and at least one site meet per month with Houston First.
Trebly Park	Construction contract executed with Structura; construction began mid-March 2021; estimated completion and park opening in early September 2022. Current work includes interior buildout of café, kitchen equipment installation, millwork and finishes, site utilities, fencing, landscaping, and hardscape.
<b>ECONOMIC DEVELOPMENT AGREEMENTS</b>	
Buffalo Bayou Downtown Trail East	Financial contribution approved by Board in March 2019; MOU executed; first grant reimbursement processed November 2019. Western portion of trail under-construction, eastern portion of trail in re-design due to unstable bayou banks.
Post Houston	Primary construction completed with grand opening held on November 13, 2021. EDC reviewed proposed First Amendment to the Agreement on May 6, 2021, DRA Board review May 18, 2021; the First Amendment is fully executed. Staff has initiated ongoing working group meetings with Lovett and Blackwood Farms, has provided letters of support for an FDA grant to structure the success of the farm component of the POST Project. Staff currently working to reconvene the Barbara Jordan Plaza Advisory Committee to work with Lovett to shape the entrance to the POST.
Amegy on Main / Downtown Launchpad	Staff is continuing to work closely with the resident tenants/licensees on different community initiatives and continuing the ongoing compliance monitoring of the performance and licensing agreements.
gener8tor	Staff is continuing ongoing performance and licensing agreement compliance monitoring; gener8tor's spring cohort is coming to an end and the team expects to start recruiting for the fall cohort in July.
MassChallenge	Staff is continuing ongoing performance and licensing agreement compliance monitoring; MassChallenge is currently in the process of evaluating applications for their 2022 cohort, scheduled to begin in July.
Impact Hub Houston	Staff is continuing ongoing performance and licensing agreement compliance monitoring.

The Cannon	Staff is continuing ongoing performance reviews of the Cannon operations and maintenance agreement for The Downtown Launchpad. <sup>85</sup>
Houston Angel Network	Pursuant to the Board's authorization staff is continuing to work with the HAN on finalizing terms.

**RESIDENTIAL**

Block 387 – Fairfield Residential	Construction is progressing; the garage is complete, and the framing has topped out. Exterior masonry and windows installation is in progress. MEP rough-ins and interior drywall in progress. The DRA Board approved a requested extension of time to August 31, 2022 for completion of the project.
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**NORTH HOUSTON HIGHWAY IMPROVEMENT PROJECT (“Project”)**

Central Houston staff met virtually with the Federal Highway Administration (FHWA) on March 14, 2022 to discuss Central Houston's work and proposals regarding Segment 3 of the Project. FHWA requested cost-estimates for the proposed Civic Opportunities in Segment 3, which Central Houston supplied to FHWA on April 7, 2022. Central Houston continues to discuss and share its work with various stakeholders to the Project.

Currently, the Project pause continues but for the Midtown and Third Ward sections, segments 3A & 3B respectively. TxDOT will begin monthly design meetings on segment 3A in the coming weeks and is moving forward on the design components for the signature bridges between Midtown and Third Ward. Central Houston continues to participate in this work.

On November 15, 2021, the Harris County Commissioners voted unanimously to request the County Attorney to file a stay of the March federal lawsuit brought by the County against TxDOT, permitting the parties to enter into negotiations regarding the environmental and park land concerns voiced in the lawsuit. That lawsuit remains stayed with status reports from the parties every 30 days.