



Downtown
Redevelopment
Authority

Board of Directors Meeting
December 12, 2023

Tax Increment Reinvestment Zone, Number Three
City of Houston

Board of Directors Meeting
December 12, 2023

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

October 10, 2023

The Board of Directors (the “Board”) of the Downtown Redevelopment Authority (the “Authority”) convened in regular session, in person and open to the public, inside the Large Conference Room at the Authority’s office, located at 1221 McKinney Street, Suite 4250, Houston, TX 77010, on the 10th of October 2023, 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
Keith Hamm	Treasurer
Regina Garcia	Director
James Harrison	Director
Sherman Lewis	Director
Tiko Reynolds-Hausman	Director
William Taylor	Director

and all of said persons were present except for Secretary Mandel, and Directors Hausman and Lewis. Also present were Allen Douglas, Executive Director (“ED”); Kris Larson, President; Jana Gunter, Director of Finance; and staff members Brett DeBord, David Gwin, Luis Nunez, Jamie Perkins, Albert Sanchez, Ann Taylor and Candace Williams, all with the Authority; Algenita Davis and Ryan LeVessuer, consultants to the Authority; and Clark Lord, outside counsel to the Authority.

Also in attendance were guests and presenters Alyssa Hill with Carr, Riggs & Ingram; Hunter Gillaspie, Chris Law, and Zhendong (Jayden) Long with AECOM; Shreya Patel and Bao Tran with Harrison Kronberg; and Andrew Busker with the City of Houston’s Office of Economic Development.

DETERMINE QUORUM; CALL TO ORDER

Chair Flowers conducted a roll call and quorum was established. The meeting was called to order at 12:10 PM.

INTRODUCTION OF GUESTS AND PUBLIC COMMENTS

Chair Flowers invited meeting attendees to introduce themselves and welcomed all. Next, he asked if there were any comments from the public. There were no comments from the public.

MINUTES OF PREVIOUS MEETING

The Board considered approving the minutes of the September 12, 2023 regular joint board meeting. A request for a revision to page 4 was made. In the paragraph under the heading “*Next Meetings*”, the date “*September 12, 2023*” needs to change to “*October 12, 2023*”. This revision was noted and will show the October date in the final signed minutes.

Chair Flowers then called for a motion, moved by Director Harrison, and seconded by Vice Chair Sabino, and the minutes of the September 12, 2023 regular joint board meeting were approved as revised.

FINANCE & ADMINISTRATION

Check Register - September 2023

Chair Flowers asked Jana Gunter to provide the finance and administration updates. Ms. Gunter shared highlights from the check register for the month of September 2023. Questions were asked and answered.

A motion to accept the September 2023 check register was entertained by Chair Flowers; moved by Director Harrison, seconded by Treasurer Hamm, and the September check register was accepted as presented.

Financial Statements – 1Q24

Chair Flowers invited Jana to continue and she shared highlights from the 1Q24 Financial Statements. Ms. Gunter then asked if there were any questions or comments. There were no questions or comments. A motion to accept the 1Q24 Financial Statements was called by Chair Flowers; moved by Director Harrison, and seconded by Treasurer Hamm, and 1Q24 Financial Statements were accepted as presented.

Investment Report – 1Q24

Ms. Gunter continued and provided updates from the 1Q24 Investment Report, then called for questions. There were no questions or comments. Chair Flowers called for a motion to accept the 1Q24 Investment Report; moved by Treasurer Hamm, seconded by Director Garcia, and the 1Q24 Investment Report was accepted as presented.

Draft FY23 Audited Financial Report

Chair Flowers had Ms. Gunter continue, and she introduced Alyssa Hill with Carr, Riggs & Ingram. Together, they reviewed and opened discussion on the draft FY23 Audit Report for the Authority. Questions were raised and answered, then President Larson recognized and thanked Ms. Gunter and her team for their hard work on another successful audit. Upon a motion duly made by Director Harrison, and seconded by Treasurer Hamm, the Board accepted the draft FY23 Audit Report as presented.

AECOM FINDINGS ON ADAPTIVE REUSE/OFFICE CONVERSION FEASIBILITY PROJECT

ED Douglas opened discussion and invited Hunter Gillespie and Chris Law of AECOM to share a presentation on their findings for the adaptive reuse/office conversion feasibility project. Misters Gillespie and Law gave a thorough presentation, which contained detail related to market context, methodology and AECOM's recommendations on moving forward with the project. A lengthy discussion ensued, and questions were asked and answered. ED Douglas concluded by noting AECOM's full report will be available later in the month and further discussion will occur when AECOM shares this same content at the October 18th Thrive Committee meeting. No action was required.

STRATEGIC ALIGNMENT UPDATES

President Larson provided an overview of the prior month's progress on cross-organizational Strategic Initiatives. Questions were asked and answered. No action was needed.

OTHER BUSINESS

Chair Flowers reminded the Board of the 2023 State of Downtown/Annual Meeting scheduled for Thursday, November 2nd. No further business was brought forth before the Board.

NEXT MEETINGS

Chair Flowers announced dates for upcoming Board and Committee meetings as follows:

- Enhance Downtown – Monday, **October 16th** at **12:00 PM**
- Connect Downtown – Tuesday, **October 17th** at **12:00 PM**
- Thrive Downtown – Wednesday, **October 18th** at **12:00 PM**
- Engage Downtown – Thursday, **October 19th** at **12:00 PM**
- Board of Directors – Tuesday, **November 14th** at **12:00 PM**

ADJOURNMENT

There being no further business to come before the Board, a motion was called to adjourn at 1:44 PM.

Barry Mandel, Secretary
Downtown Redevelopment Authority
("Authority")

**MINUTES OF THE REGULAR MEETING
OF THE
TAX INCREMENT REINVESTMENT ZONE NUMBER THREE**

October 10, 2023

The Board of Directors (the "Board") of the Tax Increment Reinvestment Zone Number Three (the "Zone") convened in regular session, in person and open to the public, inside the Large Conference Room at the Zone's office, located at 1221 McKinney Street, Suite 4250, Houston, TX 77010, on the 10th of October 2023, and the roll was called of the duly constituted officers and members of the Board, to wit:

Curtis Flowers	Chair
Michele Sabino	Vice Chair
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ADJOURNMENT

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Barry Mandel, Secretary
Tax Increment Reinvestment Zone
Number Three ("Zone")

Check register for October 2023



- Total checks issued in October 2023 were \$1.5M
 - Main Lane Industries
 - Retainage Payout - \$470,522
 - DLI Payments
 - SPUS9 HSTN South Tower LP - \$306,575
 - SPUS9 HSTN North Tower LP - \$305,569
 - Gener8tor Management
 - Economic Development Grant - \$250,000
 - Central Houston, Inc.
 - Administrative Contractors - \$115,120



Check register for November 2023

- Total checks issued in November 2023 were \$614K
 - DLI Payments
 - HM Market Square, LLC - \$369,233
 - Central Houston, Inc.
 - Administrative Contractors - \$120,635
 - Buffalo Bayou Partnership
 - Downtown Trail - \$58,346
 - AECOM Technical Services, Inc.
 - Office Conversion Study - \$51,000
 - Main Lane Industries
 - Trebly Park - \$11,916

DRA/ TIRZ #3 PAID INVOICE DETAIL: OCT 2023

OPERATING ACCOUNT			
PAYEE	CHECK	MEMO	AMOUNT
Central Houston, Inc	3102	Payroll	\$ 115,120.10
SPUS9 HSTN South Tower LP	3106	DLI Payout	\$ 306,575.00
SPUS9 HSTN NorthTower LP	3107	DLI Payout	\$ 305,569.00
Bracewell LLP	7128289	General counsel	\$ 1,407.50
Main Lane Industries	7128293	Bagby Street Improvement Project	\$ 470,522.32
Gener8tor Management	77128291	gBETA sponsorship	\$ 250,000.00
Ryan M. LeVasseur	8599134	Professional services - August 2023	\$ 20,000.00
Ryan M. LeVasseur	8613839	Professional services - September 2023	\$ 20,000.00
Bee-Line Delivery Service	8613841	Courier services	\$ 34.46
W.M. Jones & Company	9330599	Endorsement adding McKinney+Main St.	\$ 462.00
Quiddity Engineering, LLC	9330601	Professional services Sept 2023-Oct 2023	\$ 1,221.51
		GRAND TOTAL:	\$ 1,490,911.89

MAIN STREET MARKET SQUARE
 AP Check Register (Current by Bank)
 Check Dates: 11/1/2023 to 11/30/2023

Check No.	Date	Status*	Vendor ID	Payee Name	Amount
BANK ID: OP - JPMORGAN CHASE BANK, N.A.					101.000
* 3108	11/01/23	P	3025	CENTRAL HOUSTON, INC	\$120,634.53
*					
3114	11/20/23	P	3650	HM MARKET SQUARE, LLC	\$369,233.00
* 2305923	11/14/23	M	2100	BUFFALO BAYOU PARTNERSHIP	\$58,346.21
*					
* 2305925	11/14/23	M	1175	AECOM TECHNICAL SERVICES, INC	\$51,000.00
*					
* 235927	11/15/23	M	6015	MAIN LANE INDUSTRIES	\$11,916.16
*					
* 651140	11/07/23	M	3000	CARR RIGGS & INGRAM	\$2,500.00
*					
BANK OP REGISTER TOTAL:					\$613,629.90
GRAND TOTAL :					\$613,629.90

* Check Status Types: "P" - Printed ; "M" - Manual ; "V" - Void (Void Date) ; "A" - Application; "E" - EFT

** Denotes broken check sequence.



Tax Increment Reinvestment Zone #3

2024 Schedule of Board of Directors Meetings

Meetings will be held on the ***second Tuesday*** of each month from 12:00 - 1:30 p.m. in the DRA/TIRZ #3's office, located at 1221 McKinney Street, Suite 4250, inside the H-Town Conference Room, **unless otherwise indicated.**

January 9	<i>July 9*</i>
February 13	August 13
March 12	September 10
April 9	October 8
May 14	November 12
June 11	<i>December 10*</i>

**Tentative (July & December)*

2024 Schedule of the Enhance Downtown Committee Meetings

Meetings will be held on the ***third Monday*** of each month from 12:00 - 1:30 p.m. in the DRA/TIRZ #3's office, located at 1221 McKinney Street, Suite 4250, inside the H-Town Conference Room, **unless otherwise indicated.**

2024 Schedule of the Connect Downtown Committee Meetings

Meetings will be held on the ***third Tuesday*** of each month from 9:00 - 10:00 a.m. in the DRA/TIRZ #3's office, located at 1221 McKinney Street, Suite 4250, inside the H-Town Conference Room, **unless otherwise indicated.**

2024 Schedule of the Thrive Downtown Committee Meetings

Meetings will be held on the ***third Wednesday*** of each month from 12:00 - 1:30 p.m. in the DRA/TIRZ #3's office, located at 1221 McKinney Street, Suite 4250, inside the H-Town Conference Room, **unless otherwise indicated.**

2024 Schedule of the Stakeholder Engagement Committee Meetings

Meetings will be held on the ***third Thursday*** of each month from 12:00 - 1:30 p.m. in the DRA/TIRZ #3's office, located at 1221 McKinney Street, Suite 4250, inside the H-Town Conference Room, **unless otherwise indicated.**

2023 Schedule of Budget and Finance Committee Meetings

Meetings are held **at least twice** a year from 12:00 – 1:30 p.m. in the DRA/TIRZ #3's office, located at 1221 McKinney Street, Suite 4250, inside the H-Town Conference Room, **unless otherwise indicated.**

March 26

September 24

2024 Schedule of Executive Committee Meetings

Meetings are held on an **as needed basis** in the DRA/TIRZ #3's office, located at 1221 McKinney Street, Suite 4250, inside the H-Town Conference Room, **unless otherwise indicated.**

For additional information, contact:

Jamie Perkins

Executive Assistant & Paralegal

jamie@downtowntirz.com

PROJECT NAME	SCI Headquarters Infrastructure & Resiliency Project Proposal
REQUEST	Through recommendation of the Executive Committee, the Committee requests the DRA Board of Directors consider SCI's request for DRA/TIRZ3 financial assistance – through incremental tax reimbursement in line with the Board's Development Agreements Policies and Guidelines – to cover specific infrastructure and resiliency components integral to SCI's construction project to build a new headquarters on their property along Allen Parkway. These proposed infrastructure and resiliency components have established beneficial effect on the neighborhood watershed.
DESCRIPTION	SCI proposes to construct a new headquarters on part of approximately seven acres of land they own along Allen Parkway. The necessary precursor to the construction of the building is the preparation of infrastructure and resiliency components. SCI proposes a new storm sewer system built to the required Atlas-14 flood standards, detention vaults to ease the rate of runoff during storms, and bioswales on the property, all as part of the resiliency infrastructure components leading up to the construction of the SCI headquarters. SCI also proposes sidewalk and roadway infrastructure improvements concurrent or following the building construction. SCI has, through Walter P. Moore and other consultants, performed resiliency studies to establish the benefit of the resiliency infrastructure work to the public beyond the SCI property itself, benefits that encompass the area watershed. The construction is expected to increase the valuation of the parcel by at least \$150MM once completed. The estimated cost of the infrastructure and resiliency work is \$15,653,756.
PROJECT HISTORY	SCI had considered a more ambitious construction project in 2019 but have scaled back their proposal to focus on the headquarters construction and infrastructure work.
ACTION ITEM	Recommend the DRA Board review, discuss, and authorize staff to enter into negotiations with SCI to form a development agreement -- through incremental tax reimbursement in line with the Board's Development Agreements Policies and Guidelines -- to assist SCI in funding the cost of the specific infrastructure and resiliency components discussed in SCI's proposal for an amount not to exceed \$13,800,000.
CONTACTS	CHI: Kris Larson, President CHI: Allen Douglas, Chief Operating Officer & DRA Executive Director

DRA PRIVATE DEVELOPMENT AGREEMENTS POLICY AND CRITERIA

Downtown Redevelopment Authority Private Development Agreements Policy and Criteria

Purpose: To establish policy and criteria outlining necessary and sufficient conditions to assist the Downtown Redevelopment Authority (“Authority” or “Board” or “DRA”) & staff when considering development agreements proposed by private parties to jointly fund eligible developments.

These agreements typically take the form of economic development reimbursement contributions, whether the reimbursement is authorized as a direct payment reimbursing eligible costs (as with the façade grant program) or as an indirect payment as a percentage of a property’s tax bill reimbursed yearly upon proof of tax payment (as with the Downtown Living Initiative program).

Goal: To create a fair, clear, and predictable process for evaluating private capital investment that conforms with the Authority’s Project Plan and Strategic Alignment Plan and adheres to state and local legal requirements in a way that serves to maximize the public benefit of reimbursed tax increment funds via a private development.

Fair policy and criteria support equitable decision-making from the Authority both across differing private development proposals and between those proposals and requests for Zone funds from competing needs in separate DRA projects. Fair policy and criteria also enhance the certainty among private developers that their eligible proposals will receive appropriate review.

Clear policy and criteria assist the Authority in reasonably and objectively reviewing the viability of proposals and authorizing the use of incremental tax funds generated within the Zone. Authority adopted policies and criteria also provide applicants and the public with clear expectations regarding the Authority’s considerations for requests to participate.

Predictable policy and criteria enhance Authority decision-making by highlighting those private development projects most promising to the public while underscoring specific areas for further negotiation. Predictable policy and criteria also foster private investment within the Zone by maximizing rationality in the deployment of public funds into qualifying private developments.

General: The Authority continues to encourage and facilitate strategic new private investment in Downtown Houston within the designated boundaries of the

Zone. The DRA Board has the authority to support the development or redevelopment of properties in the Zone by entering into development agreements that provide Zone benefits including reimbursement to private entities incurring the costs of certain, eligible expenses. The Authority has precedent for participating in private development agreements within the terms of an established program, as it did with the Downtown Living Initiative. The Authority may also consider engaging in private development agreements on a case-by-case basis within the terms of the policy and criteria established herein. In all instances, eligible expenses put forth by private development must directly involve public infrastructure or sufficiently reflect a provable public purpose.

[Board authority derives from Texas Constitution, Article III, Sec. 52(a), Texas Tax Code 311, City Ordinance 2005-1051]

Funding:

The Authority collects funds for use toward public improvements and eligible programs through its designated Tax Increment Reinvestment Zone. Tax increment is captured tax revenue based on the difference between the initial taxable value of a property assessed at the time that property is annexed into the Zone and any increased assessed taxable value that may have resulted from market valuation increases, as well as direct and adjacent new investment.

Public Infrastructure

And

Public Purpose:

In consideration of development projects in the Zone which will address blight, enhance property values and tax revenues, produce additional jobs, and align with the Project Plan amendments affirmed by City Council, the Authority may determine that it is in the best interests of the Zone and the City to enter into an economic development benefits agreement with a private entity for reimbursement of eligible public infrastructure and/or public purpose costs associated with a capital project.

Public Infrastructure:

The Authority may enter into an agreement that it considers necessary to further the Project Plan and Reinvestment Zone Financing Plan and achieve the Zone's purpose pursuant to that Plan. The Zone may dedicate, pledge, or otherwise provide for the use of revenue in the tax increment fund to pay any project costs that benefit the Zone, including but not limited to project costs relating to the cost of affordable housing, areas of public assembly, the remediation of conditions that contaminate public or private land or buildings, the preservation of the facade of a private or public building, the demolition of public or private buildings, public educational facilities, transit facilities, or the construction of a road, sidewalk, or other public infrastructure, such as but not limited to public sanitary sewer and storm water systems, landscaping including tree canopy, traffic lights and streetscape, vegetation, lighting, way-finding, trash receptacles and benches within the boundaries of a Zone.

[Board authority derives from Section 311.010(b) of the Texas Tax Code]

Public Purpose:

The Authority has the power to enter into agreements that benefit the public purpose of the Zone and also advance business and commercial activity in the Zone. The Authority may provide contributions for a project to induce investment in the Zone, so long as that induced investment carries sufficient public purpose, which may include developing and diversifying the economy of the Zone, eliminating unemployment and underemployment in the Zone, and developing or expanding transportation, business, and commercial activity in the Zone, including programs to make grants and loans from the tax increment fund of the Zone in an aggregate amount for activities that benefit the Zone and stimulate business and commercial activity in the Zone.

[Board authority derives from and must adhere to Article III, Section 52(a) of the Texas Constitution, Section 311.010(h) of the Texas Tax Code, and City Ordinance No. 2005-1051]

The expenditure of public funds accomplishes a public purpose when:

- (1) the expenditure's predominant purpose is to accomplish a public purpose, not solely to benefit private parties; and,
- (2) the Authority or other public entity retains public control over the funds to ensure that the public purpose is accomplished and to protect the public's investment; and,
- (3) the Zone or other public entity is ensured of receiving a return benefit.

Expanding upon these three requirements:

(1) The Authority has the right and responsibility to determine whether a public purpose is served by a particular expenditure, and to respond to any proposed development agreement accordingly. Benefits from a private development agreement may be recognized as serving both a private and public purpose, and an expenditure which incidentally benefits a private party is not invalidated if it is made for the direct accomplishment of a legitimate public purpose. Thus, an incidental benefit to a private developer is acceptable if, in the opinion of the Authority, the agreement is predominantly for the direct accomplishment of a legitimate public purpose in the Zone.

(2) The Board has the authority and responsibility to see that sufficient controls are established when designating the use of public funds to ensure that the expenditure serves a public purpose. The form in which sufficient control takes place varies by application.

(3) What constitutes a sufficient return benefit in any given case will

depend on a number of factors with the ultimate consideration being a project's consistency with the Authority's Project Plan amendments and Strategic Alignment Plan. Sufficient return benefit, under this consideration, need not be equal but there must not be such a gross disparity in the return benefit as to suggest unconscionability, bad faith, or fraud.

Guidelines:

The following policy guidelines are meant to establish parameters to assist the Authority in its decision-making processes as well as to provide direction for those in the private sector seeking public funds. In order for an economic redevelopment project to be eligible to receive DRA assistance, it must satisfy all of the following criteria:

1. The project site must be located within the boundary of the Zone as designated by City Council. A map of the current Zone boundaries is attached as MAP 1. While not legally required, currently all property within the Zone is contiguous.
2. The proposed redevelopment must conform to all building codes, permits, and City Ordinances.
3. The proposed redevelopment must result in the retention and/or creation of permanent jobs, or the addition of residential units within the Zone as determined by the Board. Each development agreement will contain provisions for compliance.
4. To satisfy the requirement of "return benefit" and accomplish a public purpose, the proposed redevelopment must involve significant private investment so as to assure adequate yield of tax increment financing revenues. As determined by the Board, construction related to private investment must yield such captured valuation as to exceed any committed Zone funds by at least five-fold. Thus, for each 1 million committed by the Zone the related private investment yields an incremental valuation increase of 5 million. The Board may adopt "return benefit" considerations that involve 'areas' of need within the Zone, such as workforce or affordable or accessible housing; institutional accommodations such as educational facilities; enhanced connectivity benefits; or, retail opportunities that address access and equity such as grocery, pharmacy, or medical facilities.
5. Pursuant to the Board's review and amendment, the maximum time period in which expenses are eligible for reimbursement from the Zone for any one project shall not exceed fifteen years from

the inception of the first year of reimbursement.

6. Authority assistance shall be administered and paid to the ownership entity on a reimbursement basis and will be fully described in the development agreement between the Authority and developer. The agreement shall be written in accordance with the terms of this policy and will serve as a legally binding contract, which will enjoy the full effect of law. The agreement will include a schedule of estimated annual reimbursement payments.
7. Subject to the other limitations of this policy, the amount of eligible and captured incremental tax value contributed through reimbursement shall not exceed 80% of the yearly assessed tax on the project property.
8. In the event of a transfer or sale of the property, the development agreement may be assigned to the new owner of the property with prior written consent by the DRA. The proposed new buyer shall be required to submit information to the Authority regarding proposed job and/or residential additions and any other information required by the Authority for it to make a determination regarding the assignment of the agreement. Such an assignment will be in accord with the guidelines and the executed agreement and will not be unreasonably withheld.
9. The developer shall provide a pro forma analysis of the project to the Authority's legal counsel. Said analysis shall be used, in part, to verify the need for reimbursement and reasonableness of the request.
10. Integral to any project proposal, the developer shall provide specific analysis in support of any claim of 'public improvement' for which it seeks reimbursement whether claimed as public infrastructure or public benefit. Support for such a claim may be satisfied through the clear application of designated easements, public covenants, or prior and continued public ownership. Developer shall assume responsibility for the maintenance and operation of all property to which developer has granted easements or covenants to a public entity.
11. If approved by the Authority Board, eligible costs for off-site public infrastructure may also be eligible for payment of accrued interest on unpaid reimbursable costs at an agreed upon rate of interest. Off-site public infrastructure shall be located outside of the project building typically in the public rights of way or public easements, or on public property. Interest will accrue from the

later date of the developer having paid for the eligible cost item or the Authority having begun to capture project tax increment revenues.

12. Each development agreement shall designate a milestone event that signifies project completion (such as the issuance of a temporary certificate of occupancy). That event will vary depending upon the type of project, but it shall be fair, clear and predictable for all parties.
13. Reimbursement under the terms of an agreement shall not begin before the first full year of tax assessment after project completion.
14. If approved by the Authority Board, eligible expenses for on-site public facilities are eligible for reimbursement without interest. Reimbursement shall not begin until the Authority has begun to capture project tax increment revenues.
15. The obligation of the Authority to reimburse the developer for eligible costs shall be subordinate to existing and future debt obligations of the Authority. To the extent that other debt obligations reduce the ability of the Authority to reimburse the developer, the term of reimbursement may be extended for an appropriate period of time to assure reimbursement.
16. The developer shall prepare or cause to be prepared the plans and specifications for the public improvements – whether designated as public infrastructure or public benefits -- as described in the development’s project costs as applicable and submit the same to the Authority for approval. The Authority shall approve or reject the proposed plans and specifications within thirty (30) business days of submission. In the event of the rejection of the plans and specifications, the Authority shall include specific reasons for such rejection in writing. The Authority and developer each agree to exercise commercially reasonable efforts to promptly resolve any objections to the proposed plans and specifications. On approval of the plans and specifications by the Authority, the same shall constitute the final plans and specification. Any modifications (other than corrective changes) to the Final Plans and Specifications shall be submitted to the Authority for its reasonable approval. For purposes hereof, “corrective changes” mean any necessary and reasonable changes required to correct defects or deficiencies in construction as originally contemplated by the plans and specifications, or as may be necessary to obtain required permits, inspections or approvals from governmental authorities.

17. The Authority shall pay the reimbursement to the ownership entity of the project in annual installments by October 1st of each year beginning no sooner than the first full operating year after the agreed upon event that marks the project completion and ending under the terms of the agreement, subject to and conditioned upon the following:
- (i) no later than September 1st in the First Full Operating Year, the ownership entity shall provide to the Authority:
 - (a) three (3) full and complete sets of final “record” drawings for the project, including public improvements, whether public infrastructure or public benefits, and
 - (b) a summary of all project costs eligible for reimbursement that accurately details related expenses, receipts for qualifying expenses, plus appropriate releases and lien waivers in forms acceptable to the Authority; and
 - (ii) no later than September 1st in each calendar year beginning with the first full operating year, the ownership entity shall annually provide to the Authority:
 - (a) evidence that all ad valorem taxes due to all taxing jurisdictions for the present or future tax account or accounts relative to the project have been paid in full; and
 - (b) evidence that the ownership entity still operates the project for the use as funded under the agreement; and
 - (c) evidence that the public improvements are built and maintained in accordance with the development agreement, final plans and specifications including compliance with all City regulations; and
 - (d) evidence that the public has sufficient and appropriate access to the public benefits identified in the agreement; and
 - (e) any other information reasonably requested by the Authority and related to the public improvements.

18. The DRA has the authority to create a designated fund from portions of a project's incremental increase in value. The Board may consider that achieving a sufficient degree of public benefit may include the creation of a designated fund established prior to the triggered reimbursement payments and comprised of the development tax increment produced by a project. The designated funds shall be earmarked for public infrastructure and public purpose projects authorized by the Authority to address public community enhancement to the development. The terms of such a fund would be established within the development agreement.

Policy

Changes:

These guidelines may be modified or waived by the Authority at any time, and without notice. The Executive Director shall periodically perform a review of the guidelines and prepare a report recommending any changes to the policy necessary to improve the effectiveness of the policy. The Executive Director may recommend elimination of the policy if financial conditions warrant if the goals of the policy are deemed to be accomplished or based on other factors.

Contact for more information:

Allen Douglas, Executive Director
Downtown Redevelopment Authority
Tax Increment Reinvestment Zone No. 3
1221 McKinney Street
Suite 4250
Houston, Texas 77010

TEL: 713-650-1470
CELL: 216-375-8447
e-mail: jadouglas@downtowntirz.com

SCI CAPITAL DEVELOPMENT PROPOSAL

SCI Headquarters Development Agreement Proposal

Service Corporation International (“SCI”) seeks to define the intent of their proposed headquarters project, as well as to further define the public infrastructure that is eligible for reimbursement pursuant to the Downtown Redevelopment Authority (“DRA”) Private Development Agreements Policy and Criteria.

SCI’s goal in seeking a development agreement is to support the construction of a new resilient headquarters for SCI (“Phase 1”) that will allow it to retain its headquarters along Allen Parkway along with 900 jobs within the DRA for the next fifty years. These jobs will be an important economic driver for Downtown Houston and provide economic diversity from a non-energy publicly traded Fortune 1000 company. The development of SCI’s headquarters will provide significant benefits to the DRA and is congruent with the DRA’s goals of attracting employment and commerce to the area. To quantify it, SCI headquarters project will provide a significant rate of return with an incremental valuation increase of nearly \$11 million for each \$1 million invested by the DRA. The 900 employees will stimulate commercial activity within the area and provide a base for future development.

However, significant public improvements are required to make the site resilient to the type of flooding that SCI has experienced along Buffalo Bayou over the last 20 years. SCI is seeking to develop property that is currently within the floodway and 100-year floodplain creating significant barriers to development. Building a headquarters on a parcel outside of the floodway in a more traditional area or suburban market would likely cost 20% less than constructing on this land. Significant public improvements are required to develop the site and these improvements will provide benefits to the surrounding community through flood mitigation and improved public infrastructure as well as unlocking 4.7 acres for development that are currently undevelopable. Through this document, SCI seeks your review of the public infrastructure costs of Phase 1, the public benefits provided, and how they enable future development.

Service Corporation International:

SCI was founded in Houston in 1962 by Robert L. Waltrip and has since grown to become a publicly traded company and North America’s leading provider of funeral, cremation, and cemetery services. SCI has made Houston its home since its inception, has been headquartered along Allen Parkway for fifty years and is hoping to make Allen Parkway its home for fifty more. However, SCI faces significant challenges in its current space. During Tropical Storm Allison and later Hurricane Harvey, SCI’s current building was severely damaged by flooding, as shown by the pictures attached here as **Exhibit A**.¹ After Harvey, SCI’s headquarters was unusable for months, at which point SCI began exploring options for a more resilient building. After Hurricane Harvey, the site of the former KHOU studios, labeled as “West Parcel” on **Exhibit B**, which is adjacent to SCI’s existing headquarters, came up for sale and was purchased by SCI to explore the possibility of constructing a new resilient headquarters. The KHOU site faced similar flooding issues and the news station was forced to relocate to another site outside of the DRA after several flood events, several of which were captured live on air in dramatic fashion. To maintain its headquarters along Allen Parkway, SCI requires a new resilient headquarters and is in the process of designing a new, flood resilient headquarters that will reside on the KHOU site.

SCI’s goal is to remain on Allen Parkway for the long-term, keeping the aforementioned jobs in a non-energy industry sector in the heart of Houston. This project is unique as it is not a real estate developer seeking a return for investors, rather it is a large company making an investment in Houston’s future. SCI also believes that their headquarters site will become a model for resilient development in Houston. The

¹ **Note to Draft:** SCI to provide pictures of flooding to include.

plans would take two properties that faced severe flooding damage during Hurricane Harvey, Tropical Storm Allison, and other flood events and lift them out of the floodplain opening up currently undevelopable land for development generating taxable value. Additionally, as described in detail below, the plans create significant public benefits by improving the drainage and flood resiliency of area (bounded by West Dallas Street on the South, Allen Parkway on the north, Taft Street on the east, and Stanford Street on the west) and not just SCI's existing site and the KHOU site. The project will be an economic engine for the city and the DRA. However, the costs to keep SCI headquartered on Allen Parkway have proven to be economically difficult and significant public improvements are required to make the site resilient enough to construct on in order to retain the jobs in the area and SCI is seeking assistance from the DRA through reimbursements for public infrastructure to move the project forward.

The Request

For Phase 1, SCI is seeking reimbursement of the costs detailed in this proposal. These items have direct public benefit and improve the flooding and drainage issues that afflict the surrounding area as well as significantly improving the pedestrian infrastructure on and around the site. The infrastructure improvements allow development of a site on which development is severely restricted currently and unlocks future investment and value creation in the Zone. The construction of the project and associated public benefits are contingent upon agreeing to an acceptable economic package of reimbursement for infrastructure providing public benefits as described below.

New Atlas 14 Rainfall Storm Sewer System

Public Benefit – Replacement and upsizing of the existing 100 year old brick gully storm drain will improve watershed drainage for surrounding neighborhoods. This project (which has been identified by the City of Houston as needing replacement) will reduce the potential for future street and property flooding due to the storm line being upsized and designed for the recent floods that have occurred. Once completed, the storm sewer system would significantly reduce ponding and flooding north of Dallas Street between and including Taft and Stanford. Flooding during a 2-year rain event will be eliminated and significantly reduced during 100-year rain event. **Exhibit C** shows an inundation map that was included in the drainage study that shows a direct comparison of the existing conditions and the proposed improved conditions during a 2-year rainfall event and a 100-year rainfall event. Additionally, an underground detention vault, that will be owned and operated by the City of Houston through a drainage easement, will be placed on currently vacant property owned by SCI at the corner of West Walker and Temple Drive adding detention in the area that does not currently exist. This critical upgrade of the publicly owned storm sewer system would be financed by SCI.

The system includes an underground vault storm water detention facility at the corner of West Walker Street and Temple Drive to provide drainage improvements that upgrade the existing system. The system improvement was originally approved by the city to include large box culverts running the length of McKinney Street between Taft Street and Stanford Street; however, by providing detention at the parcel at the corner of West Walker Street and Temple Drive, the construction of the storm sewer improvements will avoid several months of limited access to the residents along West McKinney Street. As currently planned, the work will be limited to Stanford Street from West McKinney Street to Allen Parkway and the intersection of West Walker Street and Temple Drive. It is anticipated that access for residents of a small number of properties on Stanford Street will see limited restriction. Please see **Exhibit D** for a comparison of the original project scope along West McKinney Street and the revised project scope with the detention vault and easement through the KHOU property.

Background & Detail: The existing storm sewer system running through the site is old and undersized. A new public storm sewer is required to replace the old sewer in need of repair with a new storm sewer that is designed to the City of Houston's current design criteria based upon the new Atlas 14 rainfall rates. The design criteria require improving the storm water conveyance from the surrounding neighborhoods to the south of the development through to Buffalo Bayou without increasing peak flows into the bayou during a 100-year flood event. Currently, the existing storm sewer line's capacity is less than what is required for just a 2-year rainfall event. The proposed improvements will eliminate street flooding from the 2-year event and reduce flooding during a 100-year event by upsizing the storm sewer line from 48-in to 66-in and adding a detention vault. **Exhibit C** shows the inundation map demonstrating the improved flooding conditions and **Exhibit D** shows the scope of the storm sewer improvements. Additionally, the project will reroute the storm sewer locating it where it will be less impactful during construction to the neighbors, while making it easier to maintain. A drainage study was performed and approved by the City of Houston that addressed the overall watershed drainage system sizing requirements and to ensure the initial phase of the sewer improvements would be effective. The drainage study has been provided to DRA staff and the details of the improvements and benefits are contained within the study.

The new storm sewer is part of the ultimate overall watershed improvements that include the system upstream of the development to bring the overall watershed drainage system up to the current design

criteria, greatly improving drainage in the area bounded by West Dallas St. on the south, Allen Parkway on the north, Taft St. on the east and Stanford St. on the west. The system includes a regional detention system, located at the corner of Temple Drive and West Walker which will mitigate the peak flows into Buffalo Bayou and serve properties fronting West Walker between Taft and Temple, properties fronting Stanford between West McKinney and Allen Parkway, property fronting on West McKinney between Temple and Stanford and property fronting on Allen Parkway. This system, including the detention vault and storm lines, will be owned and maintained by the City of Houston and drainage easements will be granted to the City for portions of the project on SCI property. The proposed drainage system will significantly reduce flooding in the area during storms and eliminates ponding in a 2-year storm north of West Dallas Street. Additionally, the new system provides more storage for flood water, reducing flows into Buffalo Bayou resulting in additional capacity in the Bayou that does not exist today. These improvements will be financed by SCI rather than through the city's CIP, providing those improvements today and ultimately saving taxpayer dollars. Detailed information regarding the storm sewer is attached here as **Exhibits C and D**.

The control / ownership of the public – The City of Houston will own and maintain the public storm sewer and associated regional detention system through a drainage easement granted to the City of Houston which will benefit the public at large.

Assurance the benefit remains public – The City of Houston will own and maintain the public storm sewer and regional detention system that will be within the public street rights-of-way and on land over which drainage and detention easements will be granted from SCI to the City of Houston.

Reimbursement Requested: \$6,327,400

Floodplain Mitigation

Public Benefit – Floodplain Mitigation (specifically grading, drainage and retaining walls) on the KHOU tract shown on **Exhibit B** provides more effective floodplain water storage for the properties along Allen Parkway from Montrose Boulevard to Gillette Street with the greatest impact being upstream of Stanford Street along Buffalo Bayou. Additionally, there are residual effects from Waugh Street to Downtown. These improvements facilitate “flood responsible” development of the property that does not impact the neighbors by improving the capacity of the overbank area to carry flood waters and thereby decreasing the backwater effect that exists today as shown on **Exhibit E**. These items have two benefits: they avoid flooding impact on the neighborhood, while also enabling development on a site that is otherwise undevelopable due to being located in the floodplain. These costs ultimately enable \$150M in investment by SCI in their new headquarters on the KHOU site in a flood responsible manner.

Background & Detail: Investing in a building on this site requires that the floodplain storage be compensated. A key element of the project is to provide floodplain mitigation storage to ensure that the volume of water during a flooding event has a place to go so that adjacent, upstream and downstream properties are not impacted. A backwater analysis was performed and approved by the City of Houston and Harris County Flood Control showing that the proposed grading plan has no negative impact on the floodplain of Buffalo Bayou and actually improves the conveyance in a 100-year rain event over existing conditions. The new conditions after the grading, drainage, and retention walls will remove the flow impediment on the existing KHOU site allowing water to flow more freely reducing upstream flooding. Additionally, the proposed grading, drainage and retaining wall

improvements carve out an additional 9,400 cubic yards of floodplain storage along Stanford Street and Allen Parkway where it is effective in maintaining floodplain elevations at or below current levels, providing adequate effective flood flow conveyance within the overbank area of the floodplain, and minimizes the amount of backwater impact in the area adjacent to the development. To phrase it differently, these improvements have a positive impact upstream and downstream of the site by allowing water to flow more freely through the KHOU site benefiting upstream areas and adding more storage on-site, benefiting downstream areas. Additionally, raising the site for the new development will greatly reduce the potential for repetitive flooding. This allows the new headquarters building to be elevated above the floodplain making the site developable. The City of Houston Floodplain Management Office oversees and monitors floodplain mitigation to ensure that it remains in place. Detail regarding floodplain mitigation is attached here as **Exhibits E, F, and G**.

The control / ownership of the public – The city controls the floodplain storage volumes through ordinance and SCI is exceeding the regulation by providing 11,900 cubic yards of storage and is required by ordinance to provide 2500 cubic yards of storage.

Assurance the benefit remains public – The city controls the floodplain storage volumes through ordinance.

Reimbursement Requested: \$4,044,070

Storm Water Detention

Public Benefit – A new storm water detention system will reduce runoff into the public drainage systems compared to the current condition of the site, allowing for better drainage for existing properties served by those systems. The detention system will add an additional 1.69 acre-feet of storage that does not exist today and reduce the runoff into Buffalo Bayou from 261.6 cubic ft./second to 251.7 cubic ft./second. Today the site has direct run off onto the city streets, and will continue to handle run off in this manner until it can be redeveloped. This proposed development directly reduces the potential for street and property flooding and the damage and interruption they cause. Additionally, this detention system is independent of the stormwater system improvements described above so the net positive impact is additive to the stormwater improvements.

Background & Detail: New storm water detention will be provided as part of SCI's new headquarters development. This additional storm water storage will help to reduce the amount of drainage from the property being redeveloped which in turn will improve the drainage of the surrounding properties, providing more capacity available in those storm sewer lines. The existing improvements were not required to provide detention, no mitigation was made for the developed runoff. The new detention system will significantly reduce runoff from the site into the public drainage systems, reducing runoff rates into Buffalo Bayou from 261.6 cubic ft./second to 251.7 cubic ft./second. Detail regarding on-site detention is attached here as **Exhibit F**.

The control / ownership of the public – The city controls the amount of stormwater detention storage volumes through ordinance.

Assurance the benefit remains public – The city controls the storm water detention storage volumes through ordinance and the storm water detention system will provide ongoing benefit described

above for the area bounded by West Dallas St., Allen Parkway, Taft St. and Stanford St. during rainfall events so long as the building remains there.

Reimbursement Requested: \$3,635,378

Relocated Public Roads

Public Benefit – The rebuilt and upgraded Temple Drive will provide safe, accessible and comfortable pedestrian, bicycle and vehicular travel and improve overall mobility in the area compared to its condition today. The street is proposed to be a very comfortable avenue for all types of travelers and be a good conduit through the site for all. Neighbors, community members and visitors to the site will have beautified streets to walk their pets, access Buffalo Bayou Park and access future retail amenities (coffee shop, etc). Renderings of the proposed improvements are shown on **Exhibit H**.

Background & Detail: Temple Drive will be rebuilt by SCI exceeding City of Houston standards and public access will be maintained at all times pursuant to a letter from Houston Public Works, signed by SCI, an excerpt of which is attached here as **Exhibit I**. The mechanism of public access will be dictated by the conveyance document required by the city as part of the JRC abandonment process and will be provided in the ultimate ordinance from Houston City Council approving the abandonment of Temple Drive. The new and improved Temple Drive will be designed to accommodate safe, accessible and comfortable pedestrian, bicycle and vehicular traffic. While the current Temple Drive offers little regional mobility, the new Temple Drive will move pedestrian and bicycle traffic off Allen Parkway, Taft and Stanford Streets providing better mobility and safer routes for all modes of mobility. Plans for Temple Drive showing current conditions and the proposed improvements are attached here as **Exhibit H**.

The control / ownership of the public – The approval of the project contains a document stating that public access will be maintained to the relocated street which is attached here as **Exhibit I**. The mechanism of that public access will be determined by the conveyance document from the city. Further, the development is planned based on that access being available.

Assurance the benefit remains public – The approval of the project is based on the agreement for street abandonment stating that public access will be maintained to the relocated street. Further, the development is planned based on that access being available to serve a potential future pedestrian bridge that would provide safe access to the park for the neighborhood.

Reimbursement Requested: \$883,540

Sidewalks/Landscape/Hardscape in Public Right of Way

Public Benefit – Preservation of the legacy oaks on Allen Parkway is important to SCI as well as the neighborhood and city. This preservation will include saving the legacy oaks, along with planting new trees and ornamental plantings and installing lighting along pedestrian and vehicle paths will enhance the public experience. The sidewalks will remain accessible to the public, and allow for a graceful, beautiful pedestrian experience.

Background & Detail: New sidewalks along Allen Parkway, Stanford Street and Temple Drive will be constructed. On Allen Parkway, the new sidewalk will be behind the existing mature trees preserving them and will provide ample separation between pedestrian and vehicular traffic making the walk on Allen Parkway safe for pedestrians. Additional trees will be planted on Stanford Street and Temple Drive along with ornamental planting. A new sidewalk will be constructed along the east side of Stanford Drive where none exists today. The existing conditions and plans detailing the improvements in the public right-of-way are shown on **Exhibit J**.

The control / ownership of the public – The sidewalks are in the public right-of-way and will be owned by the public.

Assurance the benefit remains public - The sidewalks are part of the public right-of-way, not owned by SCI.

Reimbursement Requested: \$555,440

Green Infrastructure

Public Benefit – The bioretention systems proposed will regulate the flow and quality of the runoff that enters the Buffalo Bayou system, while also providing aesthetically pleasing landscapes adjacent to sidewalks. None of these are required by the City of Houston but are included as part of the project to provide a benefit to those utilizing Temple Dr., Stanford St., and the new sidewalk along Allen Parkway. These systems will improve stormwater management, reduce the burden on public drainage system, reduce pollutant loads to local waterways, reduce heat island effect, enhance wildlife habitat, improve neighborhood aesthetics, increase resilience, and increase property tax revenue. Details about the bioretention system are provided on **Exhibit J**.

Background & Detail: Bioretention in the form of bioswales and rain gardens will be installed on Stanford Street and Allen Parkway to collect and filter rain water runoff before it enters the Buffalo Bayou system. Soils will be amended with organic compost to act as a natural sponge and assist in rainwater management. These methods are endorsed by the City of Houston’s Chief Recovery Office in their report following Hurricane Harvey. The plans detailing the green stormwater improvements are shown on **Exhibit J**.

The control / ownership of the public – The bioretention areas occur in the building setback immediately adjacent to the public sidewalks and will collect runoff from the sidewalks.

Assurance the benefit remains public – The bioretention systems occur in the setback, which cannot be developed per city code.

Reimbursement Requested: \$207,928

Flood Damage Over the Years



Tropical Storm Allison 2001



Flood Damage Over the Years

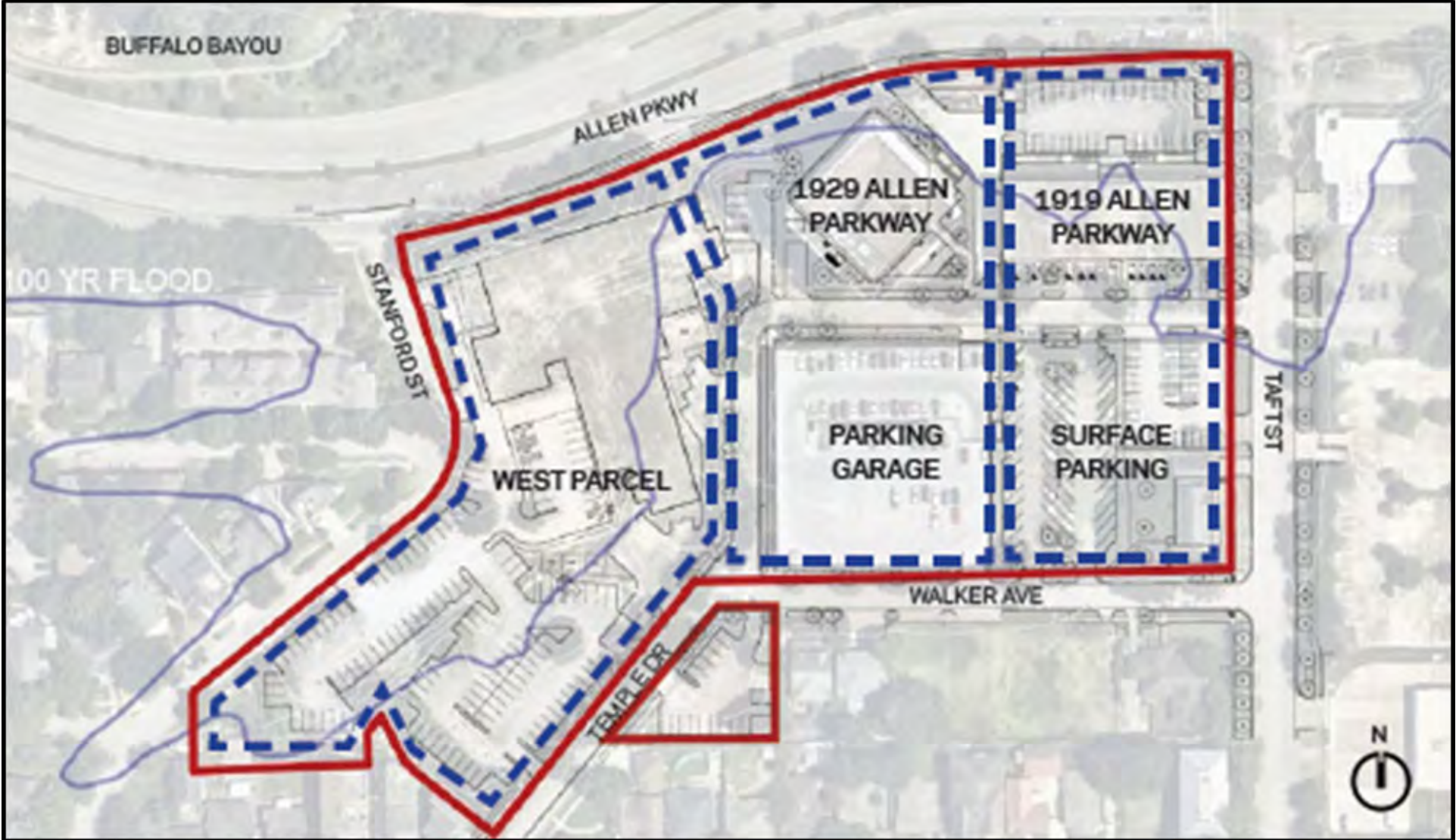


Hurricane Harvey 2017



Hurricane Harvey 2017





The Need for Resilience

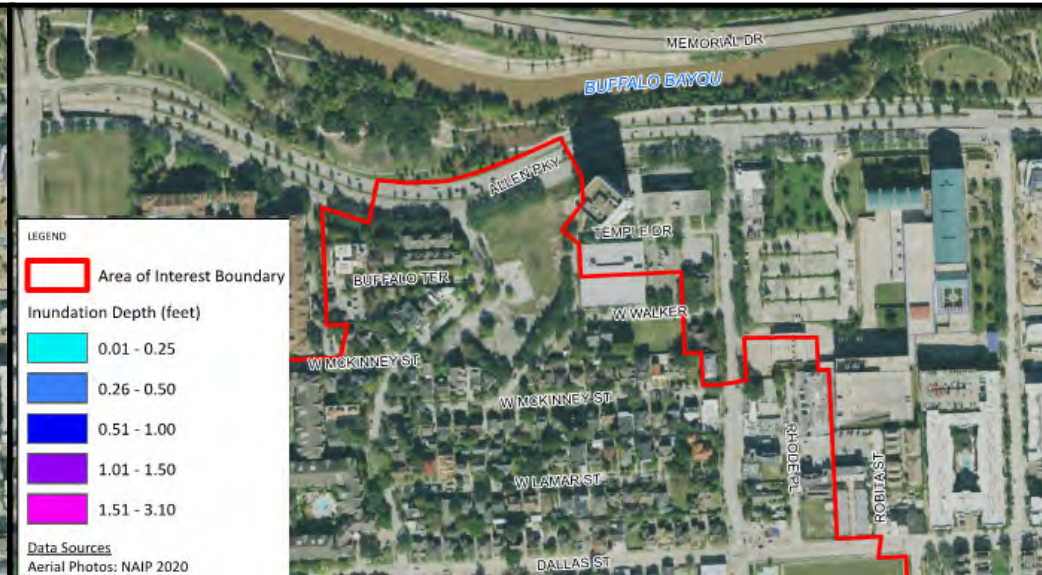
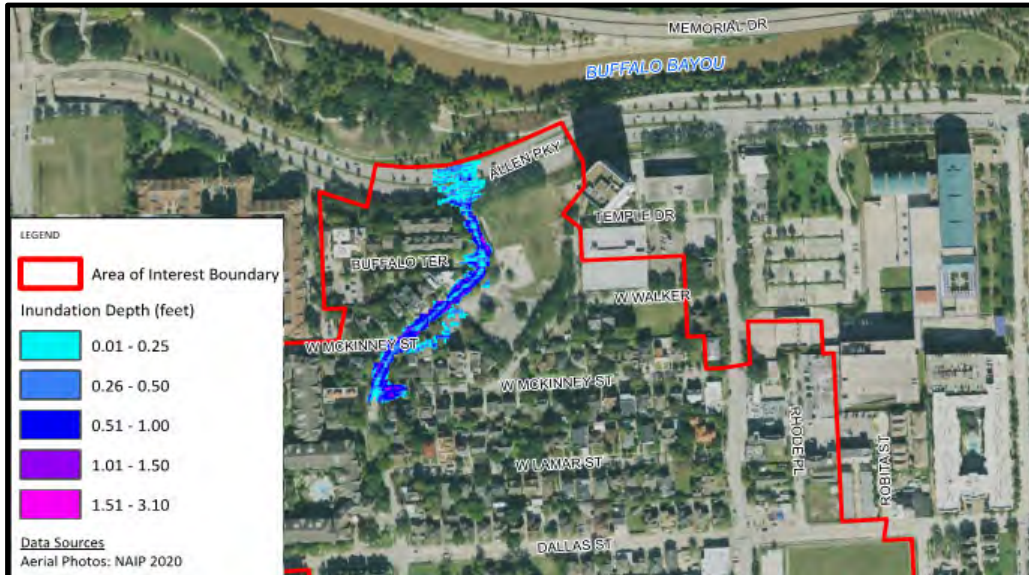
2-Year Inundation Map (50% occurrence any year)

Current status

- Heavy (2-yr) rainfall event flooding

Future Status

- Eliminates street flooding during heavy (2-yr) rainfall events
- Meeting post-Harvey city standards



The Need for Resilience

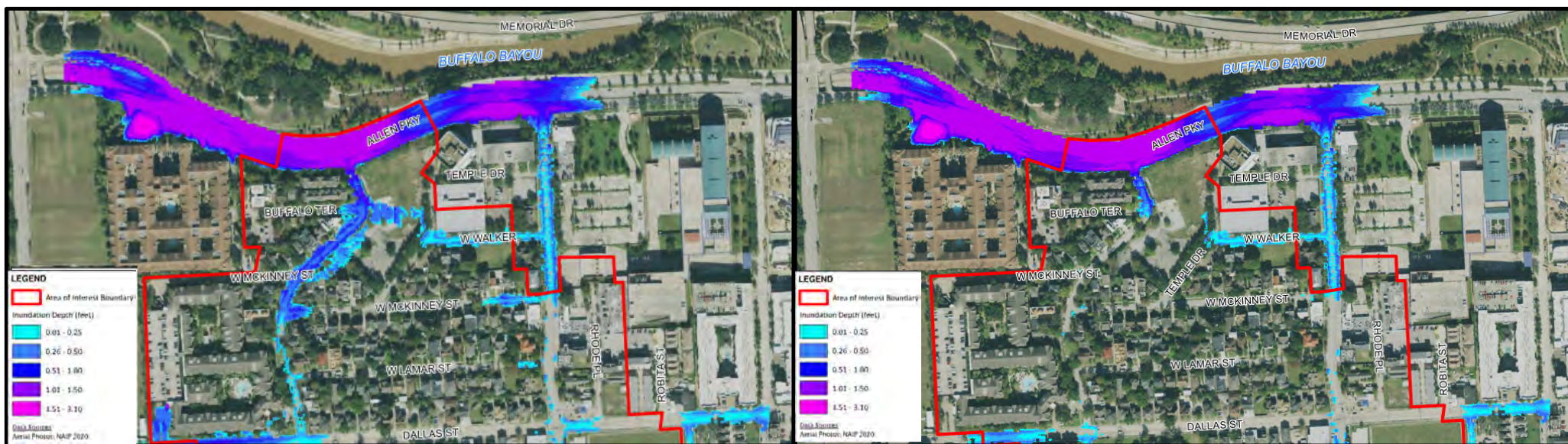
100-Year Inundation Map (1% occurrence any year)

Current status:

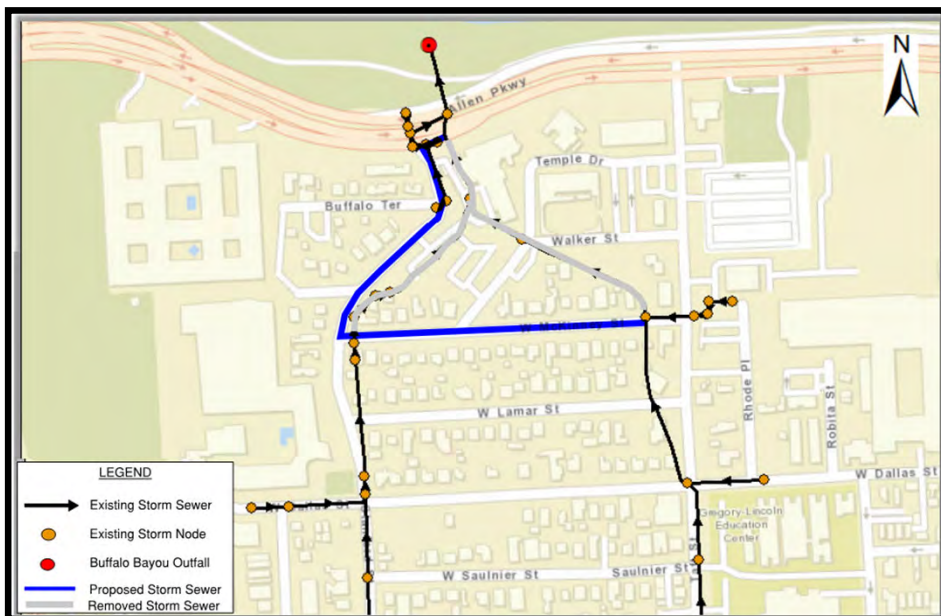
- 100-Year Rainfall Event Flooding

Future Status

- Significant reduction in flooding depths and locations



Public Storm Sewer Reroute



Originally Planned Route

- Significant neighborhood disruption
- Long construction schedule

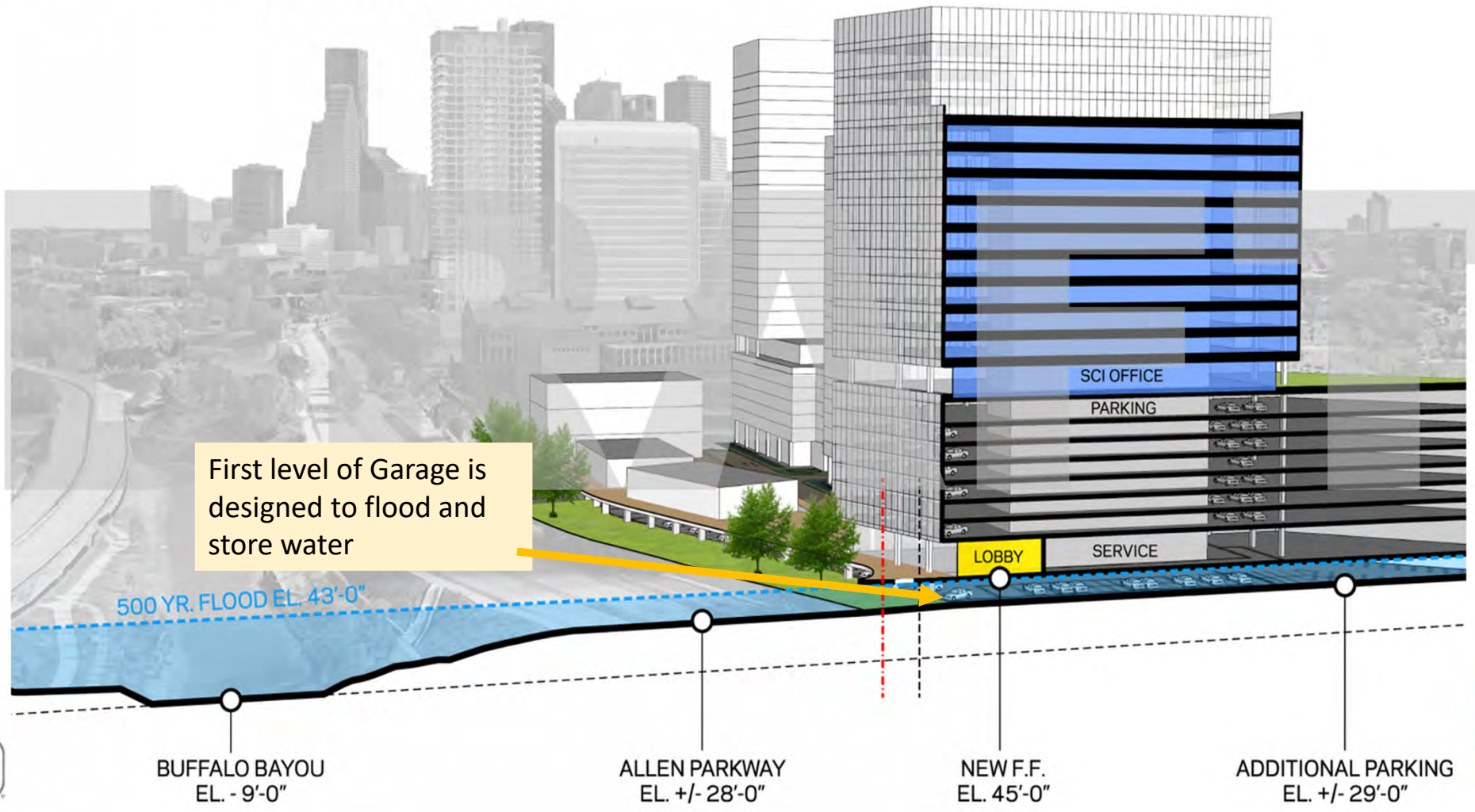


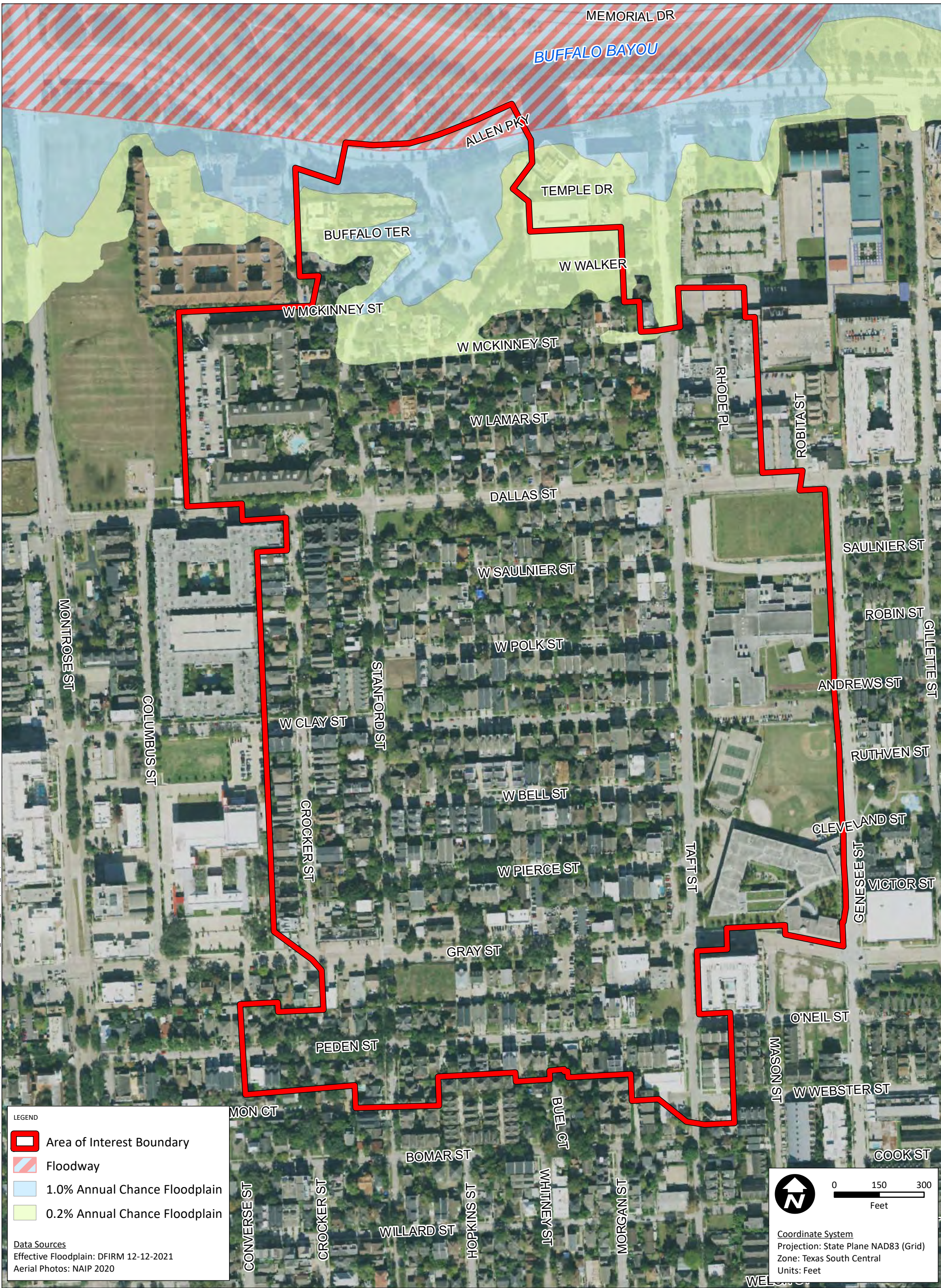
Revised Planned Route:

- No longer on W. McKinney St.
- Vault and connection to Stanford St. line on SCI property
- SCI loses developable property to allow for a better neighborhood solution



Awareness of Floodplain





LEGEND

- Area of Interest Boundary
- Floodway
- 1.0% Annual Chance Floodplain
- 0.2% Annual Chance Floodplain

Data Sources
 Effective Floodplain: DFIRM 12-12-2021
 Aerial Photos: NAIP 2020

0 150 300
 Feet

Coordinate System
 Projection: State Plane NAD83 (Grid)
 Zone: Texas South Central
 Units: Feet



Walter P Moore and Associates, Inc.
 1301 McKinney, Suite 1100
 Houston, Texas 77010

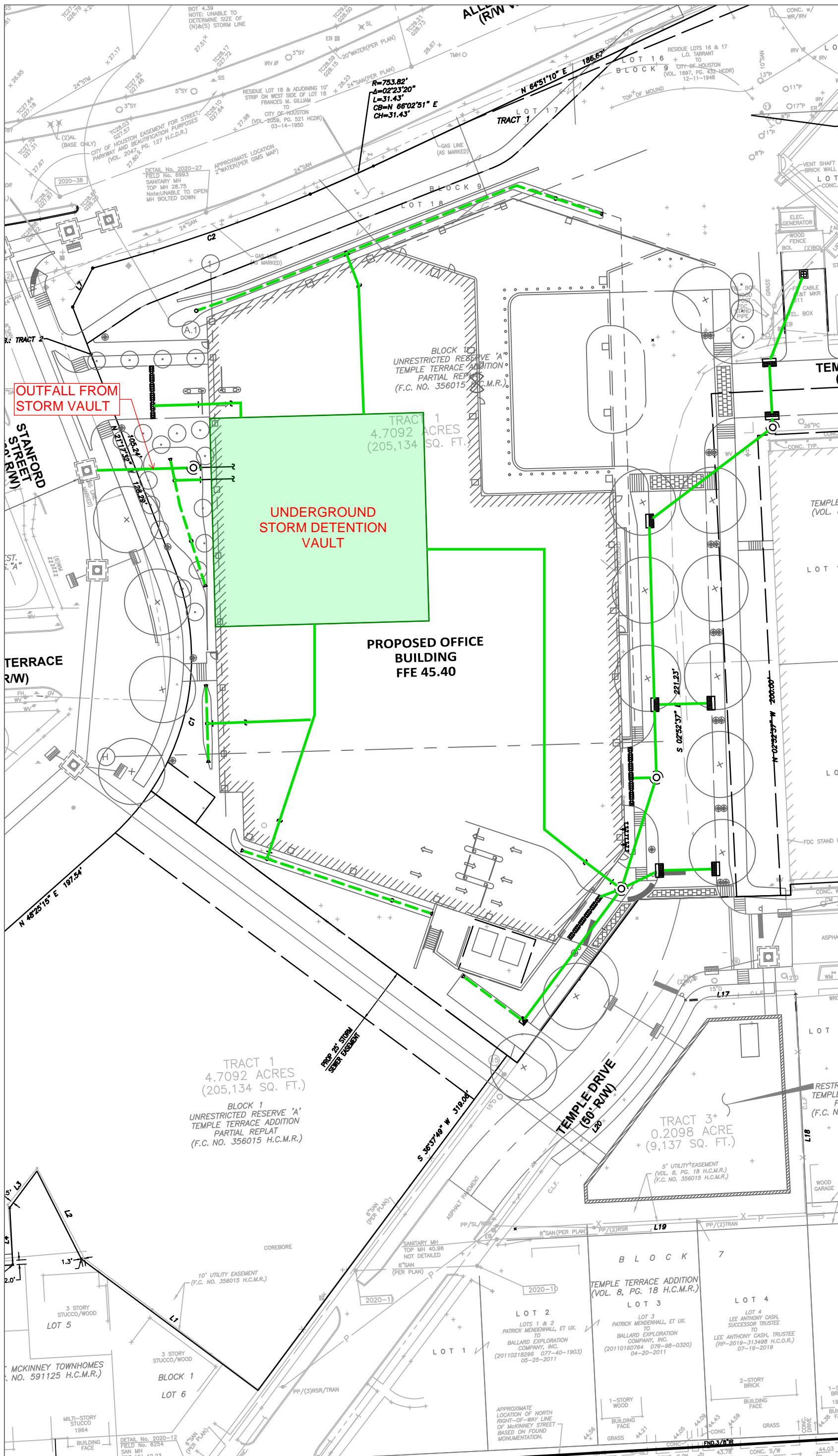
713.630.7300
 waltermoore.com



PREPARED BY	M. Henze
REVIEWED BY	L. Cuba
DATE	6/20/2022
PROJECT NUMBER	M03-20005-00

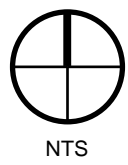
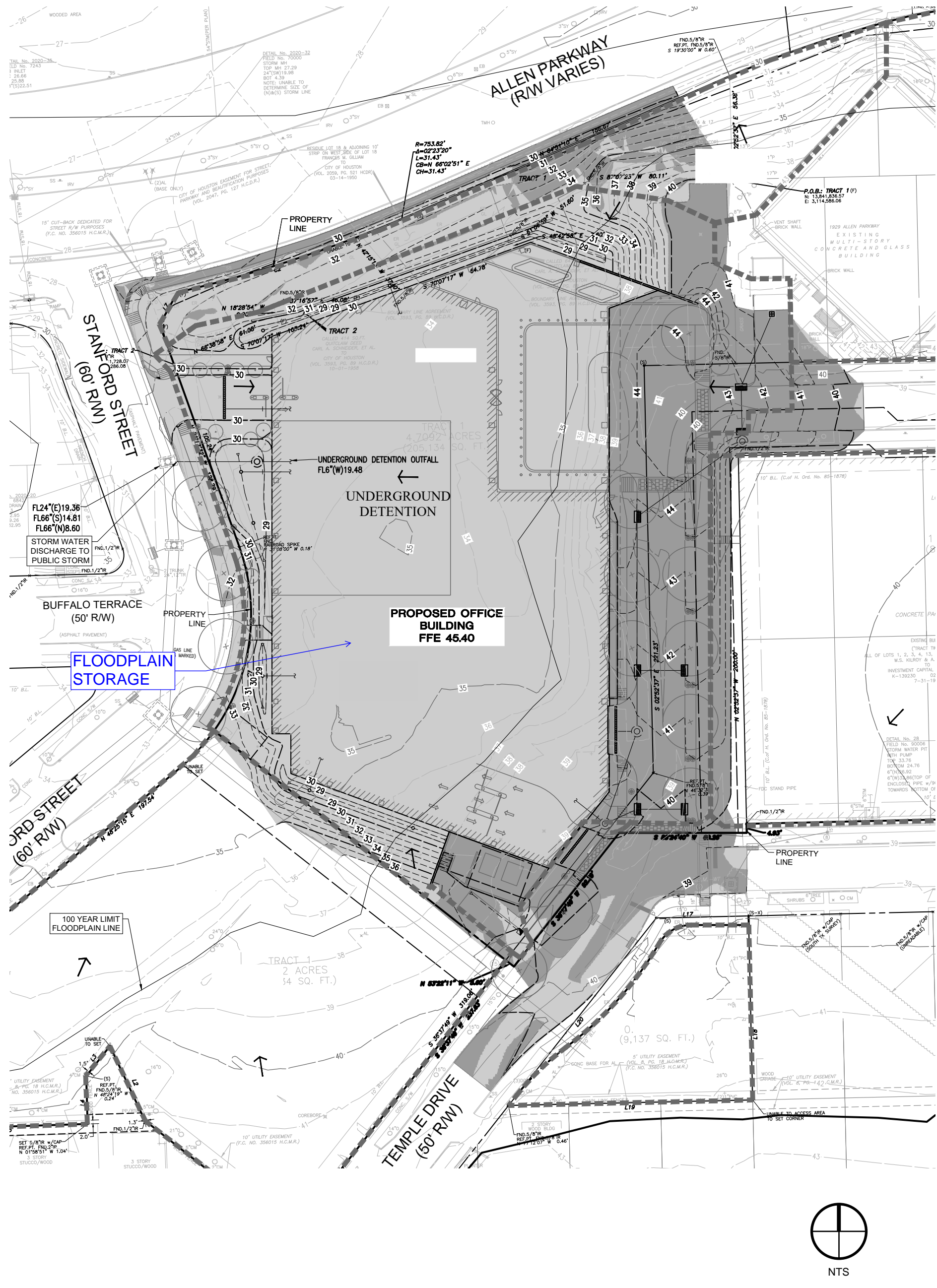
PROJECT NAME
**Project Green
 Storm Sewer Analysis**

EXHIBIT TITLE
Effective Floodplain Map

EXHIBIT NUMBER **2**



-  FILL BELOW 500-YR FLOODPLAIN
-  CUT BELOW 500-YR FLOODPLAIN



**walter
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HOUSTON, TEXAS 77010
PHONE: 713.630.7300 FAX: 713.630.7396

**FLOODPLAIN EXCAVATION
EXHIBIT**



Temple Drive Update

- Temple Drive will remain open to vehicular, bicycle and pedestrian traffic.



June 17, 2022

Mr. Keith Gaynor
Walter P. Moore and Associates Inc.
1301 McKinney Street, Suite 1100
Houston, TX 77010

Revised Contact Letter

Subject: Abandonment and sale of Temple Drive, from West Walker Avenue to Taft Street, two 10 foot-wide utility easements, a 20 foot-wide storm sewer easement, and sale of four tracts of fee-owned land; in exchange for conveyance to the City of $\pm 1,150$ square feet of right of way for reconfiguration of Temple Drive, a 20 foot-wide water line easement and a 15 foot-wide sanitary sewer line easement, all located within Temple Terrace Addition, and/or Temple Terrace Addition Partial Replat, out of the John Austin Two League Grant, A-1, and ~~Replat~~ of two 10 foot-wide storm sewer easements and a 10 foot-wide sanitary sewer easement. Parcels SY22-084A through SY22-084H, KY22-162 (Water line easement), and DY22-036 (Sanitary sewer easement), AY22-145 (right of way easement)

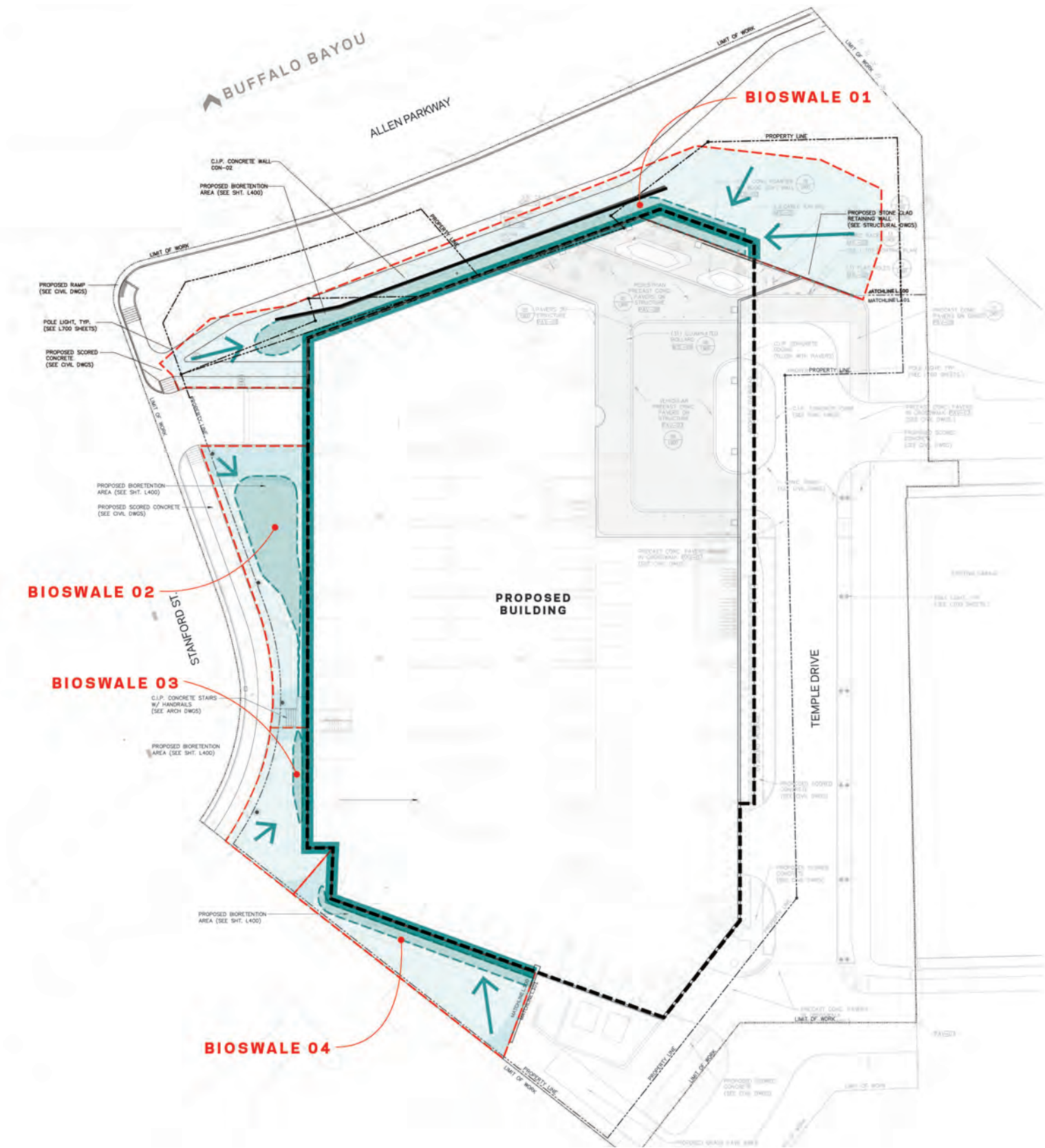
6. You must maintain pedestrian and bicycle connectivity from Temple Drive west of Walker Street to Taft Street. For specific instructions concerning this requirement, you may contact Judith Burgos of the Transportation and Drainage Operations [at](mailto:jburgos@houstonpublicworks.org) (832) 395-3001.

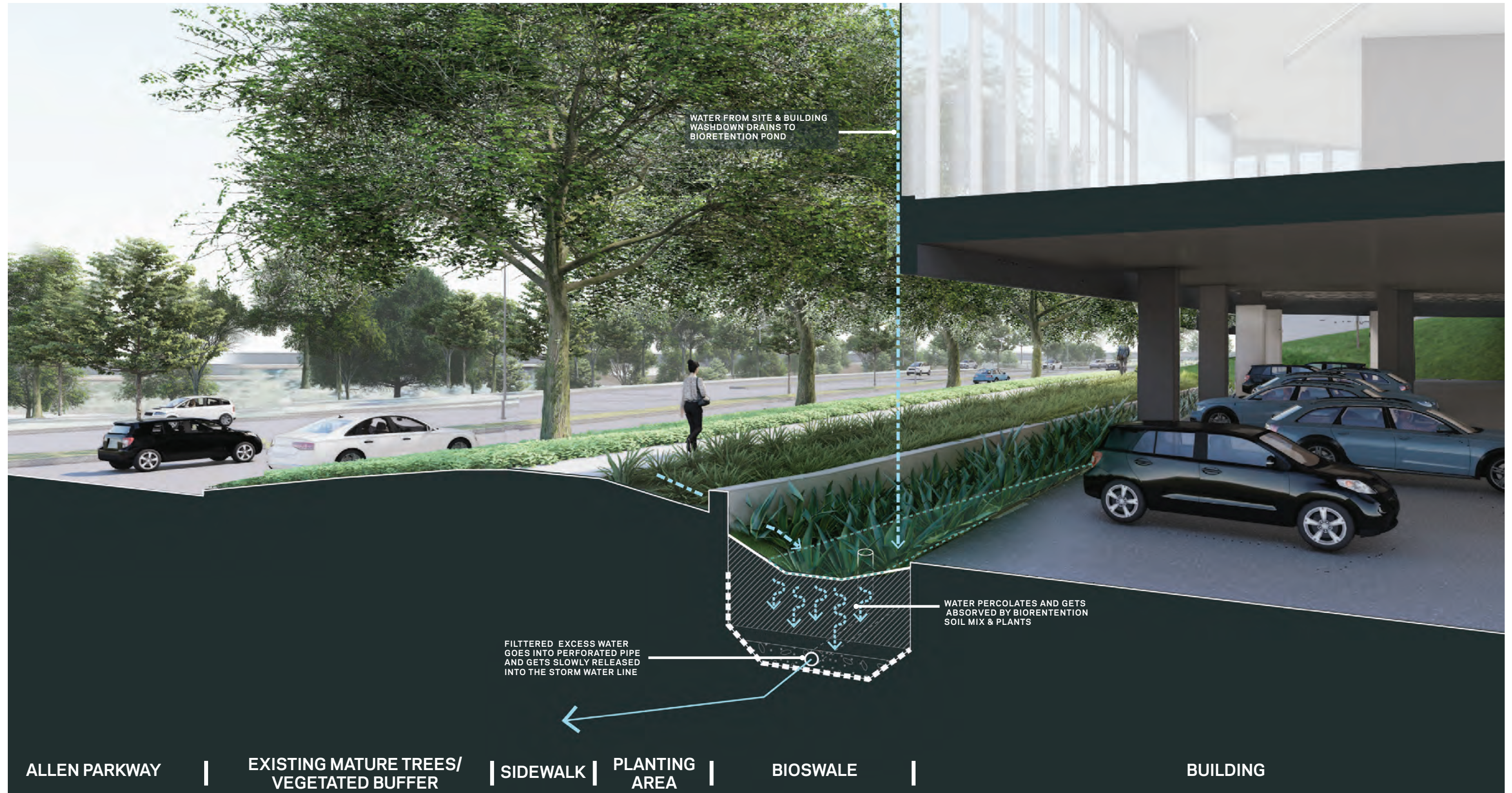
PO Box 1562 | Houston, Texas 77251-1562 | HoustonPublicWorks.org

Capital Projects | Customer Account Services | Houston Permitting Center | Houston Water | Transportation & Drainage Operations



The bio-retention around the building picks up and removes pollutants from the wash-down of the building and site. The total storage provided within the four proposed bioswales proposed is +/- 3,000 cubic feet with surface storage and aggregate storage below.











SCI PRESENTATION TO DRA BOARD

December 12, 2023



SERVICE CORPORATION INTERNATIONAL

DRA Board Meeting

December 12, 2023



Agenda

- About SCI
- Need for Resilient Headquarters
 - Resiliency Plan
 - Storm Water System
 - Floodplain Mitigation
 - Temple Drive
 - Sidewalks/Landscape
 - Green Infrastructure



About: Who is Service Corporation International (SCI)?

- North America's leading provider of funeral, cremation and cemetery services.
- Started in Houston in 1962
- Located on Allen Parkway since 1971
- Headquarters is home to 900 employees, with 23,000 worldwide



The Need for Resilience

- Profound disruption from Tropical Storm Allison in 2001
- Hurricane Harvey's devastation in 2017
- Tens of millions of dollars in damage
- After Harvey, SCI was displaced for six months



Flood Damage Over the Years



Tropical Storm Allison 2001



Flood Damage Over the Years



Hurricane Harvey 2017



Hurricane Harvey 2017

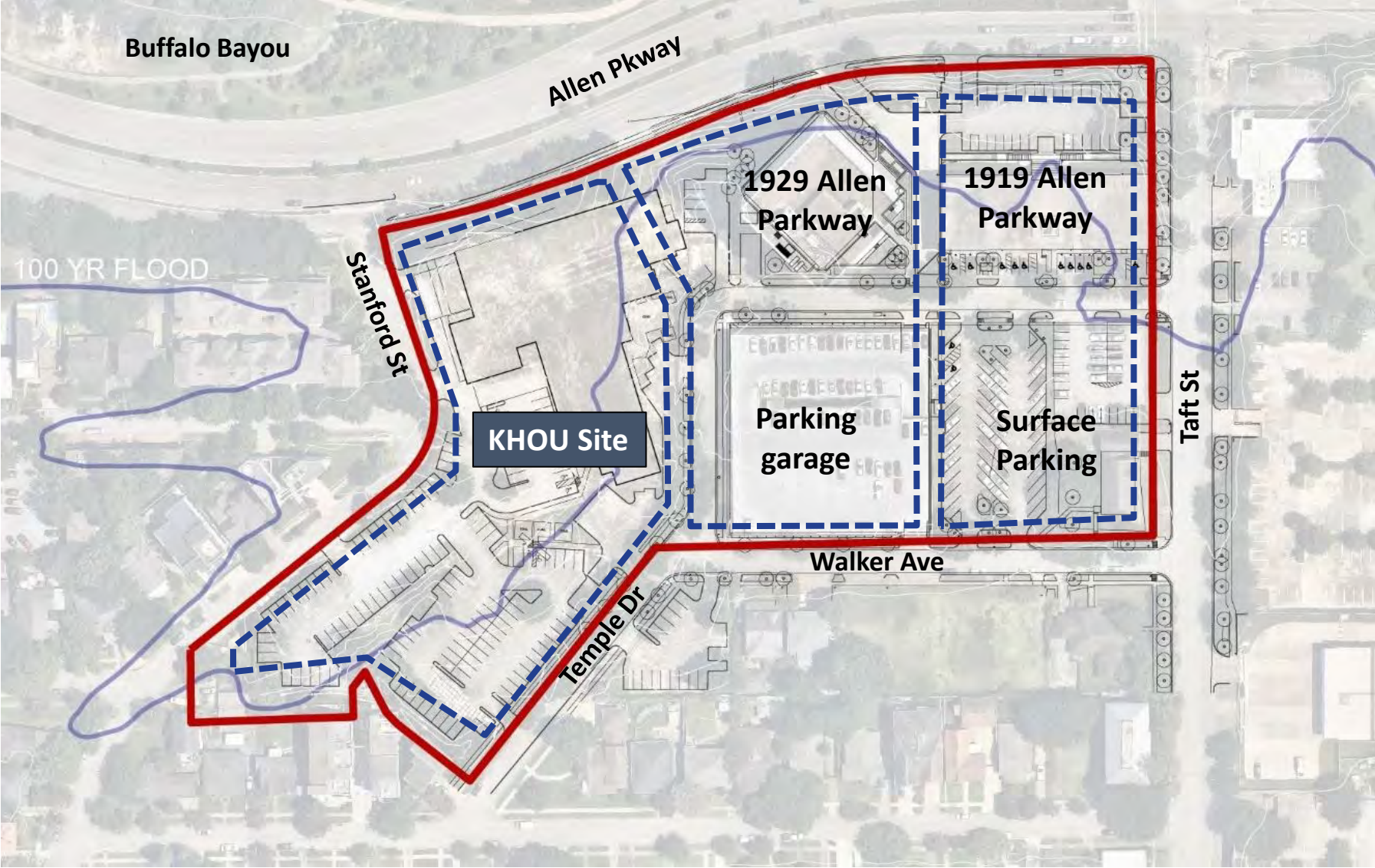


The Need for Resilience

- SCI wants to remain on Allen Parkway, its home for the last 50 years.
- Adjacent site that was once home to KHOU became available and was purchased by SCI to explore the construction of a new resilient headquarters.
- KHOU Site presents significant challenges due to flooding issues.
 - KHOU famously flooded while live on air during multiple flood events and eventually moved to a new studio.
- Developing on the site will be 20% more expensive than a comparable site in a different location.
- Resilient development on the site will unlock significant value for the newest part of the DRA.



Background: Existing Site



The New SCI Headquarters Rendering - Northeast View

- New SCI headquarters will help address safety concerns from flooding and significant storm events.
- The former “KHOU” property was purchased by SCI and will be the site of the new SCI headquarters/campus.
- Significant public benefits through construction of new HQ through upgraded storm sewer system, additional floodplain storage and green infrastructure.



The New SCI Headquarters Rendering - Northwest View



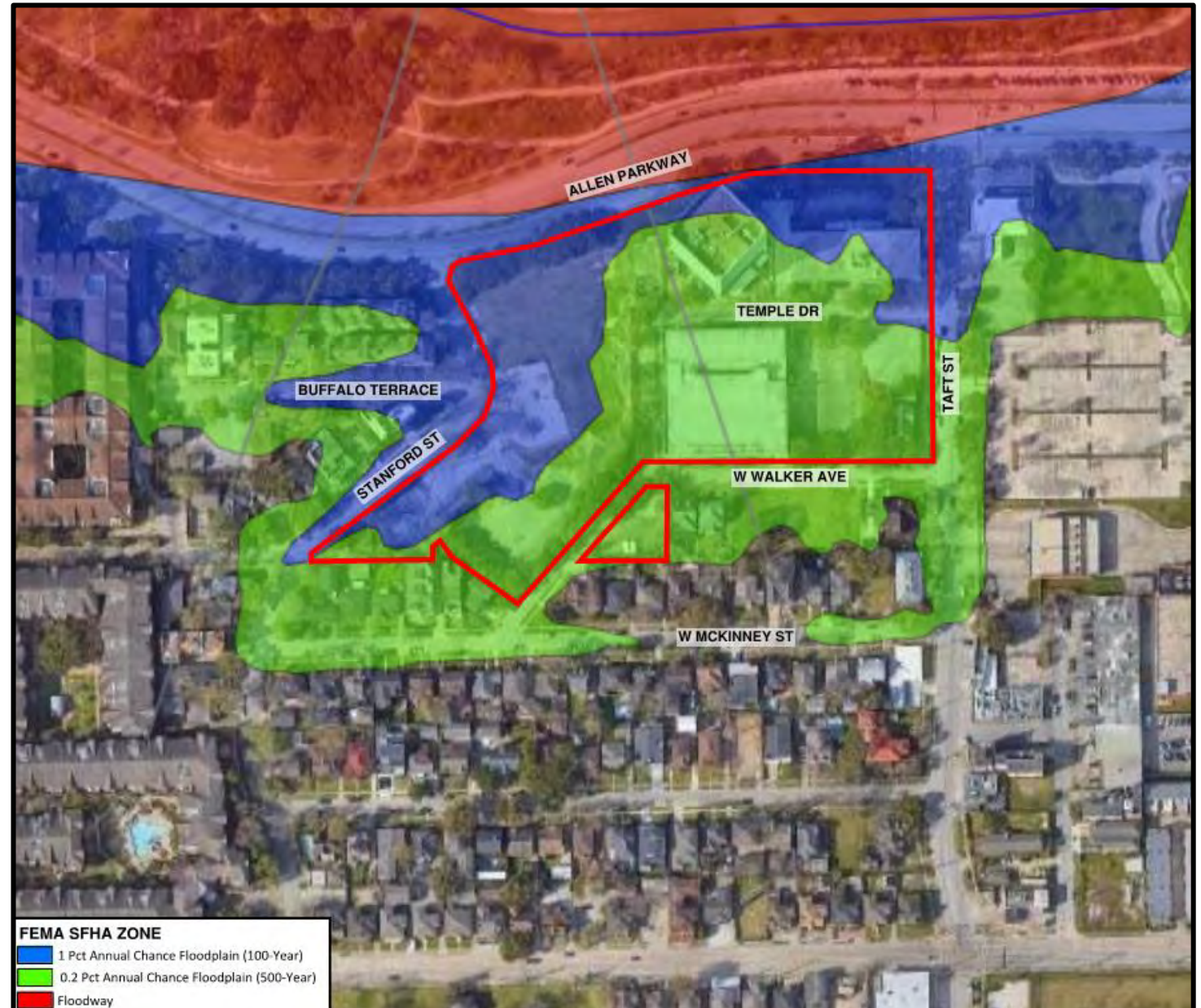
The New SCI Headquarters Rendering - Plaza/Drop-off View From East



Awareness of Floodplain

SCI property sits in 100 and 500-year flood plains and has experienced significant flooding in several past storm events.

Significant investment in resilient infrastructure is required to responsibly develop the site.



Public Infrastructure and Resiliency Plan

Allen Parkway has been home to SCI for more than 50 years.

For SCI to remain there for another 50, significant investment is needed to develop the site – we are seeking a Development Partnership with the DRA to make this possible.

- Rebuilding and Expanding Public Storm Sewer System
- Floodplain Mitigation on Site
- Temple Drive
- Sidewalks/Landscape
- Green Infrastructure

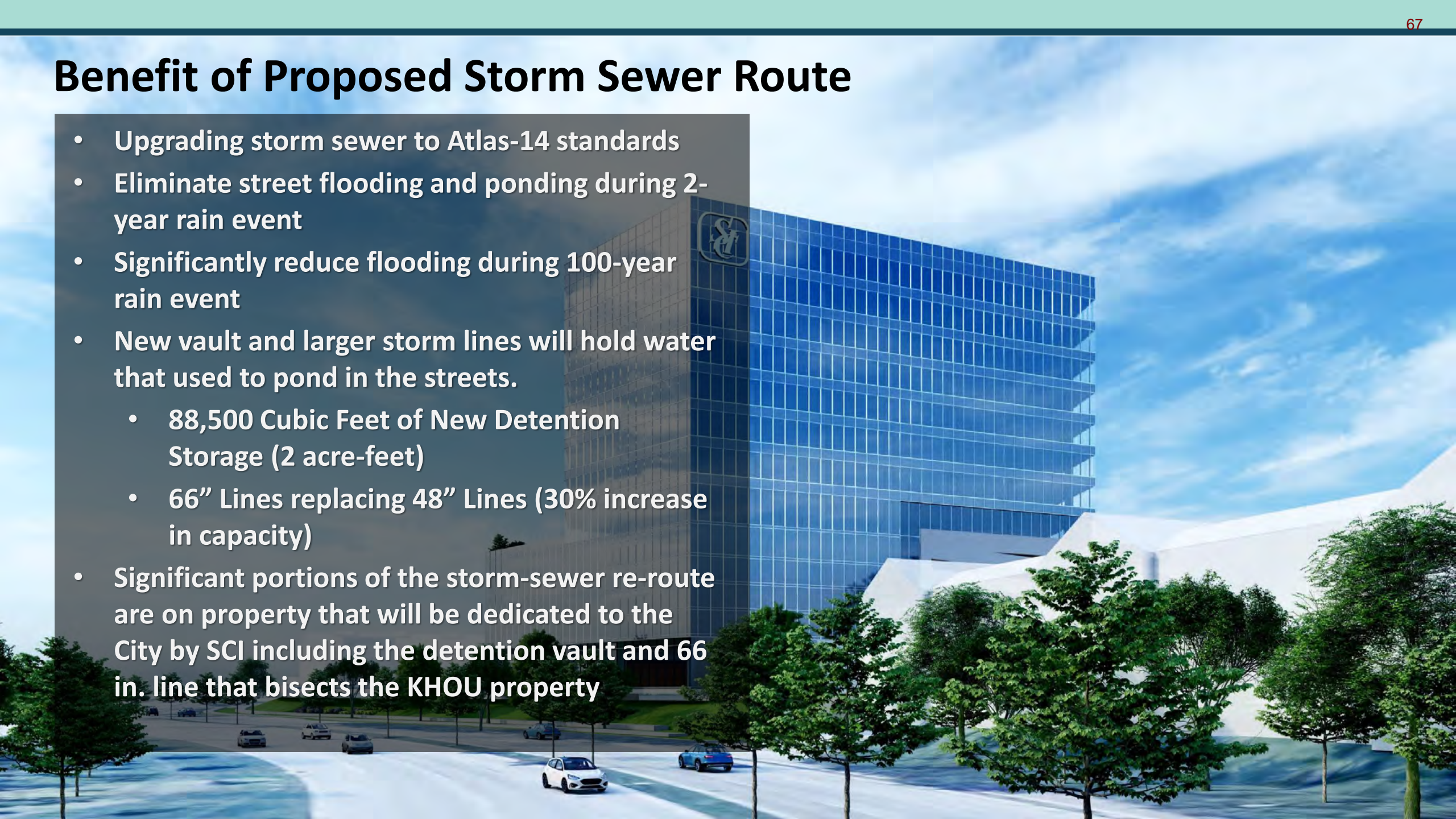


Storm Water System Update



Benefit of Proposed Storm Sewer Route

- Upgrading storm sewer to Atlas-14 standards
- Eliminate street flooding and ponding during 2-year rain event
- Significantly reduce flooding during 100-year rain event
- New vault and larger storm lines will hold water that used to pond in the streets.
 - 88,500 Cubic Feet of New Detention Storage (2 acre-feet)
 - 66" Lines replacing 48" Lines (30% increase in capacity)
- Significant portions of the storm-sewer re-route are on property that will be dedicated to the City by SCI including the detention vault and 66 in. line that bisects the KHOU property



Existing Public Storm Sewer System



Public Storm Sewer Reroute

Revised Planned Route

- No longer on W. McKinney St.
- Vault and connection to Stanford St. line on SCI property.
- SCI loses developable property to allow for a better neighborhood solution.



The Need for Resilience

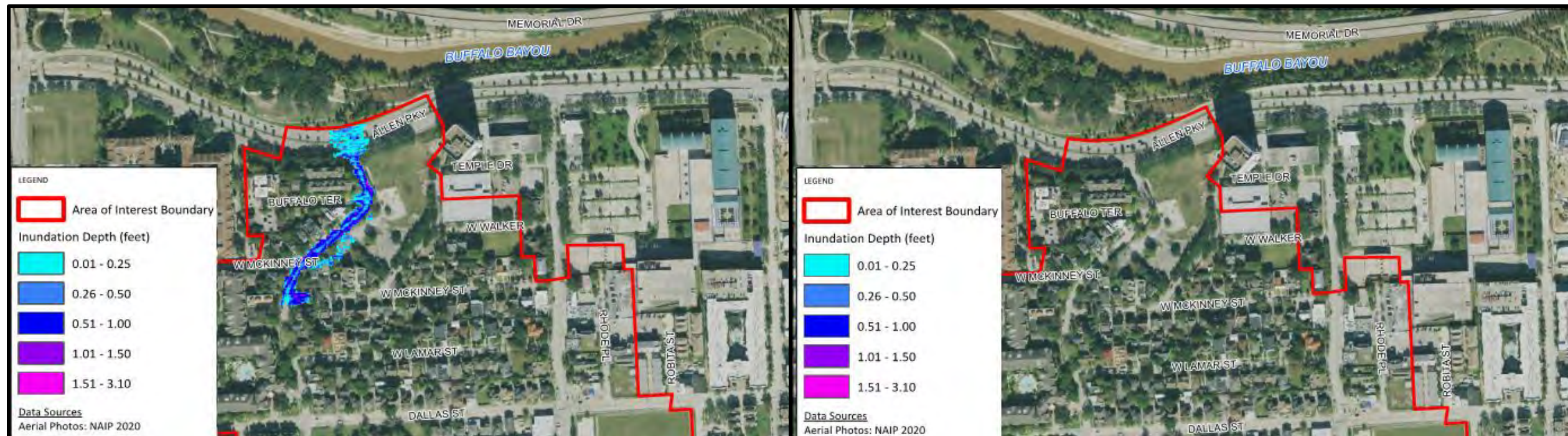
2-Year Inundation Map (50% occurrence any year)

Current status

- Heavy (2-yr) rainfall event flooding

Future Status

- Eliminates street flooding during heavy (2-yr) rainfall events
- Meeting post-Harvey city standards



The Need for Resilience

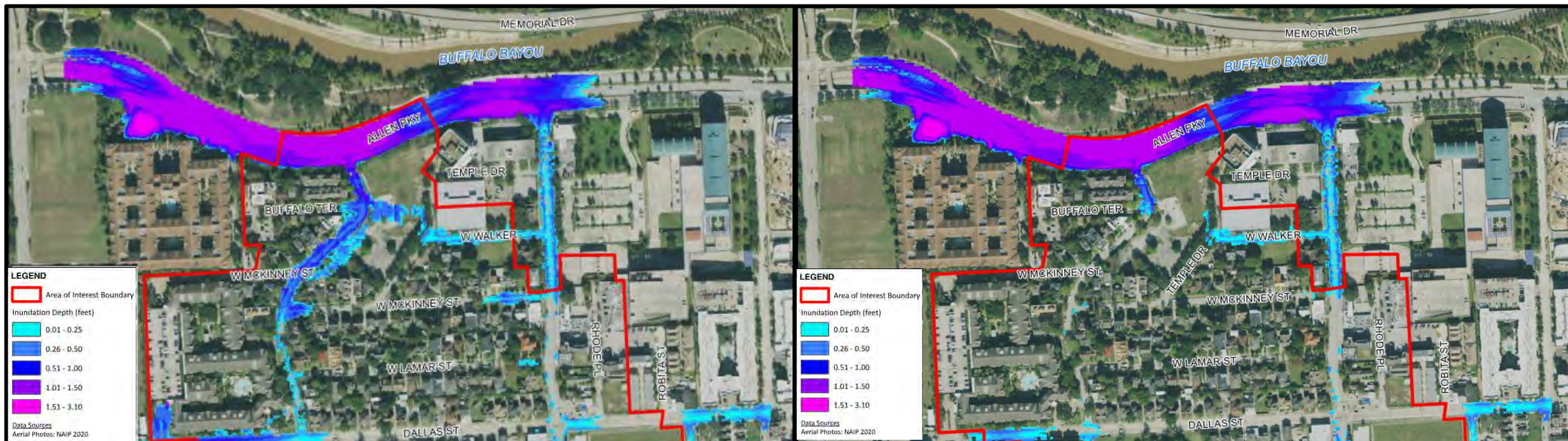
100-Year Inundation Map (1% occurrence any year)

Current status:

- 100-Year Rainfall Event Flooding

Future Status

- Significant reduction in flooding depths and locations



On-Site Mitigation

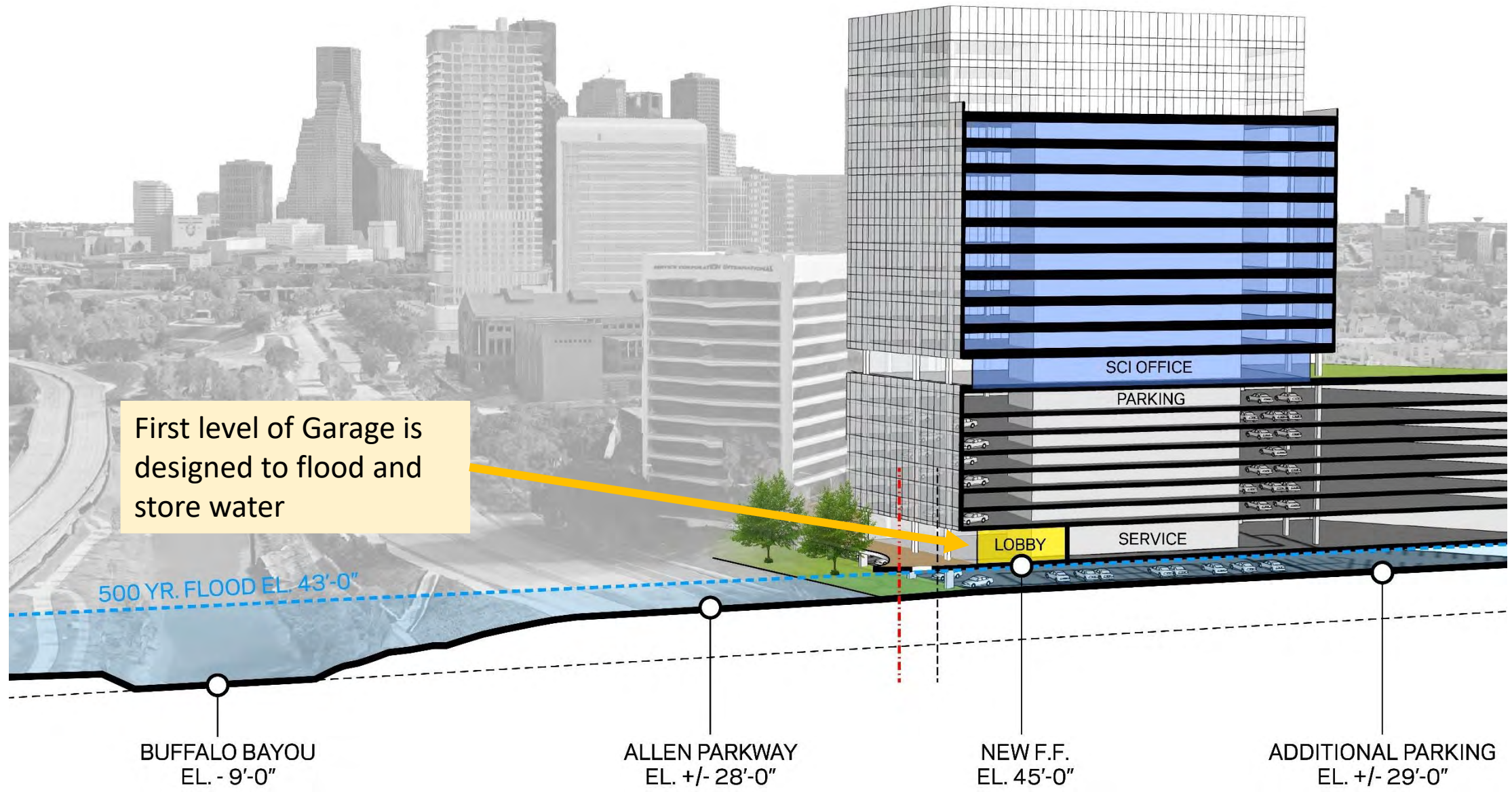


On-Site Mitigation

- Grading, drainage, and retaining walls on site.
- Provides effective floodplain storage with benefits for the Temple Terrace neighborhood and for properties up and down Allen Parkway from Waugh Street to Downtown.
- 11,900 cubic yards of storage is provided on-site, where none is currently provided (ordinance requires only 2500 cubic yards).
- Improvements provide benefits upstream and downstream of the site along the Buffalo Bayou watershed.
- Allows for the KHOU site to be developed.

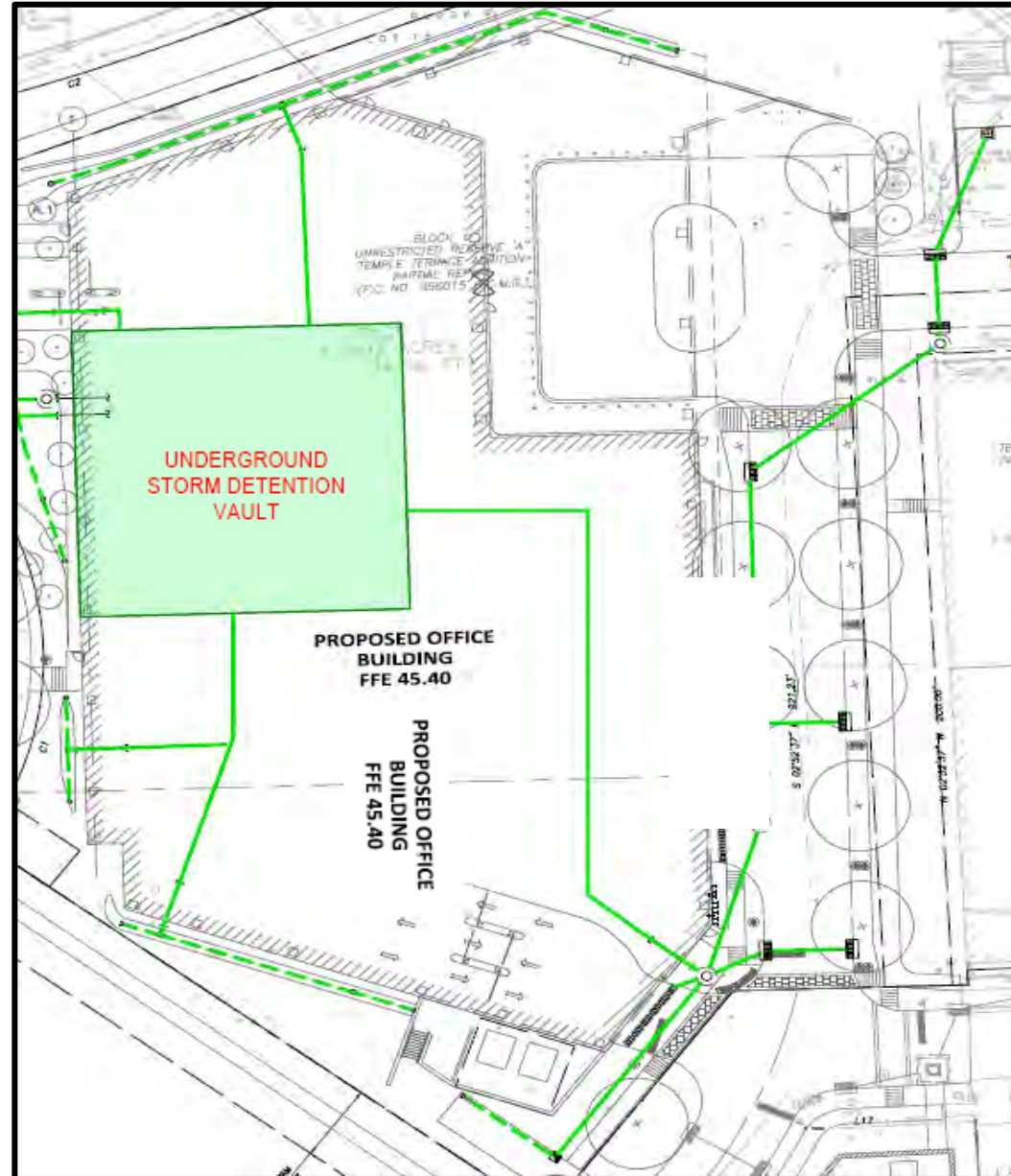


Awareness of Floodplain



On-site Detention

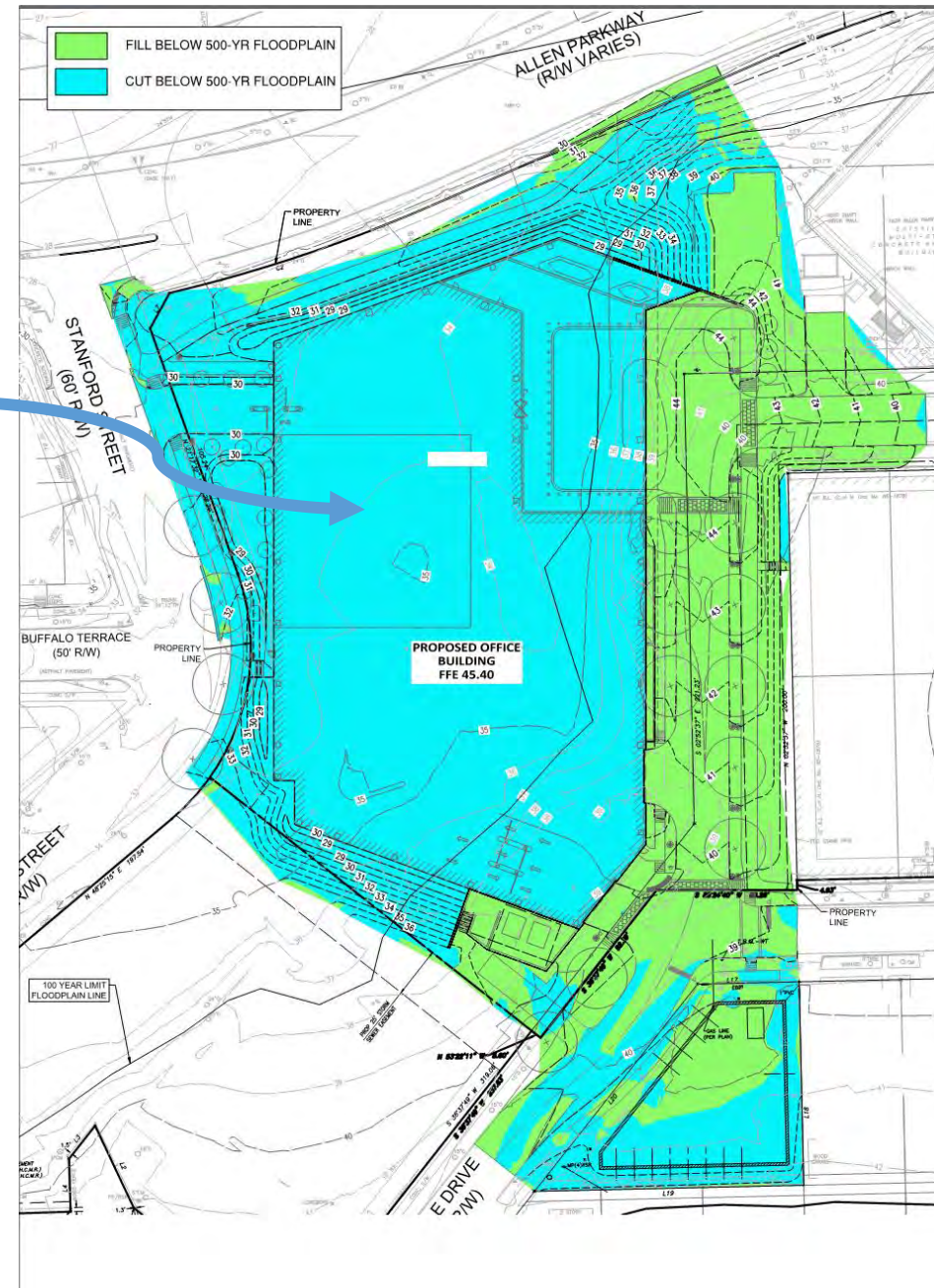
1.69 acre ft of additional detention



Floodplain Excavation Exhibit

- 11,900 total cubic yards of floodplain storage
- 9,200 net cubic yards of floodplain storage added
- Reduces the volume of existing Buffalo Bayou floodplain
- Raises Temple Drive for improved access

Floodplain Storage



Temple Drive



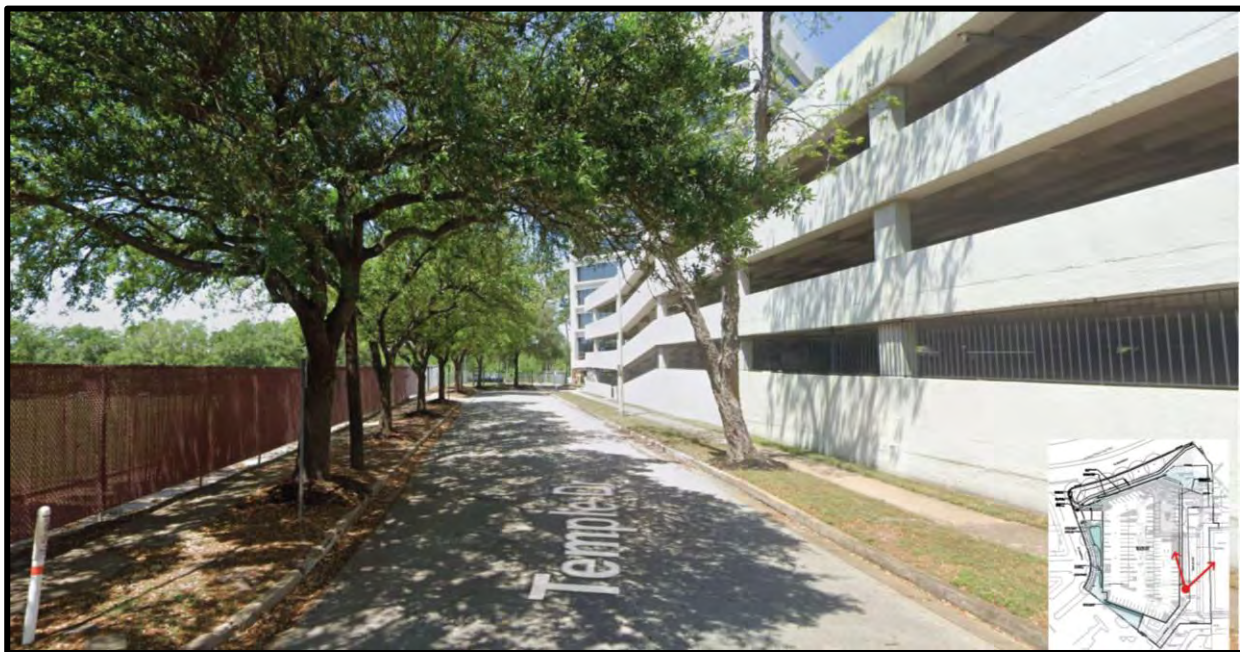
Temple Drive

- Temple Drive remains open for public access via vehicular, pedestrian and bicycle access after improvements made.
- New street features wider sidewalks and additional trees for enhanced shaded pedestrian experience.



Temple Drive View

Existing Condition



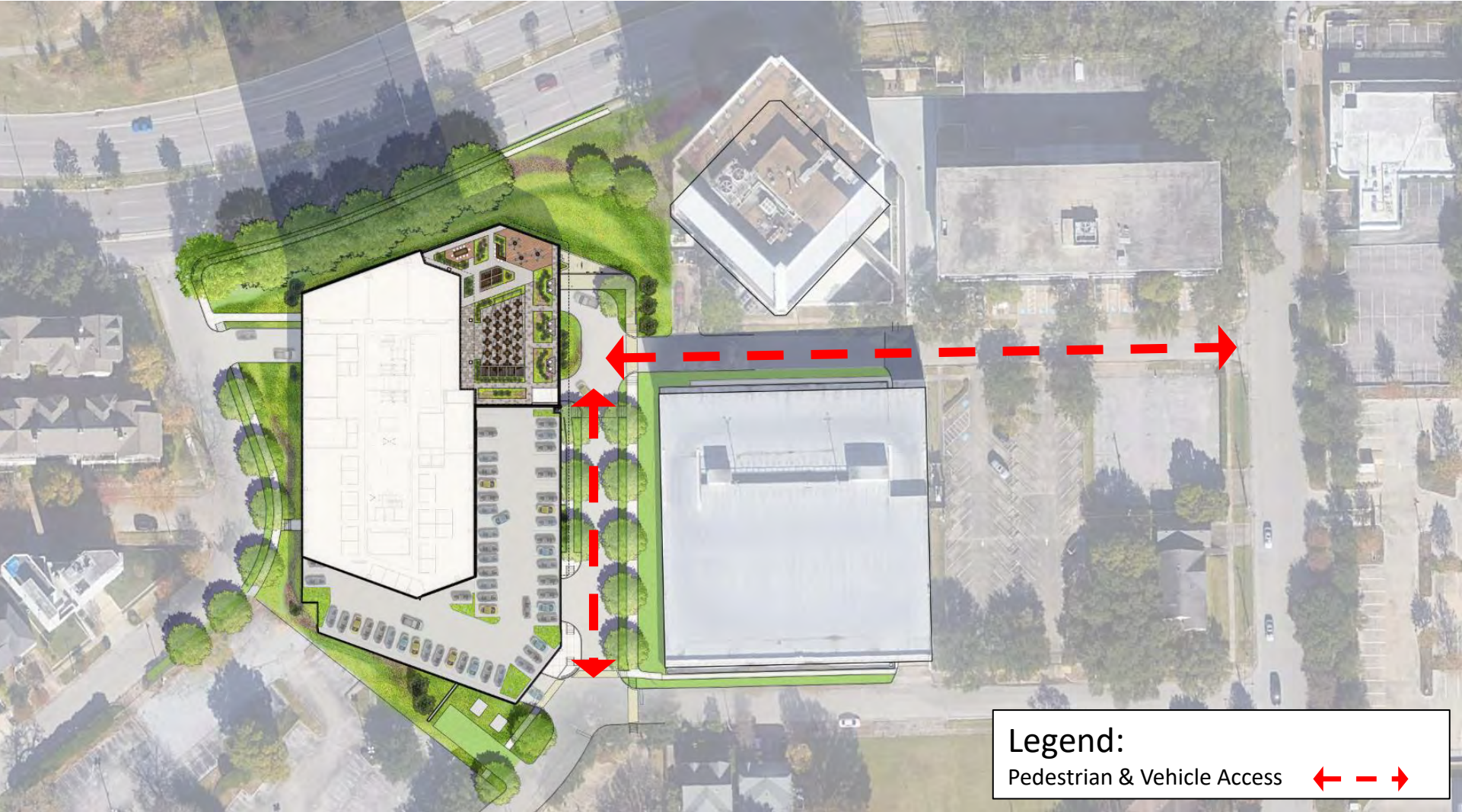
Upgraded Condition

- Pedestrian Friendly Sidewalk
- New Trees





Street Abandonment and Future Access

Temple Drive access remains open for pedestrian and vehicle access



Temple Drive Update

- Temple Drive will remain open to bicycle and pedestrian traffic as required by the City.
- SCI will also maintain vehicular access to Temple Drive.
- Road, sidewalks, streetscape, and landscape will be maintained by SCI.

June 17, 2022

Mr. Keith Gaynor
Walter P. Moore and Associates Inc.
1301 McKinney Street, Suite 1100
Houston, TX 77010

Revised Contact Letter

Subject: Abandonment and sale of Temple Drive, from West Walker Avenue to Taft Street, two 10 foot-wide utility easements, a 20 foot-wide storm sewer easement, and sale of four tracts of fee-owned land; in exchange for conveyance to the City of ±1,150 square feet of right of way for reconfiguration of Temple Drive, a 20 foot-wide water line easement and a 15 foot-wide sanitary sewer line easement, all located within Temple Terrace Addition, and/or Temple Terrace Addition Partial Replat, out of the John Austin Two League Grant, A-1, and ~~Reverter~~ of two 10 foot-wide storm sewer easements and a 10 foot-wide sanitary sewer easement. Parcels SY22-084A through SY22-084H, KY22-162 (Water line easement), and DY22-036 (Sanitary sewer easement), AY22-145 (right of way easement)

[REDACTED]

6. You must maintain pedestrian and bicycle connectivity from Temple Drive west of Walker Street to Taft Street. For specific instructions concerning this requirement, you may contact Judith Burgos of the Transportation and Drainage Operations [at](mailto:jburgos@houstonpublicworks.org) (832) 395-3001.

[REDACTED]

[REDACTED]

[REDACTED]

PO Box 1562 | Houston, Texas 77251-1562 | HoustonPublicWorks.org
Capital Projects | Customer Account Services | Houston Permitting Center | Houston Water | Transportation & Drainage Operations



New Sidewalks and Green Infrastructure



Stanford Street View

Existing Condition



Upgraded Condition

- Storm Water Mitigation
- Pedestrian Friendly Sidewalk
- New Trees



Allen Parkway View

Existing Condition



Upgraded Condition

- Storm Water Mitigation
- Pedestrian friendly sidewalk inboard of trees, creating comfortable distance from traffic on Allen Parkway

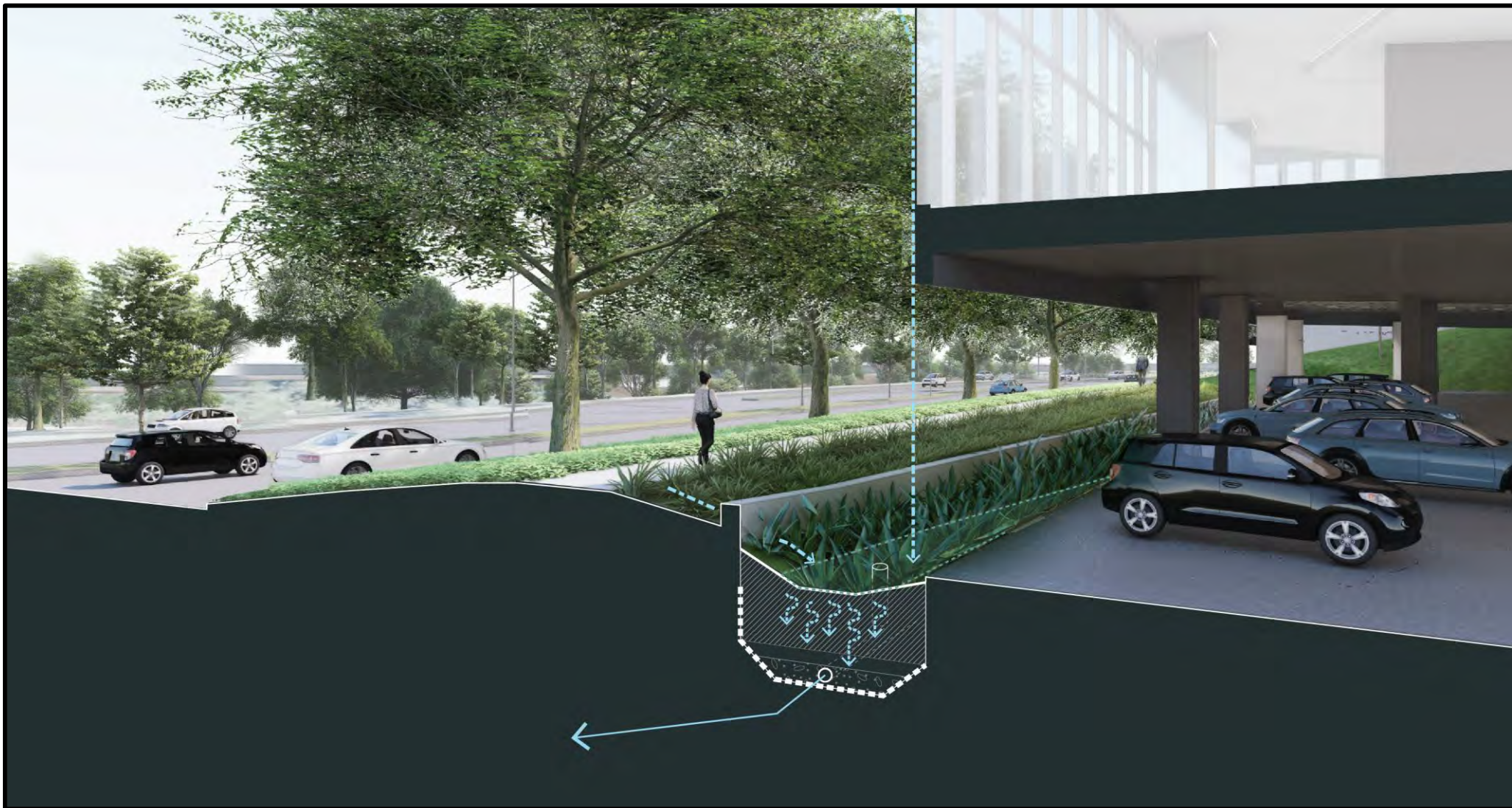


Bioswales and Green Infrastructure

- Bioretention systems are added to regulate the flow and quality of runoff that enters Buffalo Bayou.
- This will provide benefits to pedestrians utilizing Allen Parkway, Stanford Street, and Temple Drive.
- This portion of the project will improve stormwater management, reduce the burden on public infrastructure, reduce pollutant loads, and improve aesthetics.
- The City of Houston Chief Recovery Office endorses methods.
- Bioswales will be maintained by SCI
- Green Roof for building – not seeking partnership for this portion



Bioswales and Green Stormwater Infrastructure



Bioswales and Green Infrastructure



Partnership with DRA

- SCI needs a new headquarters due to repeated flood events at its existing site.
- SCI's goal is to remain along Allen Parkway.
- Significant investment in resilient infrastructure is required to develop the KHOU site.
- SCI will invest \$150 million into its headquarters in the DRA.
- Over 900 jobs will remain within the DRA – not a developer deal –SCI is a major publicly traded company.
- SCI is seeking a \$13.8 million partnership with the DRA.
- DRA will see an 11x return on investment based on value put on the ground. For every \$1 million invested by DRA, \$11 million of value will be created.



Projected Increment from SCI Headquarters

Projected Tax Increment Cash Flows

Main Street Market Square Redevelopment Authority - SCI Bayou Project

Preliminary; For Discussion Only

Tax Roll Jan 1	Growth Rate	Increase in Taxable Value	Total Taxable Value	Less:		Calendar Year	Projected Tax Increment Collections				Less: Admin Fees 5%	Tax Increment Collections
				Base Year Taxable Value	Captured Appraised Value		City	County	HCFC	Total		
2023			9,149,272	(9,149,272)	-	2024	-	-	-	-	-	-
2024		75,000,000	84,149,272	(9,149,272)	75,000,000	2025	396,228	130,162	11,569	537,958	(26,898)	511,060
2025		75,000,000	159,149,272	(9,149,272)	150,000,000	2026	792,455	-	-	792,455	(39,623)	752,833
2026	3.0%	4,774,478	163,923,750	(9,149,272)	154,774,478	2027	817,679	-	-	817,679	(40,884)	776,795
2027	3.0%	4,917,713	168,841,463	(9,149,272)	159,692,191	2028	843,660	-	-	843,660	(42,183)	801,477
2028	3.0%	5,065,244	173,906,707	(9,149,272)	164,757,435	2029	870,419	-	-	870,419	(43,521)	826,898
2029	3.0%	5,217,201	179,123,908	(9,149,272)	169,974,636	2030	897,982	-	-	897,982	(44,899)	853,083
2030	3.0%	5,373,717	184,497,625	(9,149,272)	175,348,353	2031	926,372	-	-	926,372	(46,319)	880,053
2031	3.0%	5,534,929	190,032,554	(9,149,272)	180,883,282	2032	955,613	-	-	955,613	(47,781)	907,832
2032	3.0%	5,700,977	195,733,530	(9,149,272)	186,584,258	2033	985,731	-	-	985,731	(49,287)	936,445
2033	3.0%	5,872,006	201,605,536	(9,149,272)	192,456,264	2034	1,016,753	-	-	1,016,753	(50,838)	965,916
2034	3.0%	6,048,166	207,653,702	(9,149,272)	198,504,430	2035	1,048,706	-	-	1,048,706	(52,435)	996,271
2035	3.0%	6,229,611	213,883,313	(9,149,272)	204,734,041	2036	1,081,617	-	-	1,081,617	(54,081)	1,027,536
2036	3.0%	6,416,499	220,299,813	(9,149,272)	211,150,541	2037	1,115,516	-	-	1,115,516	(55,776)	1,059,740
2037	3.0%	6,608,994	226,908,807	(9,149,272)	217,759,535	2038	1,150,431	-	-	1,150,431	(57,522)	1,092,910
2038	3.0%	6,807,264	233,716,071	(9,149,272)	224,566,799	2039	1,186,394	-	-	1,186,394	(59,320)	1,127,075
2039	3.0%	7,011,482	240,727,554	(9,149,272)	231,578,282	2040	1,223,436	-	-	1,223,436	(61,172)	1,162,265
2040	3.0%	7,221,827	247,949,380	(9,149,272)	238,800,108	2041	1,261,590	-	-	1,261,590	(63,079)	1,198,510
2041	3.0%	7,438,481	255,387,862	(9,149,272)	246,238,590	2042	1,300,887	-	-	1,300,887	(65,044)	1,235,843
2042	3.0%	7,661,636	263,049,497	(9,149,272)	253,900,225	2043	1,341,364	-	-	1,341,364	(67,068)	1,274,296
Totals		253,900,225					19,212,835	130,162	11,569	19,354,566	(967,728)	18,386,837

Participant Assumptions:

	City	County	HCFC	HCHD	Port	HISD
Tax Rate	\$0.53364	\$0.34373	\$0.03055	\$0.14831	\$0.00799	\$1.03720
Participation %	100%	51%	51%	0%	0%	0%
Tax Collections %	99%	99%	99%	99%	99%	99%
Termination Year	2043	2025	2025	n/a	n/a	n/a



Public Infrastructure and Resiliency Plan

Allen Parkway has been home to SCI for more than 50 years.

For SCI to remain there for another 50, significant investment is needed to develop the site – we are seeking a Development Partnership with the DRA to make this possible.

Eligible Project Costs

Rebuilding and Expanding Public Storm Sewer System

Floodplain Mitigation

Detention On-Site

Temple Drive

Sidewalks/Landscape

Green Infrastructure

Total (Above)

Reimbursement Cap (75% of Projected Increment)

Total

\$6,327,400

\$4,044,070

\$3,635,378

\$883,540

\$555,440

\$207,928

\$15,653,756

\$13,790,217.75



Questions?



PROJECT NAME	Assignment of existing Historic Preservation and Restoration Reimbursement Agreement - 202 Travis Street (aka the Cotton Exchange Building)
PROJECT PLAN	Current owner of the property located at 202 Travis Street, 808 FRANKLIN LLC (“Assignor”), request to assign real property rights to X CHANGE SOCIAL CLUB LP (“Assignee”); and assignment of existing Historic Preservation and Restoration Reimbursement Agreement between the City of Houston, 808 Franklin LLC, and the Downtown Redevelopment Authority.
REQUEST	Review request as presented.
DESCRIPTION	<p>The current owner 808 FRANKLIN LLC (managed by District Board Member, Angus Hughes) is looking to sell the property (located at 202 Travis Street, Houston, TX aka the Cotton Exchange Building) to X CHANGE SOCIAL CLUB LP (managed by Anh Mai).</p> <p>Anh Mai, through various partnerships and entities, has been involved with, developed, operated and own numerous restaurant and hospitality concepts in Houston. Some of Mai’s ventures include Bravery Chef Hall, located downtown inside the luxury high rise Aris Market Square apartments and Conservatory Food Hall & Beer Garden. Mai continues to promote local small businesses and introduce new concepts to the area.</p>
ACTION ITEM	Request full DRA Board approval for DRA to enter into the Assignment of Rights (Development Agreement) with 808 FRANKLIN LLC (the “Assignor”) and X CHANGE SOCIAL CLUB LP (the “Assignee”) and the City of Houston, related to the transfer of real property and the historic façade restoration of the property known as the Cotton Exchange Building (located at 202 Travis Street, Houston, TX 77002 (the “Property”).
CONTACTS	DRA: Allen Douglas, Executive Director 808 Franklin LLC: Angus Hughes, Manager John Moody, Jr., Moody Law Group, Council

ACTION ITEM: Assignment of Façade Grant – 202 Travis Street

ASSIGNMENT OF RIGHTS (DEVELOPMENT AGREEMENT)

THIS ASSIGNMENT OF RIGHTS (DEVELOPMENT AGREEMENT (the “Assignment”), is made by and among 808 FRANKLIN LLC, a Texas limited liability company (“Assignor”) and X CHANGE SOCIAL CLUB LP, a Texas limited partnership (“Assignee”).

BACKGROUND

A. Assignor is a party to that certain Historic Preservation and Restoration Reimbursement Agreement dated March 12, 2010, as amended and restated by the First Amended and Restated Historic Preservation and Restoration Reimbursement Agreement dated November 18, 2015 (as amended and restated, the “Development Agreement”), herewith by and among REINVESTMENT ZONE NUMBER THREE, CITY OF HOUSTON, TEXAS, a tax increment reinvestment zone created by the City of Houston, Texas, pursuant to Chapter 311 of the Texas Tax Code, as amended (the “Zone”), acting by and through its governing body, the Board of Directors, and DOWNTOWN REDEVELOPMENT AUTHORITY, a public non-profit local government corporation created pursuant to Chapter 431, Texas Transportation Code (the “Authority”), which Development Agreement generally relates to historic façade restoration of the 202 Travis, Houston, Texas (the “Property”).

B. Assignee has purchased the Property from Assignor.

C. All capitalized terms used herein and not specifically defined herein shall have the respective meanings for such terms as set forth in the Development Agreement.

D. Assignor and Assignee desire to evidence the assignment and assumption of Assignor' rights, title and interest in and to the Development Agreement to Assignee.

AGREEMENT

In consideration of \$10 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Assignor and Assignee, the parties hereto agree as follows:

1. Assignment. Assignor hereby assigns to Assignee all of Assignor's rights, title, interests in, to and under the Development Agreement.

2. Assumption. Assignee assumes all of Assignor’s rights, title and interest in, to and under the Development Agreement.

3. Indemnity. Assignee will indemnify, defend, and hold Assignor harmless from any loss, attorney's fees, expenses, or claims arising out of or related to Assignee's failure to perform any of the obligations of the Developer under the Developer Agreement after this date. Assignor will indemnify, defend, and hold Assignee harmless from any loss, attorney's fees,

expenses, or claims arising out of or related to Assignor's failure to perform any of the obligations of the Developer under the Developer Agreement before this date.

4. Façade Restoration. The Authority acknowledges that Assignor achieved Completion of the Façade Restoration and that no portion of the Project Costs are ineligible under the Act or inconsistent with the Project and Financing Plan. The Authority has paid Assignor the Façade Contribution of \$300,000.00 and Assignor acknowledges receipt. Assignor retains all rights to the Façade Contribution.

5. No Default. The Authority hereby represents and warrants to the benefit of Assignor and Assignee, and their respective successors and assigns, that: (i) no Trigger Events have occurred under the Development Agreement, and (ii) no default by any party to the Development Agreement exists in the performance of any obligation required under the Development Agreement, and no event has occurred which, with the passage of time or the giving of notice, would constitute a default by any party under the Development Agreement.

6. Release. Assignor is hereby released from all obligations under the Development Agreement and Assignee shall be solely responsible for all obligations of the Developer.

[Signatures to Follow on the Next Page]

EXECUTED in multiple counterpart originals effective as of the date of last execution by all parties set forth below.

ASSIGNOR:

808 FRANKLIN LLC,
a Texas limited liability company

By: _____
Angus S. Hughes, Manager

ASSIGNEE:

X CHANGE SOCIAL CLUB LP,
a Texas limited partnership

By: BuiltxNomads LLC
a Texas limited liability company
Its: General Partner

By: _____
Lam Nguyen Mai, Managing Member

By: Bhutane GP, LLC
a Texas limited liability company
Its: General Partner

By: _____
Lam Nguyen Mai, Manager

The undersigned parties to the Development Agreement consent and agree to the foregoing assignment.

**REINVESTMENT ZONE NUMBER
THREE CITY OF HOUSTON, TEXAS**

By: _____
Chair

Date: _____

ATTEST:

By: _____
Secretary

**DOWNTOWN REDEVELOPMENT
AUTHORITY**

By: _____
Chair

Date: _____

ATTEST:

By: _____
Secretary

APPROVED:

CITY OF HOUSTON, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

ATTEST:

, Secretary

PROJECT NAME	Assignment of existing Historic Preservation and Restoration Reimbursement Agreement – 402 Main Street
PROJECT PLAN	Current owner of the property located at 402 Main Street, 914 PRESTON LP (“Assignor”), request to assign real property rights to BHUTANE LP (“Assignee”); and assignment of existing Historic Preservation and Restoration Reimbursement Agreement between the City of Houston, 914 PRESTON LP, and the Downtown Redevelopment Authority.
REQUEST	Review request as presented.
DESCRIPTION	<p>The current owner 914 PRESTON LP (managed by District Board Member, Angus Hughes) is looking to sell the property (located at 402 Main Street, Houston, TX aka the Cotton Exchange Building) to BHUTANE LP (managed by Anh Mai).</p> <p>Anh Mai, through various partnerships and entities, has been involved with, developed, operated and own numerous restaurant and hospitality concepts in Houston. Some of Mai’s ventures include Bravery Chef Hall, located downtown inside the luxury high rise Aris Market Square apartments and Conservatory Food Hall & Beer Garden. Mai continues to promote local small businesses and introduce new concepts to the area.</p>
ACTION ITEM	Request full DRA Board approval for DRA to enter into the Assignment of Rights (Development Agreement) with 914 PRESTON LP (the “Assignor”) and BHUTANE LP (the “Assignee”) and the City of Houston, related to the transfer of real property and the historic façade restoration of the property known as the Cotton Exchange Building (located at 402 Main Street, Houston, TX 77002 (the “Property”).
CONTACTS	DRA: Allen Douglas, Executive Director 914 PRESTON LP: Angus Hughes, Manager John Moody, Jr., Moody Law Group, Council

ACTION ITEM: Assignment of Façade Grant – 402 Main Street

ASSIGNMENT OF RIGHTS (DEVELOPMENT AGREEMENT)

THIS ASSIGNMENT OF RIGHTS (DEVELOPMENT AGREEMENT (the "Assignment"), is made by and among 914 PRESTON LP, a Texas limited partnership ("Assignor") and BHUTANE LP, a Texas limited partnership ("Assignee").

BACKGROUND

A. Assignor is a party to that certain Historic Preservation and Restoration Reimbursement Agreement dated March 12, 2010, as amended and restated by the First Amended and Restated Historic Preservation and Restoration Reimbursement Agreement dated November 18, 2015 (as amended and restated, the "Development Agreement"), herewith by and among REINVESTMENT ZONE NUMBER THREE, CITY OF HOUSTON, TEXAS, a tax increment reinvestment zone created by the City of Houston, Texas, pursuant to Chapter 311 of the Texas Tax Code, as amended (the "Zone"), acting by and through its governing body, the Board of Directors, and DOWNTOWN REDEVELOPMENT AUTHORITY, a public non-profit local government corporation created pursuant to Chapter 431, Texas Transportation Code (the "Authority"), which Development Agreement generally relates to historic façade restoration of the 402 Main Street, Houston, Texas (the "Property").

B. Assignee has purchased the Property from Assignor.

C. All capitalized terms used herein and not specifically defined herein shall have the respective meanings for such terms as set forth in the Development Agreement.

D. Assignor and Assignee desire to evidence the assignment and assumption of Assignor' rights, title and interest in and to the Development Agreement to Assignee.

AGREEMENT

In consideration of \$10 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Assignor and Assignee, the parties hereto agree as follows:

1. Assignment. Assignor hereby assigns to Assignee all of Assignor's rights, title, interests in, to and under the Development Agreement.

2. Assumption. Assignee assumes all of Assignor's rights, title and interest in, to and under the Development Agreement.

3. Indemnity. Assignee will indemnify, defend, and hold Assignor harmless from any loss, attorney's fees, expenses, or claims arising out of or related to Assignee's failure to perform any of the obligations of the Developer under the Developer Agreement after this date. Assignor will indemnify, defend, and hold Assignee harmless from any loss, attorney's fees,

expenses, or claims arising out of or related to Assignor's failure to perform any of the obligations of the Developer under the Developer Agreement before this date.

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5. No Default. The Authority hereby represents and warrants to the benefit of Assignor and Assignee, and their respective successors and assigns, that: (i) no Trigger Events have occurred under the Development Agreement, and (ii) no default by any party to the Development Agreement exists in the performance of any obligation required under the Development Agreement, and no event has occurred which, with the passage of time or the giving of notice, would constitute a default by any party under the Development Agreement.

6. Release. Assignor is hereby released from all obligations under the Development Agreement and Assignee shall be solely responsible for all obligations of the Developer.

[Signatures to Follow on the Next Page]

EXECUTED in multiple counterpart originals effective as of the date of last execution by all parties set forth below.

ASSIGNOR:

914 PRESTON LP,
a Texas limited partnership

By: **914 PRESTON GP LLC,**
Its General Partner

By: _____
Angus S. Hughes, Manager

ASSIGNEE:

BHUTANE LP,
a Texas limited partnership

By: Bhutane GP, LLC
a Texas limited liability company
Its: General Partner

By: _____
Name: Lam Nguyen Mai
Title: Manager

By: BuiltxNomads LLC,
a Texas limited liability company
Its: General Partner

By: _____
Name: Lam Nguyen Mai
Title: Member

The undersigned parties to the Development Agreement consent and agree to the foregoing assignment.

**REINVESTMENT ZONE NUMBER
THREE CITY OF HOUSTON, TEXAS**

By: _____
Chair

Date: _____

ATTEST:

By: _____
Secretary

**DOWNTOWN REDEVELOPMENT
AUTHORITY**

By: _____
Chair

Date: _____

ATTEST:

By: _____
Secretary

APPROVED:

CITY OF HOUSTON, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

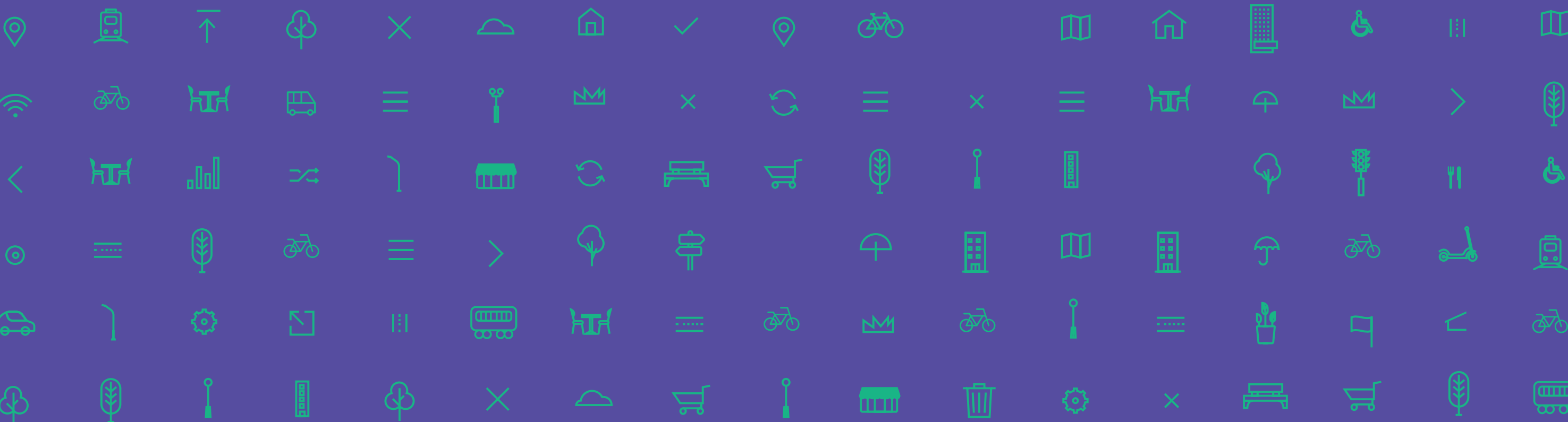
ATTEST:

, Secretary



Morespace Main street_2.0

PRESENTED TO CENTRAL HOUSTON, INC
DECEMBER 2023



DOWNTOWN HOUSTON +

DOWNTOWN HOUSTON +

+



PROJECT POTENTIAL

- 1 Warehouse District
- 2 Ballpark District
- 3 Harris County District
- 4 Historic District
- 5 Theater District
- 6 Avenida Houston
- 7 Harris County Plaza
- 8 Allen's Landing
- 9 Market Square Park
- 10 Sesquicentennial Park
- 11 Lynn Wyatt Square
- 12 Tranquility Park
- 13 Sam Houston Park
- 14 Buffalo Bayou Park
- 15 Trebley Park
- 16 Root Square
- 17 Discovery Green

- ↔ Main Street Project
- Destinations
- Lightrail Routes
- Buildings with Residences
- Parks
- Bikeways (current, planned)



GOALS

Attract **more people** to
Downtown

Activate public realm day
and night

Comfortable spaces for
all ages, abilities, users

Ease of movement/ **safe
environments**

Establish a **fun and
enjoyable identity** for this
7-blocks of Main Street



ENGAGEMENT RECAP

22

stakeholder groups engaged

8 hrs

of public workshops

330

people engaged

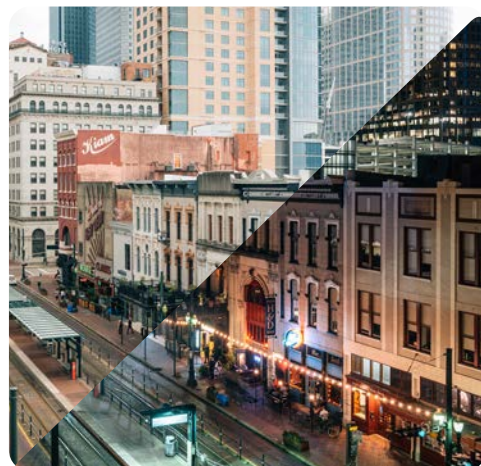
1,346

feedback points (dots, post-its, chips)



ENGAGEMENT RECAP

What we heard...



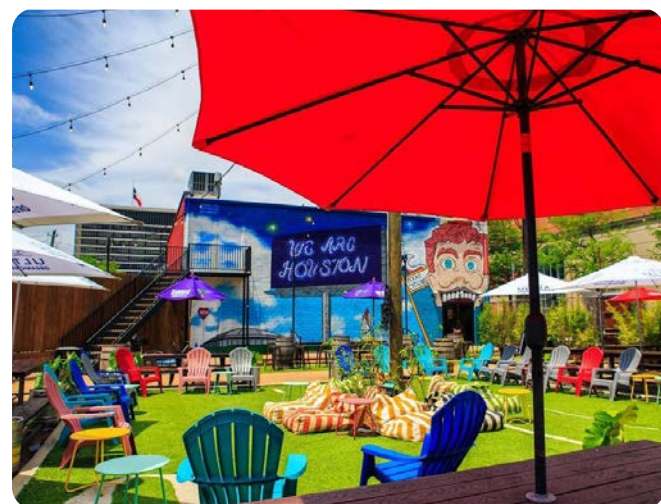
Main Street should be **ACTIVE** both day and night!

Downtown is **“home”** for many people



Main Street should be for **EVERYONE**, safe and accessible for all ages, abilities, and users

Vibrant and identifiable district, featuring the historic buildings and murals!



Shade and lighting!



Pop up food + events

Agencies

Houston Public Works
 Metro
 Centerpoint Energy
 Houston Fire Department
 Houston Police Department
 Houston Administration and Regulatory Affairs
 Mayor's Office of People with Disabilities
 Mayor's Office of Special Events

Stakeholders

Business Owners

- Little Dipper
- Flying Saucer
- Zenaku/Cherry
- Shake Shack

Property Owners

- Hines
- Dan Zimmerman
- UofH Downtown
- Midway

Main Street Hotels

- Hotel Icon
- AC Hotel
- JW Marriot
- Moxy

Other

- Buffalo Bayou Partnership
- Council Member Gallegos

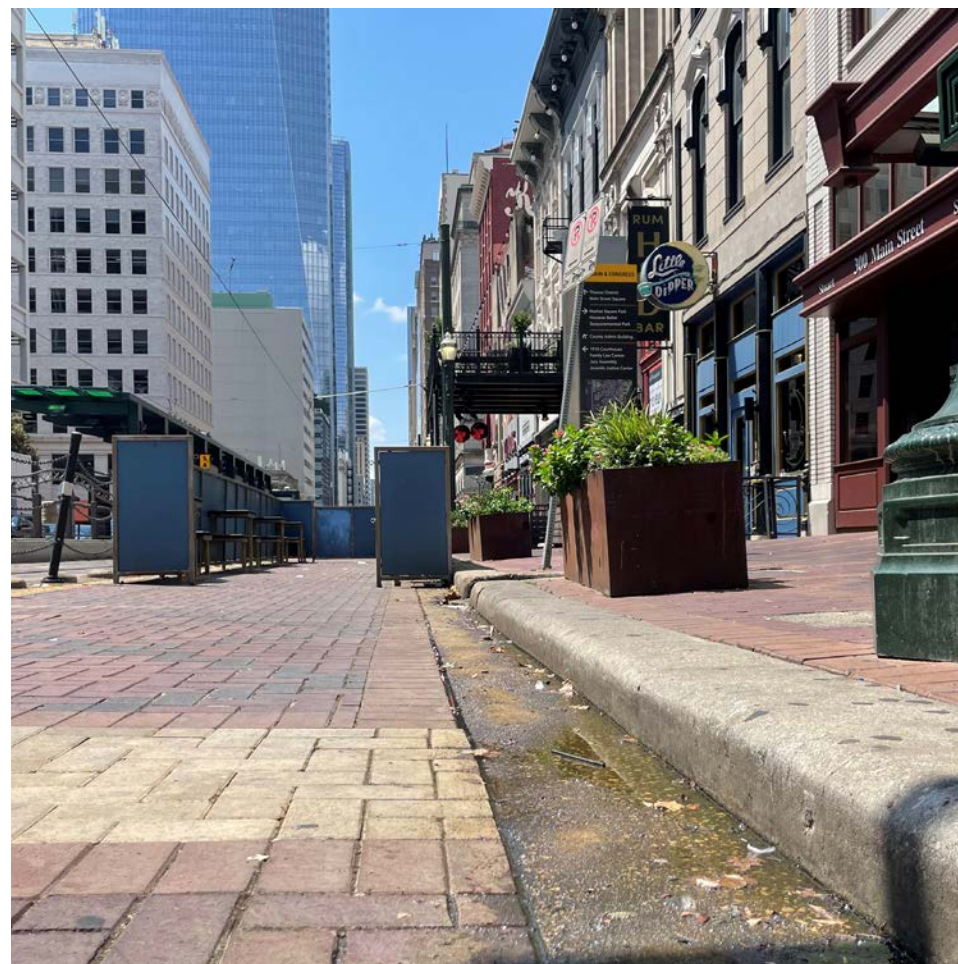
KEY CONSIDERATIONS

Maintenance



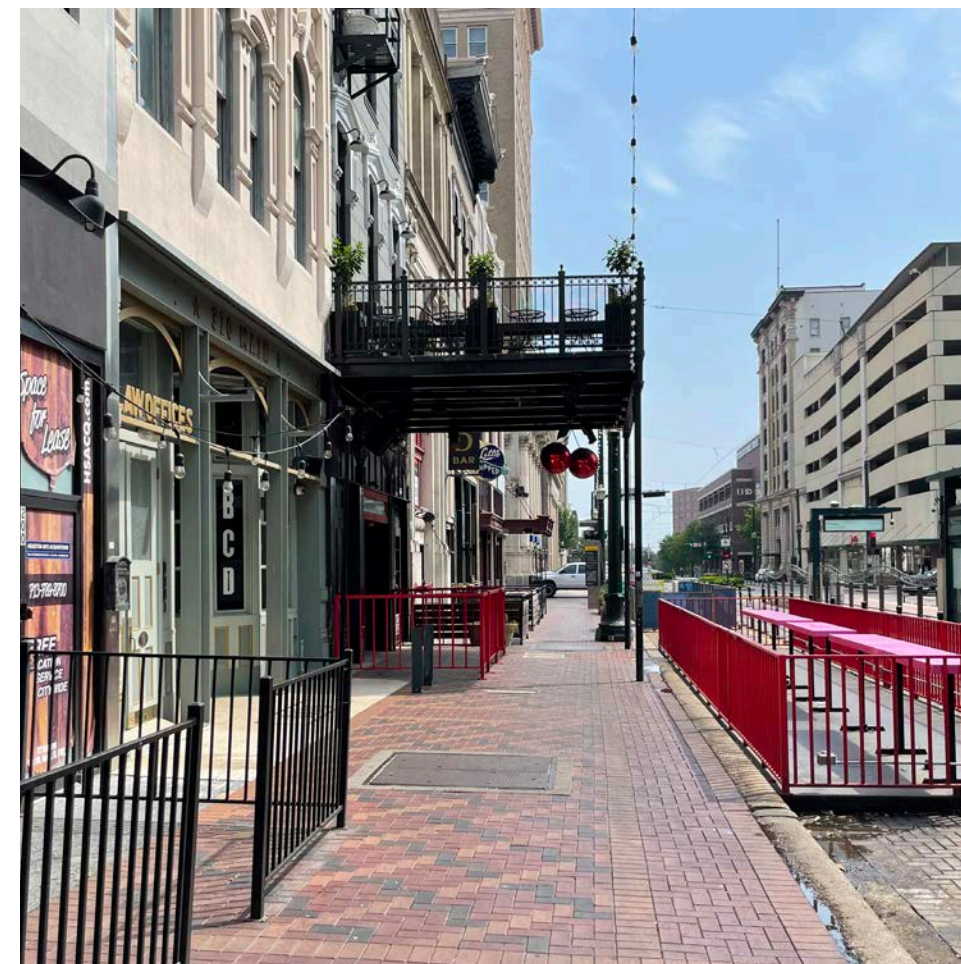
“Like the ideas, but who is going to take care of this?”

Accessibility



How to resolve the elevation change between drive lane and sidewalk?

Placemaking

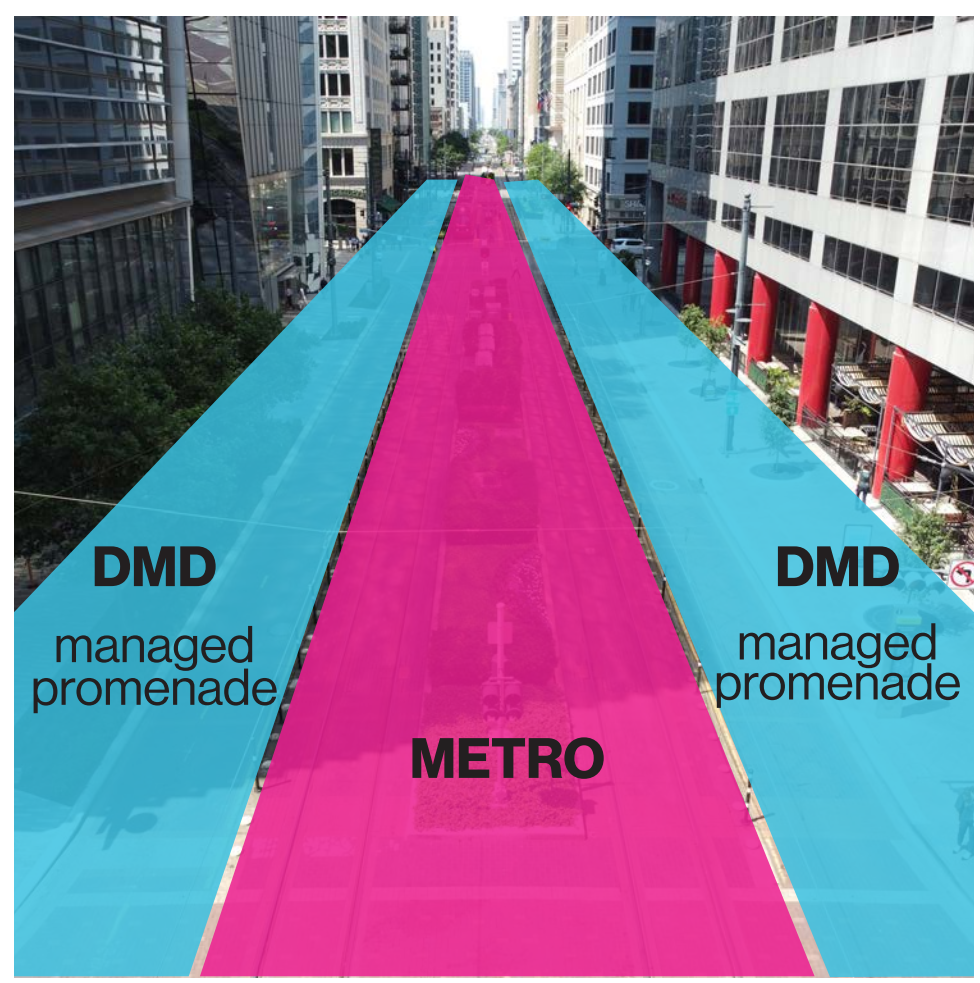


Strong interest in creating a District Identity and place.

Agency Priorities: Access for Operations, Emergency Response, & Public Safety

LEADING TO 3 BIG SHIFTS

Maintenance



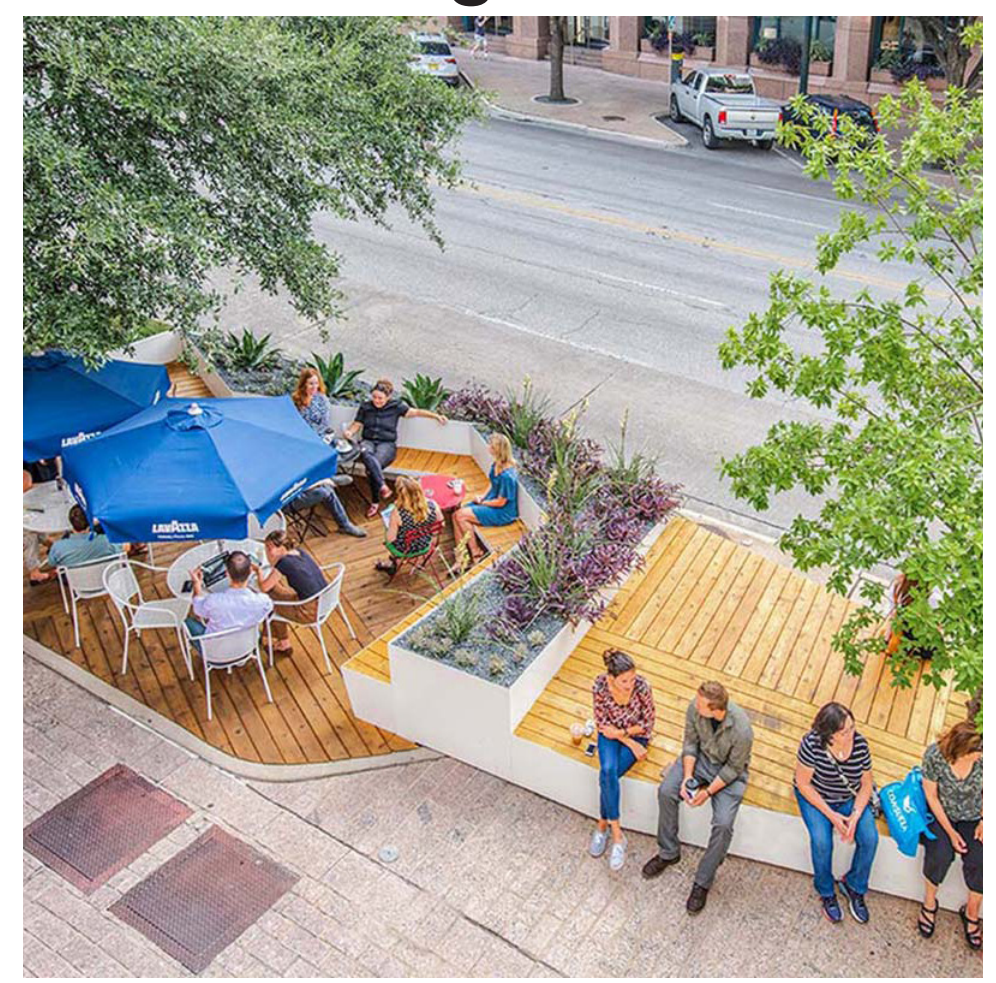
Downtown Management District
To manage the public realm

Accessibility



Raise the Street
To create a flush walking surface between drive lane and sidewalk

Placemaking



Create Outdoor Rooms
That are fun, flexible and comfortable

ENABLES THE NEW MAIN STREET EXPERIENCE



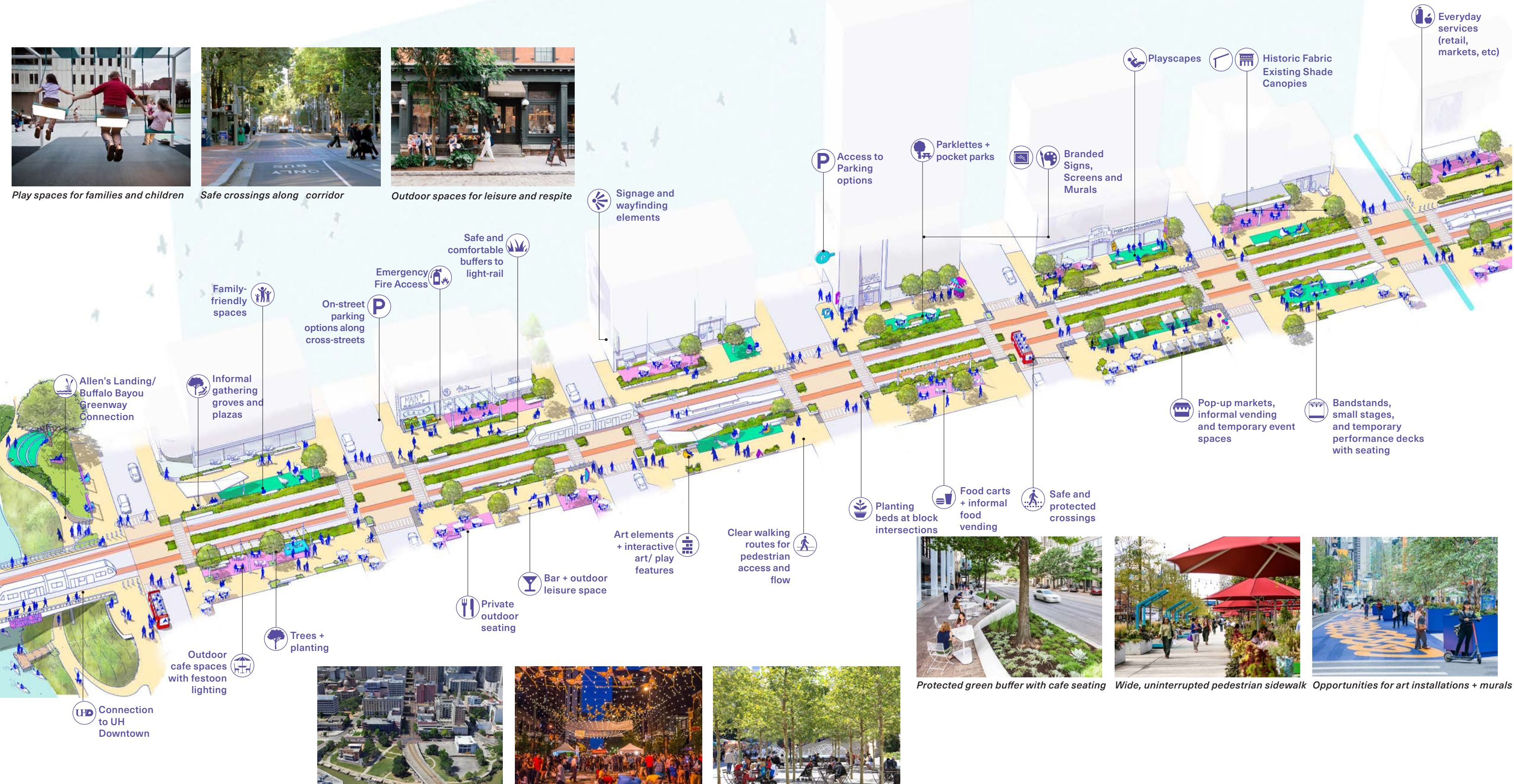
Play spaces for families and children



Safe crossings along corridor



Outdoor spaces for leisure and respite



Green space links to the bayou system



Night-time lighting and events programming



Community gathering plazas with shade



Protected green buffer with cafe seating

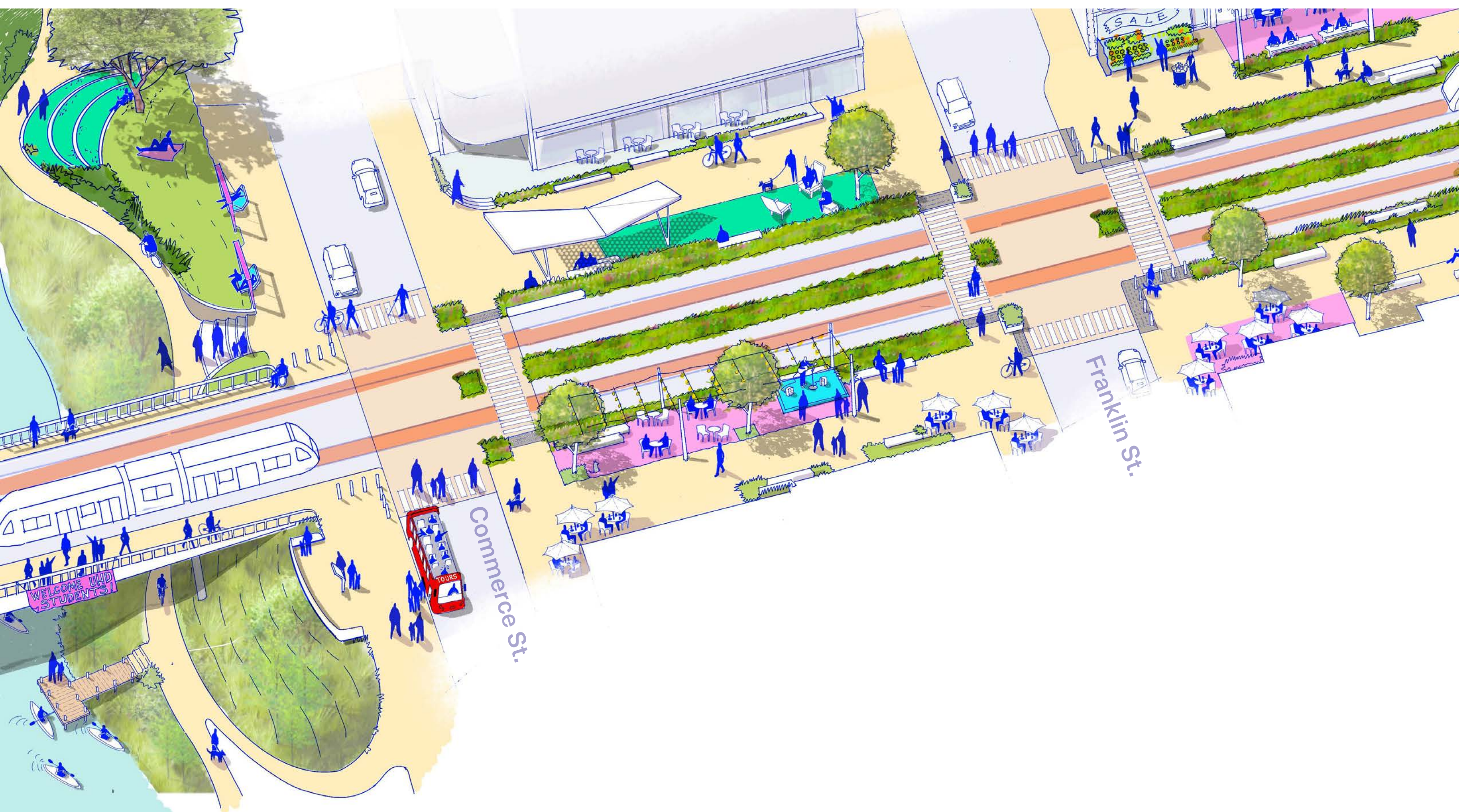


Wide, uninterrupted pedestrian sidewalk

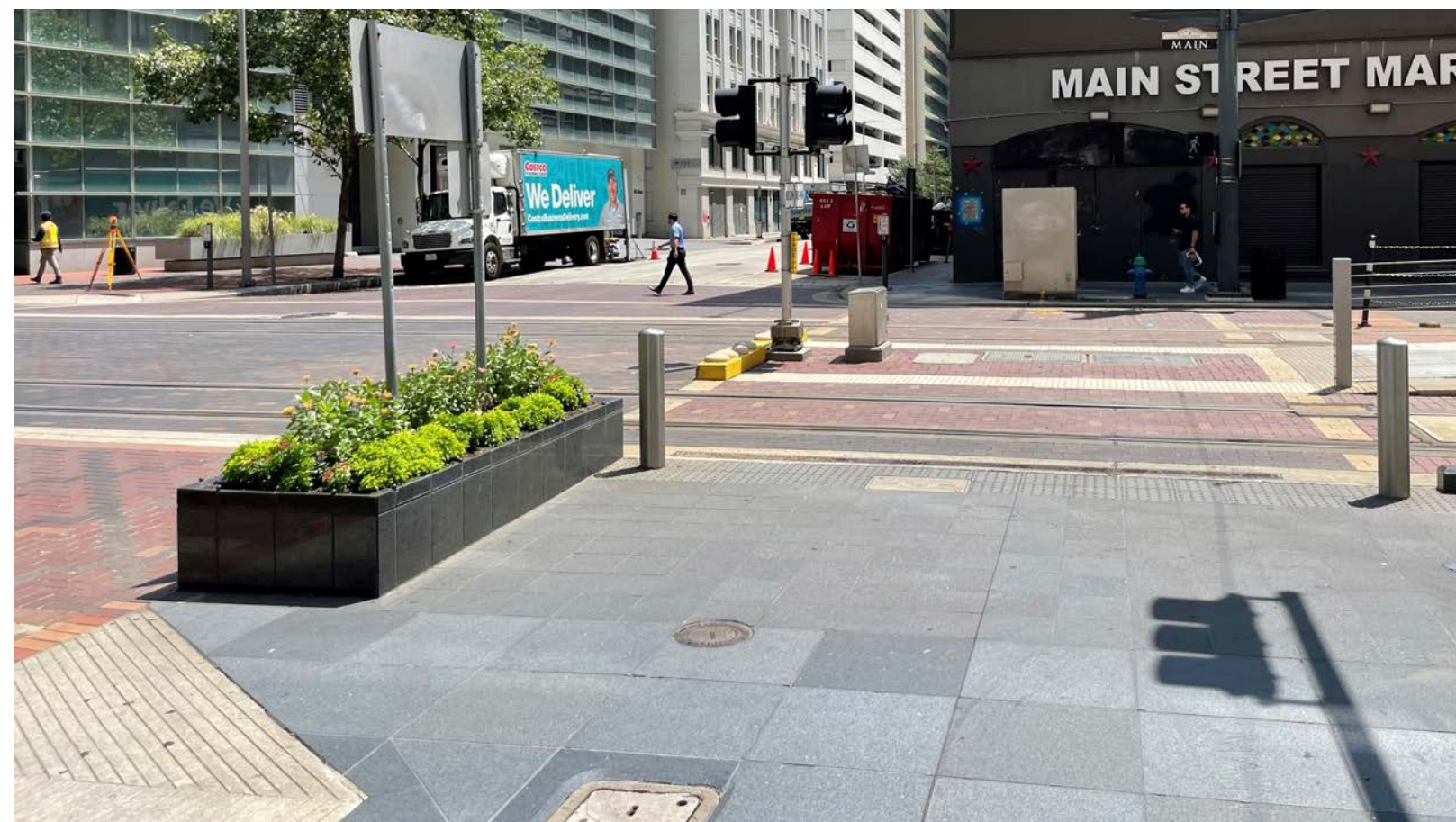


Opportunities for art installations + murals

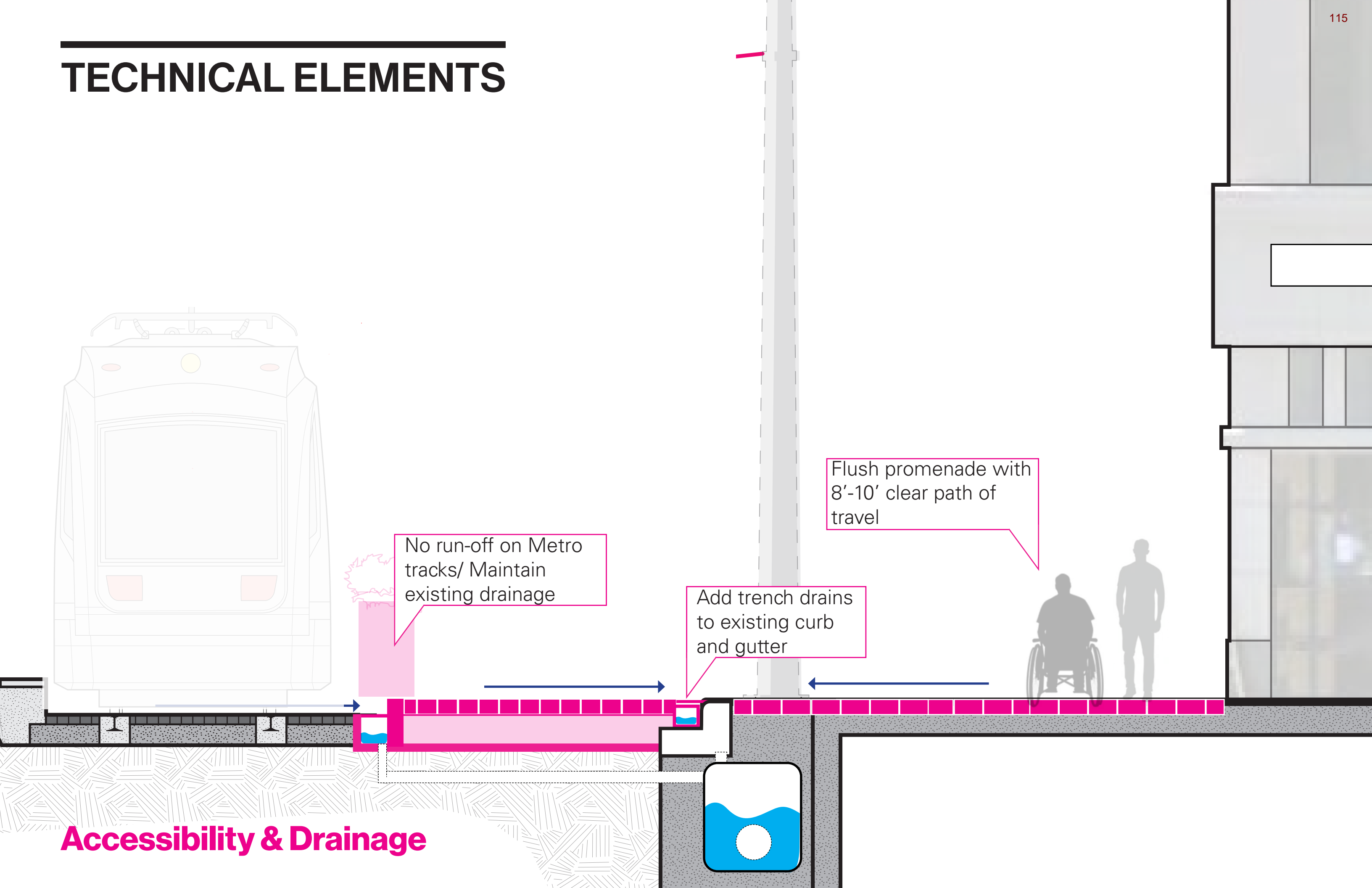
CELEBRATE THE GATEWAY AT ALLEN'S LANDING



SAFE CROSSINGS



TECHNICAL ELEMENTS



No run-off on Metro tracks/ Maintain existing drainage

Add trench drains to existing curb and gutter

Flush promenade with 8'-10' clear path of travel

Accessibility & Drainage

TECHNICAL ELEMENTS

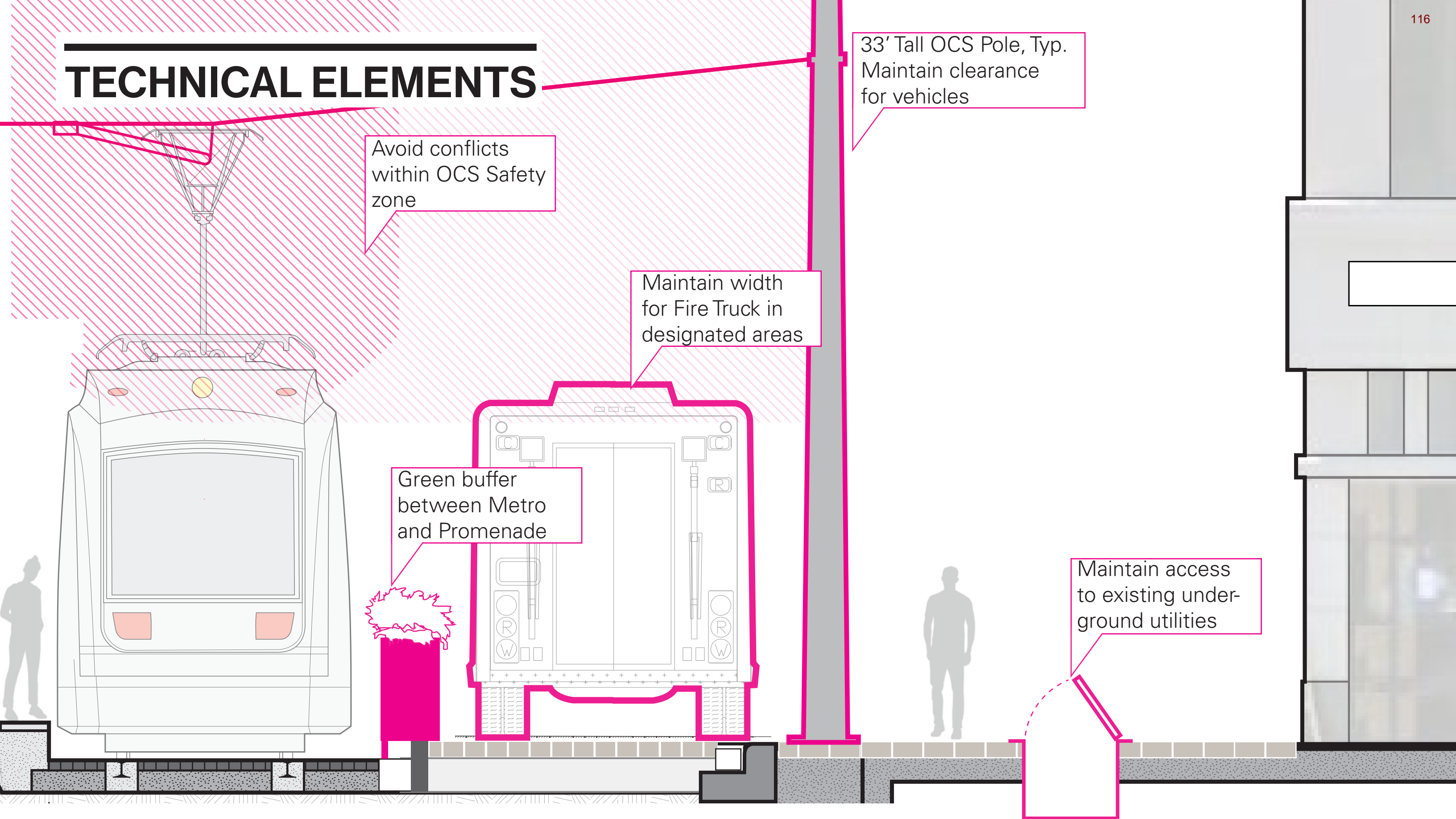
Avoid conflicts within OCS Safety zone

33' Tall OCS Pole, Typ. Maintain clearance for vehicles

Maintain width for Fire Truck in designated areas

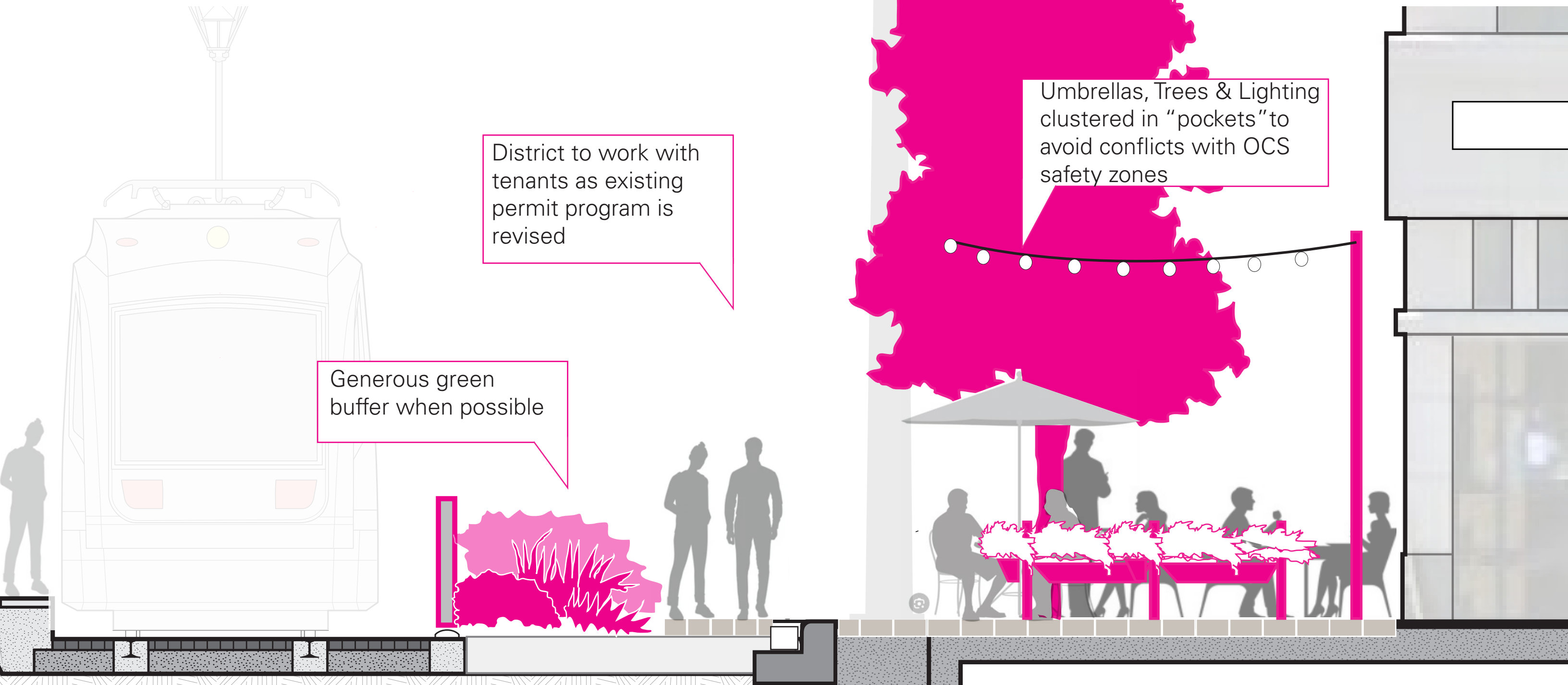
Green buffer between Metro and Promenade

Maintain access to existing underground utilities



Utility, Safety & Operations

TECHNICAL ELEMENTS



District to work with tenants as existing permit program is revised

Generous green buffer when possible

Umbrellas, Trees & Lighting clustered in "pockets" to avoid conflicts with OCS safety zones

Activation & Tenant Coordination

CONCEPT DESIGN SIGN OFF

- Metro**
- Fire Access**
- Police Access**
- Transportation**
- Drainage**
- Parking**
- ADA accessibility**

THE CONCEPT DESIGN IS CLEAR TO MOVE FORWARD

ACTIVATING MAIN STREET



Main Street Today

- Narrow sidewalks with obstacles and limited accessibility
- Pockets of vacancies and/or activity only during certain hours of the day

ACTIVATING MAIN STREET



Transformed

- Vibrant, fully accessible promenade that welcomes people and activity to the street
- Attractive amenities invite new retail tenants into vacancies and support existing tenants
- Additional maintenance by the District to care for greenery and seating

ACTIVATING MAIN STREET



Opportunity Sites

- Single building occupies entire block
- Pockets of ground floor vacancies
- No fire access required in drive lane

ACTIVATING MAIN STREET



Transformation

- Celebrated anchor activation sites
- District provides capacity for pop-up markets and seasonal events
- Draw for those who live and work Downtown as well as citywide visitors

ACTIVATING MAIN STREET



THE NEW MAIN STREET

Night



THE NEW MAIN STREET

Day



MAIN STREET 2.0 FOR EVERYONE



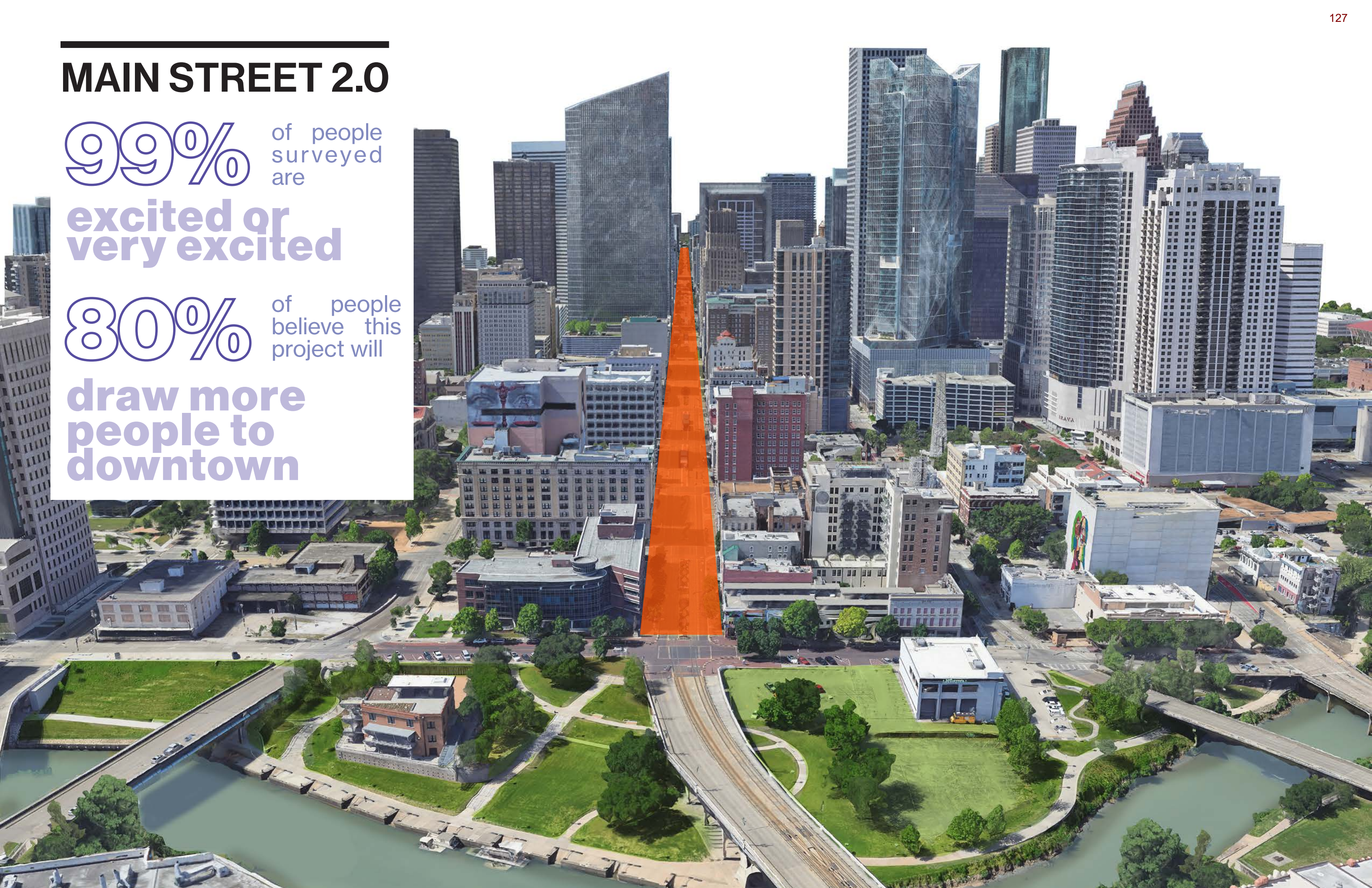
MAIN STREET 2.0

99% of people surveyed are

excited or very excited

80% of people believe this project will

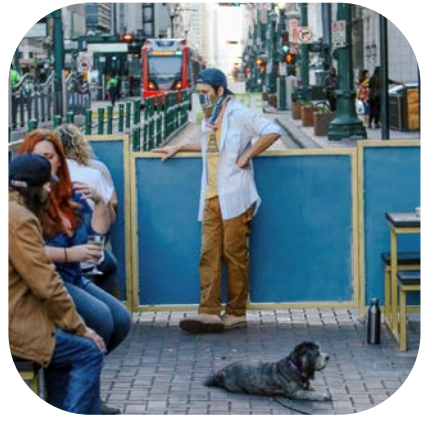
draw more people to downtown



PROJECT TIMELINE



2021-2022
MORE SPACE 1.0



2023
CITY COUNCIL DECISION

we are here

2023
ENGAGEMENT + BASIS OF DESIGN



2024
DESIGN + ENGINEERING

2025
CONSTRUCTION



2026
WORLD CUP

Q&A



END

morespace: main street **_2.0**

ENGAGEMENT SUMMARY

Workshop #2



October 19th, 2023

4 **Hours**

90 **People**

425 **Feedback points**
Dots/Post-its/Chips/Comment Cards

October 19, 2023 @ Little Dipper on Main St

SUMMARY



1 Project Potential

PROJECT POTENTIAL

About the project

The Main Street Main Street program from Commerce to Rusk was established during the COVID-19 pandemic to help restaurants accommodate more socially distanced customers. In March 2023, City Council voted to permanently close the portion of Main Street in order to create an equitable pedestrian-focused public realm. This planning project, led by the Houston Downtown Management District, is assessing the needs and desires of stakeholders and the community to lay the groundwork for the transformation of Main Street.

Main Street History

Demographics by the numbers

- 5300
- 68 total
- 81% occupied
- 13
- 10
- 14,350

Project Schedule

2021-2022: MAIN STREET ID
 2023: CITY COUNCIL DECISION
 2023: PLANNING DESIGN
 2024: DESIGN ENGINEERING
 2025: CONSTRUCTION
 2026: BUILDUP

ENABLING A GREAT PROJECT

What We Heard

Through the feedback from both agencies and the community, it became clear that three (3) key items were necessary in order to set the stage for a great project to happen. These are the most significant concerns, which are Maintenance, Accessibility, and Activation. Maintenance considers Main Street as the public space with the City and Downtown leading a "Shared Maintenance Zone". For changes in the address of environmental public space, Accessibility requires consideration of being the existing, creating additional space for people and engaging with pedestrian orientation. Activation requires the creation of programming to be a part of the project to offer options for dining, leisure, recreation and pop-up events that ensure an 18-hour activation.

Key Steps

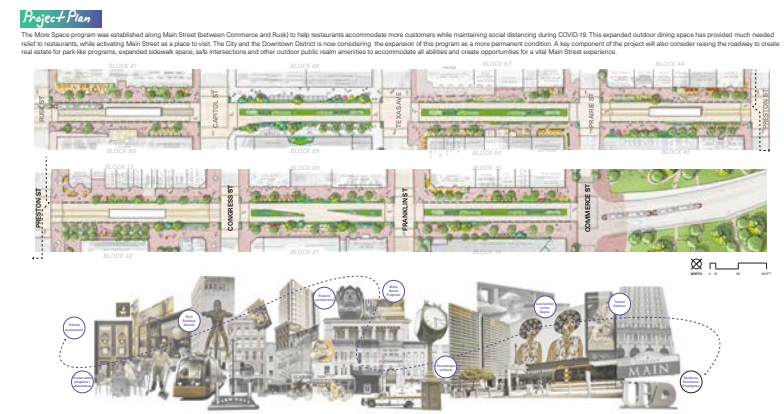
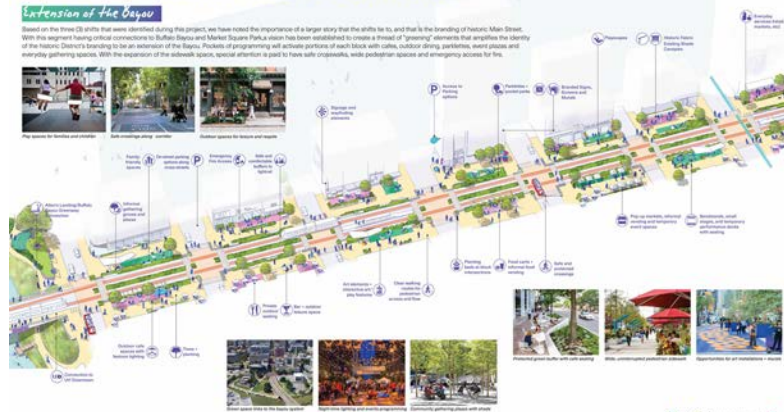
- 1 MAINTENANCE**
- 2 ACCESSIBILITY**
- 3 ACTIVATION**

Who We're Reaching

- Houston Public Works
- MDOT
- The Downtown
- Houston Police Department
- Houston Administration and Regulatory Affairs
- Mayor's Office of People with Disabilities
- Mayor's Office of Special Events
- Business Owners from Main Street ID
- Business Owners along Main Street
- Main Street Residents, 40, Many from 18 Nations
- University of Houston Downtown
- Midway
- 142 members of the public at Workshop #1

2 Main Street Experience

DOWNTOWN MAIN STREET EXPERIENCE



3 Views

COMMON SOCIAL SPACE



Post your thoughts here!

Would you feel comfortable in this space? Would you bring friends, family, or visitors? Other opportunities we should consider in this location?

NIGHT-TIME PUBLIC GATHERING



Post your thoughts here!

Would you feel comfortable in this space? Would you bring friends, family, or visitors? Other opportunities we should consider in this location?

4a Views

CAFE AND RETAIL SPACE



Post your thoughts here!

Would you feel comfortable in this space? Would you bring friends, family, or visitors? Other opportunities we should consider in this location?

4b Views

EVENT SPACES



Post your thoughts here!

Would you feel comfortable in this space? Would you bring friends, family, or visitors? Other opportunities we should consider in this location?

5 Feedback

FEEDBACK: TELL US YOUR THOUGHTS

Question #1 Directions: Take a green dot and place it anywhere on the spectrum below to tell us how you feel about this Main Street project.

How excited are you about this project?

Not excited Neutral Very excited

Question #2 Directions: Take a dot and place it in either of the boxes below to respond to the question below.

Do you think this project will draw more people to downtown?

No Maybe Yes

Question #3 Directions: Grab a chip and drop it in the corresponding bowl below to share your thoughts.

What would you prefer to see more of in the final design?

Events spaces/ food carts
Green/ Nature
Art/ Music

Post your thoughts here!

Would you feel comfortable in this space? How do you feel about the project? Anything you want to share with us? Anything we missed?

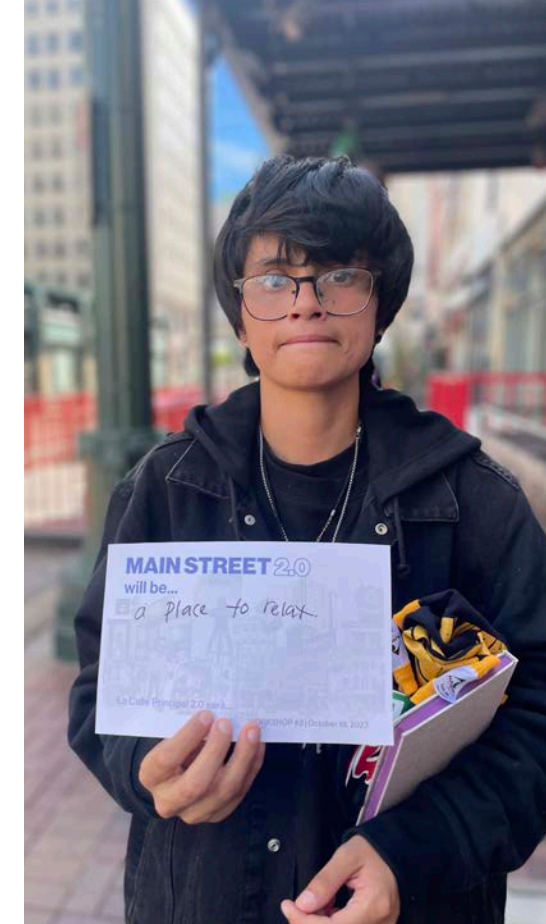
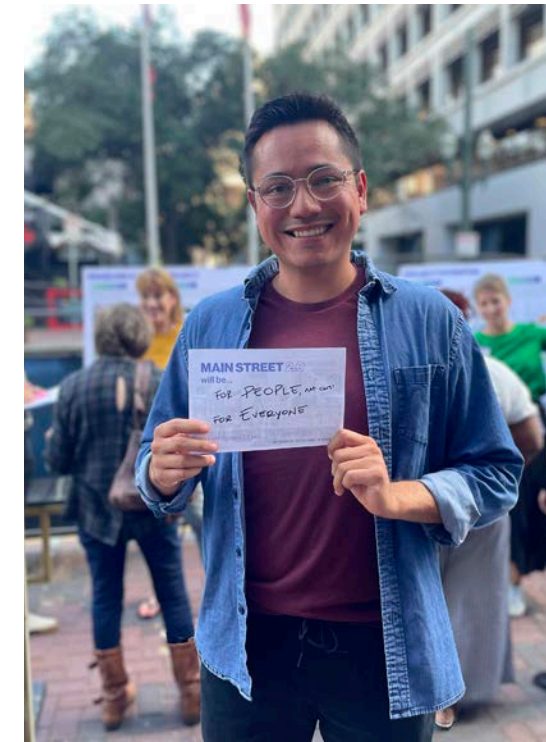
STATIONS

Ensure people
feel **heard** and
their thoughts
**reflected in the
design**

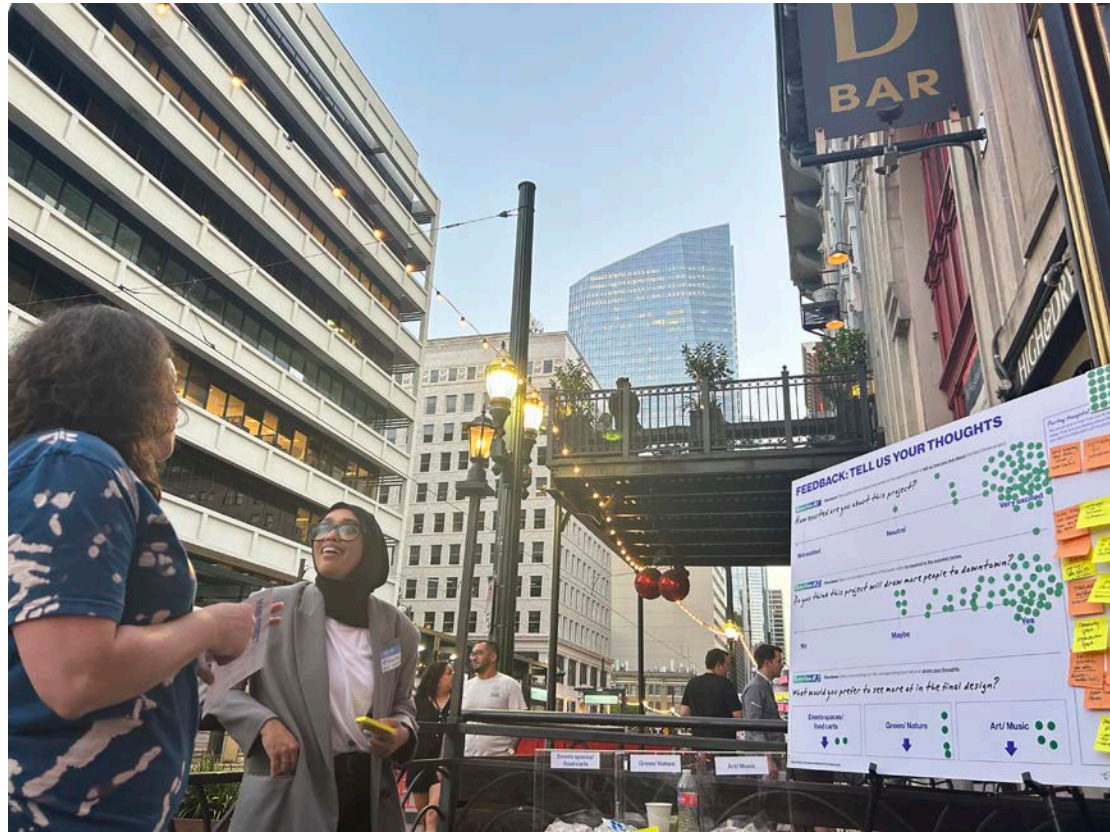
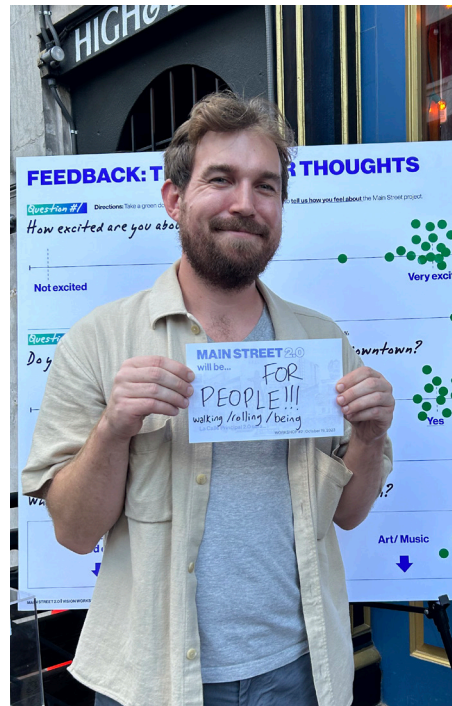
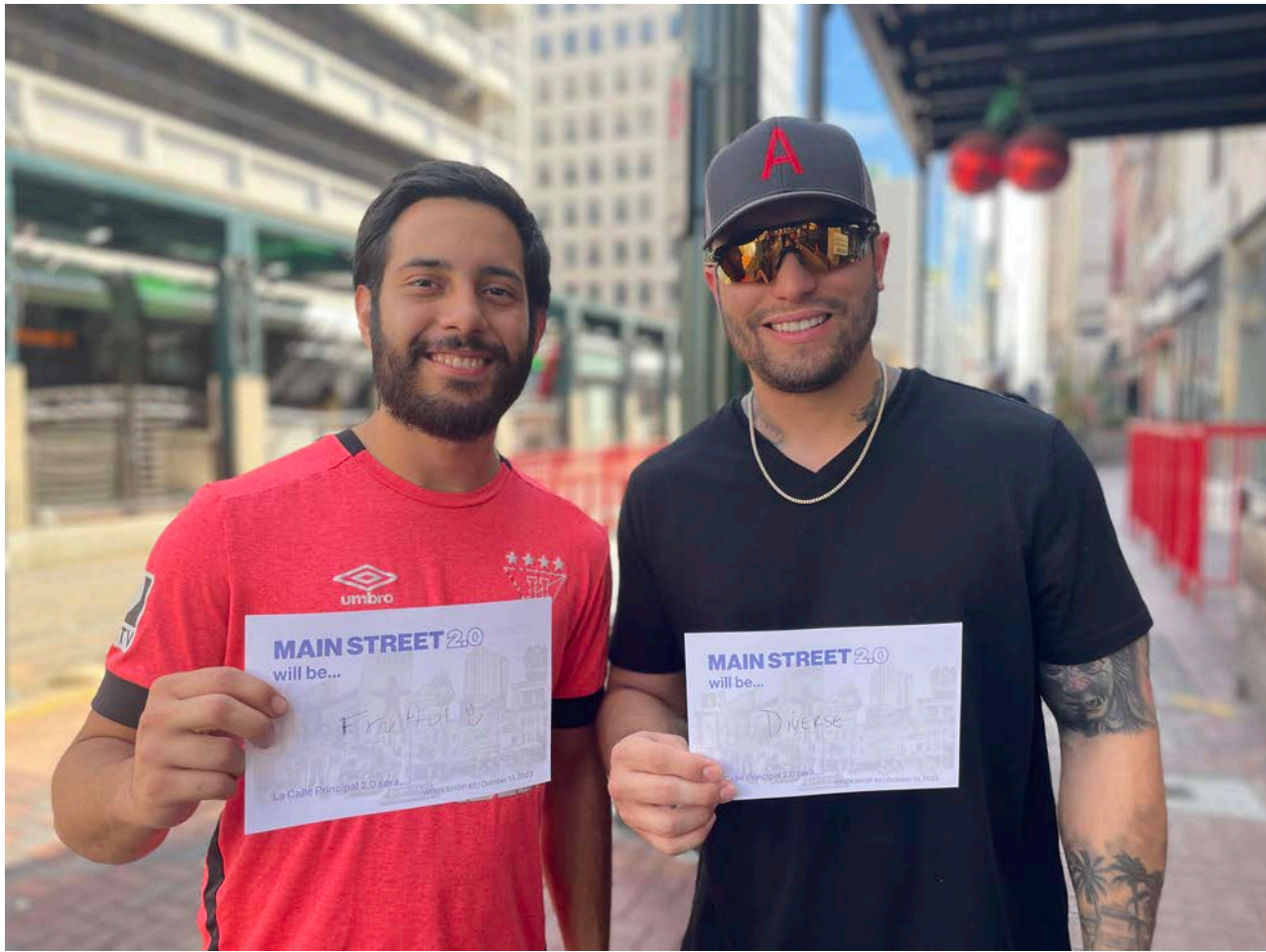
Gather feedback
on the **concept** and
potential spaces

Assess the **level
of excitement and
support** for the
project

OUTCOMES



MAIN STREET 2.0 WILL BE...



MAIN STREET 2.0 WILL BE...

green
 colorful welcoming refreshing
 BUZZING transformational *brighter*
accessible out of this world *dance party!*
 FRUITFUL greatest renaissance SOCIAL LIVING
 REDISCOVERED VIBRANT INCLUSIVE
 awesome
vibing place for everyone
 WALKING/ROLLING/BEING *revitalized*
 diverse MEMORABLE
 everyone people *place to relax*
 ENJOYABLE
 friendly ALL-SEASON *friggin' awesome*

MAIN STREET 2.0 WILL BE...

1 Response to this project is extremely positive

- **99% of respondents** are EXCITED or VERY EXCITED about the More Space: Main Street 2.0 project
- **80% of respondents** believe this project will draw more people to downtown

2 The community is excited about the design

- **Shade**—shade structures and trees are wonderful and so needed
- **Planting and trees**—great for branded identity and shade
- **Lighting**—makes things fun
- **Programming**—the activation, market, and buskers are great, also love to see seasonal programming for wonder all year round!
- **Connection to the Bayou**



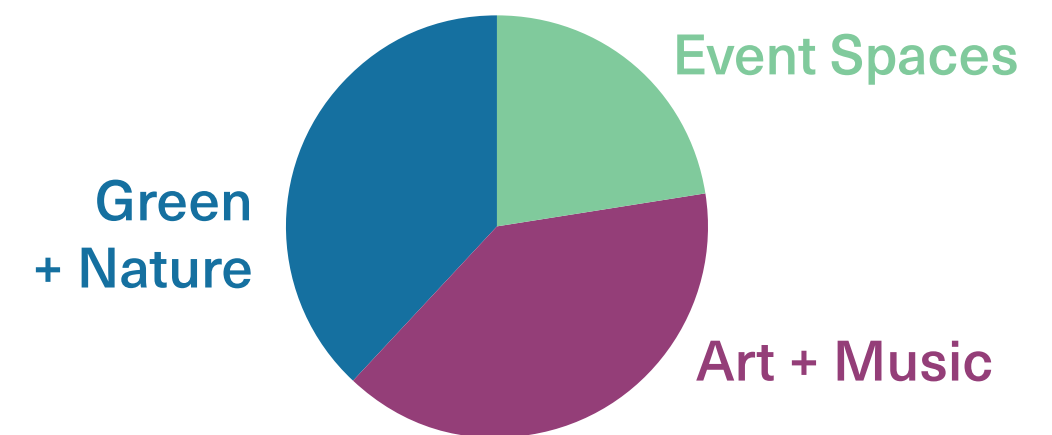
KEY TAKEAWAYS

What they'd like to see more of in the final design:

- **Security support/presence**—need to serve between 2am and 7am
- **Fans + misters**—in combination with shade, to keep things cool
- **Straightforward car/bike parking**—clear signage to garages, information on hours, bike parking, bike valet
- **METRO policing**—cleaning and presence on platforms
- **Playful art**—art installations, in paving, vacant buildings
- **More permanent furnishings**—less temporary tents, railings, and barricades
- **District branding**—give this area a distinct identity!
- **Live music**
- **Water**—connect back to nature
- **Activation**—variety, colors, sensory experiences



What would you like to see more of in the final design?



FINAL DESIGN IDEAS

- **Alcohol**—how will the alcohol regulations play out?
- **Uses**—how can we get more restaurants, a small supermarket, an urban Target?
- **Public restrooms**—how can this project help with that issue?
- **Trash**—how can trash be handled more effectively?
- **Bike routes**—Main Street is currently the 2nd safest street to bike/roll in Downtown after Austin Street. What alternative will we give those users?
- **Platforms**—option to enter platform from the sidewalk space?
- **Buffer from METRO**—can the buffer provide extra protection from trains?
- **Green opportunities**—could we replace the paving in the METRO rail corridor with grass in a future phase?
- **Funding + Timing**—where will all of the funding come from and can it really be done in time for World Cup?



OUTSTANDING QUESTIONS



This is what we need!

This may be one of the best renditions I've seen!

What a wonderful space this will be!

I am 100% behind this—I won't miss the cars in the street at all. This just extends the party!

I'm excited!!! I think this will help clean up downtown, draw more people in, and help businesses thrive. Can't wait!

I love that this is happening. It's a way of protecting the historic character of Main Street.

Wherever twinkle lights are.... I am.

I would love to see Main Street become more like these renderings.

It would be great to see these improvements, along with dining options for evenings—so it's not just bars.

We have so much parking, we just need better signage for it.

I think this is the most fabulous thing!

I'm super excited about it—just do it.

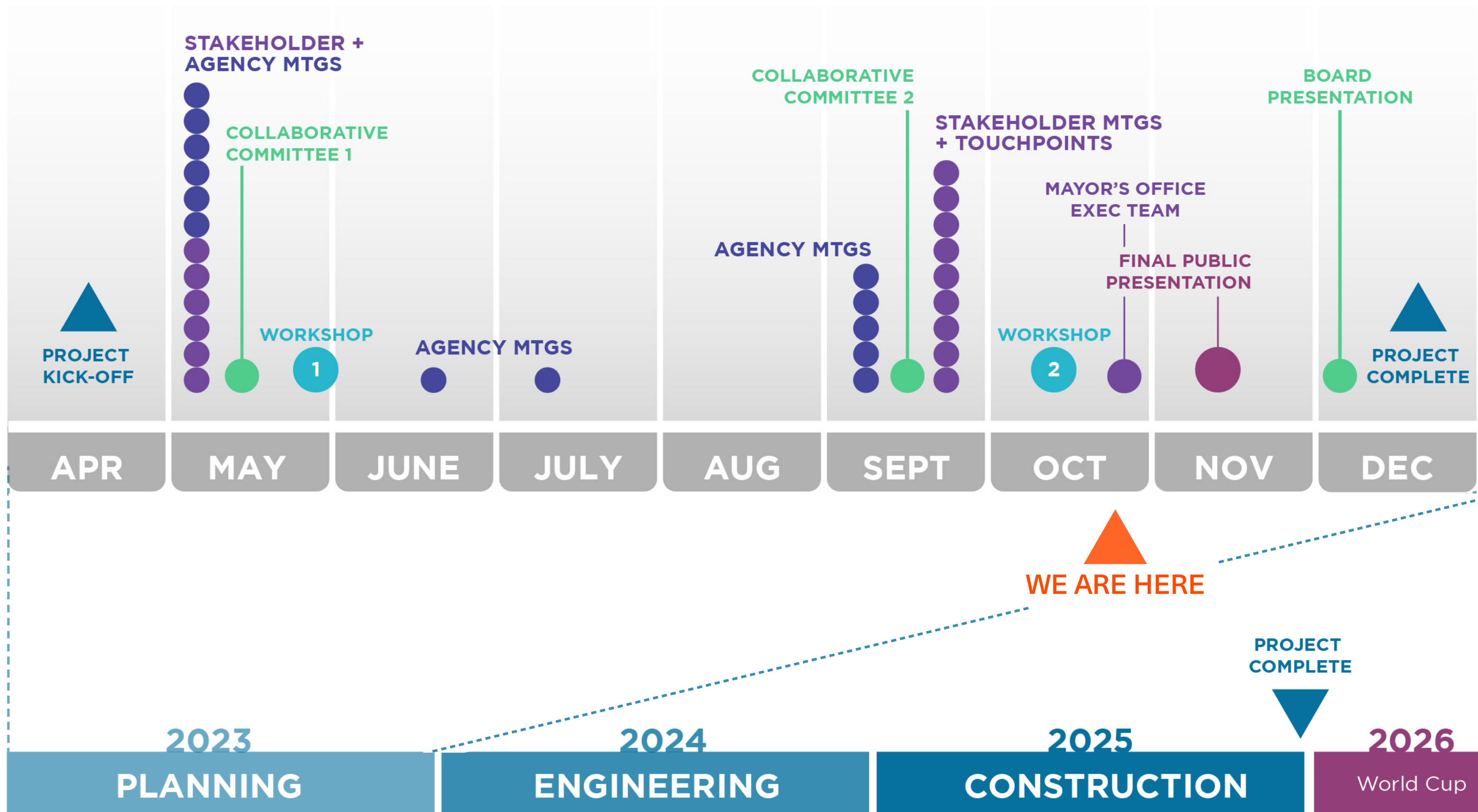
Think big!

I'd like to see more water. People are attracted to water—it's calming.

It would be great to be able to bring my kids downtown on weekends and be able to hang out and play while adults eat—especially after going to an event at Discovery Green or an Astros game.



QUOTES



TIMELINE + NEXT STEPS



DOWNTOWN HOUSTON+

STRATEGIC ALIGNMENT PLAN UPDATES

DECEMBER 2023

GOAL 1



Champion major projects, initiatives and investments that improve Downtown.

1.1 Guide the implementation of Plan Downtown, the HDMD Service & Improvement Plan, and the TIRZ Project Plan.

Highlight: This fall the HDMD board participated in two work sessions to discuss and prepare the 2024 HDMD budget, its fourth annual budget of the 2021-2025 service plan. Key Board priorities included the following:

- Creating vibrancy, more people on the street
- Continued reduction in homelessness
- More active storefront businesses, and
- Continued investment and innovation in public safety.

On November 10, the HDMD board received a draft budget that included the items above and continued to reflect the goals of the 2021-2025 service plan. The board also recognized that property values are still a concern and voted to increase the operating assessment by .50 cents or 12.25 cents per \$100 of value to help offset the declining assessment revenue due to increasing property protests and lower appraised values. The capital assessment rate remained the same at 1 cent per \$100 of value for a total assessment rate of 13.25 cents. Two stakeholder town halls meetings were held on Nov 30 and Dec 5 to review the draft budget and receive additional stakeholder feedback. On December 14, the final budget will be submitted to the HDMD Board for its consideration.

Participating Agency:



1.5 Collaborate with partners such as the City of Houston, Harris County, Greater Houston Partnership and Houston First to leverage opportunities for shared strategies to improve Downtown Houston.

Highlight: Downtown Houston+ worked with the POST to create an inspirational space -the Barbara Jordan Plaza -- that will become a destination for those who wish to take time to recognize her legacy of public and community service to Houston and our nation. Unveiled on December 2, 2023, the Plaza, comprised of a larger-than-life commemorative sculpture of the late congresswoman is entitled “*I am Barbara Jordan,*” and was commissioned by POST owner, Lovett Commercial. It pays tribute to the civil rights icon who was the first female African American legislator elected to the U. S. Congress from the Deep South. The unveiling event featured members of the TSU Debate Team, along with heartfelt remarks by Commissioner Ellis, Mayor Turner, plus Congresspersons Jackson Lee and Green.

Participating Agencies:



GOAL 2

Enhance and maintain a comfortable, welcoming, and well-managed public realm.

2.2 Cultivate nature across Downtown, including its urban forest, planters, and other greenspace elements.

Highlight: It's a bird, it's a plane, it's a flying tree? On Saturday, December 9, a new live oak tree will be installed at Market Square Park to replace one of the large existing oaks that was lost due to last winter's freeze and the recent summer drought. The new tree is a 17" caliper live oak that was hand selected in Brookshire, Texas. The tree is approximately 36 ft tall, 30 ft wide, has a 144" root ball that weighs roughly 65-70,000 lbs and will be hoisted in the air to its new home with a 250-ton crane. The new oak is the largest size tree that could legally be moved down the road!

Participating Agency:



2.6 Deploy welcoming ambassador teams within the public realm to improve visitor experiences and augment public safety.

Highlight: The work of our ambassador teams to maintain Downtown cannot be overstated, and those hardworking men and women are personally responsible for Downtown's exceptional appearance. To show them our appreciation, HDMD management recently hosted its Annual Thanksgiving Appreciation Luncheon for our Ambassadors and agency partners. It provides a time for District staff to show our support and appreciation for all the hard work that our Ambassadors, law enforcement, and homeless outreach partners do throughout the year in making Downtown beautiful and safe for all to enjoy.

Participating Agency:



GOAL 3



Drive vibrancy through improved street-level connectivity, a commitment to walkability, and inclusive programming strategies.

3.3 Partner with Houston First in advancing strategies that connect visitors to Downtown places and experiences.

Highlight: Again this year, Downtown District partnered with Houston First to energize Downtown for the holiday season. New for this year, Downtown City Lights offers a fleet of free holiday-decorated pedicabs and a reasonably priced double-decker bus tour, both sponsored by Downtown Houston+. The pedicabs and hop on-hop off bus thread together Downtown’s bright spots, encouraging visitors to extend an evening of festivities to multiple venues. Also new this year: Santa Paws in Twinkle Town (Trebley Park) offers free holiday pet portraits and pupaccinos, and Mistletoe Square (Market Square Park) hosts multicultural Santas, a mini-market, gift-wrap station, and free face painting.

Participating Agency:



3.13 Develop programs and use strategies to connect area employers and residents with Downtown parks.

Highlight: The Market Square Park Farmer’s Market, funded by the HDMD and produced in collaboration with Central City Co-Op, wrapped a successful pilot season that spanned from September 9th to November 18th. The pilot program’s 10 markets enlivened the historic district, fostered community bonds and provided access to locally sourced and prepared foods. The market, promoted as a community-building event and marketed to area residents, offered a lively atmosphere with live music and a variety of family-friendly activities, including trick-or-treating, pumpkin decorating, yoga, and salsa dancing throughout the pilot season. On average, approximately 700 people attended each market while the number of vendors averaged 25 for the pilot season.

Participating Agency:



GOAL 4



Foster a vital and thriving economy through business growth, residential expansion, and enhanced reasons to be in Downtown.

4.5 Work with local government build partnerships to reform regulatory processes to expedite timetables and decrease barriers to entry.

Highlight: Over the latter half of 2023, the City of Houston advanced an amendment to the Downtown Entertainment Zone ordinance. As proposed, the expansion would create an area contiguous with the HDMD district boundary. The City presented the changes to the CHI Board for feedback, and the CHI Board voted to support the amendment. The CHI Board was consulted as it is an independent non-profit, and therefore the most appropriate advocacy agency within the Downtown Houston+ family of organizations. The expansion was approved by the City Council on November 15, 2023.

As the Downtown+ family of organizations work to build back the storefront economy, this expansion will provide greater equality of opportunity within Downtown, support job creation, and advance a critical community goal of driving vibrancy. Further, this expansion allows for greater innovation and creativity to help backfill our vacant storefronts.

Participating Agency:



4.16 Enhance and expand data capabilities and reporting to provide more detailed intelligence to stakeholders and prospects.

Highlight: The Economic Development team recently published a new iteration of the organization's Quarterly Market Report for Q3 2023. This new version of the report features a number of new data sources, including Placer.ai and data from partner organizations. In order for members of the public to understand the data collection methodologies for this report and other new and returning reports, our Director of Planning & Economic Development and our Research Lead will host public "Behind the Data" webinars. The first webinar occurred in November in lieu of the monthly Thrive Committee meeting and served as an opportunity for our staff to walk through the new Quarterly Market Report structure, Q3 2023 data, and explain new data sources and how our organization tracks information. This type of public-facing opportunity will be an ongoing practice, and the webinars will be recorded and posted to our Research + Reports webpage on the downtownhouston.org website.

Participating Agencies:



GOAL 5

Develop a hivemind of intelligence and goodwill by genuinely engaging and convening stakeholders.

5.6 Improve and expand external communications to increase awareness of CHI, its actions, and general Downtown happenings.

Highlight: In collaboration with Coalition for the Homeless and SEARCH, CHI met with Nicholas Kristof, New York Times columnist and winner of two Pulitzer Prizes, to discuss Houston’s collaborative approach to helping people experiencing homelessness access permanent, supportive housing. In the resulting article: [“America has a homelessness problem. Houston has a solution.”](#) Kristof writes, “Houston has succeeded because it has strong political leadership that gathers data, follows evidence and herds nonprofits in the same direction. It is relentless.”

Participating Agencies:



5.7 Develop programs and collateral to orient new companies, employees, and residents to Downtown.

Highlight: While streamlining and unifying our organizational brands into a single focus as Downtown Houston+ makes it simpler for anyone to find what they are seeking Downtown, we also created new tools to help tell the story of a welcoming, vibrant community. The resulting [brand anthem video](#) and updated [Downtown Field Guide](#) bring “Houston’s original neighborhood,” to life and make it easier to navigate Houston’s heart of opportunity, excitement and joy.

Participating Agency:

