



Hemisfair Park Area Redevelopment Corporation

Board Meeting Minutes

Friday, August 10, 2018

8:00 AM – 10:00 AM

115 Plaza de Armas – Culture Commons Exhibit

Board Members in Attendance:

Rod Radle, Chair
Juan Landa, Vice-Chair
Cara DeAnda, Treasurer
Melissa Chamrad
Lori Houston
Sue Ann Pemberton
Lionel Sosa
Steve Yndo

Staff Members in Attendance:

Andres Andujar
Omar Gonzalez
Geoff Baldwin
Traci Lewand
Sarah Silva

Board Members Not Present:

Ben Gorzell
Tracy Hammer
Cynthia Lee
Daniel Lopez

Other Guests & Visitors:

Summer Greathouse
Anne Krause
Ryan Moody
Andy Stokes

Call to Order

Hemisfair Board Chair, Mr. Radle, called the meeting to order at 8:10 a.m.

Citizens to be Heard

There were none.

Approval of June 8, 2018 Meeting Minutes – Rod Radle

Mr. Radle presented the June 8, 2018 meeting minutes for comment and discussion. Mr. Landa offered a motion to accept the minutes and Mr. Sosa provided a second. There being no further discussion, Mr. Radle asked for a voice vote and the motion passed unanimously.

CEO Report – Andres Andujar

Mr. Andujar provided the following updates:

- Southwest Zone: Yanaguana Garden will reach three quarters of a million visitors this year. All four tenants are having good sales and paying rent. Construction on AREA Real Estate's residential development, rebranded The '68, has topped out and is scheduled to open in Spring 2019. They will have approximately 5,000 square feet of retail space. RFIs for Pereida and Schultze houses have been issued.
- Northwest Zone: Civic Park design is expected to be finalized at the end of the year. Work with the City towards monetization of the State tax rebate continues, as does discussion with the Comptroller's office towards possible aggregation of properties for State sales tax reimbursement. Amendment 7 with Zachry has been signed, and NRP has entered into a sub-



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sublease agreement. The design for the South Alamo Street will begin as soon as the street section is agreed upon.

- Eastern Zone: Tower Park Vision Plan RFQ is in the final state of preparation and will be posted publicly by the end of the month. We continue to prepare for potential RFQ of the next P3 site.
- Branding: We are finalizing the Branding RFP. The selected consultant will aid with strategy to address Board retreat branding goals and milestones.

Briefing and Possible Action on NWZ P3 Updates, including consideration of Amendment 7 of the Zachry Hospitality P3 Development Agreement – Omar Gonzalez

Mr. Gonzalez shared a video showing how the completed Northwest Zone will appear. Mr. Gonzalez then addressed Amendment 7, which is necessary for Zachry Hospitality to sign a sub-sublease with the NRP Group, thus reinstating the NRP Group as the multi-family developer. Mr. Stokes with Zachry Hospitality and Mr. Moody with the NRP Group were introduced and expressed their organizations' enthusiasm and excitement for the project. The metal-framed, eight-floor residential development will contain 342 units, 50% of which will be offered to people making 80% or less of area AMI. There will be 137 PFC units and 34 Hemisfair subsidized units, which will be reserved for 50-80% of AMI and will also count towards PFC requirement. The remaining 171 units will be offered at market rate. There will be an above-ground resident-only parking garage and a subterranean public parking garage, as well as park and river-level retail areas. There will be two paseos for connection between the street and the park (referred to as porosity), and a swimming pool on a deck. Timing is delayed, with completion expected in 2022 and other milestone dates to be determined in the next 90 days. Deposit schedules are unchanged. Mr. Radle asked if the members of PFC Board is the same as for the City's PFC, and Mr. Gonzalez replied that the Hemisfair PFC Board is composed of City Council. Mr. Radle then requested a summary of the distribution of workforce units. Mr. Gonzalez replied that workforce apartments finishes will be comparable to market-rate apartments, and no floor will contain more than 75% of the workforce housing units. Mr. Yndo asked for clarification of Area Median Income requirements, and Mr. Gonzalez explained that requirements for PFC units and Hemisfair subsidized units are not the same, so 34 units were negotiated to 50-80% of AMI, which meets both policies. Ms. Chamrad asked if there was a timeline regarding capital. Mr. Moody replied that they are working to solidify the design so that they can determine the exact cost. Mr. Andujar commented that what has been shown is very early work, and that the design will evolve. Mr. Radle agreed, and added that we must keep sight of the bigger project. Mr. Stokes said that they feel this structure has the highest chance of success. Mr. Radle stated that there is a City emphasis on workforce housing, and that this project can be held up as an example. Ms. Houston agreed that the City recognizes the need for affordable housing and said that the City is pursuing mixed-income housing, as well as affordability requirements in certain geographic areas.

Mr. Andujar stated that HPARC staff recommends Board ratification of Amendment 7 to the Zachry Hospitality lease agreement as approved by the Executive Committee. Mr. Sosa offered a motion to accept the proposal as presented, and Ms. Houston provided a second. There being no further discussion, Mr. Radle asked for a voice vote and the motion passed unanimously.



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Briefing and Possible Action on FY19 Budget – Juan Landa

Mr. Landa went over the proposed FY19 budget. He said that lease revenues have gone up, and there is an operating revenue increase of approximately \$150,000. Insurance and marketing fees have gone up slightly, but overall the budget is similar to the previous year. The Finance Committee recommends Board approval of the FY19 budget. Ms. DeAnda offered a motion to approve the FY19 budget, and Ms. Pemberton provided a second. There being no further discussion, Mr. Radle asked for a voice vote and the motion passed unanimously.

Briefing and Possible Action on Asset Management Policy – Juan Landa

Mr. Landa informed the Board of a proposed new HPARC Asset Management Policy. HPARC has changed its capitalization policy from \$10,000 to \$5,000 to reflect the City's policy. Asset tracking has been improved, as well as the checks and balances. The Finance Committee recommends Board approval of the Asset Management Policy. Ms. DeAnda offered a motion to approve to policy and Mr. Landa provided a second. There being no further discussion, Mr. Radle asked for a voice vote and the motion passed unanimously.

Briefing on Task Force Updates from Board Retreat – Andres Andujar

Mr. Andujar began with the financial sustainability goals from the Board retreat. The Finance Committee is working to resolve a \$2.5 million shortfall projected for 2022-2025. The solution is pending, and updates will be presented at a future Board meeting.

The Branding task force continues to work towards a brand strategy that compels action and creates Champions. HPARC will issue an RFP for a branding expert to work with over the next three to six months. Mr. Landa asked if the RFP covered all branding goals. Mr. Andujar clarified that the branding expert will provide a strategy for HPARC to meet the branding goals.

Ms. Chamrad provided an update on the goal to recruit Champions for Hemisfair. Right now, they are working to define the role of Champions more specifically and create the feeling of belonging to a club.

Mr. Andujar summarized the recent changes to Board structure.

Briefing and Possible Action on Art Selection Process – Andres Andujar

Mr. Andujar presented to the Board the art selection process, which will be used to review any art offered to Hemisfair. When the art is submitted to HPARC, the HPARC staff will review it against the Art Master Plan and the Art Design Statement, before passing it on to the HPARC Art Task Force and Branding Committee. After that, the HPARC Planning & Development Committee will review it against the master plan from a functional perspective. The art will then be presented to the Executive Committee and the Board. Any unresolved concerns at this point will restart the process. After this, the art will be presented to the city Art & Culture Department, the Parks & Recreation Department, and the Historic and Design Review Commission for the appropriate approvals or endorsement. Mr. Sosa asked if this process will be applied to the sculpture discussed at the April 14, 2018 Board meeting, and Mr.



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Andujar replied affirmatively. Mr. Sosa commented that the Alas de México sculpture had been placed in a relatively hidden spot. Mr. Andujar agreed and stated that the Alas de México sculpture placement is an example of why Hemisfair needs a better process for art selection and placement. Mr. Radle asked if the city has signed off on this process, and Mr. Andujar said that they have. Ms. Pemberton offered a motion to approve and Mr. Sosa provided a second. There being no further discussion, Mr. Radle asked for a voice vote and the motion passed unanimously.

Briefing and Possible Action on Upcoming Procurement Activities – Omar Gonzalez

Mr. Gonzalez informed the Board that the RFIs for the Schultze and Pereida houses have been issued. The Schultze house renovation was completed using excess parking revenues and grant dollars. The downstairs will be used as a meeting and event space, and the upstairs will be offered to a tenant, preferably one specializing in health and wellness. Pereida house has an empty tenant space following the departure of SwellCycle, which is shared with Paletteria SA and would be a good fit for a tenant selling dessert-type items. Responses to the RFIs are due on September 24, 2018 and must include a brief business plan and statement from a bank or investment partner. Mr. Sosa asked how much income is expected from this. Mr. Gonzalez explained that HPARC receives rent as a percentage of tenant revenues and that our organization is not motivated by income, but rather by impact to the park and the tenant ecosystem. Mr. Landa asked if the back of Schultze house opens up to Civic Park. Mr. Gonzalez replied that Schultze house will have a small courtyard in the back but will have an office building between it and Civic Park.

Mr. Andujar shared that Mr. Radle and Mr. Lopez will be overseeing the Tower Park RFQ, and Mr. Radle emphasized the importance of all members of the Board being involved in Tower Park planning.

Committee Updates –

1. Executive Committee – Mr. Radle spoke about the need for Board member engagement.
2. Branding & Activation – Ms. Leward shared that the Back to School Bash will take place on August 11, 2018. Yanaguana Garden will celebrate its third anniversary in October. Attendance since the opening has reached 1.7 million visitors, despite an average temperature of over 100 degrees.
3. Finance – FY 19 budget, asset management policy, and financial sustainability as previously covered.
4. Planning & Development – Mr. Gonzalez shared that The '68 is expected to open in mid-2019. Mr. Radle asked for an explanation of parking plans in the NWZ. Mr. Gonzalez explained that parking depends on input from various entities, as well as the specifics of other plans and the needs of the Convention Center. Similarly, the South Alamo Street design will affect the hotel and La Villita. One challenge is layering timeframes of different projects. Mr. Landa asked how this affects the River Building. Mr. Gonzalez responded that the River Building adds another layer of complexity, and that HPARC is in communication with the director of the Convention and Sports Facilities Department. The Convention Center needs meeting space, but HPARC would like the River Building to provide park activation. The Convention Center is willing to look at other options for meeting space. Mr. Andujar contributed that we have been working with the



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Convention Center on this since 2012, and that HPARC is taking responsibility to draft the RFI to attract a tenant that can provide ground floor activation. Mr. Landa asked who the retail tenants for The '68 will be. Mr. Gonzalez replied that there are no tenants yet, but the retail space has expanded from the original plans from 3,200 to 5,000 square feet.

Executive Session

The Board did not recess to Executive Session.

Board Member Comments

There were no board member comments.

Adjournment

There being no further business, Mr. Radle adjourned the meeting at 9:30 AM.

ACCESSIBILITY STATEMENT

This meeting is accessible to persons with disabilities. Parking is available. Auxiliary aids and services, including Deaf interpreters, must be requested forty-eight (48) hours prior to the meeting. For assistance, call (210) 354-2947, or 711 (Texas Relay Services for the Deaf).