

## **NOTICE OF INTENT TO REQUEST RELEASE OF FUNDS**

**August 27, 2019**

City of Houston,

Housing and Community Development Department (HCDD)

2100 Travis, 9<sup>th</sup> Floor

Houston, TX 77002

(832) 394-6183/(832) 394-6018

### **REQUEST FOR RELEASE OF FUNDS**

On or about **Wednesday, September 4, 2019**, the City of Houston's Housing and Community Development Department will submit a request to the U.S. Department of Housing and Urban Development (HUD) for the release of the following funds:

**Community Development Block Grant (CDBG) funds authorized by Title I of the Housing and Community Development Act of 1974 (P.L. 93-383, as amended), and**

**Section 108 of the Housing and Community Development Act of 1974 (42 U.S.C. 5308), regulations at 24 CFR part 570, subpart M,**

**to undertake a project known as:**

**Project Title: East End Innovation Maker Hub/Urban Partnerships Community Development Corporation (UPCDC)**

**Location: Approx. 22 acres at 6501 Navigation Blvd., Houston, Harris County, Texas 77011 (NW Corner of Navigation & Terminal)**

**Purpose of Project:** Acquisition and rehabilitation of 307,000 square foot (SF) warehouse facility located on 22 acres in Houston's East End neighborhood into a manufacturing and innovation center. The facility will include 200,000 SF of below-market rental space for a variety of small and medium sized manufacturers and light industrial businesses in need of workspace for creative offices, studios, and shops; and 50,000 SF of space leased to TXRX. TXRX will provide a shared collaborative space helping incubate new small start-up businesses and offers use of equipment to collocated tenants while providing training through education and apprenticeships for the community.

The current facility houses operations including a rapid fabrication lab, metal fabrication lab, wood workshop, machine shop, bike maintenance and repair shop, art lab, computer lab, and coworking space. Due to increased demand for warehouse space and their plans for expansion, TXRX has partnered with UPCDC and the Greater East End Management District to provide apprenticeship programs for East End residents for the purpose of equipping low-income individuals with the skills to access higher paid employment.

TXRX will implement approximately 68,380 SF of shared collaborative community fabrication space, housing modern design and fabrication equipment. Creative office and studio space will be climate controlled with sheetrock walls, drop ceilings and concrete floors. Shop space will be well ventilated and will be located at the far end of the building to help mitigate the noise. Tenants will have access to both the common area and the centrally located collaborative space of TXRX labs. The building will be secured with camera systems as well as a TXRX designed RF ID mag lock system which will record not only those who enter the building during and after hours but also those who access individual lease spaces.

The building exterior will be aesthetically dressed up with a new coat of paint and glass roll-up doors which can be opened during nice weather days. The existing bay height metal roll up doors will remain for equipment and material movement. In addition, the grounds will be utilized with solar and wind farm technology training areas as well as demonstration urban gardens. Note that any demonstration gardens would be above surface planter boxes, with no breaking of concrete.

The core components of the project are innovation space/services, small business development, STEAM (science, technology, engineering, arts, math) youth training programs, and STEM-based job training programs. The facility will have 50,000 square feet of collaborative makerspace (machining, woodshop, arts center, rapid prototyping) and 239,000 square feet of fabrication/studio/creative/office rental space. No structures will be demolished for the project; existing buildings on site will be renovated for the new facility.

The full 6501 Navigation parcel includes a CenterPoint Energy building on the southern end. The proposed site location is on the northern portion of the site. The area is industrial in nature and has been for many years.

The City will use Section 108 and CDBG funds to assist the development of this 307,000 square foot maker space hub known as the East End Innovation Maker Hub. The Maker Hub will provide affordable long-term below market rents to small and middle-sized manufacturers and house a workforce development center. Upon completion, benefits include an estimated 474 FTE jobs, along with below market rental space catalyzing economic development.

### **Project Conditions:**

#### ***Contamination and Toxic Substances:***

**Any and all applicable federal, state and local requirements governing lead and asbestos must be followed in the development phase of the project. Any and all quantities of toxic/potentially hazardous materials used, generated/produced, stored or otherwise that have any presence on site as part of East End Innovation Maker Hub must be properly handled and disposed.**

**All applicable terms and requirements of Municipal Settings Designation (MSD) and TCEQ closure must be followed during the development of and over the operating life of this project.**

**Please note that this subject property has undergone environmental corrective action,**

specifically soil and groundwater remediation, and corrective action began around 1989. The subject property has an existing plume on site that has been successfully contained and is stable. It has been stable, with natural attenuation, for the last five years.

This project has undergone TCEQ review and received its TCEQ pre-certification. Federal funds are conditioned on issuance of final TCEQ closure letter, which as of this date is awaiting finalization of housekeeping items.

Also, regarding vapor intrusion analysis, per a December 2014 Response Action Plan (RAP) submitted to TCEQ, there are no exceedances of groundwater-to-air Protective Concentration Limits (PCLs) at the site.

The proposed facility will include machine and wood shops. Only non-hazardous water-based finishes and glues will be used in the woodworking area. In the machine and welding shop, the only items used that may be hazardous are cutting fluids. These will be collected and recycled.

In the unforeseen event that any undiscovered Recognized Environmental Conditions (RECs) or vapor encroachment conditions (VECs) are identified in the course of construction, work shall cease, and mitigation will be required to eliminate the RECs and any potential adverse impacts that stem from them.

Project and its subject property shall comply with HUD regulation 24 CFR 58.5(i)(2)(i), which states that "it is HUD policy that all properties that are being proposed for use in HUD programs be free of hazardous materials, contamination, toxic chemicals and gases, and radioactive substances, where a hazard could affect the health and safety of occupants or conflict with the intended utilization of the property."

#### *Historic Preservation:*

**Per the Texas Historical Commission re Section 106, no historic properties are present or affected. Nevertheless, in the case of unforeseen discoveries:**

#### Above-Ground Resources

- No historic properties are present or affected by the project as proposed. However, if historic properties are discovered or unanticipated effects on historic properties are found, work should cease in the immediate area; work can continue where no historic properties are present. Please contact the THC's History Programs Division at 512-463-5853 to consult on further actions that may be necessary to protect historic properties.

#### Archaeology Comments

- No historic properties present or affected. However, if buried cultural materials are encountered during construction or disturbance activities, work should cease in the immediate area; work can continue where no cultural materials are present. Please contact the THC's Archeology Division at 512-463-6096 to consult on further actions that may be necessary to protect the cultural remains.

#### *Noise Abatement and Control:*

Although this is not a residential or recreational project and does not entail sleeping quarters or other noise sensitive uses, and buildings are existing and in place due to the proximity of the project site to major roads and rail lines, noise mitigation (i.e. including through insulation, thicker walls, double paned windows, etc.) is strongly recommended where feasible.

TXRX will implement approximately 68,380 SF of shared collaborative community fabrication space, housing modern design and fabrication equipment. Creative office and studio space will be climate controlled with sheetrock walls, drop ceilings and concrete floors. Shop space will be well ventilated and will be located at the far end of the building to help mitigate the noise.

***Federal Funding Requirements:***

**HUD Federal funding is conditioned on the aforementioned requirements. Failure to follow any of the aforementioned requirements will result in potential penalties from HUD, which may include but not be limited to the payback of any and all federal funds.**

**Grant No.:**

<b>Grant Number</b>	<b>HUD Program</b>	<b>Funding Amount</b>
B-10-MC-48-0018	CDBG	\$1,390,000.00
B-94-MC-48-0018	Section 108	\$22,700,000.00

Overall Budget Breakdown:

City of Houston/HUD Funds:

\$22,700,000.00.....Section 108 Loan (City of Houston/HUD)  
 \$1,390,000.00.....CDBG (City of Houston/HUD)

Non-HUD (Private/Non-Federal) Funds:

\$5,000,000.00.....EDA Grant  
 \$8,363,800.00..... Net NTMC  
 \$420,362.00.....TXRX In Kind Contribution  
 \$2,364,509.00.....UPCDC Cash & Deferred Dev. Fee

Grand Total:

\$40,238,671.00..... ALL FUNDS COMBINED

**Amount of HUD Funding Requested:** \$24,090,000.00

The activities proposed are categorically excluded under HUD regulations at 24 CFR Part 58.35(a)(6)—combination of 58.35(a)(3)(iii) non-residential rehab and (a)(5) acquisition—from National Environmental Policy Act requirements. This project could not convert to

exempt most notably due to MSD and TCEQ closure compliance requirements, as well as lead and asbestos. Hence a public notice is required and a Request for Release of Funds (RROF) must be sent to HUD. An Environmental Review Record (ERR) that documents the environmental determinations for this project is on file at the City of Houston, Housing and Community Development Department, 2100 Travis, 9<sup>th</sup> Floor, and may be examined or copied weekdays 8 A.M. to 5 P.M.

### **PUBLIC COMMENTS**

Any individual, group, or agency may submit written comments to the City of Houston, Housing and Community Development Department, ATTN: Environmental Review Officer, 2100 Travis, 9<sup>th</sup> Floor, Houston, Texas 77002. All comments received by the close of **Tuesday, September 3, 2019** will be considered by the City of Houston prior to authorizing submission of a request for release of funds.

### **ENVIRONMENTAL CERTIFICATION**

The City of Houston certifies to HUD that Sylvester Turner, in his capacity as Mayor, consents to accept the jurisdiction of the Federal Courts if an action is brought to enforce responsibilities in relation to the environmental review process and that these responsibilities have been satisfied. HUD's approval of the certification satisfies its responsibilities under NEPA and related laws and authorities, and allows the City of Houston, as grant recipient, to use Program funds.

### **OBJECTIONS TO RELEASE OF FUNDS**

HUD will consider objections to its release of funds and the City of Houston certification received by the close of **Thursday, September 19, 2019** or a period of fifteen days from its receipt of the request (whichever is later) only if they are on one of the following bases: (a) the certification was not executed by the Certifying Officer or other officer of the City of Houston approved by HUD; (b) the City of Houston has omitted a step or failed to make a decision or finding required by HUD regulations at 24 CFR Part 58; (c) the grant recipient or other participants in the project have committed funds or incurred costs not authorized by 24 CFR Part 58 before approval of a release of funds by HUD; or (d) another Federal agency acting pursuant to 40 CFR Part 1504 has submitted a written finding that the project is unsatisfactory from the standpoint of environmental quality. Objections must be prepared and submitted in accordance with the required procedures (24 CFR Part 58) and shall be addressed to: U.S. Department of Housing and Urban Development, 1301 Fannin Street, Suite 2200, Houston, Texas 77002. Potential objectors should contact HUD to verify the actual last day of the objection period.

Sylvester Turner, Mayor  
City of Houston