

REQUEST FOR QUALIFICATIONS

ISSUED BY

THE GALVESTON HISTORICAL FOUNDATION

FOR

JOINT VENTURE REAL ESTATE DEVELOPMENT PARTNER

TO CO-DEVELOP

**SANTA FE BUILDING / SHEARN MOODY PLAZA
123 ROSENBERG STREET
GALVESTON, TEXAS**

MAY 2ND, 2022

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GALVESTON HISTORICAL FOUNDATION

POST OFFICE BOX 149
GALVESTON, TEXAS 77553

May 2, 2022

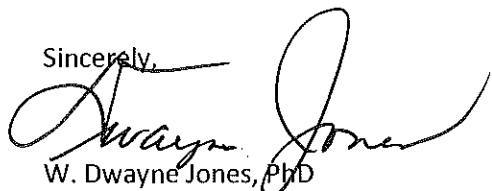
Dear Interested Party:

On behalf of the Galveston Historical Foundation, I am pleased to release this solicitation to the development community to identify a partner to redevelop Galveston's historic Santa Fe Building, also known as Shearn Moody Plaza. The word "iconic" is most frequently used to describe the significance of this property. Its location at the head of the Strand, our city's most significant commercial and historic corridor, its history for Galveston and Texas, and its architectural prominence make it one of the city's most important buildings. Since the beginning of GHF's organizational roots in the late 19th century, we have been the region's leading preservation organization that has successfully worked in advocacy, real estate development, maritime preservation and heritage tourism.

For GHF, this solicitation represents more than reinvigorating the Santa Fe Building: it is also an organizational shift in the stewardship we bring to our many historic buildings. GHF's traditional approach has been to acquire dilapidated, threatened properties; pursue listing on the National Register and local preservation covenants; and then invest in stabilizing buildings while pursuing future uses and operators or selling the properties to new owners. While GHF and many of Galveston's important historic buildings have greatly benefitted from this approach, the scale and elevated significance of the Santa Fe Building have led us to pursue an alternative strategy: building a long-term partnership with a developer who shares our preservation and community-centered ethos while bringing complementary experience and expertise to lead the rehabilitation and operations of the property into the future.

GHF's leadership, both Board and staff, are keenly aware of the significance of the Santa Fe Building. We are also very aware that the Moody Foundation has entrusted GHF with guiding the building into the future through a strategic partnership. A development partnership like this is a long journey that requires a strong cultural fit between organizations. We greatly appreciate your interest in Galveston and consideration of this opportunity, and we look forward to receiving your submissions and learning about your firms.

Sincerely,



W. Dwayne Jones, PhD
Chief Executive Officer

I. PURPOSE OF SOLICITATION

GHF accepted the conveyance of SFB from the Moody Foundation in summer 2021 in order to serve as a long-term steward of the iconic and strategically located property. GHF is committed to preserving the building's historic integrity while reimagining building uses that can support and advance the Strand's existing offerings while sustaining the SFB property for the next hundred years.

While GHF is a high-capacity organization deeply experienced in historic buildings, SFB's redevelopment represents a greater scale and new potential building uses than the organization has previously developed, in addition to an opportunity to pursue a new model for stewardship of historic assets. In order to refine its objectives and process for redeveloping the property, GHF has engaged with Alembic Community Development, a New Orleans-based mission-driven developer with experience redeveloping and repurposing historic commercial properties, on a strategic assessment of the property as well as GHF's interests and capacities. [Note: Alembic will not submit a response to this solicitation].

The result of this engagement is a strong desire by GHF to identify a developer to engage deeply with the property, the organization and other relevant stakeholders in a long-term joint venture partnership. The successful respondent to this solicitation will thus articulate how it would work with GHF in conceiving, executing and operating the redevelopment of the SFB property, including proposing specific roles and responsibilities for each partner.

Specifically, GHF seeks a developer who will make a long-term commitment to these overall objectives:

- Preserve SFB's significant exterior and interior architectural elements as well as overall historic integrity
- Reimagine the property's uses in a manner that is both mission-aligned and emphasizes long-term operational sustainability
- Redevelop the property in a manner that adds value and economic impact on the Strand and to the overall Galveston economy
- Share decision making with GHF in a meaningful manner through clearly delineated processes, roles and responsibilities
- Allocate development and operating economics equitably with GHF
- Commit to an expeditious schedule for redeveloping the property
- Demonstrate sufficient financial resources to support the long-term execution of the property's mission at a high level
- Augment GHF's capacity and advance its experience developing large-scale commercial real estate

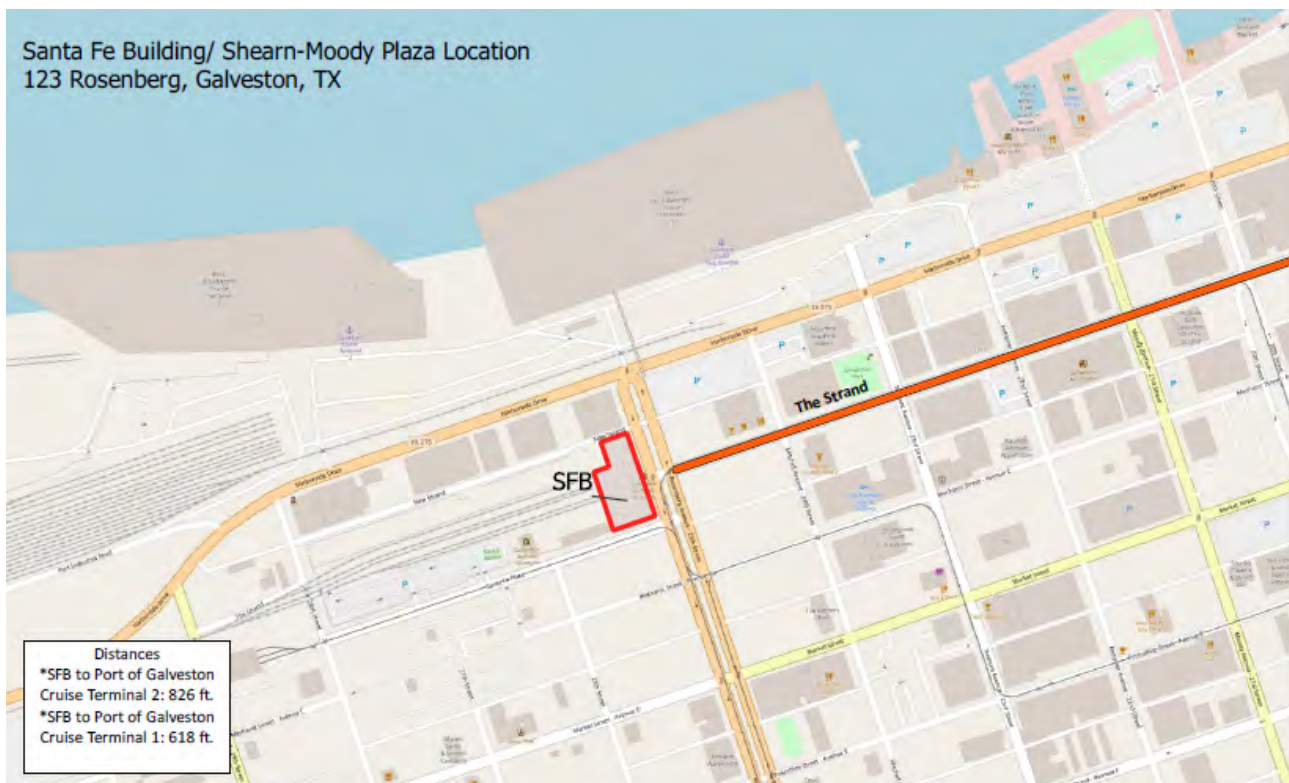
II. DEVELOPMENT CONTEXT: GALVESTON ISLAND

Galveston is a city steeped in history and commerce. Known as the Queen City of the Gulf, it was an economic driver for the entire state with its active shipping port and passenger rail station until the devastating 1900 hurricane destroyed nearly a third of the city's buildings. After rebuilding itself in the early 20th century, Galveston experienced a familiar period of decline throughout the latter half of the century. However, despite the significant damage caused by Hurricane Ike in 2008, Galveston has reversed its demographic losses with steady population growth throughout the early 21st century.

Galveston's economic engine is undoubtedly its status as a major regional tourist destination. It offers an unusually diverse experience for visitors: Gulf Coast beaches in close proximity to the historic charm and commerce on the Strand, the heart of Old Galveston. The Port of Galveston is the sole cruise ship port in the state, with service by both Carnival and Royal Caribbean. In the 2018-2019 tourist season, Galveston Island welcomed a record 7.2 million visitors. The city's heritage tourism and beach destinations have proven to accommodate tourists even during the coronavirus pandemic, as hotel occupancy tax collections for summer 2021 exceeded previous records for monthly and total accumulations. The total economic impact of tourism on Galveston has been estimated at \$1.2 billion.

In addition to tourism, Galveston's economic anchors include two universities – University of Texas Medical Branch (UTMB), the state's first medical school, and Texas A&M University at Galveston – which bring a significant population of young people and millennial students along with employment opportunities. However, a significant portion of the local workforce commutes to the island from the mainland and thus represents an opportunity to capture an additional population and/or economic base.

For additional context and data on Galveston, the recently completed Vision Galveston plan offers a useful resource: www.dropbox.com/s/dbeb5u07j2shij2/Final%20Report%20Book_191022.pdf?dl=0.



III. ORGANIZATIONAL BACKGROUND: GALVESTON HISTORICAL FOUNDATION

Galveston Historical Foundation (“GHF”) was formed as the Galveston Historical Society in 1871 and merged with a new organization organized in 1954 as a nonprofit entity devoted to historic preservation and history in Galveston County. For almost 70 years, GHF has expanded its mission to encompass community redevelopment, historic preservation advocacy, maritime preservation, coastal resiliency and stewardship of historic properties. GHF embraces a broader vision of history and architecture that encompasses advancements in environmental and natural sciences and their intersection with historic buildings and coastal life and conceives of history as an engaging story of individual lives and experiences on Galveston Island from the 19th century to the present day.

GHF is one of the country’s premier historic preservation organizations. GHF operates five retail operations, two major museums, and an active preservation revolving fund holding over 90 deed restricted properties. It has a \$6.5 million annual budget and generates more than 70% of its income from earned revenue sources. GHF has more than 50 full and part-time staff and a board comprised of 14 members. It owns and manages more than 25 properties including many of Galveston Island’s most beloved historic sites and attractions:

Property	Location	Description
GH&H Depot	3304 Market	1904 property listed in the National Register with 33,240 SF and potential reuse as a commercial mixed-use building
Star State Company No 3. Firehouse	2828 Market	1903 property with 1,891 SF stabilized by GHF with potential commercial or private uses, was Galveston’s first firehouse to integrate African Americans
Galveston Historic Seaport & Tall Ship ELISSA	2200 Harborside	The 1877 ELISSA, an historic vessel salvaged in Greece by GHF and restored into a floating museum that is a National Historic Landmark visited annually by tens of thousands and recently added the interactive Ship to Shore experience
Hendley Building & Hendley Green	2002 Strand	1859 property, one of Galveston’s oldest commercial buildings, with 29,280 SF that houses ground floor businesses and GHF offices on upper floor
City National Bank Building	2219 Market	1920 property listed in the National Register with 5,794 SF and potential future residential uses
Ashton Villa	2328 Broadway	1859 property listed in the National Register with 13,699 SF operating as an event space, named for U.S. Revolutionary War hero
Bishop’s Palace	1402 Broadway	1892 property, the Walter and Josephine Gresham House by architect Nicholas Clayton, operates as a museum and is among the nation’s most significant

		Victorian period homes. It is listed as a contributing member of the East End National Historic Landmark district, a city landmark. Local Galvestonians purchased the house in 1923 from the Gresham family to serve as the residence for Bishop Byrne as Galveston is the state's first Roman Catholic Diocese.
Rosewood Cemetery	63 rd Street off Seawall Boulevard	Founded in 1911, Rosewood is the first cemetery dedicated to African Americans on the island and a direct response to segregation practices in the early 20 th century. The last burial occurred in 1943. The cemetery is eligible for listing in the National Register.
Menard House and Complex	1601 33 rd Street	1838 property that is the oldest house on the island and is listed in the National Register. Originally built for Michel Menard, one of the founders of the Galveston City Company and developers of the island, it is part of a complex with the Menard Guest House and Menard Hall used for event rentals and accommodations for visiting students and faculty.
St. Joseph's Church	2202 Avenue K	1859 church listed in the National Register as part of a statewide listing of artistic painted churches. This ecclesiastical museum is open for special events and under a long-term management agreement with the Galveston-Houston Archdiocese.

IV. SANTA FE BUILDING: 123 ROSENBERG / 25TH STREET

The Santa Fe Building (“SFB”), more recently known as Shearn Moody Plaza, is an Art Deco building distinguished by its white terra cotta façade and large windows located at the head of the Strand at 123 Rosenberg / 25th Street in Galveston. Construction of the original eight-story south wing in 1913, designed by Santa Fe Railway’s Dalbert Simpson, joined a new passenger rail station previously constructed in 1897 that was designed by Nicholas Clayton. The passenger terminal was later demolished and another Santa Fe Railway architect, E.A. Harrison designed an 11-story center bay and north wing as additions to the property constructed in 1931. The center bay’s Art Deco massing and detail, including a distinctive tiered top, updated the Modern French cartouche-style of the property’s two wings. Indeed, SFB’s disparate periods of design and construction manifest in the property’s noticeable off-center siting on the Strand’s axis.

SFB operated as Union Passenger Train Station into the 1960s, with five rail tracks at the rear of the building and upper floors functioning as the corporate headquarters of the Atchison, Topeka and Santa Fe Railway (which had acquired the original Gulf, Colorado & Santa Fe Railway in the 1880s). Passenger rail demand had declined by this period, however, and the final passenger train left Union Station in 1967. Following a decade of vacancy and threatened demolition, the Moody Foundation purchased SFB in 1976 and led a preservation and renovation effort that reopened the property as Shearn Moody Plaza in 1981 with the Galveston Railroad Museum in the former ground floor concourse and loading areas of the building.

Given GHF’s long commitment to preservation and its successful experience stewarding multiple historic buildings, the Moody Foundation conveyed ownership of SFB to GHF in the summer 2021. GHF assumed management responsibilities of the property at that time, including overseeing all building operations, maintenance and financial management of the property.

SFB is located on a 2.47-acre site that includes the 11-story, 212,000 square foot building, approximately 160 spaces in the northern lot and 130 spaces in the southern lot. With the significant decline in demand for commercial office space since the onset of the coronavirus pandemic in early 2020, and then the exit by the University of Texas Medical Branch as an anchor tenant in early 2021, GHF inherited a property experiencing substantial vacancy. The two office tenants currently occupying the greatest square footage – the Port of Galveston and Texas Health & Human Services – hold multi-year leases, while other building tenants are on short-term leases:

Office Tenants	Leased Square Footage
Texas Health & Human Services	25,428
Port of Galveston	12,407
Second Floor Offices	3,858
Fourth Floor Offices	4,541
Total Leased	46,234
Vacancy	135,695

In addition, the Galveston Railroad Museum occupies approximately 9,680 square feet on the ground floor in SFB’s historic People’s Gallery and Map Room, along with historic train cars on the railroad tracks at the rear of the building. The museum has been a long-time attraction for Galvestonians as well as visitors to the island.

The building is in good physical condition. Mechanical systems including HVAC, plumbing, electric and elevators – three passenger and one freight – are well maintained and in good working condition. The building’s multiple roofs exhibit some need for repair and water intrusion, the scope of which has not been fully determined, and several upper floors have experienced some moisture intrusion through the walls. Per the attached Phase I Environmental Site Assessment conducted in June 2021, no recognized environmental conditions are known to exist on the property.

The building’s grand ground floor and existing floor plans with ample windows and light on the upper floors all lend themselves well to alternative future uses. The SFB property consists of one parcel encompassing the building footprint and northern parking lot. The parcel is split north-south just west of the existing structure by two zoning districts: **Commercial-Mixed Use** to the west, currently surface parking lots and railroad tracks, and **Central Business-Historic District** to the east with the SFB structure and northern surface parking lot. Both zoning districts allow for a variety of uses permitted by right with only a few relevant use limitations.

The property is eligible for federal and state Historic Rehabilitation Tax Credits through its location within the Strand Mechanic Historic District, a district listed on the National Register of Historic Places. The district is also designated as a National Historic Landmark District, and is a Recorded Texas Historic Landmark since 1983. In addition, the property is eligible for New Markets Tax Credits through its location in a distressed census tract, but it should be noted that the property is not located in a federal Opportunity Zone.

The City offers a property tax exemption for the substantial rehabilitation of contributing properties within a local historic district. The program freezes the Galveston Central Appraisal District’s property assessment at the pre-improvement level for ten years; the freeze only applies to City property taxes, while other taxing entities are owed the post-improvement assessment. Eligible expenses for determining substantial rehabilitation include improvements that extend the life of the building. Prior to commencement, certification of the work is required from the Landmark Commission.

The SFB property’s 2022 assessment is:

- Land: \$ 314,3300
- Improvements: \$10,177,100
- TOTAL: \$10,491,430

V. SUBMISSION REQUIREMENTS

Respondents' submissions should include a comprehensive response addressing all of the following sections and bullet points in a clearly structured and well-organized format. GHF's intent is to solicit relevant information about respondents towards making an informed decision, not to create specific prerequisites in any particular area of qualifications.

a. DEVELOPER QUALIFICATIONS

FIRM(S) OVERVIEW	<ul style="list-style-type: none">• Provide the firm's mission, values, history, areas of expertise, geographic focus, & other pertinent information• Delineate the relationship among the firms, if the respondent includes more than one entity• Provide an overview of relevant properties developed and operated• Provide anticipated project pipeline for the next five years
LEADERSHIP & RELEVANT STAFF	<ul style="list-style-type: none">• Provide summary biographies and full resumes for principals and/or senior staff members who are anticipated to be assigned to working on the project if selected• Describe anticipated project roles of identified staff
RELEVANT EXPERIENCE WITH HISTORIC BUILDINGS & HISTORIC TAX CREDIT FINANCE	<ul style="list-style-type: none">• Provide specific project information including a brief narrative, uses / tenants, the respondent's role, other project partners, summary sources and uses, and timeline from conception to stabilization for:<ul style="list-style-type: none">○ Completed mixed-use projects that are similar in vision, scope, size and challenges to SFB○ Completed adaptive reuse projects involving historic buildings• Describe respondent's experience with the Federal and State of Texas Historic Rehabilitation Tax Credit, identifying projects, approximate QREs, PIS dates, and investors used for both the federal and state credit• Provide an example of a project in which the respondent invested that either did not close on financing or reach stabilization, describing what happened and reflections on lessons learned
RELEVANT EXPERIENCE WITH NONPROFITS AND/OR JOINT VENTURE PARTNERSHIPS	<ul style="list-style-type: none">• Provide examples of specific engagements with nonprofit organizations by the firm and/or its leadership through either professional or informal / volunteer capacities• Describe respondent's experience with any joint venture development partnerships with for-profit or nonprofit entities

FINANCIAL CAPACITY	<ul style="list-style-type: none"> • Provide either a summary balance sheet or disclose the respondent's net assets and liquidity as of December 31, 2021 • Provide the (approximate) maximum financial guaranty that the respondent has committed to a project financing source in the past five years • Describe the respondent's ability and willingness to pay for pre-development expenses that are anticipated to be needed to redevelop SFB
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b. DEVELOPMENT APPROACH

VISION FOR REDEVELOPED PROPERTY	<ul style="list-style-type: none"> • Describe the respondent's preliminary, high-level vision for a redeveloped SFB, including potential uses and types of tenants • Describe how the respondent will incorporate smart design, energy efficiency and green building practices into the project • Describe how this vision meets GHF's stated objectives for this solicitation • Describe the respondent's anticipated involvement during property operations and plans for an exit or long-term ownership
DEVELOPMENT CONTEXT	<ul style="list-style-type: none"> • Describe how the respondent's proposed vision understands and responds to Galveston's local history and market context, and will add value to the Strand and Galveston • Describe how an investment made by the respondent in SFB would fit into the firm's broader real estate strategy
PARTNERSHIP	<ul style="list-style-type: none"> • Describe how the respondent would work in partnership with GHF through various phases of the project's lifecycle, including during operations • Describe anticipated scopes of work for respondent and GHF as co-owners / co-developers of the property • For respondents with multiple entities, describe the roles and responsibilities of each (provide a draft organizational chart for the venture if needed)
PROJECTED DEVELOPMENT SCHEDULE WITH KEY MILESTONES	<ul style="list-style-type: none"> • Provide a realistic, anticipated graphic timeline for key milestones in pre-development, construction and stabilization of the project based on local knowledge and relevant recent developments completed by the respondent

POTENTIAL FINANCING SOURCES	<ul style="list-style-type: none"> Identify potential development financing sources for the project with whom the respondent has an existing relationship
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c. ADDITIONAL REQUIREMENTS

Respondents should also provide the following information with their submission:

POINT OF CONTACT	Provide a single point of contact for the respondent
PRINCIPALS	Provide names of the officers and any direct or indirect shareholders or members of the respondent owning 10% or more interest
REFERENCES	Provide contact information for three references, including at least one financial institution, who can attest to the respondent's experience, expertise and capacity
REPRESENTATIONS	<p>a) Provide an executed statement on corporate letterhead addressing whether the firm, subsidiaries or partnerships, or any of the principals, officers or members owning more than 10% interest of the respondent or its affiliated entities have:</p> <ul style="list-style-type: none"> Been indicted for or convicted of a felony Had litigation filed against them related to real estate Defaulted on any loans or been foreclosed upon Failed to file any required tax returns or pay any federal, state or local taxes or other charges within the past ten years Filed a bankruptcy petition or be involved in involuntary bankruptcy proceeding within the past ten years Been barred by, or otherwise not be in good standing with, any federal, state or municipal agency <p>Please provide an explanation to any of the above answered in the affirmative.</p> <p>b) Provide an executed statement stating whether an actual or potential conflict of interest does or does not exist in connection with this solicitation, including any familial or business relationships, that the respondent and its principals have with GHF, its Board of Directors, and/or its employees. If a conflict(s) of interest exists or may exist, describe the nature of the conflict and the parties involved.</p>

d. SUBMISSION INSTRUCTIONS

Respondents' submissions should be organized in accordance with the structure of this section and delivered as a single bound package. Please note that architectural renderings, property proformas and letters of interest from lenders or investors are not required as part of the response to this solicitation.

Submissions to this RFQ are due by 5:00 p.m. Central Time on June 27, 2022. Please submit a digital PDF file, or a link to download a file too large to email, to SFBRFQ@galvestonhistory.org.

Interested parties must email GHF at SFBRFQ@galvestonhistory.org by June 3, 2022 to express their intent to submit a response to this RFQ. GHF will provide any additional information related to this solicitation via email to these contacts.

Interested parties may contact GHF to schedule an appointment to walk through the property during the timeframe established in Section VII. Each respondent team will be permitted one appointment only, for approximately one hour.

All questions regarding this RFQ should be submitted via email to SFBRFQ@galvestonhistory.org. GHF will compile all questions it receives and provide responses twice per week to all interested parties who have submitted their intent to submit with email contact information. During the term of this solicitation, interested parties should not communicate with GHF staff or board members regarding this RFQ except through the [SFBRFQ@galvestonhistory.org email](mailto:SFBRFQ@galvestonhistory.org).

VI. SCORING CRITERIA

GHF will establish an Evaluation Committee comprised of select Board members, senior staff members, and relevant consultants to review and score each submission based on the criteria listed below. The results of the evaluation of proposals will be used to determine those respondents to be recommended to GHF's Board of Directors on an ordered shortlist for moving forward in the process with in-person interviews.

CRITERIA	POINTS
Values Alignment	25
Technical Capacity	15
Financial Capacity	15
Relevant Project & Partnership Experience	25
Articulated Vision for Property & Partnership	20
TOTAL	100

VII. SOLICITATION SCHEDULE

GHF anticipates the following schedule for the solicitation process from issuance to selection. These are projected dates, subject to change at GHF's sole discretion.

Milestone	Anticipated Dates
Issuance of RFQ	May 2, 2022
Property Walk-Throughs by Appointment	May 9 – May 16, 2022
Deadline to Email Intent to Submit	June 3, 2022
Deadline to Submit Questions	June 20, 2022
RFQ Responses Due	June 27, 2022
Notifications Sent to All Respondents	July 6, 2022
Presentations to GHF Board / Staff by Shortlisted Respondents	July 11 – July 22, 2022
Recommendation made to GHF Board	July 26, 2022
Notifications Sent to Shortlisted Respondents	July 29 2022

The successful respondent should be prepared to begin negotiations for entering into a joint venture agreement with GHF immediately following selection.

VIII. RESERVATIONS, CONFIDENTIALITY & DISCLOSURES

GHF reserves the right to add, delete, or modify any and all requirements to this solicitation, which shall be communicated to all potential respondents who have met the requirement to provide their intent to submit.

GHF reserves the right to amend or cancel this solicitation and to accept or reject, in whole or in part, any and all proposals for any reason, to waive any or all formalities or technicalities in connection with a response to this solicitation, to re-open this solicitation or to redevelop the SFB property by other means at GHF's sole discretion.

GHF reserves the right to request clarification or additional information from respondents. GHF may contact references and industry sources, investigate previous projects and current commitments, interview some or all of the respondent's team members, and take any other information into account in its evaluation of the responses.

Ownership of Materials & Confidentiality

All materials submitted in response to this solicitation shall become the property of GHF, which shall use commercially reasonable efforts to limit access to respondents' materials by individuals or entities not participating in GHF's decision making process.

Cost of Preparing Proposals

GHF shall not be liable for any costs incurred by respondents in the preparation of a submission to this solicitation; any such costs are entirely the responsibility of the respondent.

Conflict of Interest

In accordance with Section V. (c) herein, all respondents must disclose any direct or indirect, current or future, actual or potential conflicts of interest between themselves and GHF staff members and Board members, current or past. Should respondents have questions about a potential conflict of interest, please contact GHF prior to submitting a response.

EXHIBIT 1: HISTORIC PROPERTY PHOTOGRAPHS

Exterior of the Santa Fe Building



Interior of the Santa Fe Building



Lunch Room
Galveston, Texas

EXHIBIT 2: PRESENT DAY PHOTOGRAPHS

Exterior of the Santa Fe Building





View from Santa Fe Building towards The Strand


Interior of the Santa Fe Building

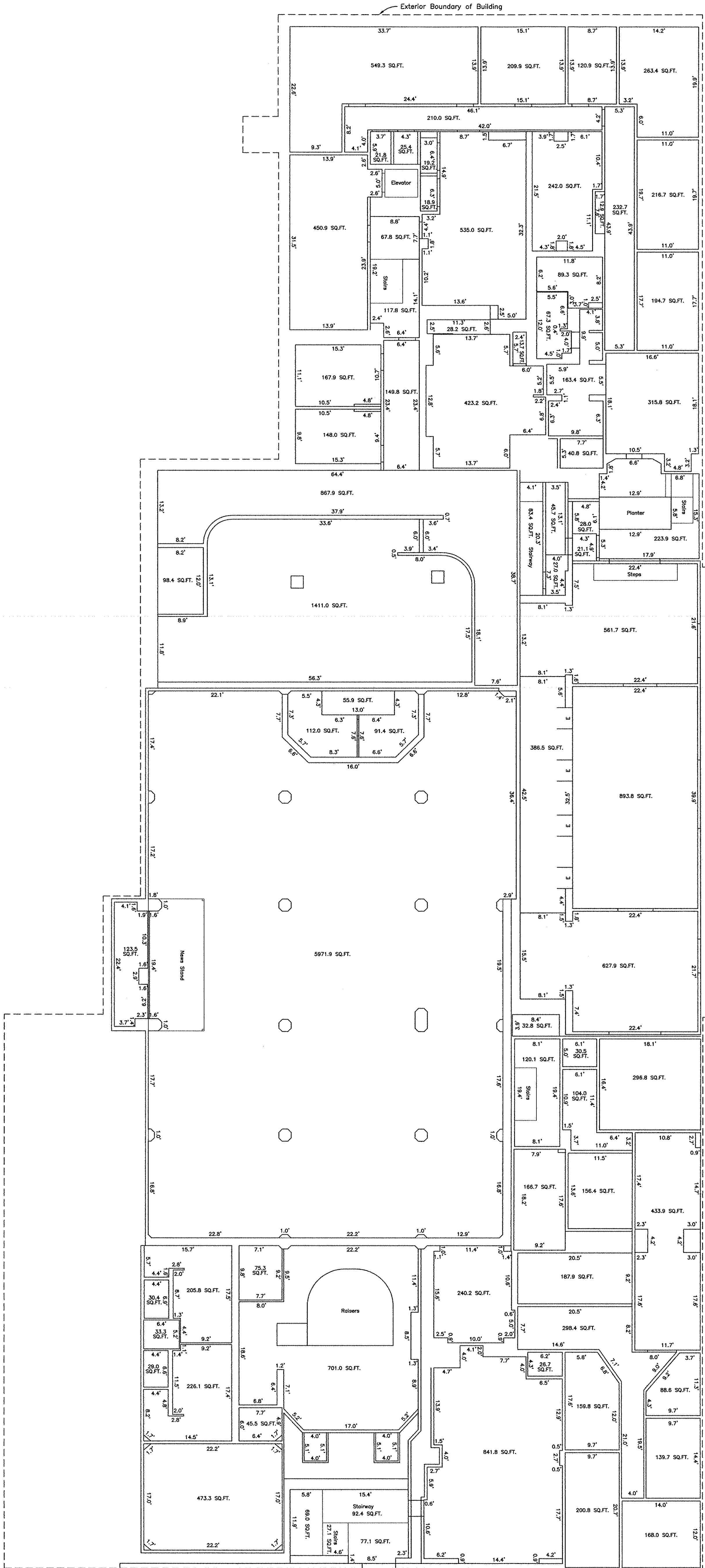


Lobby

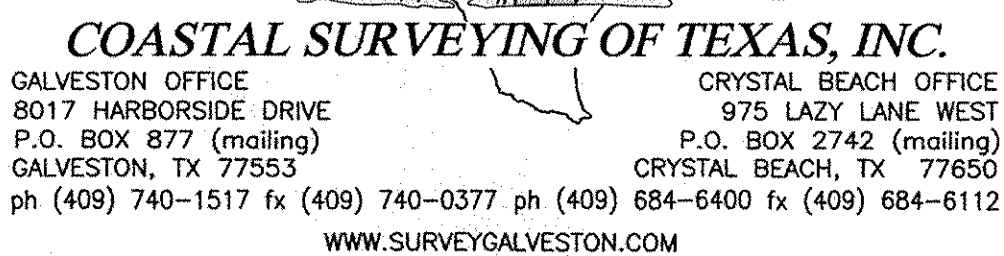
EXHIBIT 3: BUILDING FLOOR PLANS




Stephen C. Blaskey
Registered Professional
Land Surveyor No. 5856



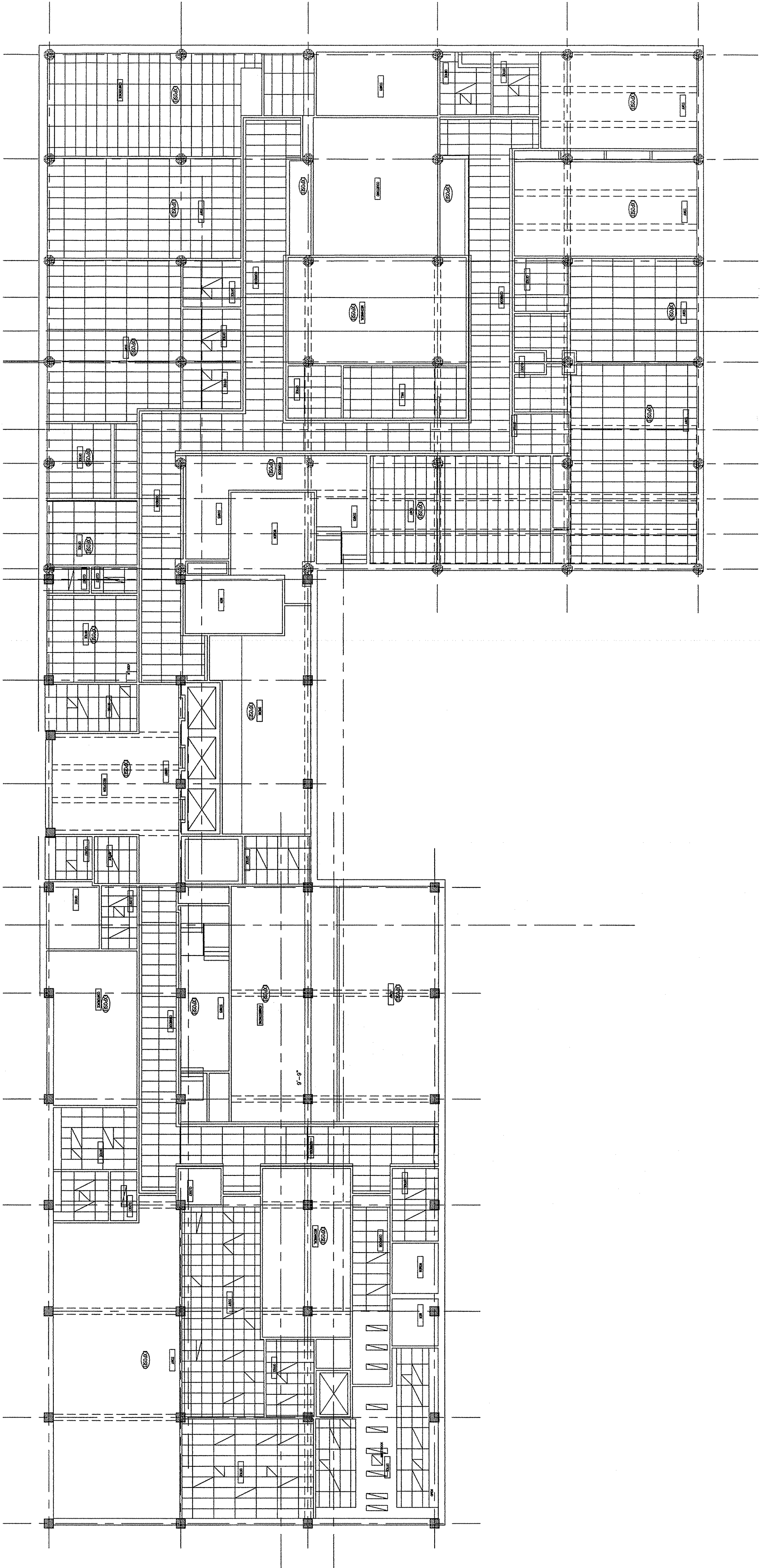
25TH STREET-ROSENBERG
(120' R.O.W.)



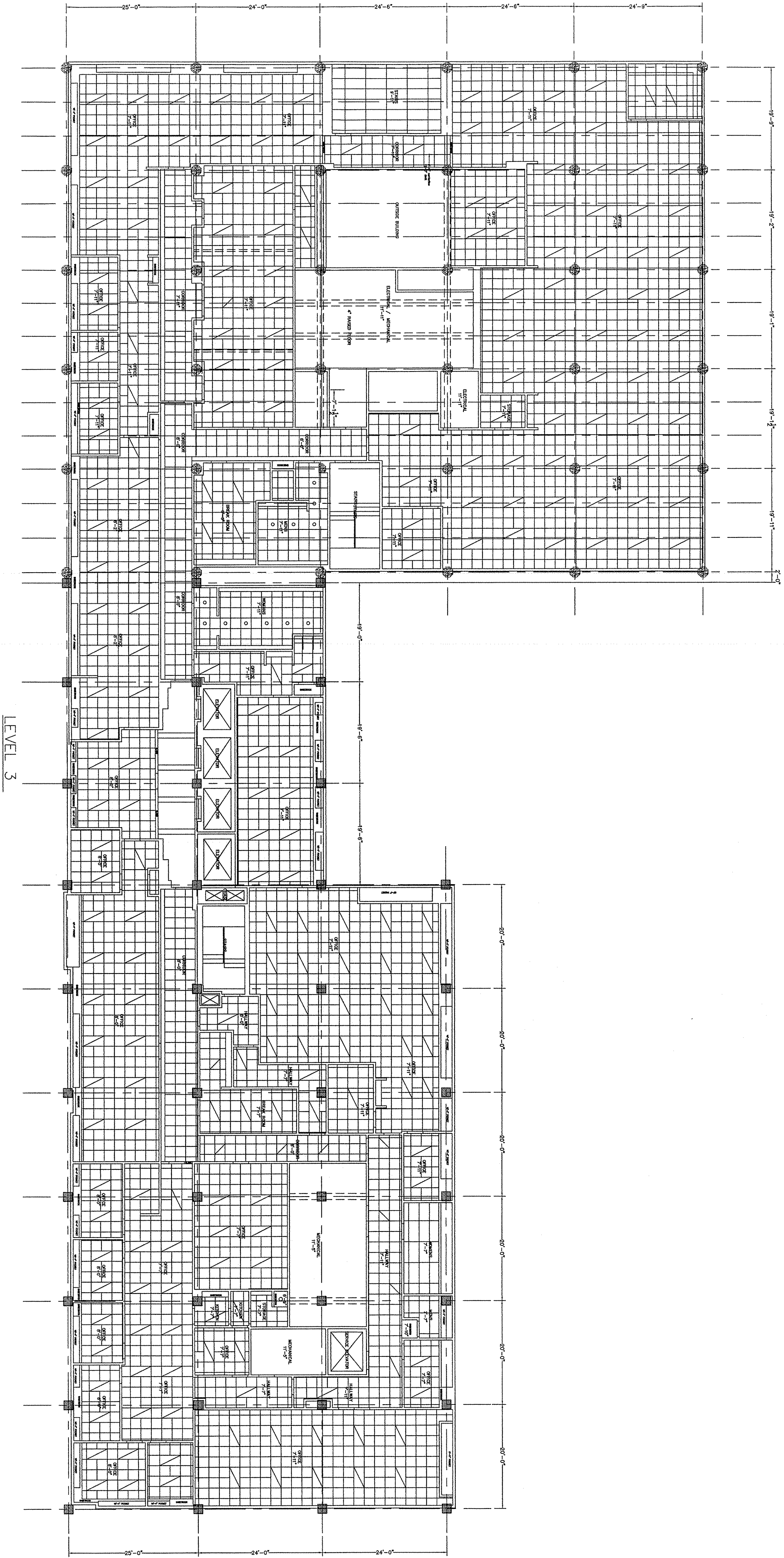
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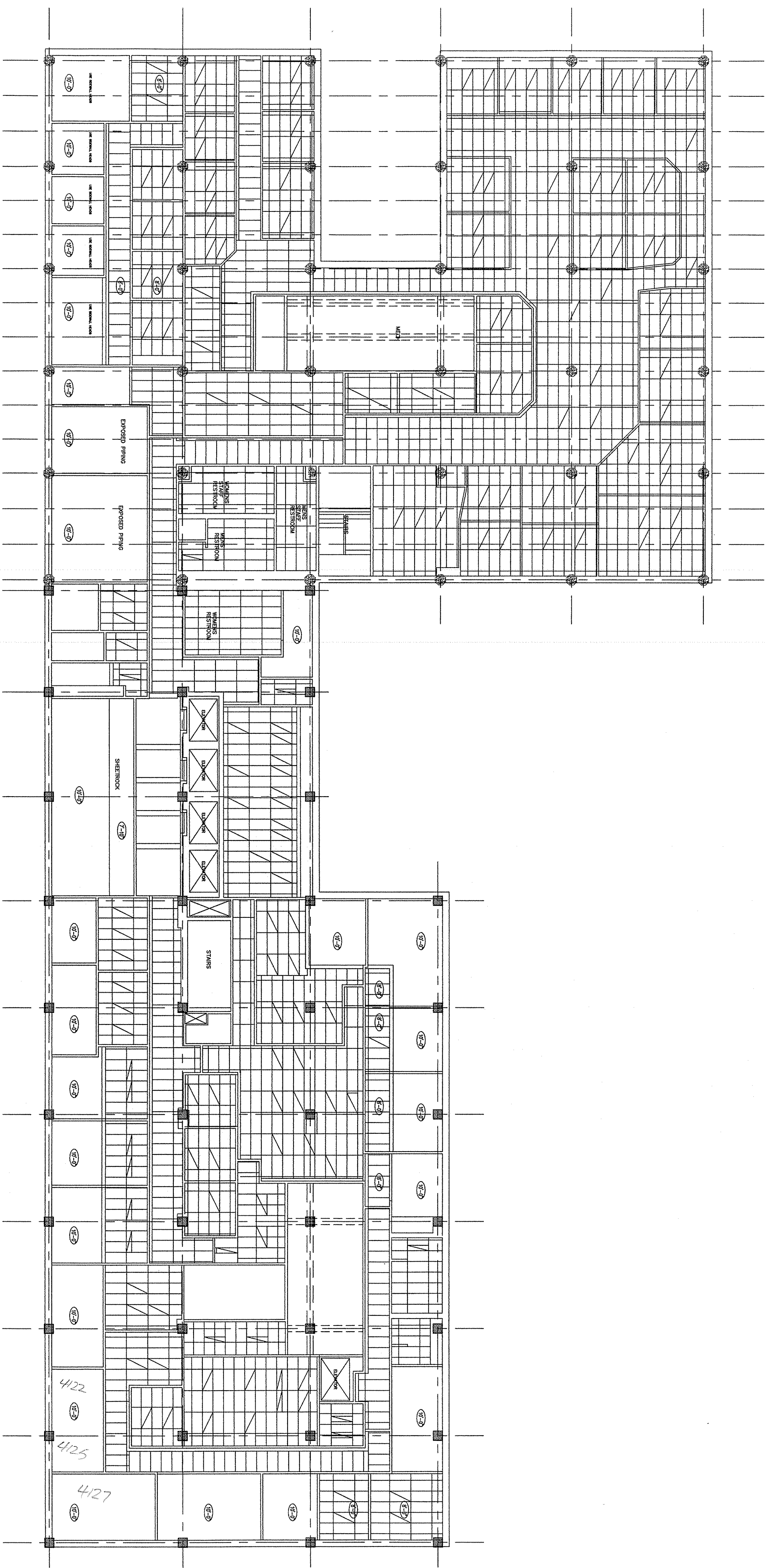
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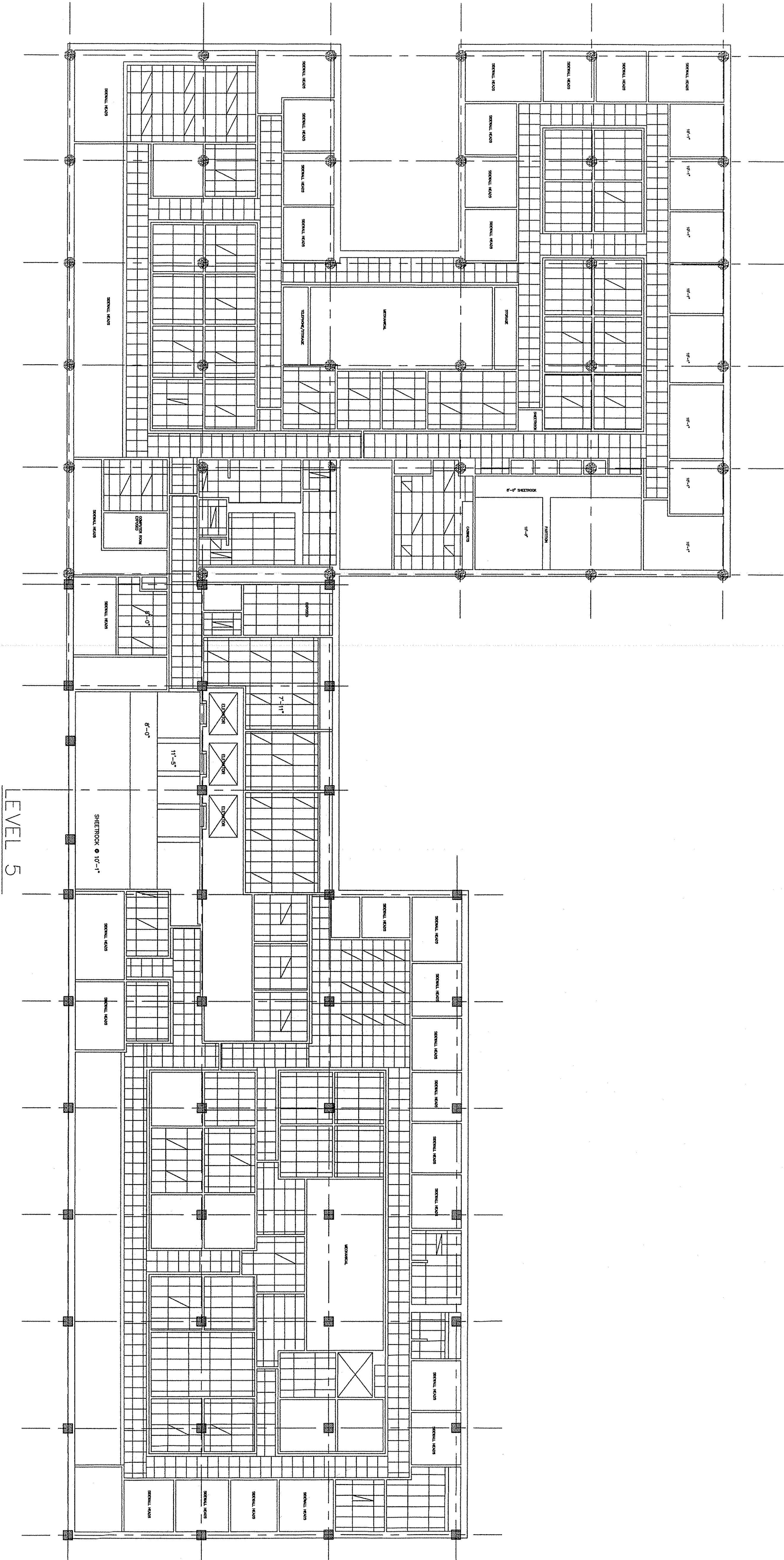
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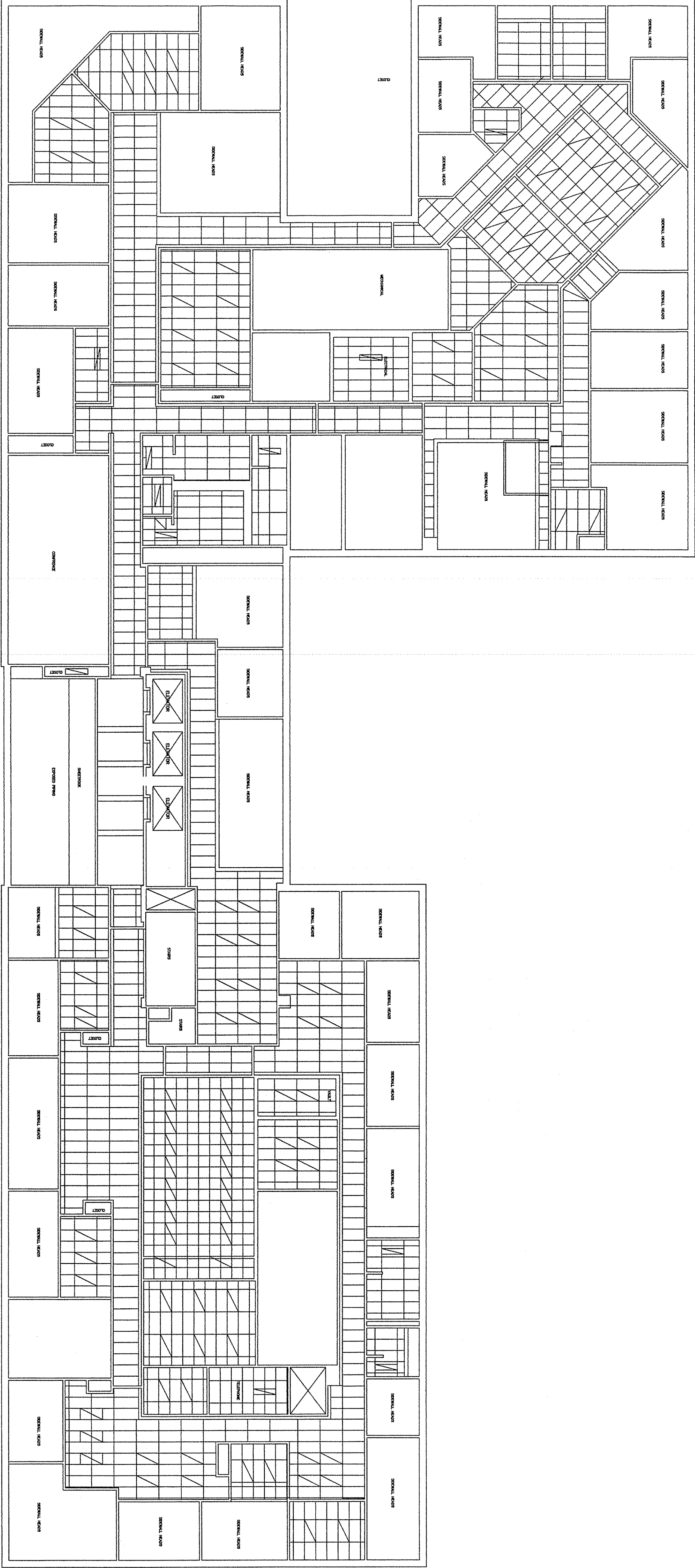
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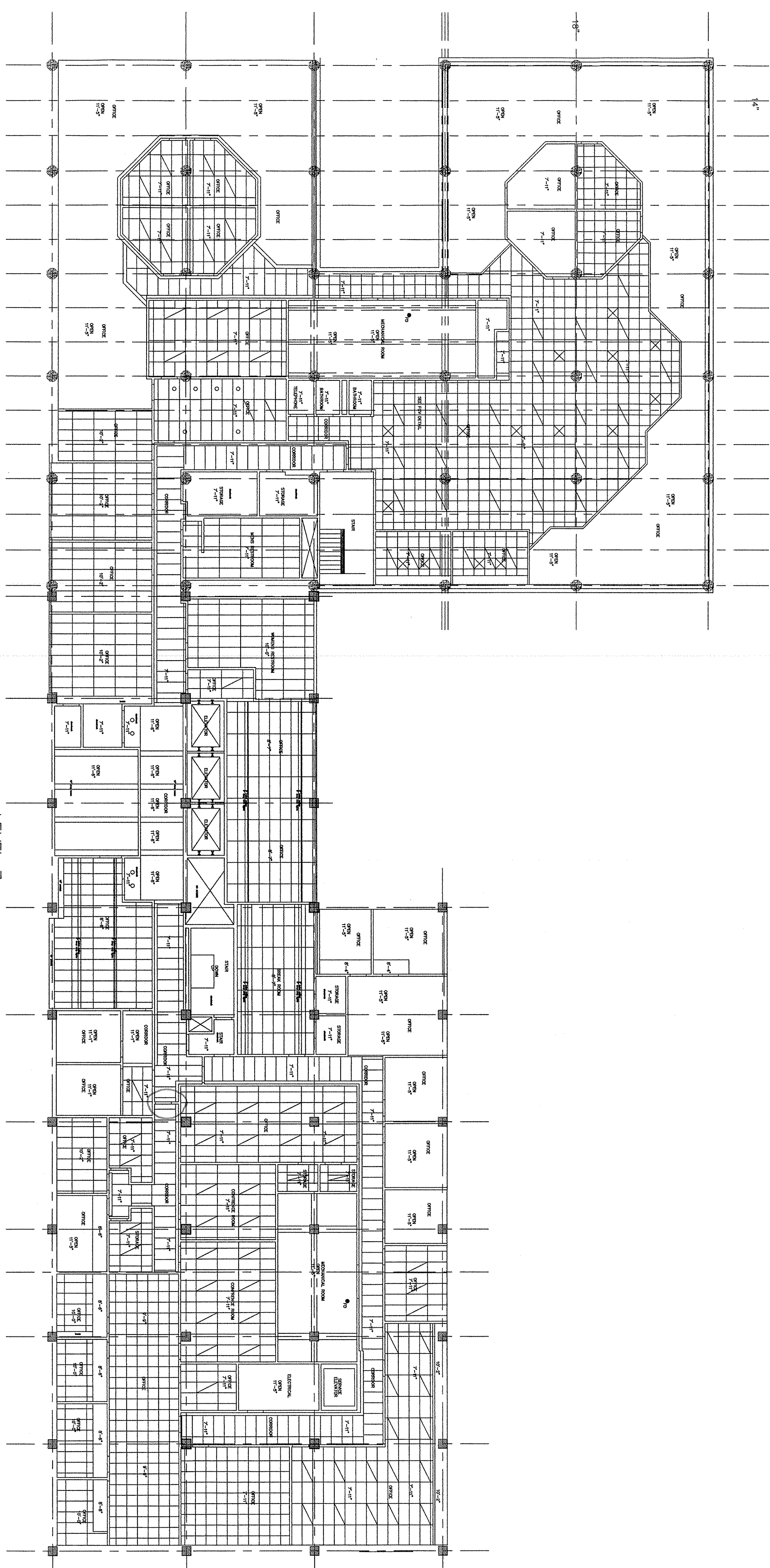
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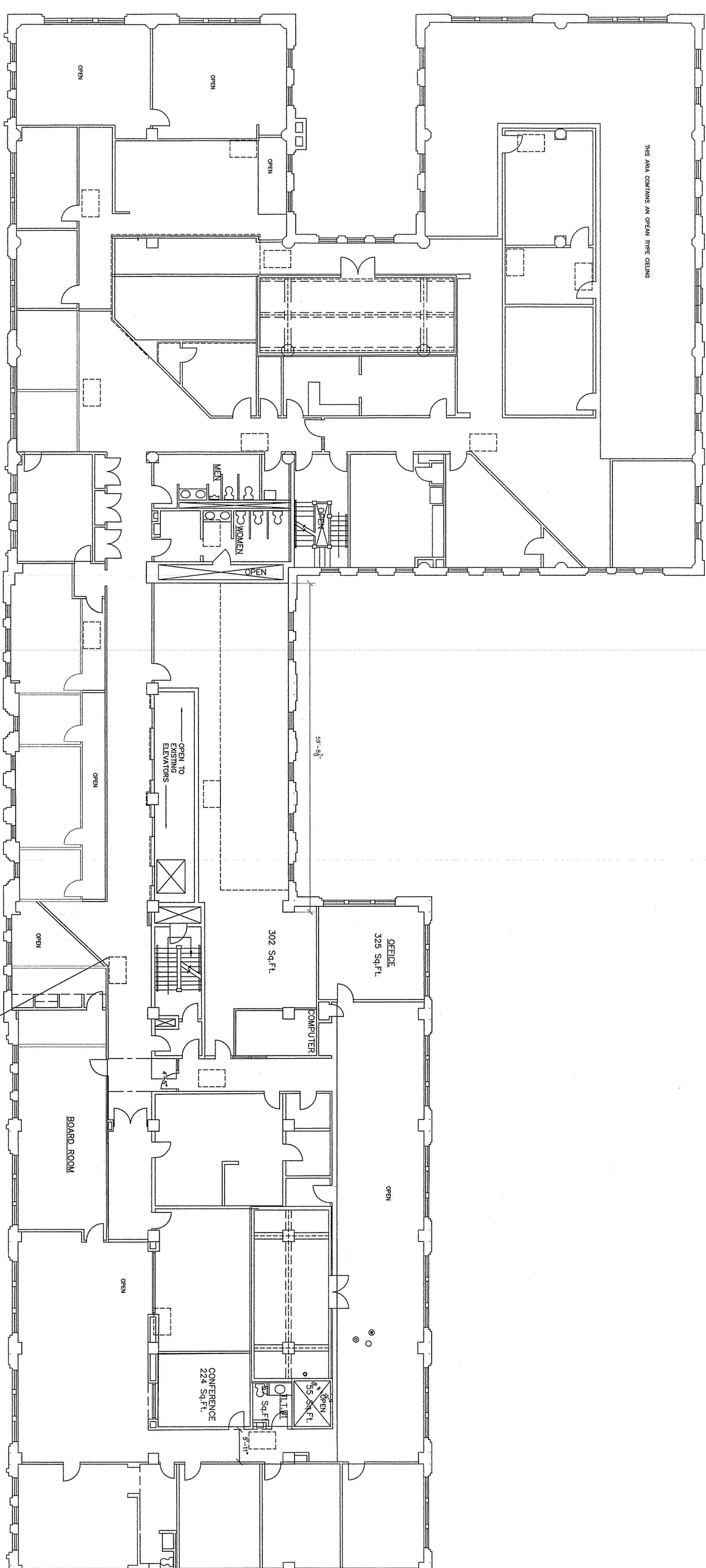
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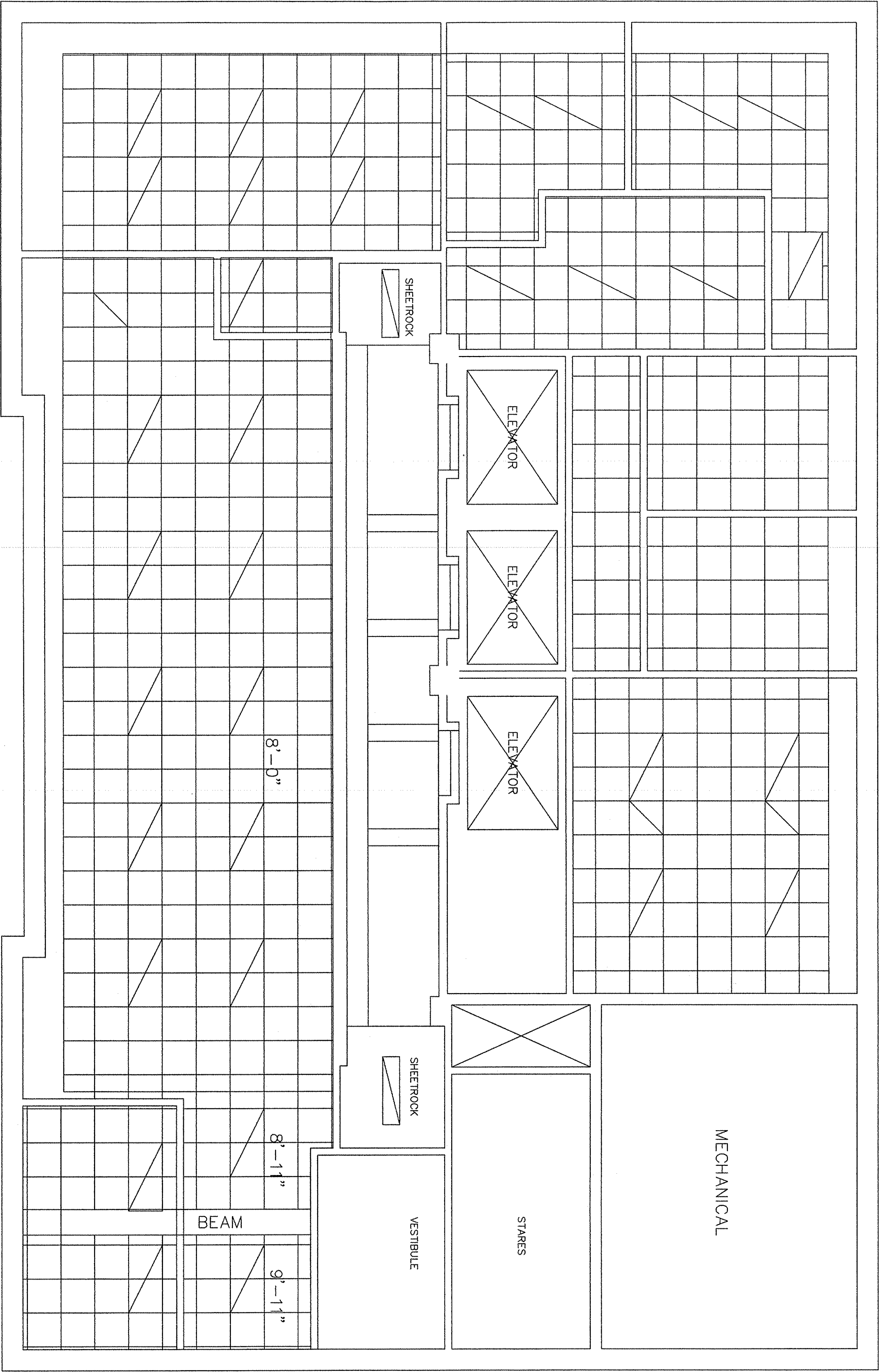
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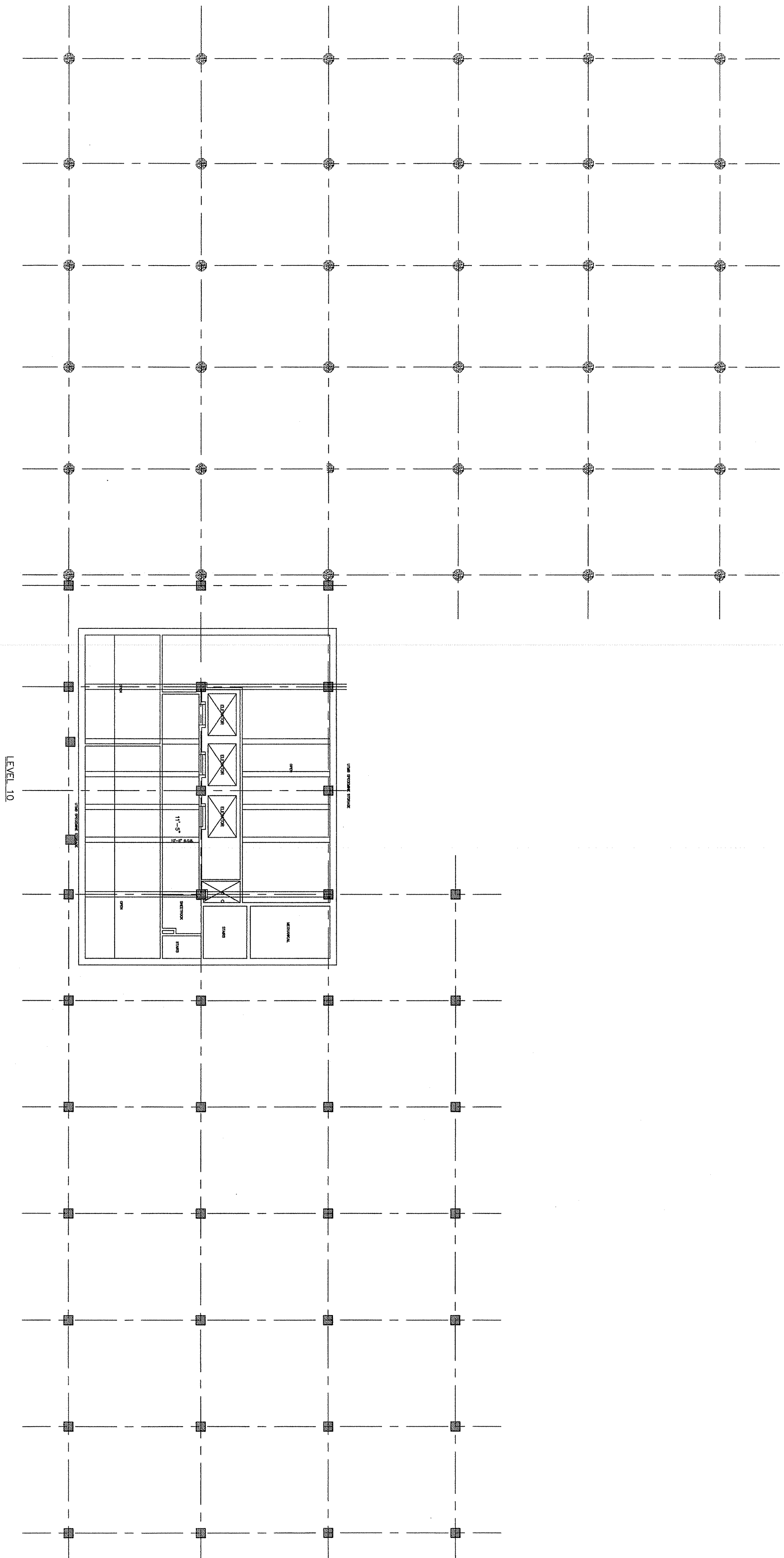
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LEVEL 8



LEVEL 9



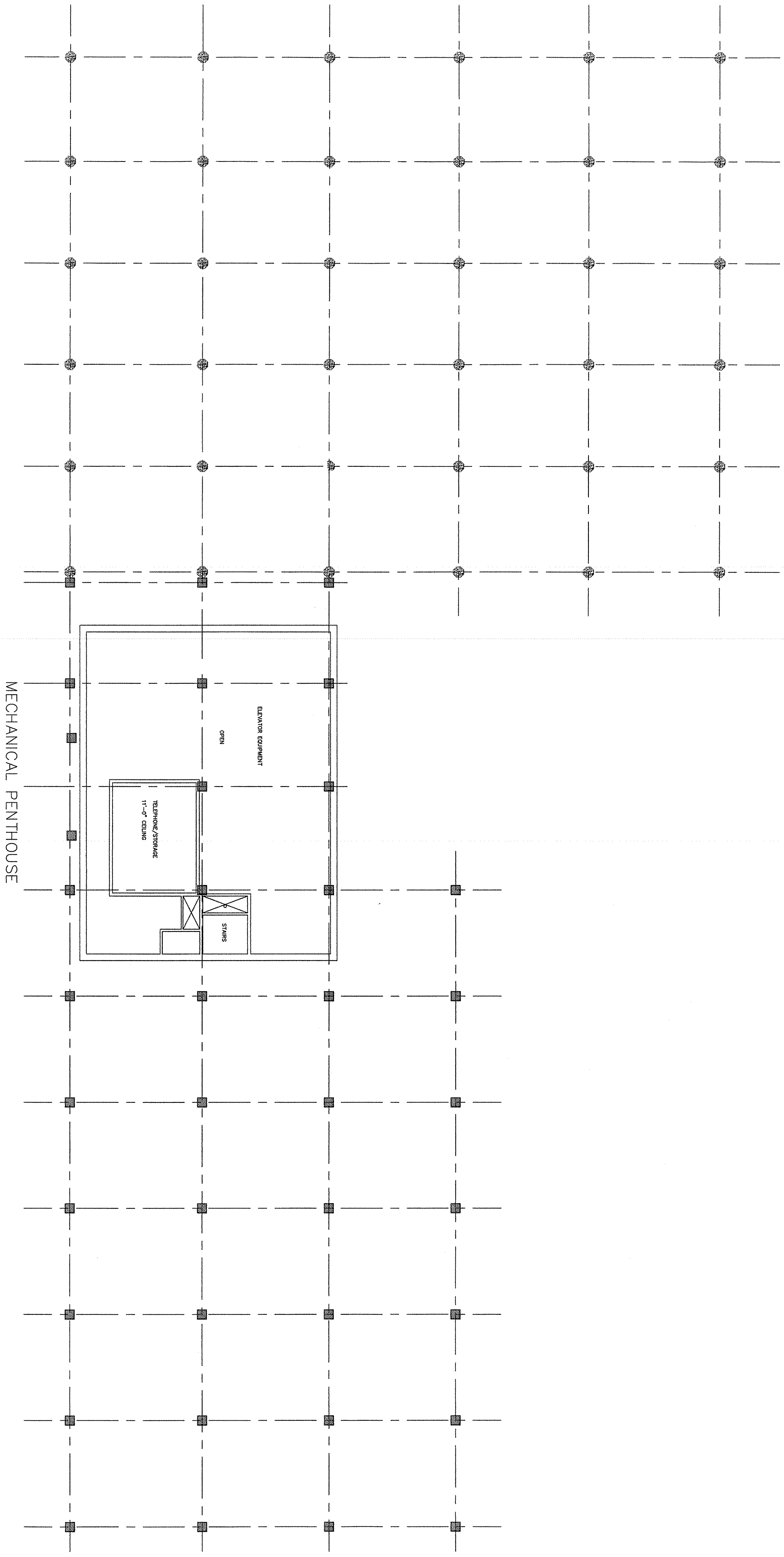
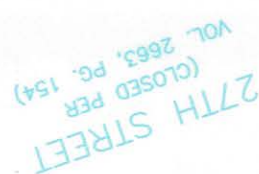


EXHIBIT 4: SURVEY



NEW STRAND
(R.O.W. Varies)

Stephen C. Blaskey

- 1) This property does lie within the 100 Year Flood Plain as established by the Federal Emergency Management Agency.
- 2) This property is subject to any restrictions of record.
- 3) Bearings based on Monumentation of Centerline of 25th Street, being a 1 inch pipe found at the Centerline of Avenue K for position and a Brass Plate found at the Centerline of Avenue Q for rotation
- 4) Surveyed without benefit of a Title Report.

EXHIBIT 5: PHASE I ENVIRONMENTAL SUMMARY

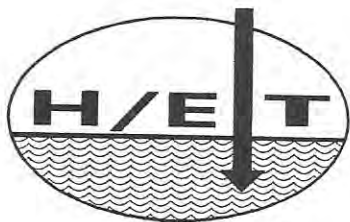
**PHASE I
ENVIRONMENTAL SITE ASSESSMENT
123 ROSENBERG STREET
GALVESTON, GALVESTON COUNTY, TEXAS 77550**

Prepared for

**The Galveston Historical Foundation
2002 Strand
Galveston, Texas 77550**

Prepared by

**HYDROGEOLOGIC/ENVIRONMENTAL TESTING
ALVIN, TEXAS
JUNE 2021**



Hydrogeologic / Environmental Testing

Groundwater Specialists

P. O. Box 1364 • Alvin, Texas 77512

June 22, 2021

H/ET 2021-06-26

Galveston Historical Foundation
2002 Strand
Galveston, Galveston County, Texas 77550
Attn: Mr. Dwayne Jones

**PHASE I ENVIRONMENTAL SITE ASSESSMENT
123 ROSENBERG STREET
GALVESTON, GALVESTON COUNTY, TEXAS 77550**

Presented here is the Phase I Environmental Site Assessment (ESA) report for the developed subject property with a description as follows:

Tract: 2.47 acres of land being portions of Blocs 625, 685, 686 & 687 and portions of the closed 26th Street and 27th Street, City of Galveston, Galveston County, Texas.

This ESA Phase I study was authorized by Mr. Dwayne Jones of the Galveston Historical Foundation in June of 2021.

Site Location

The subject property is located south of Harborside Drive and west of 25th Street in Galveston, Galveston County, Texas 77550. The subject property is covered with a concrete drive and serves as a multistory office building. The construction is composed steel and stone. The total square footage is 202,000 square feet. Additionally, the subject property serves as offices for the Railroad Museum.

Scope of Study

The study's objective was to assess the subject property for possible *recognized environmental conditions* in general accordance with the *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process* (ASTM E 1527). The ASTM standard defines a *Recognized environmental condition* as:

" . . . the presence or likely presence of any hazardous substances or petroleum products on a property under conditions that indicate an existing release, a past release, or a material threat of release of any hazardous substances or petroleum products into structures on the property or the ground, groundwater, or surface water of the property."

We accomplished these objectives by conducting the following tasks:

1. Reviewing environmental records, physical settings, historical aerial photographs, and historical site ownership records.
2. Conducting a site and area reconnaissance.
3. Checking for former oil and gas wells on or near the subject property.
4. Checking for pipelines that may traverse the subject property.

Records Review

The purpose of the records review was to obtain, and review specified and reasonably ascertainable records for possible recognized environmental conditions in connection with the subject property. The records and documents reviewed included selected environmental record sources published by regulatory agencies, physical setting sources, historical aerial photographs, and historical ownership records.

Environmental Record Sources

In accordance with ASTM E 1527, the environmental record sources included a review of state and federal listings for documented sites located within a prescribed search radius of the subject property. A summary of the sources was reviewed, and the dates of the listings are presented as follows:

Record Source	Minimum Search Distance	Database Contents	Database Date
National Priorities List (NPL)	1.0 mile	The NPL is a priority subset of the CERCLIS list (see below for CERCLIS), also known as Superfund. It is an EPA list of uncontrolled or abandoned hazardous waste sites based upon a score, which the site receives from the EPA Hazard Ranking System. Sites listed here include delisted NPL sites.	December 2020
Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS)	0.5 miles	List of sites the EPA has investigated or is currently investigating for potential hazardous substance contamination for possible inclusion on the NPL.	December 2020
No Further Remedial Action Planned (NFRAP)	0.5 miles	Indicate a CERCLIS site that was designated "no further remedial action planned" by the EPA.	December 2020
Resource Conservation and Recovery Information System – Treatment, Storage or Disposal (RCRA TSD)	1.0 mile	Facilities that treat, store, or dispose of hazardous waste compiled from the Resource Conservation and Recovery Information System (RCRIS), subject to corrective actions.	January 2021
Corrective Action (CORRACT)	1.0 mile	RCRA sites currently under corrective action.	January 2021
Resource Conservation and Recovery Information System	0.25 miles	Persons or entities that generate hazardous waste.	January 2021

Record Source	Minimum Search Distance	Database Contents	Database Date
– Generators (RCRA G)			
Emergency Response Notification System (ERNS)	0.25 miles	List of verified and reported hazardous substance releases or spills.	February 2021
Texas Voluntary Cleanup Program (TXVCP)	0.5 miles	Contaminated Texas sites where cleanup is conducted voluntarily.	January 2021
Innocent Owner/Operator Program (TXIOP)	0.5 miles	List of contaminated sites where the landowner has been deemed not liable for contamination from a source or sources not located on the property and who did not cause or contribute to the source of contamination.	January 2021
Texas State Superfund (TXSSF)	1.0 mile	A list of sites that the State of Texas has identified for investigation or remediation. Sites are reviewed for potential upgrading to CERCLIS.	February 2021
TCEQ Solid Waste Facilities (TXLF)	1.0 mile	List of solid waste disposal facilities registered and tracked by the TCEQ Solid Waste Division. Includes disposal sites, transfer stations, and processing stations.	December 2020
Unauthorized and Unpermitted Landfill Sites (LFUN)	0.5 miles	Unauthorized sites that have no permit and are considered abandoned.	December 2020
Leaking Underground Storage Tanks (TXLUST)	0.5 miles	Sites with reported spills or releases from underground storage tanks.	February 2021
Texas Underground Storage Tanks (TXUST)	0.25 miles	Sites with underground storage tanks that have been permitted and registered with the state.	February 2021
Texas Above Ground Storage Tanks (TXAST)	0.25 miles	Sites with aboveground storage tanks that have been permitted and registered with the state.	February 2021
Texas Spills List (TXSPILL)	0.25 miles	Sites where emergency response is needed for cleanup of toxic substances.	December 2020
Brownfield (BRNFD)	0.5 miles	The expansion, redevelopment, or reuse of property that may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.	January 2021
Dry Cleaner (DRYC)	0.5 miles	List of all dry-cleaning drop stations and facilities registered with the TCEQ.	February 2021
Indian Reservation Underground Storage Tanks	0.25 miles	Permitted underground storage tanks on Indian Land.	February 2021

The environmental data search identified Sixty-four (64) agency findings at twenty-seven (27) locations. The environmental data search identified the subject property, additionally, the subject property was identified in the Emergency Response Notification System. No data exists on why the environmental search placed the subject property on the list. Most of the environmental findings are associated with the Port of Galveston.

Multiple regulated facilities exist adjacent to the subject property. The facilities and agency findings identified do not appear to pose a risk to the subject property. A copy of the environmental database search along with the environmental search map is presented in Attachment A.

Physical Setting

We assessed the physical setting by reviewing the USGS 7.5-minute topographic map. The USGS 7.5-minute topographic map is presented in Figure 2.

The topographic map confirms the location of the subject property and its relative proximity to the area features. The topography is relatively flat, with industrial/residential and commercial development surrounding the subject property. The area is relatively featureless. The Galveston Channel is shown to the north, and the Gulf of Mexico is shown to the south of the subject property.

Historical Aerial Photographs

Aerial photograph enlargements were reviewed to evaluate historical land use and associated features linked with recognized environmental conditions. A summary of the aerial photograph review is presented as follows:

Date	Source	Scale	Observations
1954	AMMAN	1 inch = 700 ft	The subject property is developed. Industrial, commercial and residential development exists.
1969	USGS	1 inch = 700 ft	The subject property is developed. Industrial, commercial and residential development exists.
1978	TXDOT	1 inch = 700 ft	The subject property is developed. Industrial, commercial and residential development exists.
1987	USGS	1 inch = 700 ft	The subject property is developed. Industrial, commercial and residential development exists.
1995	USGS	1 inch = 700 ft	The subject property is developed. Industrial, commercial and residential development exists.
2004	NAIP	1 inch = 700 ft	The subject property is developed. Industrial, commercial and residential development exists.
2016	NAIP	1 inch = 700 ft	The subject property is developed. Industrial, commercial and residential development exists.
2020	NAIP	1 inch = 700 ft	The subject property is developed. Industrial, commercial and residential development exists.

A review of the aerial photographs indicates development of the subject property prior to the 1954 photograph. The aerial photographs confirm the expansion of industrial, residential, and commercial development in the area over the years. Copies of the Historical Aerial photographs are included in Attachment B.

Historical Site Ownership Records

The Historical Ownership Record would indicate the subject property has had three owners since 1897, The Union Passenger Depot Company, The Moody Foundation, and The Shearn Moody Plaza Corporation. The current owner of record is The Shearn Moody Plaza Corporation. One surface easement was found on the subject property for power line maintenance. A copy of the Historical Chain of Title is presented in Attachment C.

Site and Area Reconnaissance

Personnel from H/ET conducted a site and area reconnaissance on June 22, 2021. The reconnaissance objective was to obtain information indicating the likelihood of recognized environmental conditions in connection with the subject property. H/ET personnel conducted a walk throughout the perimeter of the subject property. H/ET personnel took photographs on June 22, 2021. The reconnaissance included a walking survey of the perimeter of the subject property and a drive-by survey of the general area. Site photographs of the subject property were obtained during the site visit and are included in Attachment D.

Site Features

Provisions in ASTM E 1527 indicate specific site information that is to be documented during the site reconnaissance, to the extent visually or physically observed. This information is presented as follows:

Site Features	Observations
Topography	The terrain appeared to be relatively flat.
Structures	Multiple permanent structures exist on the subject property.
Roads	Exterior roads are shown in Figure 1.
Potable Water Supply	City services.
Sewage Disposal	City services.
Hazardous Substances and Petroleum Products	No indications of hazardous substances or petroleum products were observed released or spilled on the subject property.
Storage Tanks	No above ground, storage tanks were present.
Odors	No strong, pungent, or noxious odors were noted.
Pools of Liquid	None
Drums and Containers	No drums containing hazardous materials or petroleum products were observed.
PCBs	None.
Pits, Ponds or Lagoons	No pits, ponds, or lagoons in connection with waste disposal or waste treatment were observed. Above ground treatment tanks exist.
Stained Soil or Pavement	No areas of stained surface soils were observed.

Site Features	Observations
Stressed Vegetation	No areas of stressed vegetation associated with hazardous substances or petroleum products were observed.
Solid Waste	No solid waste was observed. The MSW is collected by municipal haulers.
Wastewater	No wastewater discharges exist.
Wells	No onsite water well was observed.
Septic Systems	No onsite septic system was not observed.

Adjoining Land Use

Observations of adjoining land use from our reconnaissance are summarized as follows:

Location	Adjoining Land Use
North	Industrial/Commercial
East	Industrial/Commercial/Residential
South	Vacant, Industrial/Commercial
West	Vacant, Industrial/Commercial

Oil and Gas Wells

No oil or gas wells were observed on or near the subject property during the site reconnaissance.

Pipelines

A review of the Texas Railroad Commission public mapping system and observations from the site reconnaissance does not indicate the presence of pipelines on the subject property.

Interview

H/ET personnel conducted one interview in connection with this environmental site assessment. The interview was conducted with Mr. Kevin Harrington on June 22, 2021.

Mr. Harrington was unaware of any environmental concerns. Mr. Harrington stated the Moody Foundation executed a major renovation between 1976 and 1982.

Asbestos is known to exist in the subject property. Products intact and non-deteriorating containing asbestos-containing material are not of concern unless planned remodeling and renovation occur.

Asbestos Survey

H/ET retained Live Oak Environmental (LOE) to evaluate the building materials and determine the required extent of testing. On June 8th, 2021, Live Oak Environmental mobilized to the subject property to conduct a site reconnaissance and conduct an asbestos survey. Asbestos sampling was conducted on suspect materials to qualify the presence or absence of such materials.

Samples were obtained and analyzed for asbestos containing materials. The samples tested negative for asbestos-containing material. A copy of the report and test data is included in Attachment E.

Findings

The pertinent findings of the Phase I Environmental Site Assessment (ESA) of the subject property located on 123 Rosenberg, Galveston, Galveston County, Texas 77550, consisting of developed land and identified as:

Tract: 2.47 acres of land being portions of Blocs 625, 685, 686 & 687 and portions of the closed 26th Street and 27th Street, City of Galveston, Galveston County, Texas, are summarized as follow:

1. Sixty-four (64) regulatory agencies' findings were identified within the search radius. The subject property was identified in the environmental search. Multiple regulatory facilities are identified adjacent to the subject property. The findings would indicate that no environmental exposure exists to the subject property.
2. The subject property is relatively flat, consistent with area features.
3. Review of the aerial photographs indicates the site has been developed land prior to 1954.
4. Historical ownership records indicate three entities owned the subject property from 1897 to present. The current owner is listed as the Shearn Moody Plaza Corporation. The latest survey reflects the subject property as:

Tract: 2.47 acres of land being portions of Blocs 625, 685, 686 & 687 and portions of the closed 26th Street and 27th Street, City of Galveston, Galveston County, Texas.
5. Observations from our site reconnaissance show the subject property is currently developed and serves as a multistory office building and railroad museum. The subject property is very well maintained. The land consists of multiple buildings.
6. H/ET personnel did not identify significant quantities of hazardous or petroleum substances were seen spilled or released on the subject property during our site reconnaissance.
7. Observations from our area reconnaissance indicate the subject property is located in an area of industrial/commercial/residential development.
8. No oil or gas wells were identified on the subject property through the Railroad Commission Maps.
9. No pipeline easement is recorded on the subject property.
10. Asbestos was not detected on samples obtained, which does not imply that asbestos does not exist.

Conclusions

The findings of the Phase I Environmental Site Assessment (ESA) for the subject property located on 123 Rosenberg, Galveston, Galveston County, Texas 77550, identified as:

Tract: 2.47 acres of land being portions of Blocs 625, 685, 686 & 687 and portions of the closed 26th Street and 27th Street, City of Galveston, Galveston County, Texas with the physical location of 123 Rosenberg, Galveston, Galveston County, Texas 77550, would indicate that no recognized environmental conditions associated with the subject property were identified. It is our opinion that the risk related to the subject property is low. Therefore, no further study is recommended for the subject property located on 123 Rosenberg, Galveston, Galveston County, Texas 77550.

Limitations

H/ET conducted the Phase I Environmental Site Assessment (ESA) was performed in general accordance with the scope and limitations of ASTM E 1527. No soil or groundwater sampling was conducted for this report.

Per ASTM E 1527, the following items are considered beyond the Phase 1 ESA work scope and were excluded from our study.

- Lead-based paint
- Wetlands
- Geologic faults
- Radon
- Lead in drinking water
- Archaeological sites
- Endangered species

Standard Care

This study has been conducted using appropriate inquiry of reasonably ascertainable information consistent with good commercial and customary practice. However, it should be noted that no environmental assessment can wholly eliminate uncertainty regarding the potential for recognized environmental conditions at the subject property. Therefore, no warranty or guarantee is made regarding the absence of recognized environmental conditions.

Report Distribution

H/ET prepared this ESA Phase I report was for the sole and exclusive use by Mr. Dwayne Jones of the Galveston Historical Foundation and their authorized representative as an instrument of service. This report shall remain the property of Hydrogeologic/Environmental Testing. No third party may use or rely upon the information provided in this report without our expressed written consent.