

BUSINESS

HOUSTON CHRONICLE • THURSDAY, FEBRUARY 4, 2021 • SECTION B □□

• **DOW:** 30,723.60, up 36.12 (0.1%) | • **S&P:** 3,830.17, up 3.86 (0.1%) | • **OIL:** \$55.69, up 93 cents (1.7%) | • **NATURAL GAS:** \$2.79, down 6 cents (-2.0%)

Nominee shares strategy for EPA

Regan says regulation alone won't help climate in bid to assuage GOP

By James Osborne
STAFF WRITER

Michael Regan, President Joe Biden's pick to lead the Environmental Protection Agency, worked to assure Senate Republicans on Wednesday that they would be heard as the new administration crafts regulations to address climate change.

In a hearing before the Senate Environment and Public Works Committee, Regan, secretary of North Carolina's Department of Environmental Quality and a former leader at the Environmental

Defense Fund, described a climate strategy in which he would use regulation and investment strategies to work with industry to reduce greenhouse gas emissions.

"We can't simply regulate our way out of every problem we face," he said. "If you want to address complex challenges, you must be able to see them from all sides. You have to be able to put yourself in other people's shoes."

Since Biden took office last month, Republicans have been inflamed by a series of executive orders aimed at shifting the coun-



Michael Regan earned a reputation as a centrist deal-maker in North Carolina.

try away from fossil fuels, including canceling the construction permit for the Keystone XL pipeline project and a one-year moratorium on oil and gas leasing on federal lands and waters, including the Gulf of Mexico.

Sen. Shelley Moore Capito, R-W.V., questioned whether the administration's commitment to helping protect impoverished communities from pollution would leave them worse off eco-

nomically – a reminder of the effect that closing coal mines have had on West Virginia and other Appalachian states.

"Where's the justice when many people are plunged into poverty, drug addiction and homelessness?" she asked Regan.

In North Carolina, Regan earned a reputation as a centrist deal-maker under Democratic Gov. Roy Cooper, who was willing to sit down with farmers, energy companies and other stakeholders affected by his actions.

Sen. Richard Burr, R-N.C., described Regan's work to clean up agriculture and power plants in their state as "balancing the values of environmental stewardship with the needs of rural com-

munities."

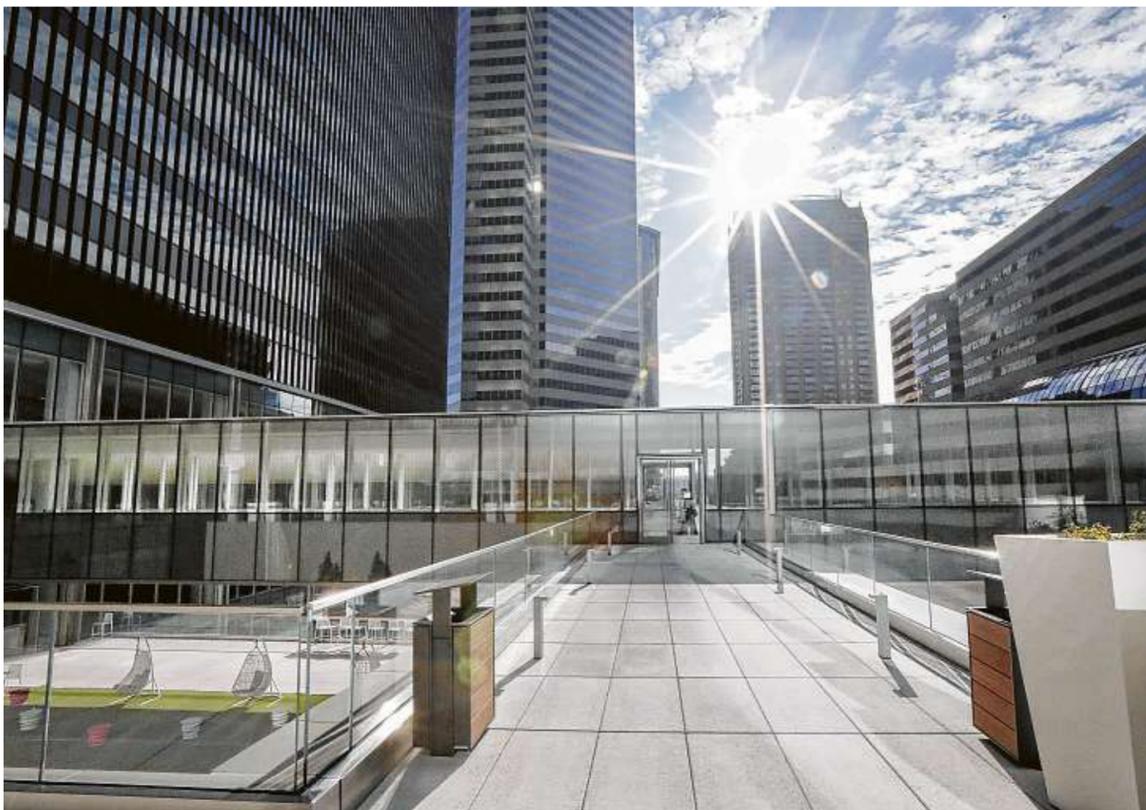
That has prompted some criticism from progressives that Regan's efforts to bring the two parties together on climate change will slow a decarbonization process that they say needs to move quickly.

Asked why Biden hadn't consulted with states before issuing his executive orders, Regan described the orders as "setting goals and visions."

"They leave plenty of room of how these things will be implemented," he said. "We have a ton of time to aim for these goals but massage the process by which we achieve these goals."

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When pedestrians return, they'll find an environment transformed Houston Center makes its redesigned debut



Photos by Steve Gonzales / Staff photographer

An outside walkway leads to an indoor walkway area at Houston Center, downtown's largest office complex, which has just completed an extensive renovation.

By R.A. Schuetz
STAFF WRITER

When Brookfield Properties purchased Houston Center in 2017, it held a design contest to reimagine downtown's largest office complex. Travis Overall, head of Brookfield's Texas region, wanted the 4.2-million-square-foot complex, which he likened to a fortress, to feel pedestrian friendly and connected with the outdoors.

The winning design – by Gensler, an architectural firm that has now moved its offices to the campus, and Clark Condon, a landscape architecture firm – featured three levels of greenspaces connected by a grand spiral staircase.

And now, Houston Center's makeover is complete.

More than 160 new trees wave from the sidewalks, courtyard and terraces of roughly 24,000 square feet of added pedestrian and greenspace, just as the

Center continues on B6



A spiral staircase connects three levels of outdoor spaces at the renovated Houston Center, downtown's largest office complex.



Christopher Pappas' resignation as Luby's CEO was effective Jan. 27. He will remain on the board.

CEO steps down at Luby's as liquidation continues

By Amanda Drane
STAFF WRITER

Christopher Pappas resigned from Luby's top post as the company moved forward with its liquidation, according to a Monday filing with the Securities Exchange Commission. The filing also outlined a dismal earnings report.

Pappas, whose resignation was effective Jan. 27, will remain on Luby's board, according to the filing. The company did not respond to a request for comment about the resignation.

The restaurant chain struggled to keep up with changing tastes in recent years, and the pandemic further devastated its ability to draw in customers. Luby's shareholders approved a liquidation plan in November.

The company estimates shareholders will receive \$3.82 per share in liquidated disbursements, Luby's said in its Monday

Luby's continues on B6

Lawmakers targeting 'loophole' in property tax relief

By Taylor Goldenstein and Raga Justin
AUSTIN BUREAU

This fiscal year was the first real test of a new law limiting large Texas cities and counties to 3.5 percent annual budget increases as the state Legislature tries to tamp down spiraling property tax bills.

The majority of local governments seem to have made that revenue cap work, according to data from the Texas comptroller's office, informal surveys and a review of news clips by Hearst Newspapers.

But at least 45 local governments, the city of Houston included, either went over 3.5 percent or considered doing so by using an escape clause written into the legislation that allows a return to the previous maximum of 8 percent during a state disaster. Higher tax increases are possible, but would require voter approval.

Senate Bill 2, which passed in 2019, offers some examples of what does and doesn't count as a disaster – a tornado, hurricane, flood, wildfire or "other calamity," but not a drought – but the list does not include a pandemic. Now, two co-authors of the bill

Loophole continues on B6

County population shrinks during pandemic

By R.A. Schuetz
STAFF WRITER

More people are moving out of Harris County than are moving in as the pandemic sustains a shift from urban centers to the suburbs, according to an analysis of smartphone data by location information company Unacast. It estimated Harris County saw a net outflow of 10,000 residents, representing income of \$740 million, to other counties in 2020.

The trend could have implications for Harris County tax collections, real estate investment and the leasing markets.

"That most of the loss of population came from (Houston) proper, and Harris County is a red flag for any investment in that area," said Unacast in its analysis. "In the near future, expect a ... continued shrinkage and stagnation in rental and leasing markets in downtown Houston."

The analysis, which used anonymous smartphone location data from thousands of apps, indicated Harris and Waller counties shrank while the surrounding suburbs grew. Montgomery County added a net 6,500 residents in 2020, and Fort Bend County added 6,300. According

to Unacast, 30 percent of the people leaving Harris County moved to a neighboring county.

There are three sources of population growth: natural growth, the number of births minus the number of deaths; people who move in from elsewhere in the country; and people who move in internationally. Nationwide, the natural growth of nations' populations have slowed as the country ages and millennials are choosing to have fewer children later in life. International migration has also declined every year since 2016 as the nation adopted a more closed stance toward immigration. But

now Harris County's domestic migration has turned negative while surrounding counties expand.

The shift is continuation of a trend that began in the wake of the 2015 fracking bust, then Hurricane Harvey in 2017. Now, Unacast's data suggest COVID – which accelerated a national trend of families seeking to escape rapidly rising costs in the urban core – is keeping Harris County's domestic migration in the red. Census data show that the problem of domestic migration is so pronounced that it caused Harris County's overall population to

Population continues on B5

CENTER

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renderings had planned. The market the project is entering, on the other hand, is far from what anyone could have predicted. Roughly 84 percent of downtown office workers were working remotely on any given day, according to a survey by the redevelopment nonprofit Central Houston, as the novel coronavirus ravages the globe. Houston Center is currently leased at 60 percent occupancy. But Overall believes Houston Center's new amenities will be in even more demand in a world reshaped by COVID.

"We probably have more outdoor space than anyone downtown," he said, looking out across the building's street-level park. At the far end of the grass, a metal bar released droplets of water in a digitally programmed pattern; they briefly spelled "HOUSTON CENTER" in letters that glistened with sun before they disappeared into the ground. But no passersby were on the sidewalks to see them.

When pedestrians return, they'll find sidewalks transformed to cedar elm-lined promenades; McKinney Street had one car lane removed to make the area more walkable and provide a space for rideshares to drop passengers off without disrupting traffic.

Benches and a standing table surround a stretch of lawn dotted with chairs, and on the other side of the digital waterfall is a spiral



Steve Gonzales / Staff photographer

A portrait of Houston's roadways and waterways fashioned out of moss hangs in Houston Center.

staircase leading up to the mezzanine, where a patch of turf lined with hanging chairs leads tenants to a new fitness facility.

On the upper terrace, umbrellas shade bistro-style seating outside of the main lobby.

Such outdoor spaces were a trend in office buildings and mixed-used developments before the pandemic, but Lisa Schumann Stryker, vice president of communications for the National Association of Landscape Professionals, said commercial landscapers have seen interest in such spaces increase because of COVID.

"Building managers and

owners need to be more creative about giving employees the ability to meet and gather outdoors," she said. "In a post-COVID world, all indications are that workspaces will need to be more flexible and enticing to get people away from their home office and back to workspaces."

Dean Strombom, strategy leader at Gensler, hopes the redesigned office complex will be so enticing that it will be a destination.

"We hope it's a place where people will want to come after business hours – evenings and weekends, as a place to go," Strombom said. He conceived of the outdoors area as an

extension of Discovery Green, two blocks away, a place convention goers and the public could enjoy. "(Houston Center) will have a lot of programs developed for the outdoor area."

On the inside, gone – at least from view – are the Texas pink granite and bronze-colored wall treatments the '70s-era complex was once known for. White terrazzo covers the granite floors, and white paint covers the bronze.

Other renovations include the addition of conference rooms that can be made bigger or smaller through walls that retract into the ceiling and huddle rooms that can control the

amount of ambient noise through shutter-like roofs that open and close.

Next to the huddle rooms hung a giant portrait of Houston crafted out of petrified moss. The concentric rings of the city's highways circled Houston Center, located at the heart of a dense metropolis at a time when people have been forced to socially distance.

"We can't wait to welcome people back to downtown Houston," Strombom said.

"We're ready for them," Overall agreed.

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it was "in full compliance" with applicable regulations. Luby's received the loan in April and applied for full forgiveness in November.

Following Pappas' resignation, the company appointed John Garilli, of Winthrop Capital Advisors, as interim president and chief executive officer. Luby's agreed to pay a one-time fee of \$50,000 and a monthly fee of \$20,000 for as long as he serves the company in the role.

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