

**MINUTES OF SPECIAL MEETING
OF
REINVESTMENT ZONE NUMBER THREE, CITY OF HOUSTON, TEXAS**

March 18, 2014

The Board of Directors (the "Board") of Reinvestment Zone Number Three, City of Houston (the "Zone") convened in special session, open to the public, at the offices of Houston Downtown Management District, on the 18th day of March, 2014, and the roll was called of the duly constituted officers and members of the Board, to-wit:

F. Xavier Pena	Chair
Curtis B. Lampley	Vice-Chair
Deborah Keyser	Secretary
Curtis Flowers	Treasurer/Investment Officer
Michele Sabino	Director
Keith Edward Hamm	Director
Barry Mandel	Director
James Harrison	Director

and all of said persons were present except Directors Lampley and Harrison, thus constituting a quorum.

Also present were: Bob Eury, Executive Director and Brianna Garner, Administrative Assistant of the Zone; Jackie Traywick of Central Houston, Inc.; Lonnie Hoogeboom of Houston Downtown Management District (HDMD); Clark Lord of Bracewell & Giuliani LLP; Ralph De Leon of the City of Houston; Linda Trevino of METRO; and Robert Jackson of Houston First Corporation.

DETERMINE QUORUM; CALL TO ORDER

Chair Pena noted that a quorum was present and called the meeting to order.

INTRODUCTION OF GUESTS AND PUBLIC COMMENTS

Chair Pena requested all meeting attendees to briefly introduce themselves and welcomed all.

HISTORIC PRESERVATION

Authorize Execution of Economic Development Agreement with 1616 Main- Holiday Inn

Mr. Eury provided an overview of the negotiated term sheet to the Board. The historic Hotel Savoy is undergoing renovation into a 212-room Holiday Inn. The term sheet outlines the discussed grant in two parts: an economic development reimbursement in an amount equal to

50% of the City tax increment paid by the property for ten years, and a streetscape enhancement reimbursement in an amount up to \$500,000 for replacement of sidewalks, windows, doors, and canopies.

After some discussion, Director Keyser made a motion to authorize the Executive Director to negotiate an economic development and streetscape reimbursement agreement with HDT Hotel, LLC for full service Holiday Inn Hotel at 1616 Main, and authorize Zone Board Chairman Xavier Pena to sign the agreement. Director Flowers seconded the motion and the motion carried unanimously.

Report of Personnel Committee

Authorize Execution of Administrative Services Agreement

Mr. Eury introduced the item and requested that the Board deliberate the agreement in Executive Session. Upon a motion made by Director Sabino and seconded by Director Mandel, the Board unanimously voted to table the discussion until Executive Session.

EXECUTIVE SESSION

The Board went into Executive Session at 2:18 PM pursuant to Sections §551.071 of the Texas Government Code. Present for the Executive Session were the following: all present Board members noted in these minutes, Mr. Clark Lord, and Mr. Bob Eury.

RECONVENE IN OPEN SESSION AND TAKE ACTION ON MATTERS DISCUSSED IN EXECUTIVE SESSION

The Board reconvened in open session at approximately 2:55 PM.

Director Sabino made a motion to terminate the existing administrative services agreement with the Houston Downtown Management District and enter into a new administrative services agreement with Central Houston, Inc in an amount up to \$300,000 annually. Director Hamm seconded and the motion carried unanimously.

NEXT MEETING

Tuesday, April 8 at noon.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned.

[Signature page follows]


Secretary, Board of Directors

