

**MINUTES OF REGULAR MEETING  
OF  
DOWNTOWN REDEVELOPMENT AUTHORITY**

February 12, 2013

The Board of Directors (the “Board”) of Downtown Redevelopment Authority (the “Authority”) convened in regular session, open to the public, at the offices of Houston Downtown Management District, on the 12th day of February 2013, and the roll was called of the duly constituted officers and members of the Board, to-wit:

	Chair
Curtis B. Lampley	Vice-Chair
Deborah Keyser	Secretary
Curtis Flowers	Treasurer/Investment Officer
Michele Sabino	Director
Kathryn Chase McNeil	Director
Keith Edward Hamm	Director
Harold A. “Al” Odom III	Director
Barry Mandel	Director

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

Also present were: Bob Eury, Executive Director and TataLease Derby, Director of the Authority; Clark Lord and Debbie Russell of Bracewell & Giuliani LLP; Lonnie Hoogeboom and Samin Bazargan of the Houston Downtown Management District (“HDMD”); Ralph De Leon of the City of Houston; George Baugh of George Baugh III & Company; Jackie Traywick of Central Houston, Inc.; Peter Brown of Better Houston; Michelle Swayzer of Swayzer Engineering, Inc.; and Captain Bryan Bennett of the Houston Police Department.

**DETERMINE QUORUM; CALL TO ORDER**

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

**INTRODUCTION OF GUESTS AND PUBLIC COMMENTS**

Chair welcomed the attendees to the meeting. The meeting attendees next introduced themselves to the Board.

**APPROVE MINUTES OF PREVIOUS MEETINGS**

The Board considered approving the minutes of January 15, 2013. Following discussion, upon a motion made by Director Sabino and seconded by Director Keyser, the Board voted unanimously to approve the minutes of January 15, 2013.

## **FINANCIAL REPORT**

### **Check Register**

Ms. Derby reported that the expenditures listed on the check register were reoccurring operating expenses and anticipated expenses for approved projects and recommended full approval by the Board. Following discussion, upon a motion made by Director Flowers and seconded by Director McNeil, the Board voted unanimously to approve the check register and ratify all expenses. A copy of the check register is attached to these minutes.

### **Quarterly Financial and Investment Reports**

Mr. Baugh presented the financial status and investment report for the quarter ending December 31, 2012, a copy of which is attached to these minutes. Following discussion, upon a motion made by Director Flowers and seconded by Director Keyser the Board voted unanimously to approve the financial status and investment report.

## **MUNICIPAL SERVICE/HPD OVERTIME PROGRAM**

Captain Bennett presented the municipal services report. He reported that some of the drug usage in both Hermann Square and Houston Central Library Plaza is synthetic marijuana which has to be confiscated and tested. Captain Bennett stated that the Harris County District Attorney's office has ruled that possession of synthetic marijuana is probable cause to search for other drugs and this has resulted in numerous arrests.

## **DOWNTOWN RENAISSANCE PRESENTATION BY BETTER HOUSTON**

Mr. Brown compared the number of residents in downtown Houston versus other large cities in the country. He discussed ways of encouraging development in downtown Houston, including better incentives for planned development. Mr. Brown stated that one way streets are an impediment to downtown living. Chair reported on the task force formed by the Mayor to drive momentum for more retail space in the downtown area.

## **HOUSTON DOWNTOWN MANAGEMENT DISTRICT**

### **Shopping/Retail Survey Presentation**

Ms. Derby reported on the results of the survey of downtown shopping conducted by the Houston Downtown Management District ("HDMD").

### **Project Status Report and Presentation**

reviewed the project status report with the Board.

**EXECUTIVE SESSION**

There was no executive session.

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

There was no need to reconvene in open session.

**NEXT MEETING**

Chair reported that the Board will meet on March 12, 2013.

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

*[Signature page follows]*

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Secretary, Board of Directors

**DRA/TIRZ #3 PAID INVOICE DETAIL**

Name	Check		Memo	Amount
<b>BEE-LINE DELIVERY SERVICE</b>	<b>1426</b>		Courier Services through January 2013	<b>\$12.39</b>
<b>BRACEWELL &amp; GUILIANI</b>	<b>1427</b>		Legal Services through January 2013	<b>\$2,450.00</b>
		General		<b>\$1,880.00</b>
		Projects		<b>\$742.50</b>
		Discount		<b>\$172.50</b>
<b>HOUSTON DOWNTOWN MANAGEMENT DISTRICT</b>	<b>1428</b>		Administrative Fee \$4,509.36 thru January 2013	<b>\$11,323.36</b>
			Management Fee \$6,814.00 thru February 2013	
<b>HVJ ASSOCIATES</b>	<b>1429</b>		E/W Streets- Materials Testing Contract	<b>\$2,151.43</b>
<b>JERDON ENTERPRISE, L.P.</b>	<b>1430</b>		E/W Streets - Construction Contract	<b>\$143,597.97</b>
<b>LENNY'S SUBSHOP</b>	<b>1431</b>		Catering Services	<b>\$114.90</b>
<b>SWAYZER ENGINEERING, INC (SEI)</b>	<b>1432</b>		500 Fannin \$750.00	<b>\$10,010.00</b>
			806 Main \$750.00	
			E/W Streets - Engineering Services Contract \$8,510.00	
<b>Verizon Wireless</b>	<b>1433</b>		Wireless Service	<b>\$105.00</b>

Total Out-Going Funds **\$169,765.05**

**DOWNTOWN REDEVELOPMENT AUTHORITY  
FINANCIAL STATEMENTS  
FOR THE SECOND QUARTER AND PERIOD ENDED DECEMBER 31, 2012  
FISCAL YEAR 2013**

**DOWNTOWN REDEVELOPMENT AUTHORITY**  
**Statement of Net Assets**  
**December 31, 2012**

Unaudited

**ASSETS:**

Cash & Cash Equivalents	\$ 290,211
Investments - General	7,301,842
Investments - Debt Service	2,856,818
Tax Increments Receivable - 2013	3,900,000
Other Receivable	2,127
Cost of Issuance	653,626

<b>Total Assets</b>	<u><u>\$ 15,004,624</u></u>
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**LIABILITIES:**

Accounts Payable	129,335
Interest Payable on Note & Bonds	172,888
Deferred Revenues	-
Notes Payable - COH	2,375,000
Series 2012 Bonds-in 1yr	-
Payable after-1yr	20,830,000
	-

<b>Total Liabilities</b>	<u><u>\$ 23,507,223</u></u>
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**NET ASSETS:**

Accumulated	
Surplus/Deficit-Restricted	2,856,818
Accumulated	-
Surplus/Deficit-Unrestricted	(11,359,417)

<b>Total Net Assets</b>	<u><u>(8,502,599)</u></u>
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<b>Total Liabilities &amp; Net Assets</b>	<u><u>\$ 15,004,624</u></u>
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See Accountant's Report

**DOWNTOWN REDEVELOPMENT AUTHORITY**  
**Statement of Activity**  
**For the Second Quarter and Period Ended December 31, 2012**

Unaudited

	Quarter Ended December 31, 2012	Year to Date December 31, 2012	
<b>REVENUES:</b>			
Tax Increments	\$ 1,950,000	\$ 3,900,000	
Revenues	3,180	18,732	
Interest Income	4,545	7,650	
<b>Total Revenue</b>	<b>1,957,725</b>	<b>3,926,382</b>	
<b>Expenditures/Expenses:</b>			
Project Cost	1,655,512	1,790,256	
Other Special Cost	-	-	
Administration Consultant	36,304	65,539	
Bank Charges	-	-	
Office Expenses	1,871	4,326	
Accounting	-	-	
Auditing	3,000	11,000	
Legal Consultants	4,080	6,120	
Other Consultants	985	4,485	
Telephone & Communication	-	-	
Travel Parking & Entertainment	-	-	
Cost of Issuance Amortization	-	-	
Insurance	(527)	527	
Interest - Notes	152,900	152,900	
Interest - Bonds	129,666	269,552	
Municipal Services	-	-	
Special Obligation - COH	-	2,780,000	
<b>Total Expenditures/Expense</b>	<b>1,983,791</b>	<b>5,084,705</b>	
<b>Change in Net Assets</b>	<b>(26,066)</b>	<b>(1,158,323)</b>	
<b>NET ASSETS:</b>			
Beginning of period- accumulated deficit	(8,476,533)	(7,344,276)	
End of Period-accumulated deficit	<b>\$ (8,502,599)</b>	<b>\$ (8,502,599)</b>	

See Accountant's Report

**DOWNTOWN REDEVELOPMENT AUTHORITY**  
**Special Cost Schedule**  
**For the Second Quarter and Period Ended December 31, 2012**

Unaudited

	Budgeted	Year to Date Expenses	(Over) Under Budget
<b>MANAGEMENT CONSULTING SERVICES</b>			
Accounting	\$ 7,500	\$ -	\$ 7,500
Administration Consultant	103,627	65,539	38,088
Auditor	10,500	11,000	(500)
Bond Services	4,600	-	4,600
Financial Advisor	3,500	4,485	(985)
Insurance	2,500	527	1,973
Office Expenses	12,000	4,326	7,674
Taxroll Advisor	7,000	-	7,000
Legal	21,000	6,120	14,880
Project/Program Management	50,700	-	50,700
Other	-	-	-
TOTAL	\$ 222,927	\$ 91,997	\$ 130,930
<b>PROJECT COST</b>			
Capital Expenditures			
Main Street Corridor E-W Improvements	\$ 2,030,890	\$ 824,574	\$ 1,206,316
Market Square Park	558,250	-	\$ 558,250
Main Street Upgrades	510,500	-	\$ 510,500
Julia Ideson Plaza	510,500	-	\$ 510,500
Walker Street Improvements	203,000	-	\$ 203,000
Congress Street Bridge Lighting	50,750	-	\$ 50,750
Main Street Transit Station Enhancements	1,522,500	-	\$ 1,522,500
Cost Wold	1,015,000	-	\$ 1,015,000
	6,401,390	824,574	5,576,816
<b>Developer / Project Reimbursements</b>			
Sabine to Bagby Promenade	194,767	-	194,767
402 Main Street	257,571	-	257,571
412 Main Street	800,000	-	800,000
500 Fannin	888,222	888,222	-
The Heritage Society	27,178	-	27,178
International Coffee Building	795,680	-	795,680
Future Historic Preservation Projects	1,000,000	-	1,000,000
Houston Parks Board	300,000	-	300,000
Houston Pavilions	417,000	21,864	395,136
Comcast	107,000	-	107,000
Future Retail Economic Development Project	601,000	-	601,000
Developer / Project Reimbursements	5,388,418	910,086	4,478,332
	-	-	-
Other	-	55,596	(55,596)
TOTAL PROJECT COST	\$ 11,789,808	\$ 1,790,256	\$ 9,999,552

**DOWNTOWN REDEVELOPMENT AUTHORITY  
INVESTMENT REPORT  
FOR THE SECOND QUARTER AND PERIOD ENDED DECEMBER 31, 2012  
FISCAL YEAR 2013**

DOWNTOWN REDEVELOPMENT AUTHORITY  
 INVESTMENT REPORT  
 FOR THE SECOND QUARTER AND PERIOD ENDED DECEMBER-2012  
 FISCAL YEAR 2013

INVESTMENT TYPE	DATE OF PURCHASE	DATE OF MATURITY	BEGINNING BOOK VALUE	ENDING BOOK VALUE	CHANGES		INCOME RECEIVED THIS PERIOD	ENDING BOOK VALUE	ENDING MARKET VALUE	MATURITY VALUE
					PURCHASES	SALES & REDEMPTIONS				
<b>PROJECT FUND</b>										
THE BANK OF NEW YORK	VARIOUS	N/A	6,277	6,277	-	-	-	6,277	6,277	6,277
TOTAL PROJECT FUND			6,277	6,277	-	-	-	6,277	6,277	6,277
<b>DEBT SERVICE FUND</b>										
THE BANK OF NEW YORK	VARIOUS	N/A	10	10	-	-	-	10	10	10
TOTAL DEBT SERVICE FUND			10	10	-	-	-	10	10	10
<b>DEBT SERVICE FUND (NEW)</b>										
THE BANK OF NEW YORK	VARIOUS	N/A	245,175	245,175	-	-	-	245,175	245,175	245,175
TOTAL DEBT SERVICE FUND			245,175	245,175	-	-	-	245,175	245,175	245,175
<b>SURPLUS FUND</b>										
THE BANK OF NEW YORK	VARIOUS	N/A	279,815	279,815	-	-	-	279,815	279,815	279,815
TOTAL SURPLUS FUND			279,815	279,815	-	-	-	279,815	279,815	279,815
<b>COST OF ISSUANCE</b>										
THE BANK OF NEW YORK	VARIOUS	N/A	7,540	7,540	-	-	-	7,540	7,540	7,540
TOTAL COST OF ISSUANCE			7,540	7,540	-	-	-	7,540	7,540	7,540
<b>PLEGDED REVENUE</b>										
THE BANK OF NEW YORK	VARIOUS	N/A	146,581	146,581	-	-	-	146,581	146,581	146,581
TOTAL PLEDGED REVENUE			146,581	146,581	-	-	-	146,581	146,581	146,581
<b>PROJECT FUND (NEW)</b>										
THE BANK OF NEW YORK	VARIOUS	N/A	526,013	526,013	-	-	-	526,013	526,013	526,013
TOTAL PROJECT FUND			526,013	526,013	-	-	-	526,013	526,013	526,013
<b>COST OF ISSUANCE (NEW)</b>										
THE BANK OF NEW YORK	VARIOUS	N/A	38,500	38,500	-	-	-	38,500	38,500	38,500
TOTAL COST OF ISSUANCE			38,500	38,500	-	-	-	38,500	38,500	38,500
<b>PROJECT FUND (NEW)</b>										
THE BANK OF NEW YORK	VARIOUS	N/A	14,232	14,232	-	-	-	14,232	14,232	14,232
TOTAL PROJECT FUND			14,232	14,232	-	-	-	14,232	14,232	14,232
<b>COST OF ISSUANCE (NEW)</b>										
THE BANK OF NEW YORK	VARIOUS	N/A	22,902	22,902	-	-	-	22,902	22,902	22,902
TOTAL COST OF ISSUANCE			22,902	22,902	-	-	-	22,902	22,902	22,902
<b>TEXAS STAR FUND</b>										
TEXSTAR	VARIOUS	N/A	11,136,077	11,136,077	4,539	2,269,000	4,539	8,871,616	8,871,616	8,871,616
TOTAL TEXSTAR FUND			11,136,077	11,136,077	4,539	2,269,000	4,539	8,871,616	8,871,616	8,871,616
<b>OTHER</b>										
TOTAL INVESTMENTS	VARIOUS	N/A	12,423,122	12,423,122	4,539	2,269,000	4,539	10,158,661	10,158,661	10,158,661