

**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]

Secretary, Board of Directors

DRA/TIRZ #3 PAID INVOICE DETAIL

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

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 Issurance	653,626

Total Assets	<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
	-

Total Liabilities	<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)

Total Net Assets	<u><u>(8,502,599)</u></u>
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Total Liabilities & Net Assets	<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	
REVENUES:			
Tax Increments	\$ 1,950,000	\$ 3,900,000	
Revenues	3,180	18,732	
Interest Income	4,545	7,650	
Total Revenue	1,957,725	3,926,382	
Expenditures/Expenses:			
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	
Total Expenditures/Expense	1,983,791	5,084,705	
Change in Net Assets	(26,066)	(1,158,323)	
NET ASSETS:			
Beginning of period- accumulated deficit	(8,476,533)	(7,344,276)	
End of Period-accumulated deficit	\$ (8,502,599)	\$ (8,502,599)	

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
MANAGEMENT CONSULTING SERVICES			
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
PROJECT COST			
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
Developer / Project Reimbursements			
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				
PROJECT FUND										
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
DEBT SERVICE FUND										
THE BANK OF NEW YORK	VARIOUS	N/A	10	10	-	-	-	10	10	10
TOTAL DEBT SERVICE FUND			10	10	-	-	-	10	10	10
DEBT SERVICE FUND (NEW)										
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
SURPLUS FUND										
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
COST OF ISSUANCE										
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
PLEGGED REVENUE										
THE BANK OF NEW YORK	VARIOUS	N/A	146,581	146,581	-	-	-	146,581	146,581	146,581
TOTAL PLEGGED REVENUE			146,581	146,581	-	-	-	146,581	146,581	146,581
PROJECT FUND (NEW)										
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
COST OF ISSUANCE (NEW)										
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
PROJECT FUND (NEW)										
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
COST OF ISSUANCE (NEW)										
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
TEXAS STAR FUND										
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
OTHER										
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