

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

June 12, 2012

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 June 2012, and the roll was called of the duly constituted officers and members of the Board, to-wit:

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

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

Also present were: TataLease Derby, Executive Administrator of the Authority; Clark Lord and Debbie Russell of Bracewell & Giuliani LLP; Theola Pettaway of OST/Almeda Corridor Redevelopment Authority; Bob Eury, Heather Hinzie and Lonnie Hoogeboom of the Houston Downtown Management District (“HDMD”); Sam Spiris ; Donna Capps, Jesse Bounds and Ralph De Leon of the City of Houston; George Baugh of George Baugh III & Company; Nancy Sarnoff of the Houston Chronicle; Angus Hughes of SNB 412 Main LP; and Lieutenant Truc Nguyen of the Houston Police Department.

DETERMINE QUORUM; CALL TO ORDER

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

INTRODUCTION OF GUESTS AND PUBLIC COMMENTS

Chair Peña 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 May 8, 2012. Following discussion, upon a motion made by Director Keyser and seconded by Director Mandel, the Board voted unanimously to approve the minutes of May 8, 2012.

FINANCIAL REPORT

Check Register

Ms. Derby reported that the Budget and Finance Committee approved the check register and recommended full approval by the Board. Following discussion, upon a motion made by Director Odom and seconded by Director McNiel, the Board voted unanimously to approve the check register. A copy of the check register is attached to these minutes.

Financial Status Report

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

Refunding of Series 2002 and 2009 Contract Tax Increment Revenue Bonds

Ms. Derby updated the Board in connection with the refunding of the Authority's Series 2002 and 2009 Bonds. She stated that a clean opinion was issued for the sale and that the closing of same was completed this morning.

MUNICIPAL SERVICE/HPD OVERTIME PROGRAM

Lieutenant Nguyen presented the municipal services report.

HISTORIC PRESERVATION PROJECTS

Ms. Derby reminded the Board that in August 2010, two agreements with Mr. Hughes were approved for improvements to 412 Main and 202 Travis. Mr. Hughes informed the Board that the original plans for 412 Main had been located and that the renovation of same would commence soon. He stated that the façade restoration for 412 Main is projected to cost one million dollars.

Ms. Derby next reported that the plans for the International Coffee Building had been put on hold due to lack of funding for the project. She stated that Mr. Eury and the Buffalo Bayou Partnership are working on the issue of ownership to determine whether an assignment should be made prior to restoration.

After meeting in Executive Session, the Board reconvened in open session and Director Odom moved that the Board give the staff authorization to finalize the letter agreement with Provident Realty Advisors, Inc., with the minor changes as discussed, in connection with the rehabilitation of 1111 Rusk. Director Keyser seconded the motion and it carried unanimously.

PARKS, PLAZA AND RECREATIONAL FACILITIES IMPROVEMENT PROJECTS

Houston Public Library

Ms. Derby informed the Board of the success of the workshops conducted by Project for Public Spaces. She stated that an additional workshop is planned for July 2012 and noted that she would notify the Board once the plans for same are finalized.

Market Square Park

Ms. Derby reported that the Authority had previously approved an agreement for Market Square Park. She requested that the Board authorize the Economic Development Committee (the “EDC”) to approve the design and construction contracts for the project without requiring Board approval. After discussion and upon a motion made by Director Sabino and seconded by Director Mandel, the Board voted unanimously to authorize the EDC to approve the design and construction contracts for Market Square Park.

ECONOMIC DEVELOPMENT PROJECTS

Houston Pavilions

After meeting in Executive Session, the Board reconvened in open session and Director Hamm moved that the Board delegate to the Executive Committee the authority to approve a final Assignment and Assumption Agreement related to the Development Agreement between the Authority, the Zone and Houston Pavilions, LP, and related documents and consents and amendments to agreements necessary to consent to the change in ownership of the Houston Pavilions project on the following terms and parameters: (i) the new owner will have at least equal financial strength, creditworthiness, and applicable management capability as the current owner; and (ii) the new owner will assume all obligations and liabilities under the Development agreement with the exception of those terms altered as presented to the Board in the draft assignment and assumption agreement. Director Mandel seconded the motion and it carried unanimously.

WALKWAY AND STREETScape IMPROVEMENT PROJECTS

East West Streets

Ms. Derby reported that the project is proceeding on schedule. She requested that the Board ratify approval of the expenditures on the project. Following discussion, upon a motion made by Director Mandel and seconded by Director Keyser, the Board voted unanimously to ratify approval of the expenditures as presented.

TXDOT – Co-Match Southeast Sidewalk Improvements

Ms. Derby next reported on an agreement with the Houston Downtown Management District (the “HDMD”) for design of the Southeast Sidewalk Improvements to submit to TXDOT. She stated that the terms of the agreement authorize the HDMD to pull together the design of the improvements for submission to the City of Houston and to TXDOT. After

discussion, Director Keyser moved that the Board approve the agreement with DMD for the design of the Southeast Sidewalk Improvements. Director McNiel seconded the motion and it carried unanimously.

HOUSTON DOWNTOWN MANAGEMENT DISTRICT

Commercial and Retail Marketing Efforts

Ms. Hinzie updated the Board on the Houston Downtown Management District's retail and marketing efforts.

Proposed Amendment to Management Agreement

Director Sabino reported on the proposed Amendment to Management Agreement. After discussion and upon a motion made by Director Sabino and seconded by Director Mandel, the Board voted unanimously to approve the First Amendment to Management Agreement.

EXECUTIVE SESSION

The Board went into executive session pursuant to Section 551.087 of the Texas Government Code, as amended, at approximately 1:33 p.m. to consult with their attorney and to discuss the Houston Pavilions. Present for executive session were: Directors Peña, Keyser, Sabino, McNiel, Mandel, Odom and Hamm, Mr. Lord, Ms. Russell, Ms. Capps, Ms. Derby and Mr. Eury.

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

The Board reconvened in open session at 2:13 p.m. Following discussion on the Houston Pavilions project and 1111 Rusk, the Board took action in open session under the historic preservation projects item and the economic development projects item on the agenda.

NEXT MEETING

Chair Peña reported that the Board will meet again in August.

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

[Signature page follows]

Secretary, Board of Directors

LIST OF ATTACHMENTS

Check Register2
Financial Status and Investment Report2