

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

August 13, 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 13th day of August, 2013, 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
Michael Moore	Director
Keith Edward Hamm	Director
Harold A. "Al" Odom III	Director
Barry Mandel	Director

and all of said persons were present except Directors Lampley, Moore and Odom, 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; Donna Capps and Ralph De Leon of the City of Houston; George Baugh of George Baugh III & Company; Lonnie Hooeboom and Heather Swift of Houston Downtown Management District; Jackie Traywick of Central Houston, Inc.; Linda Trevino and Ramona Crayton of METRO; and Captain Larry Satterwhite of the Houston Police Department.

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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.

APPROVE MINUTES OF PREVIOUS MEETINGS

The Board considered approving the minutes of June 18, 2013. Following discussion, upon a motion made by Director Keyser and seconded by Director Sabino, the Board voted unanimously to approve the minutes of June 18, 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 Mandel and seconded by Director Keyser, the Board voted unanimously to approve the check register and ratify all expenses. A copy of the check register is attached to these minutes.

Fiscal Year 2014 Financial and Capital Improvement Project Budgets

Ms. Derby informed the Board that she anticipates the 2014 Financial and Capital Improvement Project Budgets being considered for approval by the Houston City Council in September.

Update for June 30, 2013 Annual Audit

Ms. Derby presented the engagement letter from Gainer Donnelly, a copy of which is attached as an exhibit to these minutes, for preparation of the annual audit with a fee not to exceed \$14,750. She stated that the increased fee is the result of the increased number of projects, outstanding bonds and the complexity of the agreements. Ms. Derby stated that the FY 2014 Financial Budget will be revised to reflect the new audit fee.

MUNICIPAL SERVICE/HPD OVERTIME PROGRAM

Captain Satterwhite presented the municipal services report and provided an overview of the criminal statics within the Central Business District, programming efforts and expenses.

DEVELOPER PROJECTS

Historic Façade Program

Ms. Derby provided a brief history of the project and presented the additional funding request in the amount of \$704,660. She stated that the project had been vetted and approved by the Economic Development Committee (the "EDC").

Following discussion, Director Flowers moved that the Board approve an amendment to the existing developer agreement to reflect the increased project funding in an amount not to exceed \$1,504,660 of which \$800K is to be reimbursed upon the completion of the project and \$704,660 to be reimbursed from the increment generated from the improved property and distributed over a 10 year term, and authorize execution of an amended agreement by the Chair and appropriate officers of the Authority. Director Sabino seconded the motion and it passed unanimously.

Buffalo Bayou Park

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Ms. Derby informed the Board that the Construction, Operating and Maintenance Agreement (the “COMA”) for Buffalo Bayou Park was modified to grant additional time for the design and construction of various projects along the bayou that are being managed by other local government agencies. She presented the amendments and asked the Board to approve the COMA milestone dates amendments and ratify the execution of the agreement.

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After discussion, Director Mandel moved that the Board ratify approval of the modification of the dates in the Agreement. Director Sabino seconded the motion and it carried by unanimous vote.

CAPITAL IMPROVEMENT PROJECTS

Market Square Park Trellis

Ms. Derby reported that the Board previously entered into an agreement with Houston Downtown Management District (“HDMD”) for the design and construction of the trellis modifications at Market Square Park in the amount of \$500,000. She stated that the agreement stipulated that any funds remaining following construction would be returned to the Authority. Ms. Derby stated that the staff has recommended an amendment to the agreement that would allow the remaining funds to be retained by HDMD for future capital maintenance.

After discussion, Director Sabino moved that the Board authorize execution of an amendment of the agreement to allow the remaining project funds to be retained by HDMD for future capital maintenance projects for Market Square Park. Director Mandel seconded the motion and it carried unanimously.

Main Street Corridor E/W Improvements Project

Ms. Derby reported that the EDC had approved a change order submitted by Jerdon Enterprises, Inc. in the amount of \$12,622 for foundation work and additional time to allow for the installation of light poles on the East/West sidewalk improvements.

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After discussion, Director Mandel moved that the Board ratify approval of the change order submitted by Jerdon Enterprises, Inc. Director Sabino seconded the motion and it carried by unanimous vote.

HOUSTON DOWNTOWN MANAGEMENT DISTRICT

Project Status Report and Presentation

Ms. Derby provided a brief overview of the Project Status Report; high-lighting projects with significant progress. She also presented a brief video reflecting the plans for the Jesse H. Jones Library Plaza. Director Keyser expressed concern about expending Authority funds until sufficient funds are available to complete the entire project. Mr. Eury explained the City’s timeline for commencing construction. Director Sabino stated that the project seems impractical. Ms. Derby stated that she would have more information by the next meeting of the Board.

Downtown Retail/Business/Marketing Activity

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Ms. Swift updated the Board on the HDMD's retail and marketing efforts.

Retail Taskforce Update

Mr. Eury reported that the Mayor's Retail Taskforce Committee would be issuing a detailed report in the coming weeks.

PERSONNEL COMMITTEE REPORT

Director Sabino reported on the process involved in conducting employee performance reviews.

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 Pena reported that the Board will meet on September 10, 2013.

ADJOURNMENT

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

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