

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

September 10, 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 10th day of September, 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
Keith Edward Hamm	Director
Barry Mandel	Director

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

Also present were: Bob Eury, Executive Director, TataLease Derby, Director, and Brianna Garner, Administrative Assistant of the Authority; Clark Lord and Debbie Russell of Bracewell & Giuliani LLP; Donna Capps, Ralph De Leon, and Jesus Davila of the City of Houston; George Baugh of George Baugh III & Company; Lonnie Hoogeboom of Houston Downtown Management District; Jackie Traywick of Central Houston, Inc.; Linda Trevino of METRO; William Elser and Kevin Batchelor of Hines; Jonathan Brinsden and Jamie Bryant of Midway; Chris Petrash of Ziegler Cooper; and Alyssa Hill of Gainer Donnelly.

**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 August 13, 2013. Following discussion, upon a motion made by Director Sabino and seconded by Director Flowers, the Board voted unanimously to approve the minutes of August 13, 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 Keyser and seconded by Director Sabino, the Board voted unanimously to approve the check register and ratify all expenses. A copy of the check register is attached to these minutes.

### Fourth Quarter Financial and Investment Reports

Mr. Baugh presented the financial statements and investment reports for the fourth quarter ending June 30, 2013, copies of which are attached to these minutes. Upon a motion made by Director Flowers and seconded by Director Keyser, the Board voted unanimously to approve the Fourth Quarter Financial and Investment Reports as presented.

### Operating Account Relocation to JP Morgan Chase

Ms. Derby informed the Board of the dissatisfactory service provided by Bank of America in handling the DRA/TIRZ Operating Account. She then requested authorization to move the account to JP Morgan Chase. Following discussion, upon a motion made by Director Keyser and seconded by Director Flowers, the Board voted unanimously to approve a resolution authorizing the transfer of the account, attached hereto, and to authorize the staff and legal counsel to perform the actions necessary to relocate the operating account to JP Morgan Chase Bank.

### 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 will be considered for approval by the Houston City Council prior to September 30, 2013.

### FY Ending June 30, 2013 Audit

Ms. Hill presented the audit to the Board, copies of which are attached to these minutes. She informed the Board that an unmodified opinion had been received. Following discussion, upon a motion made by Director Keyser and seconded by Director Flowers, the Board voted unanimously to accept the audit in substantially final format and authorize staff and auditor to finalize the report for COH submittal and public distribution.

### Annual Review of Investment Policy and List of Qualified Brokers/Dealers

Ms. Derby presented the Amended Investment Policy and informed the Board that no changes were made. Following discussion, upon a motion made by Director Flowers and seconded by Director Hamm, the Board voted unanimously to adopt the Investment Policy and List of Qualified Brokers/ Dealers as presented.

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

Chair Pena distributed the municipal services report and requested that all comments and or questions be addressed to staff.

#### **DEVELOPER PROJECTS**

##### Hotel Alessandra, GreenStreet Funding Request

Ms. Derby provided a brief history of the project and presented the letter from Midway. She then requested that the Board deliberate the project and incentives in Executive Session. After some discussion, upon a motion made by Director Sabino and seconded by Director Hamm, the Board unanimously voted to table the discussion until Executive Session.

##### Hines Market Square Residential Project

Ms. Derby provided a brief history of the project and presented the TIRZ #3 Downtown Living Program (“DLP”) application. She stated that the project had been vetted and recommended by the Economic Development Committee (the “EDC”).

Following discussion, upon a motion made by Director Sabino and seconded by Director Flowers, the Board unanimously voted to enter into an agreement with Hines under the DLP, authorize the execution of the developer agreement by the Chairman and/or designee, and contingent upon the approval of the Houston Downtown Management District (“HDMD”) Board of Directors.

##### Buffalo Bayou Park

Ms. Derby informed the Board that the project is approaching a substantial completion milestone for one of the park segments and funds are needed for anticipated operating and maintenance expenses. She presented an invoice totaling \$75K. She explained the item was approved and ratified upon the approval of the check register.

#### **CAPITAL IMPROVEMENT PROJECTS**

##### Shopping District Improvements

Ms. Derby provided a brief description of the project. She informed the Board that HDMD has engaged AECOM for the design of their Dallas, Polk, and Caroline Streetscape Improvements Project. Ms. Derby suggested that the DRA expand the scope of the HDMD project to include the DRA Shopping District Improvements Project. She informed the Board

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that a proposal from AECOM had been received detailing the expanded scope in the amount of \$850K.

After discussion, Director Keyser moved that the Board approve an agreement with HDMD to accept the expanded AECOM proposal for a master plan design and construction phase services for the Shopping District Streetscape Improvements project and contribute an amount not to exceed \$850K. Director Hamm seconded the motion and it carried unanimously.

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#### 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 \$3,566.00 for pavement work and additional time to allow for the installation of light poles.

After discussion, Director Keyser 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

##### Administrative & Management Services Fee Change Proposal

Ms. Derby presented a proposal to amend the HDMD service fee effective September 1, 2013. The change reflects the addition of the Authority's Administrative Assistant.

Director Flowers moved that the Board approve the proposed amendments to the administrative agreement with HDMD as presented. Director Hamm seconded the motioned and it carried by unanimous vote.

##### Project Status Report

Ms. Derby reported no significant progress on other projects and addressed questions.

##### Downtown Retail/Business/Marketing Activity

Mr. Eury reported there were no updates on the HDMD's retail and marketing efforts at this time.

##### Retail Taskforce Update

Mr. Eury stated there were no Retail Taskforce updates at this time.

#### EXECUTIVE SESSION

Director Sabino moved that the Board convene in Executive Session. Director Hamm seconded the motion and it carried by unanimous vote. The Board went into Executive Session at 2:15 PM pursuant to Sections §551.087 of the Texas Government Code. Present for the

Executive Session were the following: all present Board members noted in these minutes, Mr. Clark Lord, Ms. Debbie Russell, Ms. TataLease Derby, Mr. Bob Eury, Mr. Jonathan Brinsden, Jamie Bryant and Mr. Ralph DeLeon.

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

The Board reconvened in open session at approximately 3:00 PM.

Director Keyser made a motion to approve the project for the Economic Development Incentive program and authorize staff and legal counsel to negotiate the incentives, terms, and conditions within the parameters detailed on the terms and conditions outline. Director Flowers seconded and the motion carried unanimously.

**NEXT MEETING**

Chair Pena reported that the Board will meet on October 15, 2013.

**ADJOURNMENT**

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