

**MINUTES OF REGULAR MEETING
OF
REINVESTMENT ZONE NUMBER THREE, CITY OF HOUSTON, TEXAS**

September 20, 2016

The Board of Directors (the "Board") of Reinvestment Zone Number Three, City of Houston (the "Zone") convened in regular session, open to the public, at the offices of the Houston Downtown Management District, on the 20th day of September, 2016, and the roll was called of the duly constituted officers and members of the Board, to-wit:

F. Xavier Peña	Chair
Keith Edward Hamm	Vice Chair
Deborah Keyser	Secretary
Curtis Flowers	Treasurer/Investment Officer
Michele Sabino	Director
Barry Mandel	Director
James Harrison	Director
Regina Garcia	Director
Bruce Austin	Director

and all of said persons were present except Director Harrison and Treasurer/ Investment Officer Flowers, thus constituting a quorum.

Also present were Bob Eury, President, Ryan Leach, Executive Director, and Aidé Meza, Administrative Assistant of the Zone; Algenita Scott Davis of Central Houston, Inc. (CHI); Lonnie Hoogeboom and Joe Maxwell of the Houston Downtown Management District (HDMD); Clark Lord of Bracewell LLP; Jennifer Curley of the City of Houston (COH); Lieutenant Adrienne Hicks of the Houston Police Department (HPD); Ryan Vollert of Allied Advisors; Kyle Humphries of Murphy Mears Architects; Rusty Bienvenue and David Bucek of the Architecture Center Houston (AIA Houston); and Steve Labac of Craft Beer Cellar (Malted Happiness, LLC).

DETERMINE QUORUM; CALL TO ORDER

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

INTRODUCTION OF GUESTS AND PUBLIC COMMENTS

Chair Peña requested all meeting attendees briefly introduce themselves and welcomed all.

MINUTES OF PREVIOUS MEETINGS

The Board considered approving the minutes of the previous meetings. Following discussion, upon a motion made by Director Austin and seconded by Director Garcia, the Board voted unanimously to approve the minutes of August 9, 2016.

FINANCIALS

Check Register - August 2016

Mr. Leach (Zone) provided an overview of the operating and 2015 bond account check register for August 2016. He reported the expenditures listed on the check register were reoccurring operating and capital project expenses and recommended full approval by the Board.

Following discussion, upon a motion made by Vice Chair Hamm and seconded by Director Mandel, the Board voted unanimously to approve the check register.

MUNICIPAL SERVICES

HPD Overtime Program Report - August 2016

Lt. Hicks (HPD) introduced the monthly discussion of HPD's Downtown Division and presented the report for the month of August 2016. The report included statistics for overall crime in the area during patrol hours, statistics on the Houston Public Library Plaza, library smoking citations, and diversions of individuals who were publicly intoxicated to the Sobering Center.

Lt. Hicks expanded on the increase in diversions during the summer months and reiterated that this correlation was attributed to the Public Intoxication Transport Team (PIT) program. The program provides a van for transport, a qualified EMT and case manager that monitors Downtown Houston looking for individuals that are publicly intoxicated. This includes individuals intoxicated through the common synthetic marijuana known as "Kush".

No action was required.

HISTORIC FAÇADE PRESERVATION AND RESTORATION PROGRAM

Architecture Center Houston - 900 Commerce

Mr. Leach (Zone) introduced a discussion regarding the historic façade program application submitted by the Architecture Center Foundation, Houston Chapter of the American Institute of Architects and Fretz Construction Co. for exterior restorations and repairs to the B.A. Reisner Building located at 900 Commerce St. Secretary Keyser presented the Economic Development Committee's recommendation for full Board authorization of a reimbursement grant to fund a portion of the planned renovations to the space. Mr. Bienvenue and Mr. Bucek (AIA Houston) presented supporting information on the project.

Following discussion, upon a motion made by Director Mandel and seconded by Director Austin, the Board voted unanimously to authorize a historic façade preservation and restoration grant, and the execution of necessary agreements by the appropriate officers of the Zone.

Craft Beer Cellar - 907 Franklin

Mr. Leach (Zone) introduced a discussion regarding the historic façade program application submitted by Craft Beer Cellar (Malted Happiness LLC) for restoration of the entrance at 907 Franklin St. Secretary Keyser presented the Economic Development Committee's recommendation for full Board authorization of a reimbursement grant to re-create the Travis Street entrance at the corner of Franklin and Travis. Mr. Labac (Craft Beer Cellar) explained that the entrance will create an inviting atmosphere, activate the use of the existing pedestrian corridor from Market Square Park to Buffalo Bayou and restore the original look of the building. Removal of the current in-fill, the addition of doors, repairs to the stone work and restoration of the stairs with a handrail are scheduled to be finished by the end of 2016.

Following discussion, upon a motion made by Director Austin and seconded by Director Mandel, the Board voted unanimously to authorize a historic façade preservation and restoration grant, and the execution of necessary agreements by the appropriate officers of the Zone.

DOWNTOWN LIVING INITIATIVE

The Star - 1111 Rusk

Mr. Leach (Zone) introduced a request to amend the Downtown Living Initiative agreement between the Zone and Rusk at San Jacinto Partners, LP for project delivery and adjustment of the schedule for future increment and assessment reimbursements by granting an extension for the

construction phase of this project. Mr. Leach mentioned that per Provident Realty, the developer, the project was slated to receive its temporary certificate of occupancy within the third quarter of 2016. However, the contract has been breached since mid-June 2016 and requires an amendment in order to process future tax increment reimbursements.

Following discussion, upon a motion made by Director Mandel and seconded by Director Sabino, the Board voted unanimously to authorize the execution of an amendment to the agreement with Rusk at San Jacinto Partners, LP for a Chapter 380 reimbursement grant extension for the residential development at 1111 Rusk.

OTHER BUSINESS

Project Status Report

Mr. Leach (Zone) provided a brief status update on all active and ongoing projects. Update highlights included the near completion of Allen Parkway, Main Street and Shopping District capital improvements as well as the 412 Main, 402 Main and 202 Travis historic façades. Mr. Leach also mentioned potential changes to the GreenStreet and International Coffee Building agreements as they progress in their development and occupancy phases. In addition, there was a discussion on the overall project plan of the Zone and the goals reached within the Central Business District. More information on these, and other projects, will be provided at the next Board meeting.

No action was required.

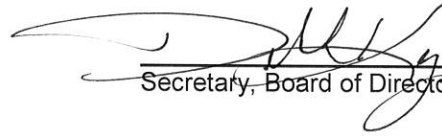
NEXT MEETING

Tuesday, October 11, 2016 at 12:00 p.m.

ADJOURNMENT

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

[Signature page follows]



Secretary, Board of Directors