

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

September 11, 2018

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 11th day of September, 2018, and the roll was called of the duly constituted officers and members of the Board, to-wit:

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

and all of said persons were present except Director Austin, Director Garcia, Treasurer Flowers and Director Kennerly thus constituting a quorum.

Also present were Bob Eury, President, Ryan Leach, Executive Director and Emily Barnes, Administrative Assistant of the Zone (Zone); Algenita Scott Davis, Robert Lung, Will Matthews, Uchenna Onuzo and Jackie Traywick of Central Houston, Inc. (CHI); Brett DeBord and Lonnie Hoogeboom of the Houston Downtown Management District (HDMD); Jennifer Curley of the City of Houston; Clark Lord of Bracewell; and Linda Treviño of METRO.

DETERMINE QUORUM; CALL TO ORDER

Chair Peña noted that a quorum was present and called the meeting to order at 12:06 p.m.

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 Vice Chair Sabino and seconded by Director Hamm, the Board voted unanimously to approve the minutes of the August 7th, 2018 meetings.

FINANCIALS

Check Register – August 2018

Ms. Traywick (CHI) provided an overview of the operating and 2015 bond account check registers for the month of August 2018. She reported the expenditures listed on the check register were reoccurring operating and capital project expenses. Ms. Traywick answered questions from the Board.

No action was required.

CENTRAL HOUSTON CIVIC IMPROVEMENT'S CIVIC OPPORTUNITIES FOR THE NORTH HOUSTON HIGHWAY IMPROVEMENT PROJECT

Chair Peña called on Mr. Leach to introduce discussion on this item. Mr. Leach noted that the Board approved support of this project last year and this was the second request, as discussed. Mr. Leach then called on Mr. Eury to provide an update on the status and timeline of TxDOT's North Houston Highway Improvement Project. He explained the progress that has been made to date. Mr. Eury described the community engagement effort surrounding the project. Mr. Eury then answered questions from the committee.

Following much discussion, upon a motion made by Secretary Mandel and seconded by Director Harrison, the Board voted unanimously to approve support to Central Houston Civic Improvement for the advocacy of the Civic Opportunities associated with the North Houston Highway Improvement Project of an amount not to exceed \$250,000 and the execution of the necessary agreements by the appropriate officers of the Zone.

412 MAIN HISTORIC FAÇADE PRESERVATION AND RESTORATION REIMBURSEMENT AGREEMENT REASSIGNMENT

Chair Peña called on Mr. Leach to introduce discussion on this item. Mr. Leach shared that this façade restoration project is complete and has been paid out in full per the agreement. He explained the owner, SNB 412 MAIN LP, wishes to sell the building at 412 Main in the Historic District of downtown. In order to maintain compliance, the seller needs to execute an assignment of rights with the entity purchasing the property, Highrock Hospitality LLC. In signing this agreement, the purchaser is agreeing to maintain the façade to the terms described in the Historic Façade Preservation and Restoration Reimbursement Agreement. Mr. Leach then answered questions from the Board.

Following discussion, upon a motion made by Director Harrison and seconded by Director Hamm, the Board voted unanimously to approve the execution of an Assignment of Rights to the Historic Preservation and Restoration Reimbursement Agreement for the property at 412 Main Street, Houston, Texas, by and among SNB 412 MAIN LP and the purchasing entity, Highrock Hospitality LLC.

BUFFALO BAYOU PARK ANNUAL CITY MAINTENANCE FEE

Chair Peña called on Mr. Leach to introduce discussion on this item. Mr. Leach briefly explained the history of the agreement and the Zone's current involvement with Buffalo Bayou Park. He described the provision in the Construction, Operation and Maintenance Agreement that prescribes a reevaluation period every three years, minimum, and the options available to each party during this period. This is the first reevaluation period in the history of the agreement. Mr. Leach shared that Buffalo Bayou Partnership presented to the Economic Development Committee the request for additional funding along with the current maintenance standard and how Hurricane Harvey recovery efforts impacted the operations and financial standing of the park. There is now a need to replenish the maintenance reserve fund, a separate fund that acts like a disaster fund for the park. Mr. Eury and Mr. Lord, of Bracewell, spoke to the process involved in responding to this request per the agreement. They then answered questions from the Board.

Following discussion, upon a motion made by Secretary Mandel and seconded by Director Harrison, the Board voted unanimously to approve a one-time supplemental payment of \$375,000 to Buffalo Bayou Partnership to replenish the maintenance reserve fund and the execution of the necessary agreements by the appropriate officers of the Zone.

OTHER BUSINESS

Project Status Report

Mr. Leach (Zone) provided a brief status update on all active and ongoing projects. Highlights included Phase I, public space planning, wrapping up for the Southern Downtown Park and progress being made on the Bagby Street Improvement Project. Mr. Leach then answered questions from the Board on the current projects.

No action was required.

NEXT MEETING

Chair Peña announced that the next Board of Directors meeting is scheduled for October 2nd, 2018 at 12:00 p.m. at the regular meeting location.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:28 p.m.

[Signature follows]


Secretary, Board of Directors