

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

March 5, 2019

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 5th day of March, 2019, 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, Director Hamm and Director Harrison 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 and Robert Lung 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; David Dow of AECOM; Anne Olson and Jose Solis of Buffalo Bayou Partnership; Drew Masterson of Masterson Advisors; 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 12:13 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 Kennerly, the Board voted unanimously to approve the minutes of the February 5th, 2019 meetings.

FINANCIALS

Check Register – February 2019

Mr. Leach (Zone) provided an overview of the operating and 2015 bond account check registers for the month of February 2019. He reported the expenditures listed on the check register were reoccurring operating and capital project expenses. Mr. Leach answered questions from the Board.

No action was required.

DOWNTOWN LIVING INITIATIVE ECONOMIC DEVELOPMENT GRANT AGREEMENT WITH BOP 1810 MAIN LLC FOR BLOCK 387

Chair Peña called on Mr. Leach (Zone) to introduce the discussion on this item. Mr. Leach gave a brief history of the project's participation in the Downtown Living Initiative Program. The developer submitted a formal request to amend the agreement. The request stated that the developer is working to recapitalize the project, which would allow construction activities to commence on the multifamily development located at 902 Jefferson Street. The developer cites the project's participation in the DLI program as essential for its moving forward. Mr. Leach explained that as a component of this extension, an additional construction commencement milestone will be added, as well as a requirement for a minimum of 2,000 square feet of commercial space on the ground level. The letter of request was included for Board review. Mr. Leach then answered questions from the Board.

Following discussion, upon a motion made by Secretary Mandel and seconded by Treasurer Flowers, the Board voted unanimously to authorize staff to negotiate the final terms of an amendment to the Downtown Living Initiative Economic Development Grant Agreement with BOP 1810 Main LLC for Block 387.

BUFFALO BAYOU DOWNTOWN TRAIL EAST

Chair Peña called on Mr. Leach (Zone) to introduce the discussion on this item. Buffalo Bayou Partnership and the Houston Parks Board have plans to expand the trail system along the bayou to the north of downtown. They submitted a request to the Zone for financial support of this project. The aim is to make the East End connection to continue building out and connecting the existing trail systems. A project overview and cost estimates were enclosed for Board review. Mr. Leach and Ms. Olson (Buffalo Bayou Partnership) then answered questions from the Board.

Following discussion, upon a motion made by Director Kennerly and seconded by Vice Chair Sabino, the Board voted unanimously to approve support of Buffalo Bayou Partnership's Downtown Trail East Project in an amount not to exceed \$2,000,000 and the execution of the necessary agreements by the appropriate officer of the Zone.

MUNICIPAL ADVISOR ENGAGEMENT

Chair Peña called on Mr. Leach (Zone) to introduce the discussion on this item. He provided details on the proposal to provide municipal advisory activities for the Zone. In this role, Masterson Advisors will perform, at the direction of the Zone, services with respect to new issues, outstanding or potential issues and other financial products. The engagement letter was included for Board review. Mr. Leach then answered questions from the Board.

Following discussion, upon a motion made by Treasurer Flowers and seconded by Secretary Mandel, the Board voted unanimously to authorize the engagement of Masterson Advisors as municipal advisor to the Zone at a fee not to exceed \$25,000 and the execution of necessary agreements by the appropriate officers of the Zone.

RUSK SIDEWALK IMPROVEMENTS

Chair Peña called on Mr. Leach (Zone) to introduce the discussion on this item. He shared that the northern block face of the 1000 block of Rusk east of Main Street was part of the original scope of the Main Street Improvement Project. At the time of Main Street construction, it was decided that it would be prudent to put this segment of Rusk on hold to allow for the construction of the AC Hotel by Marriott at 723 Main, the northeast corner of Rusk and Main Street. The AC Hotel has now concluded the work to the exterior of the building. Mr. Leach then answered questions from the Board.

Following discussion, upon a motion made by Secretary Mandel and seconded by Director Kennerly, the Board voted unanimously to authorize the engagement of Jerdon Enterprise, L.P. for

construction services related to the Rusk Sidewalk Improvements at a fee not to exceed \$225,000 and the execution of 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 process being made on the Southern Downtown Park design and the upcoming demolition of the building that currently occupies the site. 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 April 2nd, 2019 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 1:03 p.m.

[Signature follows]


Secretary, Board of Directors