

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

January 14, 2014

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 14th day of January, 2014, 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
James Harrison	Director

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

Also present were: Bob Eury, Executive Director and Brianna Garner, Administrative Assistant of the Authority; Clark Lord of Bracewell & Giuliani LLP; Ralph De Leon and Donna Capps of the City of Houston; George Baugh of George Baugh III & Company; Lonnie Hoozeboom and Heather Swift of Houston Downtown Management District (HDMD); Jackie Traywick of Central Houston, Inc.; Drew Masterson of First Southwest; Captain Larry Satterwhite of the Houston Police Department; Dean Gladden and Roger Plank of the Alley Theatre; and Glen Rosenbaum of Vincent and Elkins LLP.

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 November 12, 2013. Following discussion, upon a motion made by Director Sabino and seconded by Director Keyser, the Board voted unanimously to approve the minutes of November 12, 2013.

FINANCIAL REPORT

Second Quarter Financial and Investment Reports

Ms. Traywick presented the financial statements and investment reports for the second quarter ending December 31, 2013. Upon a motion made by Director Keyser and seconded by Director Hamm, the Board voted unanimously to approve the Second Quarter Financial and Investment Reports as presented.

Check Register

Ms. Traywick 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. She noted the move from Bank of America to JP Morgan Chase is now complete.

Following discussion, upon a motion made by Director Keyser and seconded by Director Hamm, the Board voted unanimously to approve the check register and ratify all expenses.

MUNICIPAL SERVICES/HPD OVERTIME PROGRAM

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

HISTORIC PRESERVATION/ THEATER DISTRICT IMPROVEMENTS

Alley Theatre Funding Request

Economic Development Committee (EDC) Chairman Keyser provided a brief history of the project and its funding request, which had been vetted and approved by the EDC. Dean Gladden, Managing Director of the Alley Theatre, presented the Alley's capital campaign goals which will finance facility updates and renovations for the first time in 45 years. The Alley Theatre is requesting TIRZ funding through a Historical Façade grant and a land purchase / leaseback; the draft term sheets have been in discussion among the theater and the Authority's legal counsel.

Chair Pena requested that the Board deliberate the project in Executive Session. After some discussion, upon a motion made by Director Keyser and seconded by Director Hamm, the Board unanimously voted to table the discussion until Executive Session by Texas Government Code § 551.087, § 551.071, and § 551.072.

RESIDENTIAL/ ECONOMIC DEVELOPMENT PROGRAMS

Downtown Living Grant Application: Block 35

Mr. Eury presented the BMS residential project DLP application with approximately 463 leasing units; to be located on Block 35, bordered by Preston, Congress, Milam, and Louisiana Street, adjacent to Market Square Park.

Mr. Hoogeboom informed the Board the project had been reviewed for program eligibility and Design Guideline compliance; staff determined the project met conditional approval. Mr. Eury explained the project's funding is contingent upon the City Council increasing the DLP's unit count cap, as there are currently 150 units left. The Council will make their decision at the next month's meeting.

After much discussion Director Hamm made a motion to enter into an agreement with BMS under the DLP; authorize the execution of the necessary agreements by the appropriate officers of the Authority; contingent upon meeting design guidelines, funding approval by the HDMD BOD, and subject to City Council increasing the program's unit count cap. Director Sabino seconded and the motion carried unanimously.

STREETSCAPE ENHANCEMENT PROJECT

Main Street Improvements Update

Mr. Hoogeboom presented the consultants' recommendations of conceptual designs. Public meetings will be held February 3rd at Hotel Icon; invitations to the HDMD and DRA BOD will be sent out next week.

OTHER BUSINESS

Project Status Report

Mr. Eury stated there were no updates to report at this time.

Personnel Committee Report

Director Sabino presented the job description for the Executive Director/ Legal Counsel position of the DRA/ TIRZ #3. She stated they have moved forward with advertising the opening and have been collecting applicants' resumes for consideration.

EXECUTIVE SESSION

Director Keyser 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 2:00 PM pursuant to Sections § 551.087, § 551.071, and § 551.072 of the Texas Government Code. Present for the Executive Session were the following: all present Board members noted in these minutes, Mr. Eury, Mr. Lord, Ms. Traywick, Ms. Garner, Ms. Capps and Mr. De Leon.

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

The Board reconvened in open session at approximately 2:40 PM. The Board approved the project for the Historic Façade Grant of up to \$2.0 million and to purchase the Alley Theatre site for \$6 million with simultaneous execution of a ground lease with a term of 25 years requiring annual lease payments of \$300,000 by the Alley; and authorized the staff and legal counsel to negotiate the incentives, terms, and conditions within the parameter discussed in Executive Session.

NEXT MEETING

Tuesday, February 11 at noon.

ADJOURNMENT

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

[Signature page follows]


Secretary, Board of Directors

