

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

January 13, 2015

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 13th day of January, 2015, 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 Secretary Keyser, Director Sabino, Director Harrison, and Director Garcia, thus constituting a quorum.

Also present were: Bob Eury, President, Ryan Leach, Executive Director, and Aidé Meza, Administrative Assistant of the Authority (DRA); Jackie Traywick and Algenita Scott Davis of Central Houston, Inc. (CHI); Lonnie Hoogeboom and Brett DeBord of the Houston Downtown Management District (HDMD); Clark Lord of Bracewell and Giuliani; Jennifer Curley of the City of Houston (COH); Captain Larry Satterwhite of the Houston Police Department (HPD); Nancy Sarnoff of the Houston Chronicle; Zach Johnston of Fairfield Residential (FF Realty II, LLC); and Jonathan Newport of Houston First.

DETERMINE QUORUM; CALL TO ORDER

Chair Peña noted that a 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.

APPROVE MINUTES OF PREVIOUS MEETINGS

The Board considered approving the minutes of December 9, 2014. Following discussion, upon a motion made by Director Austin and seconded by Director Mandel, the Board voted unanimously to approve the minutes of December 9, 2014.

FINANCIAL REPORT

Check Register

Ms. Traywick (CHI) provided an overview of the operating account check register for December 2014. She reported that the expenditures listed on the check register were reoccurring operating expenses and recommended full approval by the Board.

Following discussion, upon a motion made by Director Austin and seconded by Director Flowers, the Board voted unanimously to approve the check register.

Quarterly Financial and Investment Reports

Ms. Traywick (CHI) provided an overview of the quarterly financial and investment reports for the 2nd quarter FY 2015. Ms. Traywick reported revenues, expenses, and project costs as to be expected and positive investment growth.

Following discussion, upon a motion made by Director Flowers and seconded by Director Austin, the Board voted unanimously to approve the second quarter financial and investment reports for FY2015 as presented.

MUNICIPAL SERVICES/HPD OVERTIME PROGRAM

Capt. Satterwhite (HPD) presented the monthly overtime report to the Board which provided an overview of the criminal statistics within the Central Business District for the month of December 2014. It also included statistics for the Houston Public Library Plaza overtime and library smoking citations.

DOWNTOWN LIVING INITIATIVE

Fairfield Residential

Mr. Leach (DRA) and Mr. Hoogeboom (HDMD) presented the request for authorization of an Economic Development Grant for a residential project by Fairfield Residential (FF Realty II, LLC). The grant will fund a 290-unit residential development on block 387.

After some discussion, Vice Chair Hamm made a motion to approve this grant for a residential project by Fairfield Residential (FF Realty II, LLC). Director Mandel seconded, and the motion passed unanimously.

CAPITAL IMPROVEMENT PROJECTS

Bid Recommendations for Shopping District Streetscape Improvements

Mr. Hoogeboom (HDMD) presented the request to authorize the Bid Evaluation and Economic Development Committees' recommendation of Texas Sterling Construction Co. (TSC) as the project's General Contractor.

After some discussion, Director Mandel made a motion to authorize the contract award to Texas Sterling Construction Co. (TSC). Vice Chair Hamm seconded, and the motion passed unanimously.

Shopping District Streetscape Improvements Change Order

Mr. Hoogeboom (HDMD) presented the request to authorize the issuance of a Change Order to Texas Sterling Construction Co. (TSC). The recommended change order value is based on changes to the original bid including unit price reductions, scope modifications (material substitutions) and scope deletions.

After some discussion, Director Flowers made a motion to approve the issuance of a Change Order to Texas Sterling Construction Co. (TSC). Vice Chair Hamm seconded, and the motion passed unanimously.

Shopping District Miscellaneous Expenses

Mr. Hoogeboom (HDMD) presented the request to approve a miscellaneous work account for expenses outside of the prime contract. The authorization will cover the construction-related costs of independent vendors as well as an owner's contingency to fund unforeseen expenses.

After some discussion, Vice Chair Hamm made a motion to approve the miscellaneous work account. Director Mandel seconded, and the motion passed unanimously.

OTHER BUSINESS

Project Status Report

Mr. Leach (DRA) provided a brief status update of ongoing projects as of January 2015. Update highlights included discussions of the Economic Development agreement with Comcast, NBC Universal Media, LLC and the upcoming demolition of the existing building site for Hotel Alessandra. A tentative schedule for completion of 412 Main, 402 Main, and 202 Travis was presented as well as an update on the Alley Theatre's Historic Façade agreement which was signed earlier this month.

Brand Development and Website Redesign

Mr. Leach (DRA) and Chair Peña provided a brief update of the DRA/TIRZ #3 brand development and website redesign process. The Executive Committee met with designers Chris Valdez and Rachel Flores of Primer Grey, Inc. on January 9, 2015 to review possible logo and mark designs. Edits are being made to the designs and the final product will be presented to the Board in February 2015.

NEXT MEETING

Tuesday, February 17 at 12:00 pm

ADJOURNMENT

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

[Signature page follows]



Secretary, Board of Directors