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

October 9, 2012

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 9th day of October 2012, and the roll was called of the duly constituted officers and members of the Board, to-wit:

 F. Xavier Peña Chair

 Curtis B. Lampley Vice-Chair

 Deborah Keyser Secretary

 Curtis Flowers Treasurer/Investment Officer

 Michele Sabino Director

 Kathryn Chase McNiel Director

 Keith Edward Hamm Director

 Harold A. “Al” Odom III Director

 Barry Mandel Director

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

Also present were: Bob Eury, Executive Director and TataLease Derby Director of the Authority; Clark Lord and Debbie Russell of Bracewell & Giuliani LLP; Heather Hinzie and Lonnie Hoogeboom of the Houston Downtown Management District (“HDMD”); Ralph De Leon and Donna Capps of the City of Houston; George Baugh of George Baugh III & Company; Linda Trevino of Metro; and Captain Bryan Bennett of the Houston Police Department.

**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 welcomed the attendees to the meeting. The meeting attendees next introduced themselves to the Board.

# APPROVE MINUTES OF PREVIOUS MEETINGS

The Board considered approving the minutes of August 21, 2012. Following discussion, upon a motion made by Director Sabino and seconded by Director Flowers, the Board voted unanimously to approve the minutes of August 21, 2012.

**FINANCIAL REPORT**

Check Register

 Ms. Derby 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. Following discussion, upon a motion made by Director Mandel and seconded by Director Flowers, the Board voted unanimously to approve the check register and ratify all expenses. A copy of the check register is attached to these minutes.

Financial Status Report and Audit

Ms. Derby stated that the Budget & Finance Committee will meet on October 15, 2012, to review the draft audit report for the fiscal year ending June 30, 2012 and asked the Board to authorize the committee to finalize the audit to send to the City of Houston as required. Upon a motion made by Director Keyser and seconded by Director Flowers, the Board voted unanimously to grant the committee authorization to carry out the task.

**MUNICIPAL SERVICE/HPD OVERTIME PROGRAM**

 Captain Bennett presented the municipal services report.

**HISTORIC PRESERVATION PROJECTS**

806 Main

Ms. Derby informed the Board that the City of Houston is requiring that all future projects that are granted funds under the Historic Preservation Program apply for Protected Landmark Status where applicable. Therefore the development agreement for 806 Main will need to an amendment which adds the required provision. Mr. Lord reported that this requirement allows the City to protect the building in perpetuity. After discussion, Director Keyser moved that the Board approve the amendment as presented. Director Sabino seconded the motion and it carried unanimously.

1111 Rusk

 Ms. Derby presented an amended letter of intent for the 1111 Rusk Building which adds the protected landmark status requirement. Upon a motion made by Director Keyser and seconded by Director Odom, the Board voted unanimously to approve the amended letter of intent as presented.

500 Fannin

 Ms. Derby informed that construction on 500 Fannin has been completed and is assisting the developer to comply with reimbursement terms.. She stated that the final walk through is scheduled for October 12, 2012. The Board took no action on the matter.

Historic Preservation Applicant

After meeting in Executive Session, the Board reconvened in open session. No action was necessary as a result of the Executive Session.

**PARKS, PLAZA AND RECREATIONAL FACILITIES IMPROVEMENT PROJECTS**

Houston Public Library

 Ms. Derby informed the Board that Project for Public Spaces submitted several conceptual plans for the plaza and programming for comments before finalizing a more detailed report. Mr. Eury reported that the City wants to proceed with construction of the plaza. The Board requested that Ms. Derby forward a copy of the report to the Board members.

Market Square Park

 Mr. Hoogeboom reported that the Houston Downtown Management District (the “HDMD”) had received bids for the construction of Market Square Park. He stated that he, Brett DeBord and Kerrey Goelzer had evaluated the bids based on the claims history, bond rating, safety, timely project closeout, subcontractors and suppliers for each of the bidders. Mr. Hoogeboom made recommendation to the Board to award the construction contract to Jerdon Enterprise, L.P (“Jerdon”).

 After review and discussion, Director Mandel moved that the Board accept the recommendation of Mr. Hoogeboom and award the contract for Market Square Park to Jerdon. Director Keyser seconded the motion and it carried by unanimous vote.

Jones Plaza Presentation

 Ms. Derby informed the Board that no further progress had been made on previous designs of Jones Plaza but the City of Houston is reviewing a Gensler on a proposal for the project.

 The Board took no action on the matter.

**ECONOMIC DEVELOPMENT PROJECTS**

Houston Pavilions

Ms. Derby reported that construction for renovations to the interior of the Houston Pavilions will commence soon. She stated that plans include efforts to make the area user friendly and contain more green space.

 The Board took no action on the matter.

Residential Stimulus Program

 Mr. Eury briefed the Board on the Downtown Living Initiative Chapter 380 Program (the “Program”) and its’ goals. He reported that the program was a collaborative effort of the City of Houston and the Houston Downtown Management District and proposed a similar program within strategic areas of the zone boundary. Mr. Eury further explained that the Program would allow the Authority to enter into agreements for residential mixed-use projects and make a reimbursement not to exceed $15,000 per residential unit payable from 75% of the Management District’s tax assessment and 75% of the Authority’s incremental assessment from the City of Houston only, for maximum period of 15 years from project completion. He stated that the Authority would be the administrator for the Program.

After discussion, Director Mandel moved that the Board authorize an agreement with HDMD in connection with the implementation of the Program. Director Sabino seconded the motion and it carried unanimously.

Mr. Eury then presented the Design Guidelines for the Project for the Board’s approval. After review and discussion, Director Flowers moved that the Board approve the Design Guidelines as presented. Director Sabino seconded the motion and it carried by unanimous vote.

Residential Development Applicant

After meeting in Executive Session, the Board reconvened in open session. No action was necessary as a result of the Executive Session.

Buffalo Bayou Park

 Ms. Derby reported on plans for the Buffalo Bayou Park (the “Park”). She stated that the design plans for the Park will be executed in three phases: (i) approval of the site plan in November; (ii) advertisement for bids in January 2013; and (iii) approval of architectural plans in the spring 2013.

 The Board took no action on the matter.

**WALKWAY AND STREETSCAPE IMPROVEMENT PROJECTS**

East West Streets

 Ms. Derby reported on the need for a change in scope for the East West Street project to include the reconstruction of some of the streets in the project. She presented a proposal from HVJ Associates for the increased cost of materials testing in the amount of $14,713.50 and a change order from Jerdon in the amount of $150,942.43 for the increased cost of construction.

 After discussion, Director Odom moved that the Board approve the change in scope for the East West Street project. Director Mandel seconded the motion and it carried by unanimous vote.

**HOUSTON DOWNTOWN MANAGEMENT DISTRICT**

Commercial and Retail Marketing Efforts

 Ms. Hinzie updated the Board on the HDMD’s retail and marketing efforts.

**EXECUTIVE SESSION**

The Board went into executive session pursuant to Section 551.087 of the Texas Government Code, as amended, at approximately 1:48 p.m. to consult with their attorney and to discuss the Historic Preservation Applicant and the Residential Developer Applicant. Present for executive session were: Directors Peña, Keyser, Sabino, Flowers, Mandel, Odom and Hamm, Mr. Lord, Ms. Russell, Ms. Capps, Mr. De Leon, Ms. Derby and Mr. Eury.

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

The Board reconvened in open session at 2:00 p.m. Following discussion on the Historic Preservation Applicant and the Residential Developer Applicant, the Board took no action in open session.

**NEXT MEETING**

Chair Peña reported that the Board will meet again on November 13, 2012.

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

[*Signature page follows*]

Secretary, Board of Directors