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

November 13, 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 13th day of November 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 Odom, 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 of the City of Houston; George Baugh of George Baugh III & Company; Jim Borders and Pete Dienna of Novare Group; Kimberly Wolfe of the Heritage Society; and Jackie Traywick of Central Houston, Inc.; Lieutenant Christine Anthony of the Houston Police Department and representatives from the Shandong Province of China.

**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 October 9, 2012. Following discussion, upon a motion made by Director Mandel and seconded by Director Sabino, the Board voted unanimously to approve the minutes of October 9, 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 Flowers and seconded by Director Keyser, the Board voted unanimously to approve the check register and ratify all expenses. A copy of the check register is attached to these minutes.

Quarterly Financial & Investment Reports

Mr. Baugh reviewed the financial statements and investment report for the first quarter ended September 30, 2012, copies of which are attached to these minutes . Upon a motion made by Director Mandel and seconded by Director Hamm, the Board voted unanimously to approve the financial status and investment report.

Fiscal Year 2012 Audit

Ms. Derby informed the Board that the Budget and Finance Committee (the “Finance Committee”) and met with the Authority’s auditors and made no significant changes. She stated that the auditor issued an unqualified opinion in connection with the audit. Ms. Derby stated that the Finance Committee had authorized the Authority staff to release the audit to the City of Houston (the “City”). Following discussion, upon a motion made by Director Keyser and seconded by Director Mandel, the Board voted unanimously to ratify the Finance Committee’s approval and release of the audit to the City.

Annual Review of Investment Policy and List of Qualified Broker/Dealers

 Mr. Lord presented the Resolution Regarding Annual Review of the Authority’s Investment Policy and List of Qualified Broker/Dealers, a copy of which is attached to these minutes. He stated that there were no changes to laws governing the Investment Policy so the Authority can confirm the current Investment Policy. Ms. Derby stated the broker/dealer list had been revised to add CapNet Securities.

 Following discussion, upon a motion made by Director Flowers and seconded by Director Keyser, the Board voted unanimously to approve the Resolution Regarding Annual Review of the Authority’s Investment Policy and the Amended List of Qualified Broker/Dealers.

**MUNICIPAL SERVICE/HPD OVERTIME PROGRAM**

 Lieutenant Anthony presented the municipal services report.

**HISTORIC PRESERVATION PROJECTS**

The Heritage Society-4th Ward Cottage

 Ms. Derby reported on a request from the Heritage Society at Sam Houston Park (the “Heritage Society”) for a grant for $75,000 for the exterior restoration of the 4th Ward Cottage. She stated that the Economic Development Committee (the “ED Committee”) had vetted the application and recommended approval of the grant. Ms. Derby noted that the City submitted a letter of support to the Authority for the grant. After discussion, Director Sabino moved that the Board approve the grant in the amount of $75,000 to the Heritage Society. Director McNiel seconded the motion and it carried by unanimous vote.

**ECONOMIC DEVELOPMENT PROJECTS**

Downtown Living Program

 Ms. Derby then informed the Board of a grant request from the Novare Group for a residential development on block 350. Mr. Borders reviewed the preliminary plans with the Board, including proposed amenities such as an onsite pool, dog park and parking. Ms. Derby stated that the ED Committee had reviewed the application and recommended funding not to exceed $5,400,000 which is the equivalent of $15,000 per unit up to a maximum of 15 years. She noted that the proposal has been reviewed by the Houston Downtown Management District (“HDMD”) and was found to meet all terms and conditions of the grant program. After discussion, Director Keyser moved that the Board approve the grant request from Novare Group in an amount not to exceed $5,400,000, and authorizing the staff and legal counsel to finalize an agreement and the Chair to sign such agreement. Director Hamm seconded the motion and it carried by unanimous vote.

**WALKWAY AND STREETSCAPE IMPROVEMENT PROJECTS**

East West Streets

 Ms. Derby presented Change Order No. 4 in the amount of $13,848.30 from Jerdon Enterprise, L.P. (“Jerdon”) for the installation of 2,230 linear feet of treated pine with stakes along the parking lot edge of certain amenity zones. She stated that this should have been included in the original design of the project, but had been omitted. Ms. Derby then presented Change Order No. 5 in the amount of $5,759.58 to Jerdon for two weeks of work for an engineer and helper to survey streets that have revised grades.

 After discussion, Director Keyser moved that the Board approve Change Order Nos. 4 and 5 to the contract with Jerdon in connection with the East West Street project. Director Flowers seconded the motion and it carried by unanimous vote.

**HOUSTON DOWNTOWN MANAGEMENT DISTRICT**

Amendment to the First Amended Management Agreement with the Authority and the Master Project Management Agreement for Board Authorized Projects

 Ms. Derby then presented an amendment to the First Amended Management Agreement between HDMD and the Authority (the “Amendment”) which would add an exhibit that would allow staff to bill against a project that is included on the capital improvement project list to move it forward to a point that it can be presented to the Board. After lengthy discussion, Chair Peña suggested that more detail be added to the proposed exhibit and that same be forwarded to the Board in advance of the next meeting for review. The Board agreed to table the Amendment and the Master Project Management Agreement until the December meeting.

Authorize Director to Sign Project Change Orders

 Chair Peña reported that the staff would like the authority to approve change orders to contracts that are submitted between Board meetings. Mr. Eury noted that the only change orders that could be approved in this manner are ones that fall within the change order contingency amount included in the budget for the project. After discussion, Director Mandel moved that the Board authorize the Director to approve change orders that are submitted between Board meetings in an amount not to exceed the change order contingency included in the budget for the project. Director Keyser seconded the motion and it carried unanimously.

Commercial and Retail Marketing Efforts

 Ms. Hinzie updated the Board on the HDMD’s retail and marketing efforts. Director Keyser questioned whether contact could be made with absentee landlords about maintenance of store fronts in the Authority. Ms. Hinzie reported on her unsuccessful efforts to engage the landlords to clean their properties and to show same for possible leases.

**EXECUTIVE SESSION**

There was no executive session.

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

There was no need to reconvene in open session..

**NEXT MEETING**

Chair Peña reported that the Board will meet again on December 11, 2012.

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

[*Signature page follows*]

Secretary, Board of Directors