

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

May 8, 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 8th day of May 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 McNeil	Director
Keith Edward Hamm	Director
Harold A. "Al" Odom III	Director
Barry Mandel	Director

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

Also present were: TataLease Derby, Executive Administrator of the Authority; Clark Lord, Barron Wallace, Shawn Cloonan and Debbie Russell of Bracewell & Giuliani LLP; Bob Eury, Heather Hinzie and Lonnie Hoogeboom of the Houston Downtown Management District ("HDMD"); Jesse Bounds and Ralph De Leon of the City of Houston; Drew Masterson and Ashley Allen of First Southwest Company; George Baugh of George Baugh III & Company; William R. Franks of 806 Main; Sloan Holly of Pearl Hospitality; Captain Bryan Bennett of the Houston Police Department; and Michele Swayzer of Swayzer Engineering, Inc.

**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 February 14, 2012. Following discussion, upon a motion made by Director Keyser and seconded by Director Mandel, the Board voted unanimously to approve the minutes of February 14, 2012.

## FINANCIAL REPORT

### Check Register

Ms. Derby reported that the Budget and Finance Committee approved the check register and recommended full approval by the Board. Following discussion, upon a motion made by Director Mandel and seconded by Director Keyser, the Board voted unanimously to approve the check register. A copy of the check register is attached to these minutes.

### Financial Status Report

Mr. Baugh presented the financial status and investment report, a copy of which is attached to these minutes. Following discussion, upon a motion made by Director Mandel and seconded by Director Hamm the Board voted unanimously to approve the financial status and investment report.

### Assignment of Rosemont Bridge Debt

Mr. Lord explained that the Rosemont Bridge was acquired from Memorial Heights Redevelopment Authority and Tax Increment Reinvestment Zone No. 5 ("TIRZ 5") and stated he is working with the City of Houston on an assignment of the first amended and restated agreement relative to the financial obligation of the public infrastructure improvement. After discussion, Director Keyser moved that the Board approve the assignment. Director Flowers seconded the motion and it carried by unanimous vote.

### Refunding of Series 2002 and 2009 Contract Tax Increment Revenue Bonds

Mr. Masterson presented the final numbers in connection with the refunding of the Authority's Series 2002 and 2009 Bonds. He stated that the interest rate on the bonds was 2.49% and that the net present value savings would be \$982,679.69. Mr. Lord then presented the resolution authorizing the issuance of the refunding bonds, the indenture of trust and other sale related documents for the Board's review.

Following discussion, upon a motion made by Director Keyser and seconded by Director Flowers, the Board voted unanimously to adopt the resolution and indenture of trust, a copy of which is attached as an exhibit to these minutes and other sale related documents and authorized staff and consultants to take all actions necessary to complete the closing of the sale of the bonds.

### Fiscal Year 2013 Operating and Capital Improvements Projects Budget

Ms. Derby presented the draft budget for the Board's review, a copy of which is attached as an exhibit to these minutes. After review and discussion, Director Hamm moved that the Board approve the budget in substantially final format and authorize the Authority's staff to submit to the City of Houston for City Council approval. Director Flowers seconded the motion and it carried by unanimous vote.

## **MUNICIPAL SERVICE/HPD OVERTIME PROGRAM**

Captain Bennett presented the municipal services report.

## **HISTORIC PRESERVATION PROJECTS**

Mr. Franks addressed the Board regarding 806 Main and presented renderings of the planned design. He requested that the Board consider amending the action June 2011. After meeting in Executive Session, the Board reconvened in open session and Director Mandel moved that the Board amend the action taken in June 2011 to limit the Tax Increment Pledge to 85% in the first five years, 75% in the second five years, 65% in the last five years and 50% for the remaining years of the Zone in an amount not to exceed \$9,500,000, to add the Metro-Full Block Curb Cut/Infrastructure Project estimated at \$2,350,000 from the developer and adopt as a Capital Improvement Project for the Authority in fiscal year 2013. Director Flowers seconded the motion and it carried unanimously.

## **PARKS AND RECREATIONAL FACILITIES IMPROVEMENT PROJECTS**

### **Houston Parks Board**

Ms. Derby informed the Board that the Houston Parks Board requested a sponsorship commitment from the Authority for the TIGER IV application in an amount not to exceed \$300,000. She explained that the grant would be used to fund contiguous pedestrian, hike and bike trails within the TIRZ #3 boundaries. Upon a motion made by Director Keyser and seconded by Director Mandel, the Board voted unanimously to approve the commitment in an amount not to exceed \$300,000.

### **Houston Downtown Library Plaza**

Ms. Derby proposed an amendment to the Board action taken on February 14, 2012, to enter into agreement with the City of Houston Library Department for the professional services of Project for Public Spaces (PPS), relative to the Central Library Plaza. She informed the Board that the Authority needed to engage the consultant directly. After discussion and upon a motion made by Director Sabino and seconded by Director Flowers, the Board voted unanimously to amend the previous action and enter into agreement with PPS for professional services related to the Central Houston Library Plaza in an amount not to exceed \$50,800.

## **ECONOMIC DEVELOPMENT PROJECTS**

### **Houston Pavilions**

Ms. Derby explained to the Board that the Houston Pavilions notified the Authority of its intent to sell or assign its property. Mr. Lord explained that under the terms of the Development Agreement with the Authority, Houston Pavilions must get approval from the Authority to take such action.

Ms. Derby next reported on the release of the 2010 tax rebate in the amount of \$339,300 less \$50,000 for professional fees related to the Houston Pavilions. She noted that the release of

the funds is contingent upon the receipt of the Harris County (the "County") and Harris County Flood Control District (the "District") Increment for the 2010 tax year. Following discussion, Director Keyser moved that the Board approve the tax rate rebate as described, contingent on the receipt of the increment from the County and the District. Director Hamm seconded the motion and it carried unanimously.

#### Comcast/NBC Universal Studios

Ms. Derby reported on the Letter of Intent between the Authority and Comcast/NBC Universal Studios ("Comcast") for an amount not to exceed \$75,000 per year for a minimum of 85 employees and \$31,708 per year based on \$1.00/square foot of the premises under the lease agreement with the Houston Pavilions for a maximum of 10 years. Upon a motion made by Director Mandel and seconded by Director Keyser, the Board voted unanimously to approve an agreement with Comcast as described above.

### **CULTURAL AND PUBLIC FACILITIES IMPROVEMENTS**

#### Bayou Place "Sundance Theater" Reimbursement Request

Ms. Derby reported that the work on the Sundance Theater is complete and that all documentation has been received by the Authority's attorney. After discussion, Director Mandel moved that the Board ratify and approve the \$75,000 reimbursement to Bayou Place Limited Partnership for the improvements related to Sundance Theater. Director Hamm seconded the motion and it carried by unanimous vote.

### **WALKWAY AND STREETScape IMPROVEMENT PROJECTS**

#### East West Streets

The Board next discussed the possible amendment of the agreement with Lockwood Andrews & Newman, Inc. ("LAN"), to include Work Order 1B for additional services related to the design and construction phase in an amount not to exceed \$67,719. Following discussion, upon a motion made by Director Mandel and seconded by Director Hamm, the Board voted unanimously to amend the agreement with LAN to include Work Order 1B in an amount not to exceed \$67,719 for the East West Street project.

#### Invoices related to design and construction costs

Discussion ensued regarding invoices from LAN, Swayzer Engineering ("Swayzer") and Jerdon related to the design and construction of the East West Street project. Following discussion and upon a motion made by Director Keyser and seconded by Director Mandel, the Board voted unanimously to approve the payment of \$20,239.62 to LAN, \$15,014 to Swayzer and \$101,399.33 to Jerdon in connection with the East West Street project.

## **HOUSTON DOWNTOWN MANAGEMENT DISTRICT**

### **Commercial and Retail Marketing Efforts**

Ms. Hinzle updated the Board on the Houston Downtown Management District's retail and marketing efforts. She stated that she is working with Wolff & Company to build relationships and bring more businesses downtown.

### **Proposed Amendment to Management Agreement**

Director Sabino stated that the Board should table the Proposed Amendment to Management Agreement. The Board tabled such matter.

## **EXECUTIVE SESSION**

The Board went into executive session pursuant to Section 551.087 of the Texas Government Code, as amended, at approximately 1:37 p.m. to consult with their attorney and to discuss the 806 Main project. Present for executive session were: Directors Peña, Keyser, Flowers, Sabino, Mandel and Hamm, Mr. DeLeon, Mr. Bounds, Mr. Lord, Ms. Russell, Ms. Derby and Mr. Eury.

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

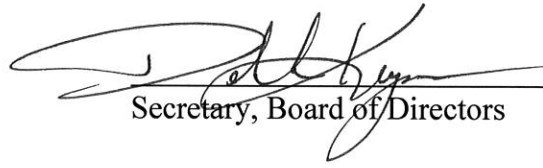
The Board reconvened in open session at 2:00 p.m. Following discussion on the Houston Pavilions project, the board took action in open session under the historic preservation projects item on the agenda.

## **NEXT MEETING**

Chair Peña reported that the Board will meet again in June.

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

*[Signature page follows]*

  
Secretary, Board of Directors



**LIST OF ATTACHMENTS**

Check Register ..... 2  
Financial Status and Investment Report ..... 2  
Budget for fiscal year 2013 ..... 2  
2012 Bond Resolution  
Indenture of Trust

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

May 8, 2012

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 Houston Downtown Management District, on the 8th day of May 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 McNeil	Director
Keith Edward Hamm	Director
Harold A. "Al" Odom III	Director
Barry Mandel	Director

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**INTRODUCTION OF GUESTS AND PUBLIC COMMENTS**

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Following discussion, upon a motion made by Director Keyser and seconded by Director Flowers, the Board voted unanimously to adopt the resolution and indenture of trust, a copy of which is attached as an exhibit to these minutes and other sale related documents and authorized staff and consultants to take all actions necessary to complete the closing of the sale of the bonds.

## FISCAL YEAR 2013 OPERATING AND CAPITAL IMPROVEMENTS PROJECTS BUDGET

Ms. Derby presented the draft budget for the Board's review, a copy of which is attached as an exhibit to these minutes. After review and discussion, Director Hamm moved that the Board approve the budget in substantially final format and authorize the Zone's staff to submit to the City of Houston for City Council approval. Director Flowers seconded the motion and if carried by unanimous vote.

## EXECUTIVE SESSION

The Board did not convene in Executive Session.

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

It was not necessary for the Board to reconvene in regular session.

## NEXT MEETING

Chair Peña reported that the Board will meet again in June.

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

*[Signature page follows]*

  
Secretary, Board of Directors



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2012 Bond Resolution  
Indenture of Trust