

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

January 10, 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 10th day of January 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 Hamm, Odom, and Lampley, thus constituting a quorum.

Also present were: TataLease Derby, Executive Administrator of the Authority; Clark Lord and Athea Davis of Vinson & Elkins LLP; Bob Eury, Heather Hinzie, Angie Bertinot, Anton Sinkewich and Laura Van Ness of Houston Downtown Management District (“HDMD”); Donna Capps, Neil Rackleff, Tim Douglass, Ryan Bibs, Linda Colson, and Ralph De Leon of the City of Houston; Alejandro Colom, Heidi Williams, and Eric Emerson of Leadership Houston Class XXX – 2012; Ashley Allen of First Southwest Company; George Baugh of George Baugh III & Company; William R. Franks of 806 Main; Sloan Holly of Pearl Hospitality; Tom McCasland of the Houston Parks Board; Karen Mulville of Houston Pavilions; Leslie Garvis and Brian Keene of FMG Design; Veda Graves of Lockwood, Andrews, and Newman (“LAN”); 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 introduced and welcomed the new director, Barry Mandel to the Board. The meeting attendees next introduced themselves to the Board.

APPROVE MINUTES OF PREVIOUS MEETINGS

The Board considered approving the minutes of the November 8, 2011 meeting. Following discussion, upon a motion made by Director Flowers and seconded by Director Keyser, the Board voted unanimously to approve the minutes as presented.

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 Keyser and seconded by Director Sabino, the Board voted unanimously to approve the check register as presented. A copy of the check register is attached to these minutes.

Financial Status Report

Mr. Baugh presented the financial status and investment reports for the periods ending October 31, 2011 and November 30, 2011, copies of which are attached to these minutes. Following discussion, upon a motion made by Director McNeil and seconded by Director Keyser the Board voted unanimously to approve the financial status and investment reports as presented.

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

Ms. Derby updated the Board on the status of the bond refunding transaction. She requested that the Board authorize the engagement of all consultants listed on the distribution list. Mr. Lord next discussed the financing schedule. Following discussion, upon a motion made by Director Sabino and seconded by Director Keyser, the Board voted unanimously to engage the consultants listed on the attached distribution list for the refunding of the Series 2002A and Series 2009 Bonds.

MUNICIPAL SERVICE/HPD OVERTIME PROGRAM

Captain Bennett presented the municipal services report.

PARKS AND RECREATIONAL FACILITIES IMPROVEMENT PROJECTS

Market Square Park

Ms. Derby reported that the dining trellis has not provided sufficient coverage from the elements and will require redesign and construction to further improve its use. She informed the Board that the item would be presented at the next meeting with the to engage the Houston Downtown Management District.

Houston Parks Board Buffalo Bayou Hike/Bike/Pedestrian connectivity project

Mr. McCasland reported that the TIGER III grant was not approved, noting, however, that that the City of Houston received a good briefing on its application. He next stated that the

Houston Parks Board will resubmit its application for TIGER IV. Mr. McCasland requested to meet with the Economic Development Committee soon to discuss the next grant application.

Leadership Houston's project for enhancements to green space within the Zone

Mr. Colom discussed Leadership Houston's Triangle Park project. He stated that he wanted to update the Board on this project to ensure that there is no duplication with any current projects within the Downtown zone. Following discussion, no Board action was required.

ECONOMIC DEVELOPMENT PROJECTS

Houston Pavilions

Ms. Mulville reported that Houston Pavilions hired Bryan Keene of FMG Design to begin work on the design of the Dallas Street improvements. Mr. Keene next presented several design improvements for Dallas Street to the Board. Discussion next ensued on the cost for the improvements and Ms. Mulville stated that Houston Pavilions is going to give approximately \$20,000 to the tenants to improve their patios and that the balance will be used for the remaining improvements. Ms. Derby and Mr. Lord indicated that the Board needed to see a written agreement for the improvements that is in line with the Authority's agreement with the Houston Pavilions. Mr. Lord next stated that the Board can authorize the Economic Development Committee to approve the formal plan.

Following discussion, upon a motion made by Director Sabino and seconded by Director Flowers, the Board voted unanimously to authorize the Economic Development Committee to approve the concept of the plan and finalize same.

Additional matters concerning this item were further discussed in executive session.

Comcast/NBC Universal Studios

This item was discussed in executive session.

Buffalo Bayou Park

Mr. Lord updated the Board on the status of the final Maintenance and Operations Agreement, noting that the agreement stayed in line with the term sheet presented at the prior meeting.

City of Houston Housing and Community Development

Mr. Rackleff discussed the enhanced enterprise community status and enterprise zone program and the funding options available for applicants. He requested \$49,500 from the Board to hire a consultant who has worked on many of the enterprise zone funding transactions. He further explained the scope of services noting the consultant would analyze the eligibility of the 806 Main project for bridge funding and apply to the Department of Housing and Urban Development ("HUD") to extend the life of the program before it expires in August 2012.

This item was further discussed in executive session.

Following discussion, upon a motion made by Director McNeil and seconded by Director Keyser, the Board voted unanimously to approve \$49,500 for the consultant to explore 806 Main project for eligibility, restructure and extend the HUD Section 108 program.

WALKWAY AND STREETScape IMPROVEMENT PROJECTS

East West Streets

Ms. Graves presented a proposal for a design amendment to accommodate the proposed planned development along Bell Street, noting a cost of \$12,747 for the additional services. Following discussion on the design amendment, upon a motion made by Director Keyser and seconded by Director Flowers, the Board voted unanimously to approve the design amendment and the additional costs in the amount of \$12,747.

Ms. Graves next discussed awarding the construction contract. She stated that five contractors submitted bids and that Jerdon Enterprise, L.P. submitted the lowest bid in the amount of \$1,567,567.67. Following discussion on the contract award, upon a motion made by Director Flowers and seconded by Director McNeil, the Board voted unanimously to award the contract to Jerdon Enterprise, L.P. for the sidewalk construction.

Ms. Derby submitted the CenterPoint Energy proposal for decorative streetlight pole and construction costs in the amount of \$55,136 for the Board's review and approval. Following discussion, upon a motion made by Director Keyser and seconded by Director Sabino, the Board voted unanimously to approve the CenterPoint Energy proposal in the amount of \$55,136.

Ms. Derby next presented the invoices related to the design costs for the Board's review and approval. Following discussion, upon a motion made by Director Keyser and seconded by Director Sabino, the Board voted unanimously to approve the invoices related to the design costs.

Southeast Sidewalk

Ms. Derby requested that the Board ratify approval of the Texas Department of Transportation ("TXDOT") Sponsorship Agreement with the City of Houston. Following discussion, upon a motion made by Director Keyser and seconded by Director Flowers, the Board voted unanimously to ratify approval of the TXDOT Sponsorship Agreement under the terms originally presented to the Board.

HOUSTON DOWNTOWN MANAGEMENT DISTRICT

Ms. Bertinot updated the Board on the Houston Downtown Management District's retail and marketing efforts. Mr. Hoogeboom next reported that he is working with METRO for the Capital/Rusk Street design competition.

ADMINISTRATIVE

Assignment of legal services

Mr. Lord next reported that the public finance section at Vinson & Elkins LLP is moving to Bracewell & Giuliani and discussed the transition process. Following discussion, upon a motion made by Director Sabino and seconded by Director Flowers, the Board voted unanimously to authorize i) Bracewell & Giuliani to begin to represent the Authority and Zone once Mr. Lord joins Bracewell & Giuliani on the same terms and conditions as the engagement of Vinson & Elkins; ii) the transfer of files as necessary; and iii) to continue its engagement with Vinson & Elkins until the transition process is complete.

Committee Appointments

Ms. Derby discussed the committee proposal. She noted the proposed committee appointments are as follows: Economic Development Committee – Directors Keyser, Hamm, Mandel, and Peña; Budget and Finance Committee – Directors Flowers, Keyser, McNeil, and Peña; Housing Committee – Directors Odom, Sabino, Lampley, and Mandel; Personnel Committee – Directors Sabino, Keyser, Lampley, and Peña; and Executive Committee – Directors Peña, Lampley, Keyser, and Flowers.

Following discussion, upon a motion made by Director Sabino and seconded by Director Flowers, the Board voted unanimously to approve the committee changes as presented.

EXECUTIVE SESSION

The Board went into executive session at 2:17 p.m. pursuant to Sections 551.071 and 551.087 of the Texas Government code to consult with their attorney and discuss economic development negotiation issues in connection with the Houston Pavilions, Comcast/NBC Universal Studios, and the grant for HUD Section 108 loan program consultant. Present for executive session were the following: all present Board members noted in these minutes, Mr. Lord, Ms. Davis, Mr. Douglass, Ms. Capps, and Ms. Derby.

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

The Board reconvened in open session at approximately 2:54 p.m. Following discussion on matters discussed in executive session, the Board took action on the HUD Section 108 loan program under the economic development projects item.

NEXT MEETING

Chair Peña reported that the next meeting will occur on February 14, 2012.


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
Distribution List for 2012 Refunding Bonds (2002A and 2009) 2
Financial Status and Investment Reports 2



Secretary, Board of Directors

LIST OF ATTACHMENTS

Check Register 2
Distribution List for 2012 Refunding Bonds (2002A and 2009) 2
Financial Status and Investment Reports 2

Downtown Redevelopment Authority
AP Check Register (Current by Bank)
Check Dates: 11/11/2011 to 1/31/2012

Check No.	Date	Status	Vendor ID	Payee Name	Amount
BANK ID: OP - BOA-BANK OF AMERICA					101.000
1270	11/11/11	P	3670	HOUSTON BALLET	\$1,500,000.00
1271	11/11/11	P	3680	HOUSTON CHRONICLE	\$6,703.20
1272	11/11/11	P	4990	LENNY'S SUBSHOP	\$164.85
1273	11/11/11	P	5000	LOCKWOOD ANDREWS & NEWNAM, INC	\$75,042.10
1274	11/11/11	P	7300	SWAYZER ENGINEERING, INC (SEI)	\$2,625.00
1275	11/11/11	P	3610	THE HERITAGE SOCIETY	\$25,592.00
1276	11/22/11	P	6300	JEFF ONSTOTT	\$684.00
1277	11/22/11	P	3700	HOUSTON DOWNTOWN MANAGEMENT	\$10,589.94
1278	12/22/11	P	1500	GEORGE BAUGH III & CO.	\$6,500.00
1279	12/22/11	P	3700	HOUSTON DOWNTOWN MANAGEMENT	\$10,795.26
1280	12/22/11	P	6300	JEFF ONSTOTT	\$1,231.00
1281	12/22/11	P	9800	VERIZON WIRELESS	\$104.46
1282	12/22/11	P	9875	VINSON & ELKINS	\$31,739.47
1283	01/06/12	P	3700	HOUSTON DOWNTOWN MANAGEMENT	\$6,387.00
1284	01/06/12	P	6300	JEFF ONSTOTT	\$417.50
1285	01/06/12	P	6095	MIDTOWN REDEVELOPMENT	\$8,778.07
1286	01/06/12	P	9800	VERIZON WIRELESS	\$104.46
1287	01/06/12	P	3051	CITY OF HOUSTON- TIRZ DEPT	\$396,477.00
BANK OP REGISTER TOTAL:					\$2,083,935.31
GRAND TOTAL :					\$2,083,935.31

**DOWNTOWN REDEVELOPMENT AUTHORITY
FINANCIAL STATEMENTS
FOR THE MONTH AND PERIOD ENDED OCTOBER 31, 2011
FISCAL YEAR 2012**

DOWNTOWN REDEVELOPMENT AUTHORITY
Statement of Net Assets
October 31, 2011

Unaudited

ASSETS:	
Cash & Cash Equivalents	\$ 245,161
Investments - General	9,571,808
Investments - Debt Service	3,541,340
Tax Increments Receivable - 2011	25,573
Tax Increments Receivable - 2012	1,920,000
Cost of Issuance	350,994
Total Assets	<u>\$ 15,654,876</u>
LIABILITIES:	
Accounts Payable	188,678
Interest Payable on Note & Bonds	397,394
Deferred Revenues	-
Notes Payable	-
Series 2002A Revenue Bonds-in 1yr	-
Payable after-1yr	8,240,000
Series 2009A Revenue Bonds-in 1yr	-
Payable after-1yr	16,573,198
Total Liabilities	<u>\$ 25,399,270</u>
NET ASSETS:	
Accumulated	
Surplus/Deficit-Restricted	3,541,340
Accumulated	
Surplus/Deficit-Unrestricted	(13,285,734)
Total Net Assets	<u>(9,744,394)</u>
Total Liabilities & Net Assets	<u>\$ 15,654,876</u>

See Accountant's Report

DOWNTOWN REDEVELOPMENT AUTHORITY
Statement of Activity
For the Month and Period Ended October 31, 2011

Unaudited

	Month Ended October 31, 2011	Year to Date October 31, 2011	
REVENUES:			
Tax Increments	\$ 480,000	\$ 1,920,000	
Revenues	36,645	36,983	
Interest Income	586	2,582	
Total Revenue	517,231	1,959,565	
Expenditures/Expenses:			
Project Cost	17,092	17,092	
Administration Consultant	10,587	37,462	
Bank Charges	-	5	
Office Expenses	861	2,214	
Accounting	-	-	
Auditing	2,450	10,450	
Legal Consultants	4,080	4,080	
Other Consultants	-	-	
Telephone & Communication	-	-	
Travel Parking & Entertainment	-	-	
Cost of Issuance Amortization	-	-	
Administrative Support - Current	-	-	
Insurance	-	500	
Interest - Notes	-	-	
Interest - Bonds	115,113	460,452	
Municipal Services	-	-	
Total Expenditures/Expense	150,183	532,255	
Change in Net Assets	367,048	1,427,310	
NET ASSETS:			
Beginning of period- accumulated deficit	(10,111,442)	(11,171,704)	
End of Period-accumulated deficit	\$ (9,744,394)	\$ (9,744,394)	

See Accountant's Report

DOWNTOWN REDEVELOPMENT AUTHORITY
Special Cost Schedule
For the Month and Period Ended October 31, 2011

	Budgeted	Year to Date Expenses	Unaudited (Over) Under Budget
MANAGEMENT CONSULTING SERVICES			
Accounting	\$ 6,800	\$ -	\$ 6,800
Administration Consultant	81,500	37,462	44,038
Auditor	10,500	10,450	50
Bond Services	4,600	-	4,600
Financial Advisor	3,500	-	3,500
Insurance	2,500	500	2,000
Office Expenses	3,500	2,219	1,281
Taxroll Advisor	7,000	-	7,000
Legal	21,000	4,080	16,920
Project/Program Management	50,700	-	50,700
TxDOT Sidewalk Project Co-Match	396,477	-	396,477
TOTAL	\$ 588,077	\$ 54,711	\$ 533,366
 PROJECT COST			
Capital Expenditures			
Main Street Corridor E-W Improvements	\$ 2,000,000	\$ -	\$ 2,000,000
Market Square Park	880,000	-	880,000
Pedestrian Bridge-Ballet Academy	1,500,000	-	1,500,000
City Hall Sidewalk Improvements	160,000	-	160,000
Main Street Upgrades	425,000	-	425,000
Julia Ideson Plaza	750,000	-	750,000
Walker Street Improvements	200,000	-	200,000
Congress Street Bridge Lighting	40,000	-	40,000
TxDOT Sidewalk Project	1,982,383	-	1,982,383
	7,937,383	-	7,937,383
 Developer / Project Reimbursements			
Sabine to Bagby Promenade	194,767	-	194,767
402 Main Street	800,000	-	800,000
412 Main Street	257,571	-	257,571
500 Fannin	888,222	-	888,222
The Heritage Society	27,178	-	27,178
International Coffee Building	795,680	-	795,680
Club Quarters-Masterworks	129,578	-	129,578
Houston Pavilions	417,000	-	417,000
Bayou Place Sundance Theater	750,000	-	750,000
Developer / Project Reimbursements	4,259,996	-	4,259,996
 Other			
	-	17,092	(17,092)
TOTAL PROJECT COST	\$ 12,197,379	\$ 17,092	\$ 12,180,287

**DOWNTOWN REDEVELOPMENT AUTHORITY
INVESTMENT REPORT
FOR THE MONTH AND PERIOD ENDED OCTOBER 31, 2011
FISCAL YEAR 2012**

DOWNTOWN REDEVELOPMENT AUTHORITY
 INVESTMENT REPORT
 FOR THE MONTH AND PERIOD ENDED OCTOBER 2011-FISCAL YEAR 2012
 (OCTOBER)

INVESTMENT TYPE	DATE OF PURCHASE	DATE OF MATURITY	BEGINNING BOOK VALUE	ENDING BOOK VALUE	CHANGES		INCOME RECEIVED THIS PERIOD	ENDING BOOK VALUE	ENDING MARKET VALUE	MATURITY VALUE
					PURCHASES	SALES & REDEMPTIONS				
PROJECT FUND										
THE BANK OF NEW YORK	VARIOUS	N/A	6,277	6,277	-	-	-	6,277	6,277	6,277
TOTAL PROJECT FUND			6,277	6,277	-	-	-	6,277	6,277	6,277
DEBT SERVICE FUND										
THE BANK OF NEW YORK	VARIOUS	N/A	229,941	229,941	-	-	-	229,941	229,941	229,941
TOTAL DEBT SERVICE FUND			229,941	229,941	-	-	-	229,941	229,941	229,941
DEBT SERVICE FUND (NEW)										
THE BANK OF NEW YORK	VARIOUS	N/A	475,780	475,780	-	-	-	475,780	475,780	475,780
TOTAL DEBT SERVICE FUND			475,780	475,780	-	-	-	475,780	475,780	475,780
SURPLUS FUND										
THE BANK OF NEW YORK	VARIOUS	N/A	279,819	279,819	-	-	-	279,819	279,819	279,819
TOTAL SURPLUS FUND			279,819	279,819	-	-	-	279,819	279,819	279,819
DEBT SERVICE RESERVE										
THE BANK OF NEW YORK	VARIOUS	N/A	1,085,609	1,085,609	-	-	-	1,085,609	1,085,609	1,085,609
TOTAL RESERVE FUND			1,085,609	1,085,609	-	-	-	1,085,609	1,085,609	1,085,609
COST OF ISSUANCE										
THE BANK OF NEW YORK	VARIOUS	N/A	7,540	7,540	-	-	-	7,540	7,540	7,540
TOTAL COST OF ISSUANCE			7,540	7,540	-	-	-	7,540	7,540	7,540
PLEGDED REVENUE										
THE BANK OF NEW YORK	VARIOUS	N/A	7,420	7,420	159,668	-	-	167,088	167,088	167,088
TOTAL PLEDGED REVENUE			7,420	7,420	159,668	-	-	167,088	167,088	167,088
PROJECT FUND (NEW)										
THE BANK OF NEW YORK	VARIOUS	N/A	526,013	526,013	-	-	-	526,013	526,013	526,013
TOTAL PROJECT FUND			526,013	526,013	-	-	-	526,013	526,013	526,013
RESERVE FUND (NEW)										
THE BANK OF NEW YORK	VARIOUS	N/A	1,750,000	1,750,000	-	-	-	1,750,000	1,750,000	1,750,000
TOTAL RESERVE FUND			1,750,000	1,750,000	-	-	-	1,750,000	1,750,000	1,750,000
COST OF ISSUANCE (NEW)										
THE BANK OF NEW YORK	VARIOUS	N/A	38,500	38,500	-	-	-	38,500	38,500	38,500
TOTAL COST OF ISSUANCE			38,500	38,500	-	-	-	38,500	38,500	38,500
TEXAS STAR FUND										
TEXSTAR	VARIOUS	N/A	8,546,574	8,546,574	586	-	-	8,546,574	8,546,574	8,546,574
TOTAL TEXSTAR FUND			8,546,574	8,546,574	586	-	-	8,546,574	8,546,574	8,546,574
OTHER										
OTHER	VARIOUS	N/A	12,952,887	12,952,887	160,254	-	-	13,113,151	13,113,151	13,113,151
TOTAL INVESTMENTS			12,952,887	12,952,887	160,254	-	-	13,113,151	13,113,151	13,113,151

DOWNTOWN REDEVELOPMENT AUTHORITY
Statement of Net Assets
November 30, 2011

ASSETS:		Unaudited
Cash & Cash Equivalents	\$ 258,712	
Investments - General	7,940,482	
Investments - Debt Service	3,541,340	
Tax Increments Receivable - 2011	1,530	
Tax Increments Receivable - 2012	2,400,000	
Cost of Issurance	350,994	
Total Assets	<u>\$ 14,493,058</u>	
LIABILITIES:		
Accounts Payable	178,096	
Interest Payable on Note & Bonds	512,507	
Deferred Revenues	-	
Notes Payable	-	
Series 2002A Revenue Bonds-in 1yr	-	
Payable after-1yr	8,240,000	
Series 2009A Revenue Bonds-in 1yr	-	
Payable after-1yr	16,573,198	
Total Liabilities	<u>\$ 25,503,801</u>	
NET ASSETS:		
Accumulated		
Surplus/Deficit-Restricted	3,541,340	
Accumulated		
Surplus/Deficit-Unrestricted	(14,552,083)	
Total Net Assets	<u>(11,010,743)</u>	
Total Liabilities & Net Assets	<u>\$ 14,493,058</u>	

See Accountant's Report

DOWNTOWN REDEVELOPMENT AUTHORITY
Statement of Activity
For the Month and Period Ended November 30, 2011

Unaudited

	Month Ended November 30, 2011	Year to Date November 30, 2011	
REVENUES:			
Tax Increments	\$ 480,000	\$ 2,400,000	
Revenues	-	36,983	
Interest Income	674	3,256	
Total Revenue	<u>480,674</u>	<u>2,440,239</u>	
Expenditures/Expenses:			
Project Cost	1,617,982	1,635,074	
Administration Consultant	10,590	48,052	
Bank Charges	-	5	
Office Expenses	2,318	4,532	
Accounting	-	-	
Auditing	-	10,450	
Legal Consultants	1,020	5,100	
Other Consultants	-	-	
Telephone & Communication	-	-	
Travel Parking & Entertainment	-	-	
Cost of Issuance Amortization	-	-	
Administrative Support - Current	-	-	
Insurance	-	500	
Interest - Notes	-	-	
Interest - Bonds	115,113	575,565	
Municipal Services	-	-	
Total Expenditures/Expense	<u>1,747,023</u>	<u>2,279,278</u>	
Change in Net Assets	(1,266,349)	160,961	
NET ASSETS:			
Beginning of period- accumulated deficit	<u>(9,744,394)</u>	<u>(11,171,704)</u>	
End of Period-accumulated deficit	<u>\$ (11,010,743)</u>	<u>\$ (11,010,743)</u>	

See Accountant's Report

DOWNTOWN REDEVELOPMENT AUTHORITY
Special Cost Schedule
For the Month and Period Ended November 30, 2011

Unaudited

	Budgeted	Year to Date Expenses	(Over) Under Budget
MANAGEMENT CONSULTING SERVICES			
Accounting	\$ 6,800	\$ -	\$ 6,800
Administration Consultant	81,500	48,052	33,448
Auditor	10,500	10,450	50
Bond Services	4,600	-	4,600
Financial Advisor	3,500	-	3,500
Insurance	2,500	500	2,000
Office Expenses	3,500	4,537	(1,037)
Taxroll Advisor	7,000	-	7,000
Legal	21,000	5,100	15,900
Project/Program Management	50,700	-	50,700
TxDOT Sidewalk Project Co-Match	396,477	-	396,477
TOTAL	<u>\$ 588,077</u>	<u>\$ 68,639</u>	<u>\$ 519,438</u>
PROJECT COST			
Capital Expenditures			
Main Street Corridor E-W Improvements	\$ 2,000,000	\$ 83,770	\$ 1,916,230
Market Square Park	880,000	-	880,000
Pedestrian Bridge-Ballet Academy	1,500,000	1,500,300	(300)
City Hall Sidewalk Improvements	160,000	-	160,000
Main Street Upgrades	425,000	-	425,000
Julia Ideson Plaza	750,000	-	750,000
Walker Street Improvements	200,000	-	200,000
Congress Street Bridge Lighting	40,000	-	40,000
TxDOT Sidewalk Project	1,982,383	-	1,982,383
	<u>7,937,383</u>	<u>1,584,070</u>	<u>6,353,313</u>
Developer / Project Reimbursements			
Sabine to Bagby Promenade	194,767	-	194,767
402 Main Street	800,000	-	800,000
412 Main Street	257,571	-	257,571
500 Fannin	888,222	-	888,222
The Heritage Society	27,178	25,892	1,286
International Coffee Building	795,680	-	795,680
Club Quarters-Masterworks	129,578	-	129,578
Houston Pavilions	417,000	-	417,000
Bayou Place Sundance Theater	750,000	-	750,000
Developer / Project Reimbursements	<u>4,259,996</u>	<u>25,892</u>	<u>4,234,104</u>
Other	-	25,112	(25,112)
TOTAL PROJECT COST	<u>\$ 12,197,379</u>	<u>\$ 1,635,074</u>	<u>\$ 10,562,305</u>

**DOWNTOWN REDEVELOPMENT AUTHORITY
INVESTMENT REPORT
FOR THE MONTH AND PERIOD ENDED NOVEMBER 30, 2011
FISCAL YEAR 2012**

DOWNTOWN REDEVELOPMENT AUTHORITY
INVESTMENT REPORT
FOR THE MONTH AND PERIOD ENDED NOVEMBER 2011-FISCAL YEAR 2012
(NOVEMBER)

INVESTMENT TYPE	DATE OF PURCHASE	DATE OF MATURITY	BEGINNING BOOK VALUE	ENDING BOOK VALUE	CHANGES		INCOME RECEIVED THIS PERIOD	ENDING BOOK VALUE	ENDING MARKET VALUE	MATURITY VALUE
					PURCHASES	SALES & REDEMPTIONS				
PROJECT FUND										
THE BANK OF NEW YORK	VARIOUS	N/A	6,277	6,277	-	-	-	6,277	6,277	6,277
TOTAL PROJECT FUND			6,277	6,277	-	-	-	6,277	6,277	6,277
DEBT SERVICE FUND										
THE BANK OF NEW YORK	VARIOUS	N/A	229,941	229,941	-	-	-	229,941	229,941	229,941
TOTAL DEBT SERVICE FUND			229,941	229,941	-	-	-	229,941	229,941	229,941
DEBT SERVICE FUND (NEW)										
THE BANK OF NEW YORK	VARIOUS	N/A	475,790	475,790	-	-	-	475,790	475,790	475,790
TOTAL DEBT SERVICE FUND			475,790	475,790	-	-	-	475,790	475,790	475,790
SURPLUS FUND										
THE BANK OF NEW YORK	VARIOUS	N/A	279,819	279,819	-	-	-	279,819	279,819	279,819
TOTAL SURPLUS FUND			279,819	279,819	-	-	-	279,819	279,819	279,819
DEBT SERVICE RESERVE										
THE BANK OF NEW YORK	VARIOUS	N/A	1,085,609	1,085,609	-	-	-	1,085,609	1,085,609	1,085,609
TOTAL RESERVE FUND			1,085,609	1,085,609	-	-	-	1,085,609	1,085,609	1,085,609
COST OF ISSUANCE										
THE BANK OF NEW YORK	VARIOUS	N/A	7,540	7,540	-	-	-	7,540	7,540	7,540
TOTAL COST OF ISSUANCE			7,540	7,540	-	-	-	7,540	7,540	7,540
PLEGGED REVENUE										
THE BANK OF NEW YORK	VARIOUS	N/A	167,068	167,068	-	-	-	167,068	167,068	167,068
TOTAL PLEGGED REVENUE			167,068	167,068	-	-	-	167,068	167,068	167,068
PROJECT FUND (NEW)										
THE BANK OF NEW YORK	VARIOUS	N/A	526,013	526,013	-	-	-	526,013	526,013	526,013
TOTAL PROJECT FUND			526,013	526,013	-	-	-	526,013	526,013	526,013
RESERVE FUND (NEW)										
THE BANK OF NEW YORK	VARIOUS	N/A	1,750,000	1,750,000	-	-	-	1,750,000	1,750,000	1,750,000
TOTAL RESERVE FUND			1,750,000	1,750,000	-	-	-	1,750,000	1,750,000	1,750,000
COST OF ISSUANCE (NEW)										
THE BANK OF NEW YORK	VARIOUS	N/A	38,500	38,500	-	-	-	38,500	38,500	38,500
TOTAL COST OF ISSUANCE			38,500	38,500	-	-	-	38,500	38,500	38,500
TEXAS STAR FUNDS										
TEXSTAR	VARIOUS	N/A	6,915,248	6,915,248	674	1,632,000	674	6,915,248	6,915,248	6,915,248
TOTAL TEXSTAR FUND			6,915,248	6,915,248	674	1,632,000	674	6,915,248	6,915,248	6,915,248
OTHER										
TOTAL INVESTMENTS	VARIOUS	N/A	13,113,151	13,113,151	674	1,632,000	674	11,481,825	11,481,825	11,481,825

**DOWNTOWN REDEVELOPMENT AUTHORITY
TAX INCREMENT CONTRACT REVENUE REFUNDING BONDS, SERIES 2012
DISTRIBUTION LIST**

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**DOWNTOWN REDEVELOPMENT AUTHORITY
TAX INCREMENT CONTRACT REVENUE REFUNDING BONDS, SERIES 2012
DISTRIBUTION LIST**

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**DOWNTOWN REDEVELOPMENT AUTHORITY
TAX INCREMENT CONTRACT REVENUE REFUNDING BONDS, SERIES 2012
DISTRIBUTION LIST**

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ZONE MINUTES

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

January 10, 2012

The Board of Directors (the “Board”) of Reinvestment Zone Number Three, City of Houston, Texas (the “Zone”) convened in regular session, open to the public, at the offices of Houston Downtown Management District, on the 10th day of January 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 Hamm, Odom, and Lampley, thus constituting a quorum.

Also present were: TataLease Derby, Executive Administrator of the Authority; Clark Lord and Athea Davis of Vinson & Elkins LLP; Bob Eury, Heather Hinzie, Angie Bertinot, Anton Sinkewich and Laura Van Ness of Houston Downtown Management District (“HDMD”); Donna Capps, Neil Rackleff, Tim Douglass, Ryan Bibs, Linda Colson, and Ralph De Leon of the City of Houston; Alejandro Colom, Heidi Williams, and Eric Emerson of Leadership Houston Class XXX – 2012; Ashley Allen of First Southwest Company; George Baugh of George Baugh III & Company; William R. Franks of 806 Main; Sloan Holly of Pearl Hospitality; Tom McCasland of the Houston Parks Board; Karen Mulville of Houston Pavilions; Leslie Garvis and Brian Keene of FMG Design; Veda Graves of Lockwood, Andrews, and Newman (“LAN”); 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 introduced and welcomed new director, Barry Mandel to the Board. The meeting attendees next introduced themselves to the Board.

APPROVE MINUTES OF PREVIOUS MEETINGS

The Board considered approving the minutes of November 8, 2011. Following discussion, upon a motion made by Director Flowers and seconded by Director Keyser, the Board voted unanimously to approve the minutes of November 8, 2011.

ECONOMIC DEVELOPMENT PROJECTS

Houston Pavilions

Ms. Mulville reported that Houston Pavilions hired Bryan _____ of FMG Design to begin work on the design of the Dallas Street improvements. Mr. _____ next presented several design improvements for Dallas Street to the Board. Discussion next ensued on the cost for the improvements and Ms. Mulville stated that Houston Pavilions is going to give approximately \$20,000 to the tenants to improve their patios and that the balance will be used for the remaining improvements. Ms. Derby and Mr. Lord indicated that the Board needed to see a written agreement for the improvements that is in line with the Authority's agreement with the Houston Pavilions. Mr. Lord next stated that the Board can authorize the Economic Development Committee to approve the formal plan.

Following discussion, upon a motion made by Director Sabino and seconded by Director Flowers, the Board voted unanimously to authorize the Economic Development Committee to approve the concept of the plan and finalize same.

Additional matters concerning this item were further discussed in executive session.

EXECUTIVE SESSION

The Board went into executive session at 2:17 p.m. pursuant to Sections 551.071 and 551.087 of the Texas Government code to consult with their attorney and discuss economic development negotiation issues in connection with the Houston Pavilions. Present for executive session were the following: all present Board members noted in these minutes, Mr. Lord, Ms. Davis, Mr. Douglass, Ms. Capps, and Ms. Derby.

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

The Board reconvened in open session at approximately 2:54 p.m. Following discussion on matters discussed in executive session, the Board did not take any action.

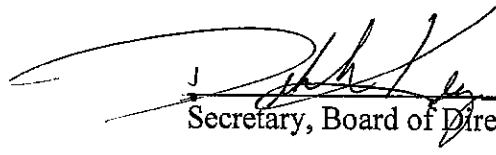
NEXT MEETING

Chair Peña reported that the next meeting will occur on February 14, 2012.

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

[Signature page follows]

Secretary, Board of Directors



Secretary, Board of Directors