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

February 14, 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 14th day of February 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 and Lampley, thus constituting a quorum.

Also present were: TataLease Derby, Executive Administrator of the Authority; Clark Lord and Barron Wallace of Bracewell & Giuliani LLP; Athea Davis of Vinson & Elkins LLP; Bob Eury and Anton Sinkewich of Houston Downtown Management District (“HDMD”); Laura Van Ness of Central Houston, Inc.; Dr. Rhea Lawson of the Houston Public Library (“HPL”); Donna Capps, Tim Douglass, and Ralph De Leon of the City of Houston; Captain Bryan Bennett of the Houston Police Department (“HPD”); George Baugh of George Baugh III & Company; Nancy Sarnoff of the Houston Chronicle; Kip Platt of PRA; and Geoff Jones of the Houston Pavilions

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

# APPROVE MINUTES OF PREVIOUS MEETINGS

The Board considered approving the minutes of January 10, 2012. Following discussion, upon a motion made by Director Keyser and seconded by Director Odom, the Board voted unanimously to approve the minutes of January 10, 2012, as revised.

**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 McNiel, 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 for the period ending December 31, 2011, copies of which are attached to these minutes. Following discussion, upon a motion made by Director Mandel and seconded by Director Odom the Board voted unanimously to approve the financial status and investment report.

Annual Arbitrage Reports

 Ms. Derby presented the arbitrage services renewal with First Southwest Company for the Board’s review and approval, noting that the costs for arbitrage services are lower in this agreement. Following discussion, upon a motion made by Director Flowers and seconded by Director Keyser, the Board voted unanimously to approve the arbitrage services renewal with First Southwest Company.

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

Ms. Derby updated the Board on the status of the refunding transaction. She reported that the due diligence committee will be reviewing the draft preliminary official statement at the end of the month. Following discussion, no Board action was required.

**MUNICIPAL SERVICE/HPD OVERTIME PROGRAM**

 Captain Bennett presented the municipal services report.

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

Market Square Park

 Ms. Derby reported that HDMD has identified a firm for the trellis redesign and will rebid the construction, noting that the proposed improvements will require a new agreement with HDMD at an estimated cost of $550,000 for the redesign. Ms. Derby further reported that the Economic Development Committee recommends approval of the redesign and the new agreement. Following discussion, upon a motion made by Director Odom and seconded by Director Keyser, the Board voted unanimously to enter into an agreement with HDMD in an amount not to exceed $550,000 for the design and construction of the trellis at Market Square Park.

Houston Public Library

 Ms. Derby reported that the Houston Public Library (“HPL”) is requesting $50,800 from the Authority to engage PPS related to improvements to the HPL plaza. She next reported that the Economic Development Committee has approved this request. Following discussion, upon a motion made by Director Mandel and seconded by Director Flowers, the Board voted unanimously to enter into an agreement with HPL in an amount not to exceed $50,800 to engage PPS for services related to the improvement of HPL plaza.

**ECONOMIC DEVELOPMENT PROJECTS**

Houston Pavilions

 This item was discussed in executive session.

Comcast/NBC Universal Studios

 This item was discussed in executive session. Following discussion in open session, upon a motion made by Director Keyser and seconded by Director Mandel, the Board authorized the Chair and the Economic Development Committee to issue a Letter of Intent up to $106,000 of TIRZ increment per year for the next 10 years contingent upon receiving more information from and continuing negotiations by the City of Houston in connection with the proposed Comcast/NBC Universal Studios construction in the Houston Pavilions.

**HOUSING/FAÇADE GRANT PROJECTS**

 Mr. Platt gave a presentation to the Board regarding the renovation of the Texaco Building and requested $14MM from the Authority for historic façade construction.

 Other matters concerning this item were discussed in executive session. Following discussion in open session, upon a motion made by Director Odom and seconded by Director Keyser, the Board voted unanimously to authorize staff and legal counsel to negotiate with Mr. Platt an amount to contribute to the project not to exceed the eligible costs or increment generated.

**WALKWAY AND STREETSCAPE IMPROVEMENT PROJECTS**

 Ms. Derby reported that legal counsel will be reviewing the contracts. Ms. Derby next presented the HVJ proposal for materials testing for the Board’s review and approval. She stated that the Economic Development Committee recommends approval of the proposal. Following discussion, upon a motion made by Director Odom and seconded by Director Mandel, the Board voted unanimously to approve the proposal with HVJ for materials testing in an amount not to exceed $30,000.

 Ms. Derby next presented the LAN and Swayzer Engineering invoices for review and approval. Following discussion, upon a motion made by Director Flowers and seconded by Director Mandel the Board approved the LAN and Swayzer Engineering invoices.

**HOUSTOWN DOWNTOWN MANAGEMENT DISTRICT**

 There was not update on this item.

**EXECUTIVE SESSION**

 The Board went into executive session at 1:16 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 a grant request from Mr. Platt related to renovations to the Texaco Building. Present for executive session were the following: all present Board members noted in these minutes, Mr. Lord, Ms. Davis, Mr. Douglass, Ms. Capps, Mr. Eury, Mr. Wallace, and Ms. Derby.

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

#  The Board reconvened in open session at approximately 2:11 p.m. Following discussion on matters discussed in executive session, the Board took action in open session under the economic development projects and housing/façade grant projects item.

**NEXT MEETING**

Chair Peña reported that the next meeting will occur on March 13, 2012. Ms. Derby also discussed upcoming committee meetings.

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

Secretary, Board of Directors

**LIST OF ATTACHMENTS**

[Check Register 2](#_Toc321312289)

[Financial Status Report 2](#_Toc321312290)