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

October 9, 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 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**

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.

**ECONOMIC DEVELOPMENT PROJECTS**

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.

**EXECUTIVE SESSION**

The Board did not meet 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 open session.

**NEXT MEETING**

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

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

[*Signature page follows*]

Secretary, Board of Directors