

MINUTES OF THE BOARD OF DIRECTORS MEETING
TIRZ 17 Redevelopment Authority/Memorial City Redevelopment Authority
City of Houston, Texas

May 27, 2014

The Board of Directors (the "Board") of the TIRZ 17 Redevelopment Authority/Memorial City Redevelopment Authority (the "Authority") met in regular session, open to the public, on May 27, 2014, at Four Points by Sheraton, 10655 Katy Freeway, Wycliffe Room, Houston, Texas 77024.

Board members in attendance:

Ann T. Givens, Chair
Glenn Airola, Secretary
Bob Tucker, Assistant Secretary
Zachary R. Hodges, Director
David A. Hamilton, Director
John Rickel, Director

Staff in attendance:

Don Huml - Executive Director

Consultants in attendance:

Michelle Lofton - ETI Bookkeeping Services
Muhammad Ali and Raphael Ortega - Lockwood, Andrews & Newnam, Inc. ("LAN")
Jessica Holoubek and Kristen Hogan - Allen Boone Humphries Robinson LLP ("ABHR")
Gary Struzick, Joe Zimmermann, and Wayne Klotz - Klotz Associates, Inc. ("Klotz")
David Smalling - RBC Capital Markets
Jim Jard and Marlene Gafrick - MetroNational

City of Houston (the "City") representatives in attendance:

Ralph De Leon and Marta Crinejo
Amy Peck, Chief of Staff for City Council Member Brenda Stardig

1. Call Meeting to Order

Having established that a quorum of the Board was present, Mr. Huml called the meeting to order at 7:33 a.m.

2. Public Comments

Ms. Virginia Gregory commented on the original construction and current

functionality of the Conrad Sauer detention basin. She reviewed a topography exhibit from a Harris County Flood Control District study.

Mr. Ed Browne commented on the FY2015 CIP and encouraged inclusion of various projects.

Ms. Donna Freeman commented on the lack of detention facilities in the Memorial area. She also expressed concerns regarding development in the area by Midway and MetroNational.

Mr. Hugh Rawl presented and reviewed written comments regarding the original purpose of the Conrad Sauer detention basin and potential impact on other Authority detention basins.

Ms. Roberta Prazak commented on drainage matters, including public involvement in Authority efforts to assess regional detention options.

3. Minutes of April 29, 2014 Meeting

The Board reviewed the minutes of the April 29, 2014, regular meeting. Following review and discussion, Director Givens moved to approve the minutes as submitted. The motion was seconded by Director Hodges and carried unanimously.

4. Financial and Bookkeeping Matters

Ms. Lofton reviewed the financial report for April and presented checks for payment by the Authority. After review and discussion, Director Hamilton moved to approve the financial report and payment of the bills presented. The motion was seconded by Director Airola and carried unanimously.

5. Local Interaction Group Report and Update

Director Hamilton said the Local Interaction Group did not meet during the prior month.

6. Approve Development Agreement between Memorial City Redevelopment Authority and MetroNational for Revitalizing the Conrad Sauer Detention Basin

Mr. Huml reviewed the history of discussions on this matter.

Ms. Holoubek reviewed a proposed Term Sheet for Development Agreement between Memorial City Redevelopment Authority and MetroNational ("Term Sheet"),

which outlines the terms by which MetroNational will design and construct the Conrad Sauer detention basin rehabilitation and expansion project, as well as the Mathewson Road extension, and the Authority will reimburse MetroNational. She said upon Board approval of the Term Sheet, it will be sent to the City for final approval prior to preparation and execution of a Development Agreement. Discussion ensued regarding the feasibility for the Authority to issue future debt, coordination among MetroNational and Klotz to consider the impact of the project on surrounding and downstream areas, and input from the Board on the design plans. Mr. Zimmermann said Klotz will coordinate with all involved entities to obtain input prior to final plan approval. Mr. Jard said MetroNational supports the inclusion of a provision in the Development Agreement providing that plans will be presented for approval by the Authority at each phase of design. Director Rickel recommended an additional revision to the Term Sheet to reflect the Authority's discretion regarding the source of funds and timing for future reimbursement to MetroNational following the issuance of bonds. After review and discussion, Director Rickel moved to (1) approve the Term Sheet with the discussed revisions regarding plan approval and reimbursement timing and (2) authorize final negotiation (by ABHR and Executive Director Don Huml) and execution of a Development Agreement based on the revised Term Sheet. Director Hodges seconded the motion. Director Rickel requested a record vote. Upon Director Rickel's request for a record vote on the motion, all Directors in attendance voted aye and the motion passed by unanimous vote.

7. Special Presentation to the Board: "Fiscal Year 2015-2019 Capital Improvement Plan and CIP Committee Recommendations"; Report from Subcommittee on FY2015 CIP Prioritization, Discuss/Adopt Capital Improvement Plan and Budget for Fiscal Year End June 30, 2015, and Authorize Submittal to the City of Houston

Director Hamilton reported on efforts of the CIP Committee and other participants who served as an advisory team to develop recommendations for the 2015 CIP, including budgeting and project prioritization. Mr. Huml recognized and commended the members of the CIP Committee (Directors Hamilton, Tucker, and Rickel) and advisory team (Messrs. De Leon, Ortega, Struzick, Smalling, and Huml) on their efforts. Mr. Huml then gave a 2015-2019 CIP presentation, including a proposed 2015 CIP prioritization summary, justification, and budget.

The Board discussed funds included in the proposed 2015 budget for Lumpkin Road improvements from IH 10 to Westview. Mr. Ali explained that the proposed CIP includes drainage and landscaping improvements from IH 10 to Westview and additional detention and drainage improvements outside the boundaries of the Zone to allow for the future expansion from Westview to Northbrook. He discussed the improvements north of Westview that were excluded because such property is not within the boundaries of the Zone. Mr. De Leon discussed the process to initiate the

City's annexation of Lumpkin Road north of Westview into the Zone's boundaries as well as the ability for the Authority to construct improvements outside of the Zone's boundaries that provide an overall benefit to the Zone. He discussed the allocation of detention and land acquisition projects over the next four years. He said these line items may be considered each year in connection with the Authority's annual budget.

Director Givens recommended an additional CIP Committee meeting to modify the CIP to clarify project descriptions and make any necessary prioritization adjustments, based on today's meeting discussions. Director Hamilton reported on the CIP Committee's discussions and reasoning for including or excluding certain projects. Director Givens recommended that the Board consider establishing a standing two-member CIP Committee to work on CIP matters throughout the year. Following discussion and upon a motion made by Director Givens and seconded by Director Hamilton, the Board voted unanimously to table adoption of the 2015 CIP budget until the next regular meeting or a special meeting, following an additional meeting of the CIP Committee.

8. Discuss Proposal from LAN for Detailed Design for CIP T-1717 Town & Country West Drainage and Mobility Improvements Phase II

Mr. Huml discussed a proposal from LAN for engineering services associated with the design of phase II drainage and mobility improvements for Town & Country West. The Board concurred for the Directors to review the proposal for consideration at next month's meeting.

9. Barryknoll East Improvement Project

Mr. Ali updated the Board on the Barryknoll East roadway and drainage improvement project by Texas Sterling Construction Co. ("Texas Sterling"). He reviewed Change Order No. 3, which increases the total contract amount by \$18,969.60 and increases the total contract time by 106 days. Mr. Ali said the additional cost and time is due to AT&T delays in relocating its facilities. Following discussion and review and based upon the engineer's recommendation, Director Rickel moved to approve Change Order No. 3 for an increase of \$18,969.60 to the total contract amount and an increase of 106 days to the total contract time. The motion was seconded by Director Givens and carried unanimously.

Mr. Ali then recommended payment of Pay Estimate No. 11 in the amount of \$95,416.57. Following review and discussion and based upon the engineer's recommendation, Director Givens moved to approve Pay Estimate No. 11 in the amount of \$95,416.57 to Texas Sterling. The motion was seconded by Director Airola and carried unanimously.

10. W140 Detention Basin Project

Mr. Ali reported on the Briar Branch detention basin package by L.N. McKean, Inc. Director Rickel reported on trees in the basin that appear to be dead. Mr. Ali said he will address the issue with the contractor.

Mr. Ali reviewed Change Order No. 2 for final quantity adjustments, which decreases the total contract amount by \$378,092.61. Following review and discussion and based upon the engineer's recommendation, upon a motion made by Director Hamilton and seconded by Director Rickel, the Board voted unanimously to approve Change Order No. 2 for a net decrease of \$378,092.61.

Mr. Ali next recommended payment of Pay Estimate No. 7 in the amount of \$101,411.74. Following review and discussion and based upon the engineer's recommendation, Director Givens moved to approve Pay Estimate No. 7 in the amount of \$101,411.74 to L.N. McKean, Inc. Director Tucker seconded the motion, which passed unanimously.

11. Executive Director's Report

The Board concurred to table the Executive Director's report. In response to questions from Director Rickel, Mr. Huml said he will forward preliminary annexation maps to the Board and will bring copies to next month's meeting. Mr. De Leon recommended that the proposed 2015 budget be included in next month's Board packet. Director Givens clarified an earlier comment regarding prioritization of detention improvements.

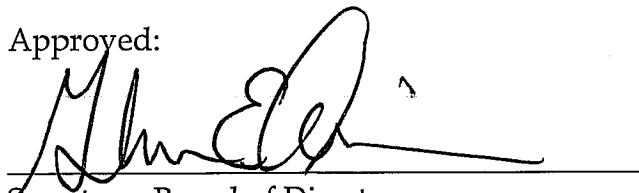
12. Convene in Executive Session Pursuant to Section 551.072, Texas Government Code, to Deliberate the Purchase, Exchange, Lease or Value of Real Property

The Board concurred it was not necessary to convene in executive session.

13. Adjournment

There being no additional matters for the Board's consideration, the meeting was adjourned.

Approved:



Secretary, Board of Directors

TIRZ 17 Redevelopment Authority City of Houston, Texas