

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

September 30, 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 September 30, 2014, at Four Points by Sheraton, 10655 Katy Freeway, Wycliffe Room, Houston, Texas 77024.

Board members in attendance:

Ann T. Givens, Chair
Brad Freels, Vice Chair
Bob Tucker, Assistant Secretary
David A. Hamilton, Director
Glenn Airola, Secretary

Board members not in attendance:

John Rickel, Director
Zachary R. Hodges, Director

Staff in attendance:

Don Huml - Executive Director

Consultants in attendance:

Michelle Lofton of ETI Bookkeeping Services
Raphael Ortega and Muhammad Ali of Lockwood, Andrews & Newnam, Inc. ("LAN")
Ramesh Gunda of Gunda Corporation, LLC
Carlos Bujosa of Transwestern
Jessica Holoubek and Kristen Hogan of Allen Boone Humphries Robinson LLP ("ABHR")
Gary Struzick - Klotz Associates, Inc. ("Klotz")
Steve Bonjonia of Property Acquisition Services, LLC ("PAS")
Joseph Ellis of McCall Gibson Swedlund Barfoot PLLC
James Vick of SWA Group
Jim Webb and Barry Goodman of The Goodman Corporation ("TGC")

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

Jennifer Curley and Omar Izfar
City Council Member Oliver Pennington
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 8:00 a.m.

2. Public Comments

Council Member Pennington commented on development in the area and future improvements to accommodate new development. He commended the Board for its efforts, including the community meeting held during the prior month to discuss the proposed annexation of property into the TIRZ 17 boundaries. He encouraged the Board to continue its efforts to evaluate and proceed with improvement projects to improve livability in the area.

Mr. Robert Benz thanked the Board for holding the recent community meeting and allowing for public input on Authority matters and projects. He commented on the importance of community involvement and drainage and mobility improvements.

Mr. Peter Gilmore commented on the annexation maps discussed at the community meeting and encouraged the Board to provide additional information regarding the timing and process for the future annexation of additional property included in the "Plan B" map that is not being included in the current annexation.

Ms. Roberta Prazak commented on the community meeting and asked whether minutes of the meeting would be available. She also questioned mobility plans for Memorial and Gessner and commented on transparency.

Mr. Ed Browne commented on neighborhood representation by Directors Rickel and Tucker. He commented on discussions at the community meeting and efforts to obtain information on discussions from the meeting. He commented on the need for additional evaluation of the plans for Memorial and Gessner. He also commented on the importance of the drainage "straws" to assist with drainage in the neighborhoods.

Ms. Virginia Gregory presented pictures of the Memorial area following Hurricane Ike and a heavy rainfall event in 2009. She commented on the need for improvements to Briar Branch Creek.

Ms. Donna Freeman commented on the Local Interaction Group and Authority information made available to the public. She commented on information she is distributing to neighbors regarding annexation and project plans.

3. Minutes of August 15, 2014 Meeting

The Board reviewed the minutes of the August 15, 2014, special meeting. Following review and discussion, Director Tucker moved to approve the minutes as submitted. The motion was seconded by Director Hamilton and carried unanimously.

4. Minutes of August 26, 2014 Meeting

The Board reviewed the minutes of the August 26, 2014, regular meeting. Following review and discussion, Director Tucker moved to approve the minutes as submitted. The motion was seconded by Director Airola and carried unanimously.

5. Financial and Bookkeeping Matters

Ms. Lofton reviewed the financial report for August and presented checks for payment by the Authority. She then discussed two additional checks not reflected in her report as follows: (1) check no. 10265 in the amount of \$15,226.04 for payment of two invoices from Klotz; and (2) check no. 10266 in the amount of \$133,117.07 for payment of two invoices from LAN. Ms. Lofton said the checks will be reflected on next month's report. After review and discussion, Director Hamilton moved to approve the financial report and payment of the bills presented, including the two additional checks presented by Ms. Lofton. The motion was seconded by Director Givens and passed by unanimous vote.

6. Audit for Fiscal Year Ending June 30, 2014

Mr. Ellis reviewed the audit for the fiscal year ending June 30, 2014, and the related management representation letter. Following review and discussion, Director Givens made a motion to approve the audit for the fiscal year ending June 30, 2014, and to authorize submittal of the audit to the City. The motion was seconded by Director Freels and carried by unanimous vote.

7. Local Interaction Group Report and Update

Director Hamilton reported on discussions at the previous Local Interaction Group meeting held on September 25, 2014, including discussions regarding a community meeting to discuss Briar Branch improvements. He also reported on discussions regarding drainage projects, annexation plans, and concerns regarding plans for Memorial and Gessner. Director Hamilton said future Local Interaction Group meetings will be held every other month and the Authority may alternate Board member attendance at the meetings. He said anyone interested in attending Local Interaction Group meetings should contact Mr. Huml for meeting information.

Director Givens said the informational session regarding Briar Branch will be held at the next super neighborhood west meeting on November 13, 2014.

8. Renewal of Insurance

Mr. Huml reviewed the 2014-2015 insurance renewal proposals from Texas Municipal League for general liability, automobile liability, and errors and omissions

liability coverage for the Authority and TIRZ 17, effective October 1, 2014. Mr. Huml noted that the Authority also carries worker's compensation coverage. In response to questions, Mr. Huml said the coverages are the same and the premium slightly increased from last year's premium. After review and discussion, Director Givens made a motion to renew insurance coverage with the Texas Municipal League intergovernmental risk pool. Director Hamilton seconded the motion, and it passed unanimously.

9. Ratify FY 2015 Operating Budget and 2015-2019 CIP Plan as Approved by City Council

This item was tabled until the next Board meeting.

10. Report on Status of Annexation and Update on Public Comment Period

Mr. Huml reported on comments received regarding the proposed annexation of property into the TIRZ 17 boundaries, noting the 30-day public comment period ended on September 30, 2014. He reported on discussions at the community meeting held on September 15, 2014.

11. Proposal from Property Acquisition Services, LLC to Prepare Metes and Bounds Survey for Annexation Areas North of Interstate 10

The Board reviewed a proposal from PAS to prepare a revised Zone boundary map to include the proposed annexation tracts. Upon a motion made by Director Givens and seconded by Director Airola, the Board voted unanimously to approve the proposal for a total cost not to exceed \$12,000.

12. Task Order from LAN for CIP #1738A Memorial Drive Drainage and Mobility Phase I Preliminary Engineering Report

The Board reviewed a proposal from LAN to prepare a phase I preliminary engineering report for drainage, road, pedestrian, public utility, and traffic improvements along Memorial Drive between the Beltway 8 frontage road and Tallowood Road for a cost of \$428,600. After review and discussion, Director Hamilton moved to approve the proposal from LAN. Director Freels seconded the motion, which passed unanimously. Mr. Huml noted that the Board's approval of the LAN proposal is subject to the City's approval of the TIRZ 17 budget which includes this project. Ms. Curley added that the budget is scheduled for consideration by City Council on October 14, 2014.

13. Task Order from Klotz for CIP #1732A North Gessner Drainage and Mobility Phase II Detailed Design

The Board reviewed a proposal from Klotz for phase II detailed design services for the North Gessner drainage and mobility improvements project, including North Gessner reconstruction from Interstate 10 to north of Westview Drive. Mr. Huml noted the total cost for the engineering services is not to exceed \$619,360, and Board approval of the proposal is subject to the City's approval of the TIRZ 17 budget which includes this project. Following review and discussion, Director Tucker moved to approve the proposal from Klotz. Director Hamilton seconded the motion, which passed unanimously.

14. Discussion Regarding a TIRZ 17 and Moody Rambin Agreement for the Town & Country Blvd. and Queensbury Lane Intersection Realignment

Mr. Huml reviewed drawings showing proposed plans to realign the intersection of Town & Country Blvd. and Queensbury Lane. He discussed the possibility of the Authority entering into a development agreement with Moody Rambin for reimbursement of the project costs. Mr. Huml reviewed a proposal submitted by Gunda Corporation, LLC to Moody Rambin for engineering design and construction services associated with the project. Mr. Gunda responded to questions from the Board regarding the proposed project. Director Airola recommended that the Board receive a presentation from the design engineer for any new projects requested for Board consideration in order to determine the preliminary plans, purpose, and benefits of the project. After discussion, the Board concurred to table this item and to request a more detailed presentation on the project at a future meeting, including the proposed terms for a development agreement.

15. Task Order from Gunda Corporation for Peer Review of Conrad Sauer Design

Mr. Gunda reviewed a proposal from Gunda Corporation, LLC to provide peer review services associated with the design of the Conrad Sauer detention basin revitalization project. Director Hamilton requested that the proposal be revised to reflect a total "not-to-exceed" cost based on actual time and materials in lieu of a lump sum cost. Mr. Gunda said he will revise the proposal to reflect a total cost not to exceed \$24,990 based on time and materials. Director Hamilton moved to approve the proposal with the discussed revision. Director Tucker seconded the motion, which passed unanimously.

16. Presentation to the Board: CIP #1717 Town and Country West Drainage and Mobility; Drainage Optimization Eastward

Mr. Huml gave an introduction regarding this project. The Board then received a presentation from Mr. Ali regarding the purpose and goals of the project to improve drainage, with modeling based on the 100-year floodplain maps. Mr. Ali reviewed three options for the scope of the project and recommended proceeding with option IIIA. Discussion ensued regarding the amount included in the CIP for the project, which would only cover the cost associated with option III. The Board discussed the possibility of allocating additional funds for the project to achieve additional drainage capacity based on the expanded scope of option IIIA. Mr. Huml said LAN will prepare a task order for engineering design for the Board's consideration at the next meeting.

17. Proposal from The Goodman Corporation for Professional Services to Assist TIRZ 17 to Identify and Implement Grant Funding Opportunities

Mr. Goodman gave a follow-up presentation to the Board regarding state and federal grant funds available and the services provided by TGC to assist entities with identifying and applying for grant funding opportunities. He reviewed a proposal prepared for the Board's consideration, which reflects a total cost of \$115,000-\$130,000 to assist the Authority with pursuing grant funds. Discussion ensued regarding the lump sum fee structure that is unrelated to success of obtaining grant funds. Mr. Goodman discussed the successful record of TGC in obtaining grant funds for its clients, including many special purpose districts. Director Hamilton moved to approve the proposal from TGC, with instructions to Mr. Huml that back-up documentation be provided to the Board with invoices submitted by TGC in the same manner as with invoices from other consultants. Discussion ensued regarding various sources of grant funds available for the Authority to pursue. The Board expressed concerns about approving the proposal from TGC without knowing whether any projects included in the Authority's CIP would be eligible for grant funds. Mr. Goodman said TGC has reviewed the Authority's CIP with Mr. Huml and identified projects that may qualify for federal grant funds. Discussion then ensued regarding the timing for pursuing grant funds prior to the bidding process. After discussion, Director Hamilton withdrew his motion. The Board directed TGC to coordinate with Mr. Huml to prepare a summary of potential grant funds available for projects included in the Authority's CIP.

18. Task Order from SWA Group for CIP #1725 Parks and Greenspace Improvements, Professional Design Services - On Call Services

The Board reviewed a work order for Professional Design Services—On Call Services with SWA Group in an amount not to exceed \$18,000. Mr. Huml noted the work order will allow SWA Group, under his direction, to research the area to develop specific projects. Director Hamilton requested that a breakdown of the hourly fees be

provided with invoices submitted by SWA Group. Following review, Director Airola moved to approve the work order with SWA Group in an amount not to exceed \$18,000. Director Hamilton seconded the motion, and it carried by unanimous vote.

19. Barryknoll East Improvement Project

Mr. Ali updated the Board on the Barryknoll East roadway and drainage improvement project by Texas Sterling Construction Co. He noted the contractor is currently addressing punch list items. Mr. Ali reviewed and recommended payment of Pay Estimate No. 15 in the amount of \$158,742.09. Following discussion and review and based upon the engineer's recommendation, Director Airola moved to approve Pay Estimate No. 15 in the amount of \$158,742.09 to Texas Sterling Construction Co. The motion was seconded by Director Freels and carried unanimously.

20. Executive Director's Report

Mr. Huml reviewed status reports on the Briar Branch drainage improvements project and the Lumpkin Road drainage and mobility project.

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

At 9:50 a.m., Mr. Huml announced the Board would convene in executive session to deliberate the purchase, exchange, lease or value of real property. All attendees left the meeting except the Board members, Mr. Huml, Ms. Curley, Ms. Holoubek, Ms. Hogan, Mr. Ortega, Mr. Ali, Mr. Izfar, Mr. Struzick, Mr. Bujosa, and Mr. Bonjonia.

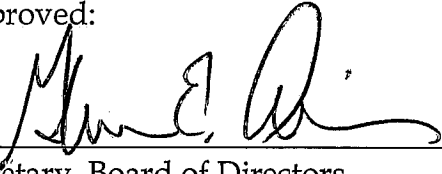
22. Reconvene in Open Session and Authorize Appropriate Action Regarding the Purchase, Exchange, Lease or Value of Real Property

At 10:27 a.m., Mr. Huml announced the Board would reconvene in open session. Director Freels left the meeting. Upon reconvening in open session, Director Airola moved to authorize Director Freels to negotiate and execute a purchase and sale agreement. Director Givens seconded the motion, which passed unanimously.

23. Adjournment

There being no additional matters for the Board's consideration, Director Givens moved to adjourn the meeting. Director Hamilton seconded the motion, which passed unanimously.

Approved:

A handwritten signature in black ink, appearing to be "M. E. A.", written over a horizontal line.

Secretary, Board of Directors

TIRZ 17 Redevelopment Authority City of Houston, Texas