

MINUTES OF THE BOARD OF DIRECTORS MEETING
TIRZ 17 Redevelopment Authority/
Memorial City Redevelopment Authority
City of Houston, Texas
December 4, 2007

A meeting of the Board of Directors ("Board") of the TIRZ 17 Redevelopment Authority/ Memorial City Redevelopment Authority, was held on Tuesday, December 4, 2007 at 7:30 a.m. in the Memorial Hermann Hospital's Memorial City Conference Room, 920 Frostwood, Houston, Texas 77024. The meeting was open to the public.

Board members in attendance:

Charles Turet, Chair
Ken Arnold
Terry Cheng
Dan Moody, III
Carolina Weitzman

Board members not in attendance:

None

City of Houston representatives in attendance:

Robert Fiederlein

Consultants in attendance:

Linda Canik – ETI Accounting Services
Trey Lary, Susan Hostetler – Allen Boone Humphries Robinson LLP ("ABHR")
Rafael Ortega, Chuck Rogers, Derek St. John – Lockwood, Andrews & Newnam, Inc. ("LAN")
Duncan Lamme – RBC Capital Markets

Staff in attendance:

Pat Walters – Executive Director
Perry Pace – Project Manager

1. Call meeting to order, take attendance and verify that a quorum is present

Charles Turet called the meeting to order. A quorum was present. Agenda Items 3 and 4 were considered out of order. All other agenda items were considered in order.

2. Discuss and approve minutes of the November 6, 2007 Board Meeting

Following review and discussion, Carolina Weitzman moved to approve the minutes of the November 6, 2007 Board meeting. The motion was seconded by Dan Moody and carried unanimously.

3. Receive Financial Report and approve payment of invoices

Linda Canik reviewed the financial report as of November 30, 2007. The Board also reviewed the updated contract expense report. Director Arnold requested that the contract expense report and related invoices be coded so that each expenditure may be more readily traced to each project.

The Board discussed reimbursing its operating account from future bond proceeds. Dan Moody made a motion to allow future bond proceeds to be used to reimburse the operating account for all eligible engineering and other construction expenses, going back the maximum allowed period. Terry Cheng seconded the motion and it carried unanimously.

Dan Moody made a motion to approve the financial report and payment of the invoices presented. Carolina Weitzman seconded the motion, and it passed unanimously, with Terry Cheng abstaining from approval of invoices relating to LAN and TCB.

4. Approve Depository Pledge Agreement with Amegy Bank

Mr. Lary reviewed the Depository Pledge Agreement with Amegy Bank. He stated the agreement provides for the pledging of collateral to secure the Authority's accounts, in accordance with State law. Following discussion, Dan Moody made a motion to approve the Depository Pledge Agreement with Amegy Bank. Carolina Weitzman seconded the motion, and it passed by unanimous vote.

5. Report on the Authority's tax increment contract revenue bonds and authorize appropriate action, including designating a paying agent/registrar

Mr. Lamme and Mr. Walters updated the Board on the status of the Authority's \$10,000,000 tax increment contract revenue bonds and reviewed a schedule for sale of the bonds. Mr. Lamme discussed private placement of the bonds with Bank of America. The Board discussed designating Wells Fargo Bank as paying agent/trustee for the bonds. Carolina Weitzman made a motion to designate Wells Fargo Bank as paying agent/trustee of the Authority's \$10,000,000 tax increment contract revenue bonds. Dan Moody seconded the motion, which carried unanimously.

6. Discuss and take necessary action on Line of Credit

Mr. Lamme updated the Board regarding a possible line of credit with Amegy Bank. He estimated he would have a recommendation for Board action at the January meeting. The Board took no action regarding this agenda item.

7. Report on status of Gessner Widening Project and authorize appropriate action

The Board then received an update regarding the Gessner Road widening project. Rafael Ortega discussed funding issues with the Texas Department of Transportation ("TxDOT"). Chuck Rogers discussed right-of-way dedication for the project. He reported that TxDOT has indicated it will let the contract in March 2008, and that the Authority must commit funds for

its share in February 2008. Mr. Rogers stated that LAN is working with the City of Houston on tree plantings in the right-of-way. No Board action was necessary for this agenda item.

8. Report on status of the Bunker Hill Project and authorize appropriate action

Mr. Ortega reported on the progress of the Bunker Hill widening project. Ken Arnold made a motion to authorize advertisement for bids for the Bunker Hill widening project. Carolina Weitzman seconded the motion, and it carried by unanimous vote.

9. Approve agreement for Bunker Hill project with City of Houston

Mr. Lary reviewed the terms of a proposed Agreement for Engineering Design and Construction of Bunker Hill from IH-10 to Long Point, with the City. He stated the agreement provides that the Authority will fund all of the project design and engineering, including those portions of Bunker Hill outside the Authority's boundaries, in return for having the Bunker Hill project completed earlier than if the City were to design and engineer its portion of the project. The Board discussed the City's commitment to fund its portion of the project, and the impact of the project on the community. Mr. Fiederlien stated the City fully intends to complete construction of its portion of the Bunker Hill improvements contemplated by the agreement. Following review and discussion, Mr. Arnold made a motion to authorize execution of the agreement pending its finalization by ABHR, Robert Fiederlien, and LAN. Mr. Moody seconded the motion, and it carried unanimously.

The Board selected a logo for the Authority, and directed LAN to use the logo on signs for the Bunker Hill project.

10. Report on the status of Kingsride Intersection Improvements and authorize appropriate action

Chuck Rogers updated the Board regarding Kingsride intersection improvements. He stated dedication of right-of-way is in progress, the project is being advertised, and bids will be opened December 21, 2007. No action was necessary for this agenda item.

11. Report on the status of Queensbury Storm Sewer Improvements and authorize appropriate action

Derek St. John updated the Board regarding the Queensbury storm sewer improvements. He stated that advertisement for the project is underway and bids will be opened on December 21, 2007. Mr. St. John further reported on the W151 project with Harris County Flood Control District. The Board took no action regarding this agenda item.

12. Adopt resolution establishing website posting policy and authorize appropriate action

The Board reviewed a proposed policy regarding postings on the Authority's web site. Ken Arnold made a motion to adopt the Resolution Establishing Website Posting Policy. Carolina Weitzman seconded the motion, which carried unanimously. The Board directed

LAN to post on the web site overall plans for the Authority projects, with such plans to be marked as preliminary drawings and subject to change.

13. Responses to public comments received at the November 6, 2007 meeting

Pat Walters responded to public comments received at the previous Board meeting.

14. Public comment

Virginia Gregory thanked Ken Arnold for his concerns regarding the Bunker Hill project. She commented regarding the treatment of the road surface at Bunker Hill south of Woodview and the Woodview water line replacement project. She commented on use of crushed rock near the trees along Bunker Hill.

Donna Freedman stated the Authority should hold a neighborhood meeting to inform the public regarding the improvements. She said elderly people may not have internet access to review the information posted there.

Robert Prazak requested final information on Bunker Hill. She discussed the future of Briar Branch Creek. She stated the Authority must file a master plan with the State. She attributed a comment to the mayor regarding transfer of Authority funds which she stated has not been resolved. Ms. Prazak stated that an attorney for Fidelis commented that Briar Branch Creek is contaminated. She discussed the intersection at Kingsride and Gessner.

Hugh Rawl asked when the design layout for Gessner between Barryknoll and I-10 will be available for public input. He stated that the right turn lane at Gessner and I-10 should be lengthened. He stated that a combination right turn and through-lane is needed northbound on Gessner at Barryknoll. He requested more information on the W151 study and implementation.

15. Adjournment

There being no additional matters for the Board's consideration, Dan Moody made a motion to adjourn the meeting. Carolina Weitzman seconded the motion, which carried unanimously.

Approved:



Charles Turet, Chair
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