

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

June 24, 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 June 24, 2014, at Four Points by Sheraton, 10655 Katy Freeway, Bunker Hill Room, Houston, Texas 77024.

Board members in attendance:

Ann T. Givens, Chair
Brad Freels, Vice 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 and Wayne Klotz - Klotz Associates, Inc. ("Klotz")
David Smalling - RBC Capital Markets

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

Ralph De Leon and Mary Buzack
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 7:32 a.m.

2. Public Comments

Ms. Virginia Gregory commented on development within the Authority and the standards and agreements for same.

Mr. Robert Benz commented on the Memorial Drive project and public input on the plans for such project.

Ms. Roberta Prazak commented on agreements for development within the Authority, discussions at the "super neighborhood" meeting, and expenses related to Memorial Drive and Kimberley Lane projects.

3. Minutes of May 27, 2014 Meeting

The Board reviewed the minutes of the May 27, 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 May 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 Givens. Director Rickel noted the invoice from Marsh Darcy Partners, Inc. and Mr. Huml's attendance at meetings of other governmental entities. The Board discussed Mr. Huml's administrative expenses and Directors Freels and Givens expressed support of Mr. Huml's attendance at other public meetings to gain ideas and knowledge that could be applied to Authority matters. Upon calling for a vote on the motion, all of the Board members voted aye and the motion passed by unanimous vote.

5. Local Interaction Group Report and Update

Director Hamilton reported on the Local Interaction Group meeting held on June 20, 2014, including discussions regarding drainage and information included on the Authority's website.

6. Adopt Capital Improvement Plan and Budget for Fiscal Year End June 30, 2015, and Authorize Submittal to the City of Houston

Mr. Huml discussed the Board's decision at last month's meeting to table adoption of the 2015 CIP budget until the next meeting, following an additional meeting of the CIP Committee. He said the CIP Committee held an additional meeting

and had distributed a revised CIP on May 30, 2014, for review by the other Board members. Director Rickel moved to approve the final CIP and 2015 budget prepared by the CIP Committee. Director Tucker seconded the motion. Director Givens discussed the issues she presented at last month's meeting, noting her concerns were partially addressed by the CIP Committee. Director Hamilton reported on the CIP Committee's discussions regarding the revised CIP. Director Givens said funds allocated for detention in the CIP should be made available for other projects if property for detention projects is not identified. Discussion ensued regarding the purpose and function of the CIP and the opportunity for the Board to discuss and approve projects included in the CIP prior to proceeding to spend funds allocated for such purpose. Upon a request from Director Givens for a roll call vote, Director Givens voted nay and Directors Hamilton, Freels, Hodges, Tucker, Rickel, and Airola voted aye. Thus, the motion passed by majority vote of six ayes to one nay.

7. Special Presentation to the Board: CIP #1717 Town & Country West Drainage and Mobility Improvements Phase II

Mr. Ali gave a presentation regarding the objections and plans for phase II drainage and mobility improvements for Town & Country West. The Board discussed land acquisition necessary for the project.

8. Review and Approve Task Order from LAN for Detailed Design for CIP T-1717 Town & Country West Drainage and Mobility Improvements Phase II

The Board discussed the proposal from LAN for engineering services associated with the design of phase II drainage and mobility improvements for Town & Country West, a copy of which was provided at last month's meeting. Following review and discussion, Director Rickel moved to approve the task order from LAN for a total cost of \$662,200. The motion was seconded by Director Airola and carried by a vote of six ayes and no nays, with Director Freels abstaining from the vote.

Director Rickel asked LAN to prepare an estimate of the additional costs to extend the drainage improvements to Town & Country Way.

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 recommended payment of Pay Estimate No. 12 in the amount of \$185,569.90. In response to a question from Director Givens, Mr. Ali said the construction manager has provided updates on the project to the area homeowners associations. Following discussion and review and based upon the engineer's recommendation, Director Rickel

moved to approve Pay Estimate No. 12 in the amount of \$185,569.90 to Texas Sterling. The motion was seconded by Director Tucker and carried unanimously.

10. W140 Detention Basin Project

Mr. Ali reported on the Briar Branch detention basin package by L.N. McKean, Inc. He reported that the contractor replaced the dead trees in the basin.

Mr. Ali presented and recommended Board approval of the Certificate of Final Completion for the project. Following review and discussion and based upon the engineer's recommendation, upon a motion made by Director Airola and seconded by Director Rickel, the Board voted unanimously to approve the Certificate of Final Completion.

Mr. Ali next recommended payment of Pay Estimate No. 8 in the amount of \$63,519.80. Following review and discussion and based upon the engineer's recommendation, Director Hamilton moved to approve Pay Estimate No. 8 in the amount of \$63,519.80 to L.N. McKean, Inc. Director Givens seconded the motion, which passed unanimously. Mr. Huml noted that retainage is being held to ensure that final restoration and vegetation establishment is completed.

11. Amendment to Exchange Agreement

Ms. Holoubek discussed the Exchange Agreement between the Authority, SFP Hotel Investors, L.P., and SFP Hotel Partners, L.P. She reviewed a First Amendment to Exchange Agreement, the purpose of which is to document the allocation of proceeds from the sale of Tract C among the parties, a portion of which will be used to pay back the loan made by T&C Way Partners, LLC to the Authority. After review and discussion, Director Givens moved to approve the First Amendment to Exchange Agreement. Director Airola seconded the motion, which passed by a vote of six ayes and no nays, with Director Freels abstaining from the vote.

12. Amendment to Development Agreement

Ms. Holoubek discussed the Development Agreement between the Authority and T&C Way Partners, LLC. She reviewed a First Amendment to Development Agreement to update the legal description of the property to be dedicated as right of way described in the Development Agreement. After review and discussion, Director Givens moved to approve the First Amendment to Development Agreement. Director Hodges seconded the motion, which passed by a vote of six ayes and no nays, with Director Freels abstaining from the vote.

13. Establish Annexation Committee

Director Givens recommended that the Board consider establishing a three-member Annexation Committee to work on matters related to the City's annexation of property into the TIRZ 17 boundaries, including coordination with property owners and City representatives. The three-member committee would be comprised of two permanent members and one revolving floater member. After discussion, Director Givens moved to appoint an Annexation Committee comprised of Directors Freels and Airola. Director Hodges seconded the motion, which passed unanimously.

14. Status Report Regarding the Klotz Independent Review of the LAN Regional Drainage Study

Mr. Struzick updated the Board on Klotz's independent review of the Regional Drainage Study prepared by LAN. He distributed a report and reviewed recommendations included therein. Director Rickel discussed the information included in the report and additional issues that need to be addressed in the report. After discussion, the Board concurred for Directors Givens, Hamilton, and Rickel to meet with Klotz and LAN to address questions regarding the information included in the report.

15. Executive Director's Report

Mr. Huml reviewed the Executive Director's report. He acknowledged and congratulated (1) Director Hodges on his new position as acting Vice Chancellor for Academic Affairs for the Houston Community College System and (2) Mr. Ortega on being selected by the University of Houston Alumni Association as a 2014 Distinguished Alumni Award Honoree. Mr. Huml also reported on accolades received by the Authority.

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

At 8:58 a.m., Mr. Huml announced the Board would convene in executive session to deliberate the purchase, exchange, lease or value of real property.

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

At 9:51 a.m., Mr. Huml announced the Board would reconvene in open session. Upon reconvening in open session, Director Givens moved to approve a Right of Entry Agreement. Director Rickel seconded the motion, which passed unanimously.

18. Open Discussion Regarding the Recommendation and Solicitation for a Land Search Consulting Firm


Mr. Huml reviewed a request for qualifications to be sent to land search consulting firms. The Board provided names of additional firms to be added to the distribution list. After discussion, Director Hamilton made a motion to authorize Mr. Huml to solicit proposals and coordinate with Directors Freels and Airola to prepare a recommendation for the Board's consideration at next month's meeting. Director Rickel seconded the motion, which passed unanimously.

The Board asked Mr. Huml to prepare a map showing the Authority's boundaries and the additional areas outside its boundaries impacted by Authority improvements.

19. Adjournment

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

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