

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

June 4, 2015

The Board of Directors (the "Board") of the TIRZ 17 Redevelopment Authority/Memorial City Redevelopment Authority (the "Authority") met in special session, open to the public, on April 27, 2015, 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
Glenn Airola, Secretary
Bob Tucker, Assistant Secretary
Zachary R. Hodges, Director
David A. Hamilton, Director
John Rickel, Director

Consultants in attendance:

Muhammad Ali and Derek St. John of Lockwood, Andrews & Newman, Inc. ("LAN")
Jessica Holoubek and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR")
Ed Condon and Gary Struzick of Klotz Associates, Inc.
Drew Masterson of First Southwest Company
Michelle Lofton of ETI Bookkeeping Services
Mark McGrath of McGrath & Co, PLL
Josh Rambo of McCall Gibson Swedlund Barfoot PLLC

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

Jennifer Curley
Oliver Pennington, City Council Member
Amy Peck, Chief of Staff for City Council Member Brenda Stardig

Other

Marlene Gafrick of MetroNational
David Hawes, Scott Bean and Tony Allender of Hawes Hill Calderon, LLP

1. Call Meeting to Order

Having established that a quorum of the Board was present, Director Givens called the meeting to order at 9:02 a.m.

2. Receive Public Comments

Ms. Virginia Gregory discussed the heavy rain event of May 25, 2015. She reported that her home flooded and thanked Director Tucker, Mr. Hawes, Mr. Struzick and Ed Browne for recovery and clean up assistance on May 26, 2015. She discussed a City of Houston variance requested by Mr. Don Huml on May 14, 2015 on behalf of the Board and said she was unaware that the Authority would assist homeowners obtain City of Houston variances. She also requested a copy of the agreement by and among the Authority, City of Houston and MetroNational.

Councilmember Pennington discussed the heavy rain event of May 25, 2015, the City of Houston public meetings following the rain event and information regarding Federal Emergency Management Agency ("FEMA") assistance distributed by the Mayor's office. Councilmember Pennington stated that the City of Houston does not review drainage issues on a watershed basis, but on a macro basis and requested that residents report personal flooding to the 311 notification phone number for public works records and future drainage analysis. He asked that the Authority make construction of a detention basin south of I-10 a priority and also discussed the drainage ditch constructed by the Village of Bunker Hill.

Mr. John Haslam discussed the Authority's proposed median on Memorial Drive, noting that he believes it creates additional and burdensome traffic for residents of Legend Lane and additional drainage into W-153 endangering the homes of the residents of Legend Lane. He presented correspondence from the Legend Lane Townhouse Association regarding same, a copy of which is attached to these minutes.

Ms. Kay Haslam also discussed the additional water on Legend Lane and asked that the Authority contact the Army Corps of Engineers and request excavation of the Buffalo Bayou dam floor to create additional bayou capacity. She also requested a better explanation of information on the Authority's website regarding references to the trunk line/toll way that dumps water into the W-153.

Ms. Donna Freedman discussed her concerns regarding lack of detention ponds on Memorial Drive and commended the Village of Bunker Hill for mitigating its floodwater. She also discussed high water levels in the W-151 and urged the Authority to place a moratorium on roadway projects and turn its attention to drainage/pond improvements.

Ms. Jackie Williford reported a discrepancy in the right of way listed in the Memorial Drive Drainage and Mobility project and right of way area discussed previously by the Authority during public meetings. She requested verification of the right of way area.

Mr. Ed Browne said the Memorial City District Drainage Coalition has been revived and is considering filing suit against the City and the Authority for failure to address/mitigate

flooding issues caused by development. He noted lack of budgeted funds for drainage projects and discussed total damage caused by flooding events from 2009 to present.

Mr. Hugh Rawls read correspondence forwarded to Councilmember Pennington stating that Frostwood Drive flooded, with the most damage done around the 12400 block. He also reported damage to the 12300 block of Beauregard and 12400 block of Broken Bow. He said he Memorial City Center and hospital drainage design did not account for sheet flow that overflows into Frostwood Drive and Gessner Drive. He urged the Authority to move forward with construction of a detention pond south of I-10.

Mr. Tom Schafer discussed the effect of the 2009 and 2015 flooding events on Tallowood Drive and urged the Authority to construct drainage facilities/improvements quickly.

Ms. Roberta Prazak presented photos of the Conrad Sauer Detention Basin taken during the May 25, 2015, heavy rain event and reported floodwater overflowing into Interstate 10 feeder roads. She discussed drainage that will be displaced by construction of a nearby high-rise and said drainage ditches on Kimberly Lane need to be cleaned. Ms. Prazak suggested that a median break to accommodate residents on Legend Lane may cause additional drainage problems for residents of other areas. Ms. Prazak also noted a possible conflict of interest with Mr. Hawes because of association with the Spring Branch Management District.

Director Rickel then moved to re-order the agenda to take supplemental agenda items out of order to allow the engineers to report for the benefit of public present. Director Tucker seconded the motion, which passed by a vote of 4 to 3, with Directors Hodges, Airola and Givens voting against the motion.

3. Storm Assessment update

Mr. Ali discussed the regional drainage study and associated analysis of data from the recent heavy rain/flooding event and requested public input/information through an online survey so that the TIRZ 17 regional drainage area model can be updated more effectively. Mr. St. John reviewed a comparison of rainfall and ponding in a 2009 heavy rain/flooding event and the May 25, 2015 heavy rain/flooding event. Mr. St. John said that the first phase of planned improvements for the Briar Branch Watershed, W140 detention basin functioned as designed but that for the second and third phases of improvements, the proposed drainage channel and straws are needed for the area to fully benefit. He explained that the channel and straws are needed to get water out of the neighborhood quicker and also create an additional 12 acre-feet of storage in the drainage channel. Mr. St. John also discussed high water marks in the W-151 detention basin and noted that banks for the basin are higher than surrounding areas. Discussion ensued regarding the bridge at McNaughton creating a dam-like effect during the heavy rain/flooding event of May 25, 2015. There was also flooding in the W153 watershed, specifically the area around Memorial Drive crossing over W153 ditch. There was overland sheet flow from W151 to W153. Mr. St. John next provided an overview of drainage

criteria for a 100 year flood event stating that the 2015 event was an extreme event with 100 year intensities, similar in magnitude and impact to April 2009 event, that there was widespread structural flooding, and that LAN was able to confirm identified problem areas from our model and the W140 Base performed as designed. Director Freels discussed the difficulty in locating affordable land for development of drainage/detention improvements, especially to the south. Director Freels requested LAN's presentation be posted to the Authority's website.

4. Update on W-140 Channel and Straws project and Bunker Hill Bridge feasibility study

Mr. Struzick and Mr. Conger updated the Board regarding the proposed W-140 channel and straws project and said the project is in final design for Phase 2 (channel) and discussed areas under study for Phase 3 (straws). Mr. Conger said when construction of the channel begins, the channel will take a year to complete. Discussion ensued regarding the overall functionality of the proposed drainage straws and the drainage restriction caused by the Bunker Hill Bridge. Mr. Conger estimates a cost of \$400,000 to add boxes under the Bunker Hill Bridge to open restricted drainage.

5. Financial and Bookkeeping Matters

Ms. Lofton reviewed the financial report for March 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 Freels, which passed unanimously.

6. Engage McGrath & Co., PLLC to Prepare Financial Statement for Fiscal Year End June 30, 2015

The Board next considered a proposal from McGrath & Co., PLLC to prepare a financial statement for the fiscal year ended June 30, 2015. Following review and discussion, Director Airola moved to approve McGrath & Co., PLLC's proposal. Director Rickel seconded the motion, which passed unanimously.

7. Engage McCall Gibson Swedlund Barfoot, PLLC to Perform Audit for Fiscal Year End June 30, 2015

The Board next considered a proposal from McCall Gibson Swedlund Barfoot, PLLC in to prepare an audit report for the fiscal year ended June 30, 2015. Following review and discussion, Director Rickel moved to approve McGrath & Co., PLLC's proposal. Director Hamilton seconded the motion, which passed unanimously.

8. Right of Entry Agreement for Linbeck Use of Town & Country Way for Temporary Staging Area

The Board next considered approving a Right of Entry Agreement with Linbeck Group, LLC for use of Town & Country Way as a temporary construction staging area. Following review and discussion, Director Rickel moved to approve the Right of Entry. Director Tucker seconded the motion which passed 6 to 0, with Director Freels abstaining from voting.

9. Update from FY2016 CIP Committee and Open discussion regarding FY2016 Budget and Capital Improvement Plan ("CIP") and proposed Westview detention basin property

Director Givens read an email from Andy Icken's office, a copy of which is attached to these minutes. Ms. Curley commented that the Authority could not approve its budget before meeting with City of Houston Department of Public Works and Engineering, which meeting is scheduled for tomorrow at 1:30 p.m. for. Director Rickel discussed a proposed budget "Option 3" and moved to present Option 3 only to the City of Houston. The motion failed for lack of a second. Additional discussion ensued regarding prioritization of projects and received input from Mr. Masterson. Following discussion, the Board concurred to remove from consideration Option 1 and to present Options 2 and 3 to the City of Houston, including an additional \$400,000 for Bunker Hill Bridge improvements to the W-140 Channel improvements budget line item. Director Tucker commented that elimination of Option 1 will result in a loss of a valuable detention project. The Board concurred to hold special following meetings to further discuss the CIP and requested that Director Givens confirm quorum availability and schedule the meeting. The Board concurred to table the FY 2016 Budget and CIP until its special meeting.

10. Convene in Executive Session pursuant to Section 551.074, Texas Government Code, to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee

At 11:26 a.m., Director Givens announced the Board would convene in executive session to deliberate the employment and duties of an employee. All attendees left the meeting except the Board members, Ms. Holoubek, Ms. Miller, Ms. Curley, Mr. Hawes, Mr. Bean and Mr. Allender.

11. Reconvene in Open Session

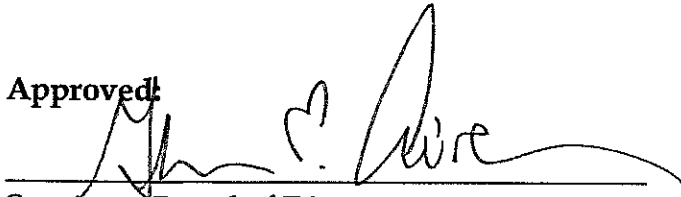
At 11:45 a.m., the Board announced it would reconvene in open session.

Director Hodges moved to authorize execution of an agreement with Hawes Hill Calderon, LLP, as discussed in executive session. Director Tucker seconded the motion, which passed unanimously. Director Freels was not present for the vote.

12. Adjournment

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

Approved:

A handwritten signature in black ink, appearing to read "M. [unclear]". The signature is written over a horizontal line.

Secretary, Board of Directors

TIRZ 17 Redevelopment Authority City of Houston, Texas

From: Andy.Icken@houstontx.gov
To: Date: Fri, 29 May 2015 09:49:22 -0500
Subject: TIRZ Budget/CIP Process

You will recall my letter of January 7, 2015 where I referenced the changes we were making in the process for developing and approving TIRZ budgets and Proposed CIP's to also include Public Works & Engineering integrally in that process. In February and March of this year we had helpful meetings with TIRZ Board Members and PWE describing the details for the full engagement of PWE in this process. During the week of May 20, Gwen Tillotson sent out an email communication to each TIRZ Administrator/Executive Director to schedule meetings between each TIRZ and PWE to accomplish the overall goal of full engagement of PWE in our ongoing budget/CIP process.

I would like to reinforce all the meetings above and ask that as Board Chairman you ensure that prior to any upcoming Board consideration of next year's budget/CIP process for your TIRZ that the requisite meetings and approvals from PWE has occurred prior to that Board approval. The meetings with PWE should be scheduled promptly to ensure sufficient time to prepare the budgets for City Council approval. If the Board has already convened and approved the budget for FY16, then any modifications resulting from the discussions with PWE will require board ratification.

Regards,

Andrew F. Icken
Chief Development Officer
Office of the Mayor
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