

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

March 3, 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 March 3, 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
John Rickel, Director
Zachary R. Hodges, Director
David A. Hamilton, Director

Board members not in attendance:

Staff in attendance:

Don Huml - Executive Director

Consultants in attendance:

Muhammad Ali and Rafael Ortega of Lockwood, Andrews & Newnam, Inc. ("LAN")
Jessica Holoubek and Veronica Seguin of Allen Boone Humphries Robinson LLP ("ABHR")
Ed Condon - Klotz Associates, Inc. ("Klotz")
Michelle Lofton of ETI Bookkeeping Services
James Vick of SWA Group

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

Jennifer Curley
Oliver Pennington, City Council Member
Mary Buzak
Steven David

Other

Pat Walters - Executive Director - Memorial Management District
Drew Masterson - First Southwest Company
Marlene Gafrick - MetroNational

1. Call Meeting to Order

Having established that a quorum of the Board was present, Director Givens called the meeting to order.

2. Receive Public Comments

Ms. Virginia Gregory commented on the importance of drainage issues relating to the Conrad Sauer detention site that need to be addressed in addition to concerns regarding communication with the City regarding flooding south of 1-10.

Mr. Hugh Rawl stated pursuant to the City's CIP guidelines that the City should have a Public Works and Engineering Department representative on the Board. He stated that he believes the Authority should work more closely with Harris County Flood Control District and that strong consideration should be given to additional detention facilities under parking lots in the Authority's boundaries.

Ms. Roberta Prazak commented on the importance of public participation regarding the Memorial Drive Drainage and Mobility Improvement Project plans. She also discussed concerns regarding potential lack of conflict of interest disclosures by Board members.

Mr. Ed Browne discussed his concerns regarding a public information request he had made for analysis and data on the design of the Conrad Sauer detention pond rehabilitation project. He stated he believed that the information he received was insufficient.

Ms. Donna Freedman discussed her concerns regarding previous Board discussions on the construction of additional fire stations in the District prior to constructing additional drainage facilities.

3. Minutes of January 27, 2015, and February 10, 2015, Meetings

The Board reviewed the minutes of the January 27, 2015, regular meeting and the February 10, 2015, special meeting.

Director Rickel commented on the discussion of the City's January 7, 2015 letter included in the Authority's February 10, 2015, special minutes, which discussion was in relation to the acquisition of additional detention property from the City's Chief Development Officer titled "Guidelines Related to TIRZ Capital Projects". Director Freels suggested attaching a copy of said letter to the February 10, 2015, minutes.

After review and discussion, Director Rickel moved to (1) approve the minutes of the January 27, 2015, regular meeting, as presented; and (2) approve the minutes of the February

10, 2015, special meeting, as revised to include the noted City of Houston letter as an exhibit. Director Hamilton seconded the motion, which passed unanimously.

4. Financial and Bookkeeping Matters

Ms. Lofton reviewed the financial report for December and presented checks for payment by the Authority.

Director Givens requested that agenda item no. 18 be considered under financial and bookkeeping matters.

Mr. Ali presented and reviewed Pay Application No. 1, in the amount of \$441,746.09, to SER Construction Partners, LLC for construction for Lumpkin Road Reconstruction and Drainage Improvements. After review and discussion, and based on the engineer's recommendation, Director Rickel moved to approve Pay Application No. 1, as presented. Director Airola seconded the motion, which passed unanimously.

After review and discussion, Director Freels moved to approve the financial report and payment of the bills presented. The motion was seconded by Director Hamilton, which passed unanimously.

5. Recommendation from ETI Bookkeeping regarding changes to Authority bank accounts

Ms. Lofton stated that the Authority's current checking account is at Bank of America and she recommends moving the Authority's funds on deposit in this account to Wells Fargo because Wells Fargo does not charge an administrative fee and offers a 0.15% interest rate on checking accounts. She stated that she has confirmed that Wells Fargo offers the best interest rates of the relevant, available banks that the Authority may do business with. Director Airola asked Ms. Lofton how many banks she interviewed for the account, and Ms. Lofton stated four banks. After discussion, Director Hamilton moved to accept the bookkeeper's recommendation and transfer the District's funds from the Bank of America account to Wells Fargo. Director Tucker seconded the motion. Ms. Holoubek noted that an item to approve a Depository Pledge Agreement with Wells Fargo will be placed on the next Authority agenda.

6. Approve wire transfer to Stewart Title for Home Depot right of way acquisition

Ms. Holoubek presented a wire transfer in the amount of \$112,920.00 to Stewart Title for payment of the purchase price for a right of way acquisition related to the Lumpkin Road Improvements Project. After review and discussion, Director Hodges moved to approve the wire transfer in the amount of \$112,920.00 to Stewart Title. Director Airola seconded the motion, which passed unanimously.

7. Authorize execution of Development Agreement with Town Center Partners, Ltd.

Ms. Holoubek presented and reviewed a Development Agreement with Town Center Partners, Ltd. She stated that the Agreement follows the previously approved term sheet, noting that the replacement term has been revised to be two years from the effective date, and will be subject to final City approval. After review and discussion, Director Hodges moved to approve the Development Agreement with Town Center Partners, Ltd., subject to City approval. Director Airola seconded the motion, which passed unanimously, with the exception of Director Freels who abstained.

8. 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 8:32 a.m., Director Givens announced the Board would convene in executive session to deliberate the evaluation of an employee. All attendees left the meeting except the Board members, Mr. Huml, Ms. Holoubek, Ms. Seguin, Ms. Curley, Ms. Buzak, and Mr. David.

9. Reconvene in Open Session

At 10:06 a.m., Director Givens announced the Board would reconvene in open session.

Director Hodges moved to implement a 90-day performance review plan. Upon a request from Director Givens for a roll call vote, Hodges, Givens, Freels, Hamilton, Airola, and Rickel voted aye, Director Tucker voted nay, and the motion passed by majority vote.

10. Local Interaction Group report and update

Director Hamilton stated that the Local Interaction Group will meet March 27, 2015, at 2:00 p.m. at the Authority Office to discuss and receive comments or suggested talking points for the upcoming Memorial Drive Drainage and Mobility Improvement Project Town Hall meeting.

11. Update regarding submission of revised "Feasibility Analysis Report for Additional Dentition West of Gessner Road" ("Revised Report") to City of Houston

Mr. Huml reported that Klotz Associates and LAN met, reviewed and submitted the Revised Report on February 10, 2015. Mr. Huml stated that he distributed the Revised Report on February 13, 2015. He reported that he received a cover letter to the City Chief Development Officer from Directors Rickel and Freels regarding the Revised Report on February 16, 2015. Ms. Curley stated that the Revised Report is currently being reviewed by the City Public Works and Engineering Department. Discussion ensued regarding the review and approvals process for the Revised Report. Ms. Curley stated that the City will arrange a

meeting as quickly as possible with Board directors, the Chief Development Officer, the City engineer and the Public Works and Engineering Department to discuss the Revised Report. She stated that the Chief Development Officer will set the invitation list for the meeting.

Director Tucker discussed the Revised Report and certain assumptions included in the Report. Director Givens recommended that Director Tucker discuss any concerns over the assumptions included in the Revised Report with the engineers who drafted the Revised Report. She noted that the Revised Report has been sealed.

12. Update from financial advisory services committee on financial advisory services agreements

Director Rickel reported that the financial advisory services committee met and reviewed proposals for financial advisory firms. He stated that the financial advisory services committee recommends that the Authority engage First Southwest Company as its financial advisor and terminate the agreement with the Authority's current financial advisor, RBC Capital Markets. Ms. Holoubek noted that the Authority's financial advisory services agreement with RBC Capital Markets requires a 30 day notice of termination. After review and discussion, Director Rickel moved to (1) terminate the Authority's financial advisory services agreement with RBC Capital Markets; and (2) enter into a financial advisory services agreement with First Southwest Company, effective after the date of termination of the Authority's agreement with RBC Capital Markets, and subject to final review and approval of the agreement by ABHR. Director Tucker seconded the motion, which passed unanimously.

Mr. Masterson introduced himself and stated he will be acting as First Southwest Company's contact for the District.

13. Establish Fiscal Year 2016 CIP Committee

Director Givens moved to appoint Directors Airola, Freels and herself to serve on the Fiscal Year 2016 CIP Committee. Discussion ensued regarding appointing directors to the 2016 CIP Committee who previously served on the 2015 CIP Committee. After discussion, Director Givens amended her motion to instead appoint Directors Airola, Hamilton and herself to service on the Fiscal Year 2016 CIP Committee. Director Hodges seconded the motion, which passed unanimously.

14. Adopt and approve Streetscape Design Standards

Mr. Vick reviewed revised Streetscape Design Standards with the Board and noted that he revised the Standards to incorporate comments previously given to him by the Board at the January 27, 2015, meeting. After discussion, Director Rickel moved to table adoption and approval of the Streetscape Design Standards until the next meeting. Director Hamilton seconded the motion, which passed unanimously.

15. Recommendation letters to METRO and Scenic Houston

Mr. Huml stated that METRO and Scenic Houston have requested letters of recommendation to the Authority for reimagining work presented to the Board. After discussion, Director Givens moved to authorize Mr. Huml to draft letters of recommendation for METRO and Scenic Houston for ABHR's review and presentation to Board at its next meeting. Director Hodges seconded the motion, which passed unanimously.

16. Open discussion regarding the name change of Memorial City Redevelopment Authority to Memorial Redevelopment Authority

Mr. Huml reported that Memorial Management District recently changed its name from Memorial City Management District to Memorial Management District. The Board discussed changing the Authority's name to share a more shared, recognizable name with the Memorial Management District. After discussion, Director Hodges moved to change the Authority's name from the Memorial City Redevelopment Authority to the Spring Branch-Memorial Redevelopment Authority, subject to all necessary approvals by the City and State agencies. Director Tucker seconded the motion, which passed unanimously.

17. Authorize execution of Interlocal Agreement with Harris County Flood Control District to convey Briar Branch Detention Basin.

The Board concurred to table action on this item.

18. Authorize letter of termination to Cornerstone Medical Partnership ("Cornerstone")

Ms. Holoubek stated that the Authority has an agreement with Cornerstone for Cornerstone to maintain certain median improvement previously constructed along Kimberley Lane. She stated that Memorial Management District will now assume maintenance of such medians and that the Authority's agreement with Cornerstone may be terminated. After review and discussion, Director Givens moved to authorize ABHR to send a letter of termination to Cornerstone terminating the Authority's maintenance agreement. Director Hamilton seconded the motion, which passed unanimously.

19. North Gessner Project

Mr. Vick presented and reviewed a proposal for design, construction documentation and bidding phase services for CIP 1732A Gessner Drive Drainage and Mobility Improvements from SWA totaling \$78,350. The Board discussed the proposal and requested that item III regarding design approval be revised to reflect that Mr. Huml has authority for design approval, subject to the Board's direction and final approval. After review and discussion, Director Hamilton moved to approve the proposal for design, construction documentation and bidding phase services for CIP 1732A Gessner Drive Drainage and

Mobility Improvements from SWA totaling \$78,350, subject to the revision in item III, as discussed. Director Rickel seconded the motion, which passed unanimously.

20. Lumpkin Road Improvements Project

Mr. Ali reported on the construction status of the Lumpkin Road Improvements Project.

21. Memorial Drive Drainage and Improvement Project

Mr. Huml reported that the Memorial Drive Drainage and Improvement Project is currently in the design phase and that a town hall meeting regarding the Project is being rescheduled for April at Memorial Middle School. The Board requested that an agenda be posted for the town hall meeting. Director Givens stated that the Board is committed to working with Councilmember Pennington on the Project.

22. Executive Director's Report

The Board concurred to table the Executive Director's Report until the next meeting.

23. 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 did not convene in executive session pursuant to Section 551.072, Texas Government Code.

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

The Board did not convene in executive session pursuant to Section 551.072, Texas Government Code.

25. 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 10:52 a.m., Director Givens announced the Board would convene in executive session to deliberate the evaluation of an employee. All attendees left the meeting except the Board members, Mr. Huml, Ms. Holoubek, Ms. Seguin, Ms. Curley, Ms. Buzak, and Mr. David.

26. Reconvene in Open Session


At 11:15 a.m., Director Givens announced the Board would reconvene in open session.

Director Hamilton moved to (1) create an Employment Management Committee to consider available personnel resources and evaluation matters; (2) appoint himself, Director Freels, and Director Tucker to the Employment Management Committee; and (3) conduct 30 day evaluations on Mr. Huml's performance based on previously adopted written evaluation forms. Director Rickel seconded the motion, which passed unanimously.

27. Adjournment

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

Approved:

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

Secretary, Board of Directors

TIRZ 17 Redevelopment Authority City of Houston, Texas