

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

December 2, 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 December 2, 2014, at Westin Houston Memorial City, Hibiscus Ballroom on 3rd Floor, 945 Gessner, 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

Board members not in attendance:

David A. Hamilton, 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")
Jessica Holoubek and Kristen Hogan of Allen Boone Humphries Robinson LLP ("ABHR")
Gary Struzick and Ed Conger - Klotz Associates, Inc. ("Klotz")
Jim Webb of The Goodman Corporation
James Vick of SWA Group

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

Steven David
Amy Peck, Chief of Staff for City Council Member Brenda Stardig
City Council Member Oliver Pennington

Other

Dr. Ana Ramirez of the Texas Department of Transportation ("TxDOT")

1. Call Meeting to Order

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

2. Public Comments

Ms. Virginia Gregory, on behalf of the City of Spring Valley Village, commented on the letter send to the Authority from Brown & Gay Engineers, Inc. and issues raised therein. She then presented pictures of prior flood events in residential areas and commented on the importance of drainage issues that need to be addressed.

Council Member Pennington congratulated the Board and residents for efforts to create comprehensive programs to address issues in the Memorial City area. He commented on the City's responsibilities related to drainage issues in residential neighborhoods.

Ms. Roberta Prazak commented on lack of microphone availability at today's meeting due to technical issues. She commented on pending projects and requested an opportunity to participate in Memorial Drive hike and bike planning efforts. She also commented on the status of the Lumpkin Road tree planting project.

3. Minutes of October 28, 2014 and November 19, 2014 Meetings

The Board reviewed the minutes of the October 28, 2014, regular meeting and the November 19, 2014, special meeting. Directors Givens and Rickel presented revisions to the October 28th minutes. Following review and discussion, Director Givens moved to approve the minutes of the October 28, 2014, regular meeting with the noted revisions and to approve the minutes of the November 19, 2014, special meeting as submitted. The motion was seconded by Director Rickel and carried unanimously.

4. Order Adopting Procedures for Continuing Disclosure Compliance

Ms. Holoubek stated that, when the Authority issues bonds, the Authority enters into a continuing disclosure undertaking for the benefit of the bondholders. She added that the provisions of that undertaking require that the Authority comply with certain continuing disclosure requirements for its bonds. Ms. Holoubek explained that the Board is ultimately responsible for continuing disclosure compliance for its bonds, with assistance by its consultants. She added that, in order to ensure that the Authority's procedures for continuing disclosure compliance are well documented, ABHR recommends that such procedures be adopted in writing by the Board. Ms. Holoubek reviewed the Order Adopting Procedures for Continuing Disclosure Compliance with the Board. Following review and discussion, Director Hodges moved to adopt the Order Adopting Procedures for Continuing Disclosure Compliance and direct that the Order be filed appropriately and retained in the Authority's official records. Director Freels seconded the motion, which passed by unanimous vote.

5. Financial and Bookkeeping Matters

Ms. Lofton reviewed the financial report for October and presented checks for payment by the Authority. Mr. Huml said the water bill from the City included on page 26 of the Board packet is for irrigation of the Briar Branch detention basin, which is being paid by the Authority until the basin is turned over to the City. He noted an error in the amount of such invoice recommended for payment, noting the correct amount is \$197.14. Mr. Huml also noted the blank amount for the LAN invoice recommended for payment on page 39 of the Board packet should be \$68,440.00. After review and discussion, Director Hodges moved to approve the financial report and payment of the bills presented. The motion was seconded by Director Tucker and passed by unanimous vote. Director Rickel noted that he has questions about the invoice from SWA Group for discussion under the appropriate agenda item.

6. Authorize Execution of Checks to Pay Bills During Holidays

The Board discussed payment of the regular monthly bills during the upcoming holidays. After discussion, Director Hodges moved to authorize Directors Tucker, Givens, and Rickel to execute any necessary checks for regular monthly bills received in December. The motion was seconded by Director Rickel and carried unanimously.

7. Ratify FY 2015 Operating Budget Approved by City Council

This item was tabled.

8. Approve Term Sheet for Moody Rambin Development Agreement

Ms. Holoubek reviewed a term sheet for a proposed development agreement between the Authority and Moody Rambin for the realignment of the Town & Country Blvd./Queensbury Lane intersection, noting reimbursement will come from increment generated on all property within the Authority. She said the term sheet will also be sent to the City for review. Director Rickel requested that tree replacement be added to the term sheet pursuant to discussions with Dan Moody of Moody Rambin at the previous meeting. After review and discussion, Director Givens moved to approve the term sheet with the addition of tree replacement. Director Hodges seconded the motion, Director Freels abstained, and the motion carried.

9. Special Presentation to the Board by the Texas Department of Transportation: "Hike and Bike Trail from Memorial Drive to Terry Hershey Park"

The Board received a presentation from Dr. Ramirez of TxDOT regarding TxDOT's proposed hike and bike trail along West Beltway 8 in TxDOT's right-of-way, which includes a northern segment from Memorial Drive to Terry Hershey Trail and a

southern segment from Terry Hershey Trail to Briar Hill. She discussed TxDOT's application for a grant for the proposed hike and bike trail, noting TxDOT is responsible for design and construction phase services. Dr. Ramirez reported on efforts to seek letters of support and financial contributions from neighboring entities. She discussed TxDOT's request for a 20% local match from the Authority for the northern segment, which is estimated to be \$77,000. Director Freels suggested incorporating Boheme into the plans to connect the trail to Memorial Drive.

Dr. Ramirez then reported on coordination with the Westchase District for additional trail projects on either side of Beltway 8 to connect residential areas to Terry Hershey Park. She also reported on a future TxDOT project to improve access and parking for Terry Hershey Park and said TxDOT is pursuing local match partners for the project.

10. Review and Approve Proposal from the Texas Department of Transportation for Hike and Bike Trail

Discussion ensued regarding TxDOT's request for a 20% match for its hike and bike trail grant application and the City's requirement that the property be annexed into the TIRZ 17 boundaries before any TIRZ funds are spent on the project. Director Freels asked Council Member Pennington whether the City would support annexation of the property into the TIRZ 17 boundaries in connection with the City's support for the TxDOT project. Council Member Pennington discussed the City's support for the project and said the matter needs to be discussed with City representatives, including the City's Chief Development Officer. Director Airola expressed support for additional trails and connectivity, but said he is opposed to this proposed hike and bike trail along West Beltway 8 due to the proximity to vehicle traffic and resulting safety issues. Discussion ensued. After review and discussion, Director Freels moved to authorize execution of a letter of support to TxDOT reflecting the Authority's commitment to provide a 20% match not to exceed \$100,000 for the northern segment from Memorial Drive to Terry Hershey Trail, subject to City annexation of the property into the TIRZ boundaries. Director Rickel seconded the motion, Director Airola voted nay, and the motion passed by majority vote.

11. Interlocal Agreement for W-140 and Briar Branch Detention Basin

Ms. Holoubek distributed and reviewed a proposed Interlocal Agreement among the Authority, Memorial Management District, and Spring Branch Management District regarding the Authority's proposed project for improvements to the W-140 Channel to convert the open channel to a closed underground channel and construct a hike and bike trail and a park on top of the underground channel. She said the Harris County Flood Control District requires a written agreement for maintenance of the trail and park facilities in connection with its approval of the Authority's construction plans. Ms.

Holoubek discussed the location of the proposed trail within the Memorial Management District and Spring Branch Management District and said the Interlocal Agreement reflects that such districts would share maintenance responsibilities. She added that the Interlocal Agreement will be presented at the next meetings of the Memorial Management District and Spring Branch Management District for consideration. Discussion ensued regarding right-of-way to be acquired by the Authority for the project. After review and discussion, Director Hodges moved to authorize execution of the Interlocal Agreement. Director Givens seconded the motion, Director Airola abstained, and the motion carried.

12. Review and Approve Task Order from SWA Group for Detailed Landscape Design of W-140 Channel Project

The Board reviewed a proposal from SWA Group for design services associated with the proposed landscaping improvements on top of the proposed W-140 underground channel. Mr. Vick discussed the scope of work included in the proposal to prepare construction documents for approval by Harris County Flood Control District so the Authority will be prepared to proceed with the linear park at the appropriate time. Director Rickel inquired about the amount spent to date for SWA Group to design the landscaping improvements and the proposal for additional design work based on the timeline for the proposed project. He also inquired about the hourly rates reflected in the proposal compared to the hourly rates in the prior proposal for design work. Mr. Vick explained that the hourly rates included in today's proposal are the rates included in the contract between the Authority and SWA Group. He said SWA Group completed previous design work at a discounted rate. Mr. Vick discussed the design work completed to date and said the proposed additional work is to prepare construction documents for agency approvals. In response to questions from Director Tucker regarding lighting and/or other security consideration east of Bunker Hill, the Board concurred to consider such matters at the appropriate time in connection with construction of the linear park. After review and discussion, Director Freels moved to approve the proposal from SWA Group for work on a time and materials basis not to exceed \$34,200. Director Givens seconded the motion, which passed unanimously.

13. Open Discussion about Combining Briar Branch Channel Improvements Phase II and Phase III

There was no discussion on this item.

14. Lumpkin Road Improvement Project

Mr. Ali reviewed three proposals from LAN for (1) construction management and inspection services, (2) materials testing services, and (3) construction phase design services associated with the Lumpkin Road improvement project. Discussion ensued

regarding the proposed inspection services and the Board directed Mr. Ortega to look into a lower billing rate for inspection services based on the quantity of inspection hours associated with the project. After review and discussion, Director Freels moved to authorize execution of the proposals from LAN, subject to the Executive Director's final approval following review and/or adjustment of the rate for inspection services by Mr. Ortega. Director Rickel seconded the motion, Director Hodges abstained, and the motion carried.

The Board next reviewed a proposal from SWA Group for construction phase services associated with the amenity improvements for Lumpkin Road. After review and discussion, Director Freels moved to approve the proposal from SWA Group for a cost of \$14,750. Director Givens seconded the motion, Director Hodges abstained, and the motion passed. In response to a question from Director Rickel regarding the status of the streetscape standards, Mr. Huml said the proposed standards will be presented at the January regular meeting.

The Board then considered approving a Temporary Right of Entry and Construction Agreement between the Authority and Houston Community College System ('HCCS'), which provides access for the Authority to re-grade driveways to maintain access and elevation continuity to HCCS property along Lumpkin Road in connection with the proposed Lumpkin Road improvements. After review and discussion, Director Freels moved to approve the Temporary Right of Entry and Construction Agreement between the Authority and HCCS. Director Rickel seconded the motion, Director Hodges abstained, and the motion passed.

15. Spring Valley Village Letter Response

The Board reviewed a response letter from Spring Valley Village indicating it is not willing to split the cost with the Authority for LAN to prepare a response to the letter from Brown & Gay Engineers, Inc. on behalf of Spring Valley Village. No action was taken.

16. Grant Funding Opportunities Update

Mr. Webb gave an update on efforts to prepare Authority projects for potential grant funding opportunities, including discussions with City staff and meetings to identify recommendations for inclusion in the West Houston Mobility Study to benefit the Authority. He reported on preliminary applications submitted to the Houston-Galveston Area Council ('H-GAC') for funding as part of its current call for transportation improvement projects. Mr. Webb reported on continuing efforts on supporting documentation for the applications for final submittal by the January deadline. He recommended that the Board authorize the Executive Director to execute a financial commitment letter for the 20% local match required for H-GAC grant

applications. Upon a motion made by Director Freels and seconded by Director Rickel, the Board voted unanimously to authorize Mr. Huml to execute a financial commitment letter as discussed in connection with the grant applications to H-GAC.

17. Executive Director's Report

Mr. Huml reviewed the Executive Director's report, including an update on the status of Authority projects.

18. 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 9:46 a.m., Mr. Huml announced the Board would convene in executive session to deliberate the evaluation of an employee. All attendees left the meeting except the Board members, Ms. Holoubek, Ms. Hogan, and Mr. David. At 10:09 a.m., Mr. Huml joined the executive session.

19. Reconvene in Open Session and Authorize Appropriate Action Regarding the Appointment, Employment, Evaluation, Reassignment, Duties, Discipline, or Dismissal of a Public Officer or Employee

At 10:22 a.m., Mr. Huml announced the Board would reconvene in open session. Upon reconvening in open session, no action was taken.

20. 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 concurred it was not necessary to convene in executive session to deliberate the purchase, exchange, lease or value of real property.

21. Adjournment

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

Approved:



Secretary, Board of Directors

TIRZ 17 Redevelopment Authority City of Houston, Texas