

MINUTES OF THE BOARD OF DIRECTORS MEETING
TIRZ 17 Redevelopment Authority/
Memorial City Redevelopment Authority
City of Houston, Texas
March 3, 2009

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 March 3, 2009, in the Community Room of the HEB Store, 9710 Katy
Freeway, inside the boundaries of the District.

Board members in attendance:

Charles Turet, Chair
Brenda Stardig
Glenn Airola
Ken Arnold
Zachary Hodges
Dan Moody, III
Brad Freels

Consultants in attendance:

Paula Cox - ETI Accounting Services
Rafael Ortega and Derek St. John - Lockwood, Andrews & Newnam, Inc. ("LAN")
Trey Lary and Susan Hostetler - Allen Boone Humphries Robinson LLP ("ABHR")
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

Director Turet called the meeting to order. All agenda items were considered in
order.

2. Minutes of the February 3, 2009 Board Meeting

The Board reviewed the minutes of the February 3, 2009, Board meeting.
Following discussion, Director Moody moved to approve the minutes of the meeting
as submitted. The motion was seconded by Director Arnold, and carried
unanimously.

3. Financial and Bookkeeping Matters

Ms. Cox reviewed the financial report, and presented checks for payment from the general operating fund. Mr. St. John reviewed the project log, project cash flow report, and schedule of impact costs. Following review and discussion, Director Hodges made a motion to approve the bookkeeper's report and payment of the invoices presented in the financial report, and to authorize future bond proceeds or other funds to be used to reimburse the operating account for capital funds expenditures to Conrad Construction, Inc., Alvites Plumbing, Inc., ABHR, and LAN, as necessary. Director Freels seconded the motion, and it passed unanimously.

4. Depository Pledge Agreement with Amegy Bank

The Board then reviewed a Depository Pledge Agreement with Amegy Bank. Mr. Lary stated that the agreement provides for the pledging of collateral to secure account balances over the FDIC-insured limit. He noted that the bank requested an updated agreement for its records. Following review and discussion, Director Hodges made a motion to approve the Depository Pledge Agreement with Amegy Bank. Director Moody seconded the motion, and it carried by unanimous vote.

5. Gessner Road Widening Project

Mr. St. John reported on the status of the Gessner widening project. He reported that J.D. Abrams is working in phase 2 of the project, and that phase 3 will start in April. Mr. St. John reported on relocation of utility poles during construction. The Board discussed installation and maintenance costs for the theater style street lighting along Gessner. Mr. Walters reviewed a proposed Street Light Agreement between the City and the Authority for installation and maintenance of metal halide street lights. He stated that the Memorial City Management District has agreed to maintain the street lights and pay the increased operational cost associated with them. Mr. Lary stated that, upon execution of the Street Light Agreement, the Authority would need to assign to the management district that portion of the agreement that addresses maintenance costs. The Board asked LAN to provide cut sheets for the theater style street lights. The Board took no action regarding this agenda item.

6. Bunker Hill Widening Project

Mr. St. John updated the Board on the status of the Bunker Hill widening project. He updated the Board on the revised drawings for the crosswalk at Bunker Hill and Village Plaza. Regarding installation of the retaining wall and related sidewalk transition at Woodview Elementary, Mr. St. John reported that the revised plans will require a temporary construction easement from the Spring Branch School District.

Mr. St. John reported that the school district has requested a metes and bounds description for the temporary easement. He reported that for student safety, the sidewalk transition will be installed during summer break.

7. Fiscal Year 2010 Budget and Capital Improvement Plan and Authorization of Submittal to the City of Houston

Mr. Walters discussed the draft fiscal year 2010 operating budget and the proposed projects in the draft 2010-2014 capital improvement plan. Following review and discussion, Director Arnold made a motion to approve the draft capital improvement plan and authorize its submittal to the City of Houston. The motion was seconded by Director Moody and passed by unanimous vote.

8. Tax Increment Revenue Bonds, Series 2009 and Execution of Term Sheet with Bank of America, N.A.

Mr. Lamme reviewed a Term Sheet with Bank of America, N.A., for sale of up to \$11,000,000 in tax increment revenue bonds. The Board discussed the Term Sheet and schedule for issuance of the bonds. Following discussion and review, Director Moody made a motion to authorize execution of the Term Sheet with Bank of America, N.A. Director Arnold seconded the motion, and it carried by unanimous vote.

The Board then discussed the commitment fee required upon execution of the Term Sheet. Director Moody made a motion to approve the fee and authorize the bookkeeper to wire transfer the \$11,000 fee to Bank of America, N.A. Director Freels seconded the motion, and it passed unanimously.

9. Hire Null-Lairson, P.C. to Prepare Financial Statement

Pat Walters stated that at the City's request and in connection with Statement of Accounting Standards No. 112, the Authority will prepare a Financial Statement for submission to its auditor. The Board reviewed a proposal from Null-Lairson, P.C. to prepare the Authority's Financial Statement. Following review and discussion, Director Moody made a motion to engage Null-Lairson, P.C. to prepare the Financial Statement for the fiscal year ending June 30, 2009, for a fee not to exceed \$8,500. Director Airola seconded the motion, which passed unanimously.

10. Hire McCall, Gibson & Company, PLLC to Perform Financial Audit

The Board reviewed a proposal to conduct the Authority's audit for the fiscal year ending June 30, 2009. Following review and discussion, Director Moody made a motion to engage McCall, Gibson & Company, PLLC to conduct the Authority's

audit for the fiscal year ending June 30, 2009, for a fee not to exceed \$8,000. The motion was seconded by Director Airola and carried by unanimous vote.

11. Preliminary Engineering for Memorial near Beltway 8 Drainage and Mobility Improvements

Mr. St. John discussed possible mobility and drainage improvements to Memorial Drive near Beltway 8. He stated that LAN will contact the City of Houston regarding differences between the City's comprehensive drainage study and LAN's drainage analysis. The Board asked that LAN also coordinate its work with developers in the area.

12. Parks, Trails and Green Space

Mr. Walters reported on proposed landscaping improvements to the Westview esplanades between Beltway 8 and Shadowdale. He stated that the Authority will coordinate with the City to obtain funds for trees and hardscape materials, and will enter into an agreement with the Spring Branch Management District for maintenance of the improvements once they are installed. The Board reviewed a letter agreement between the Authority and the Spring Branch Management District regarding maintenance of the improvements, and a proposal from Kudela & Weinheimer for design and construction services in connection with the landscaping improvements. Following discussion, Director Hodges made a motion to authorize execution of (1) the letter agreement with Spring Branch Management District and (2) the Kudela & Weinheimer proposal for professional services, in the amount of \$24,950. Director Moody seconded the motion, which passed by unanimous vote.

13. Convene Executive Session pursuant to Chapter 551.071, Texas Government Code, to conduct a private consultation with attorney to discuss pending or contemplated litigation

At 8:55 a.m., Director Turet announced the Board would convene in executive session to conduct a private consultation with its attorney regarding pending or contemplated litigation.

14. Reconvene in Open Session and authorize appropriate action regarding contemplated litigation

At 9:03 a.m., Director Turet announced the Board would reconvene in open session. Director Stardig made a motion to consent and agree to mediation, and authorize the Chair, Executive Director, and attorney to participate and conduct the mediation on behalf of the Authority. Director Hodges seconded the motion, and it carried unanimously.

15. Public Comments

Ms. Freedman commented on material in the Board packets, the mediation regarding ADA compliance, and the public participation policy.

Ms. Gregory commented on the Bunker Hill construction project, including protection of the tree at Woodview Elementary and the sprinkler system.

Ms. Strassner commented on material in the Board packets, sheet flow ponding for the Memorial near Beltway 8 drainage study, the Authority budget, and change orders.

Ms. Prazak commented on the 80/20 cost sharing with Memorial City Management District for staff compensation, the status of construction, the Fonn Villas project, sale of the Town & Country site, the need for a bus stop at I-10, and the Houston Community College campus.

Mr. Davidson commented on a possible merger of the Spring Branch Independent School District and Houston Community College System.

Karen Kleypas commented on the Board's work and clean up of Gessner north of I-10.

Ms. Collum commented on Gessner beautification and the Westview esplanade improvements.

Mr. Brown commented on installation of bike lanes on Westview and Lumpkin.

Director Turet commented on the variance relating to Memorial Middle School.

16. Adjournment

There being no additional matters for the Board's consideration, Director Stardig moved to adjourn the meeting. The motion was seconded by Director Moody, and passed unanimously.

Approved:



Chuck Turet, Chairman

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