

**MINUTES OF REGULAR MEETING
OF
TAX INCREMENT REINVESTMENT ZONE #3**

October 8, 2019

The Board of Directors (the "Board") of Reinvestment Zone Number Three, City of Houston (the "Zone") convened in regular session, open to the public, at the offices of the Houston Downtown Management District ("HDMD"), on the 8th day of October, 2019, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Vacant	Chair
Michele Sabino	Vice Chair
Barry Mandel	Secretary
Curtis Flowers	Treasurer/Investment Officer
William Kennerly	Director
Keith Hamm	Director
James Harrison	Director
Regina Garcia	Director
Bruce Austin	Director

and all of said persons were present except Directors Flowers, Garcia, Hamm, and Harrison and thus not constituting a quorum during this portion of the meeting.

Also present were Robert M. Eury, President and J. Allen Douglas, Executive Director of the Zone; Algenita Scott Davis, Jackie Traywick, Virginia Oviedo, Robert Pieroni and Jamie Perkins of Central Houston, Inc. ("CHI"); Brett DeBord and Lonnie Hoogeboom of the Houston Downtown Management District ("HDMD"); Jon Nordby, Managing Director of MassChallenge Texas-Houston; Jessica Ortiz of Carr, Riggs & Ingram ("CRI"); Linda Trevino of METRO; and Maria Perez of the City of Houston; and Sandy Rivera-Ramirez of Bracewell, LLP.

CALL TO ORDER

Vice Chair Sabino noted that in the interest of time, the meeting will begin and called the meeting to order at 12:15 p.m.

INTRODUCTION OF GUESTS AND PUBLIC COMMENTS

Vice Chair Sabino requested all meeting attendees briefly introduce themselves and welcomed all.

INNOVATION HUB

MassChallenge Houston Year One - Review

Vice Chair Sabino called on Mr. Pieroni (CHI) to introduce guest speaker, Mr. Nordby (MassChallenge). Mr. Nordby presented a brief review of the first year of MassChallenge in Houston. Questions were asked and answered.

No action was required.

DETERMINE QUORUM

Vice Chair Sabino determined that the meeting now had the requisite quorum at 12:30 p.m.

MINUTES OF PREVIOUS MEETINGS

The Board considered approving the minutes of the previous meetings. Following discussion, upon a motion made by Vice Chair Sabino and seconded by Secretary Mandel, the Board voted unanimously to approve the minutes of the September 10, 2019 meetings.

FINANCIALS

Check Register – September 2019

Ms. Traywick (CHI) provided an overview of the operating check registers for the month of September 2019. She reported the expenditures listed on the check register were recurring operating and capital project expenses. The Board did not have any questions.

No action was required.

FY19 Audit Report

Vice Chair Sabino called on Ms. Traywick (CHI) to review the FY19 Audit Report. Ms. Traywick then called on Ms. Ortiz (CRI), who led the audit report, to present the FY19 Main Street Market Square Redevelopment Authority d/b/a Downtown Redevelopment Authority Audit Report. She provided a brief overview of Required Communications, a modified and clean survey document, and positive feedback regarding the clean audit report. Ms. Ortiz offered to answer questions from the Board as well as receive any comments on the Management Representation Letter. Ms. Traywick added that, after reviewing the Management Representation Letter, there are no concerns with the letter and it is ready to be executed. Ms. Traywick offered to answer questions from the Board.

Following discussion, upon a motion made by Director Kennerly and seconded by Director Austin, the Board voted unanimously to approve the FY19 Audit Report as presented.

Investment Policy Statement - Review

Mr. Douglas (Zone) presented the request for approval of a resolution regarding the annual review of the investment policy. The investment policy and list of qualified broker/dealers that are authorized to engage in investment transactions with the Zone, pursuant to Section 2256.025, Texas Government Code, was last revised in November 2018. The policy was reviewed by outside counsel who recommended an updated list of qualified brokers. Those changes were incorporated. Mr. Douglas offered to answer questions from the Board.

Hearing no questions or concerns, upon a motion made by Secretary Mandel and seconded by Director Garcia, the Board voted unanimously to approve a resolution to adopt the amended investment policy and list of qualified broker/dealers dated October 8, 2019.

BAGBY STREET CAPITAL IMPROVEMENTS – PROFESSIONAL SERVICES

Vice Chair Sabino called on Mr. Hoogeboom (HDMD) to discuss a recommendation made by the Capital Projects Committee to approve this item. Mr. Hoogeboom proceeded to provide a brief overview of the current status of the project. Mr. Hoogeboom notified the Board of the Stakeholder Advisory Committee Meeting that was held on September 19, 2019 for this project. Mr. Hoogeboom called on Mr. DeBord to provide an overview of the mapped project phases. Mr. DeBord offered to answer questions from the Board.

Mr. Hoogeboom notified the Board of a Pre-Bid Conference in Early November, which will be followed by an evaluation review and then brought forth to the Capital Projects Committee in Mid-November.

After brief discussion and on a motion made by Director Austin and seconded by Director Mandel, the item passed unanimously to authorize an increase of an amount not to exceed \$97,100, amending the agreement with Jones | Carter, for additional professional services for Bagby Street Capital Improvements from Franklin Street to Clay Street in Downtown Houston.

SOUTHERN DOWNTOWN PARK – SOIL MITIGATION

Vice Chair Sabino called on Mr. Hoogeboom (HDMD) to introduce discussion on this item. Mr. Hoogeboom proceeded to provide a brief overview of the project, leading into discussion on how the soil at Southern Downtown Park is deeply compacted and deprived of nutrition. Design consultant, Lauren Griffith, has recommended that the Zone consider a process to enrich the soil through biological nutritional soils to be distributed across the site. Mr. Hoogeboom stated that Lauren Griffith helped in the search for a contractor to complete this task, with the winning bidder being Shooter & Lindsey, Inc.

After brief discussion and on a motion made by Director Austin and seconded by Director Mandel, the item passed unanimously to authorize the execution of necessary agreements for professional services by Shooter & Lindsey, Inc. to implement soil mitigation for Southern Downtown Park in an amount not to exceed \$55,000.

INNOVATION HUB

Downtown Innovation Space

Vice Chair Sabino called on Mr. Pieroni (CHI) to present discussion on this item. Mr. Pieroni elaborated on revolutionizing the innovation ecosystem within Houston. Providing a refresher background of the Request for Proposals that were submitted last month, Mr. Pieroni concluded with the choice made by the Economic Development Committee, authorizing this recommendation to the Board. The space chosen by the Committee was Amegy Bank – The Cannon Tower. Mr. Pieroni presented building financials, design renderings and an overlay of what the space would resemble as an Innovation Space.

After brief discussion, Director Kennerly noted the action item was missing a dollar amount to continue with contract negotiation and execution. Therefore, Executive Director Douglas amended the action item presented to the Board to read: Approve the final negotiations and execution of a lease agreement with Amegy Bank for up to \$500,000 annually for 10 years and necessary operating agreement with The Cannon for operation of a vibrant physical location to serve as a Downtown Innovation Space for start-ups and entrepreneurs located within the current TIRZ #3 geographical boundaries.

Following the amended action item, upon a motion made by Director Kennerly and seconded by Director Mandel, the item passed unanimously to authorize the execution of a lease agreement with Amegy Bank for up to \$500,000 annually over a period of 10 years and a necessary operating agreement with The Cannon for operation of a vibrant and physical location to serve as a Downtown Innovation Space for start-ups and entrepreneurs located within the current TIRZ #3 geographical boundaries.

OTHER BUSINESS

Project Status Report

Mr. Douglas (Zone) provided a brief status update on all active and ongoing projects. Mr. Douglas then answered questions from the Board on the current projects.

No action was required.

NEXT MEETING

Vice Chair Sabino announced that the next Board of Directors meeting is scheduled for November 19, 2019 at 12:00 p.m. at the regular meeting location. No committee meetings are scheduled at this time.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:32 p.m.

[Signature follows]

Barry Mandel, Secretary
Tax Increment Reinvestment Zone #3
City of Houston, Texas (Zone)