

# MINUTES OF SPECIAL MEETING OF UPTOWN DEVELOPMENT AUTHORITY

July 31, 2014

The Board of Directors of the Uptown Development Authority (the "Authority") met in special session, open to the public, on July 31, 2014, at 3:00 p.m. at 1980 Post Oak Blvd., Suite 1700, Houston, Texas 77056. The roll was called of the members of the Board, to wit:

|                       |                     |
|-----------------------|---------------------|
| Dot Cunningham        | Director            |
| Kendall A. Miller     | Secretary/Treasurer |
| Martin Debrovner      | Chairman            |
| Judson Robinson, III  | Director            |
| Janice Hale-Harris    | Director            |
| Lisa Simon            | Director            |
| Marvin Kaplan         | Director            |
| Louis Sklar           | Vice Chairman       |
| Urban F. O'Brien, III | Director            |

and all of the above were present except Directors Debrovner, Hale-Harris, O'Brien, and Sklar, thus constituting a quorum.

Also present were John Breeding, Stephen Wood, Robert Taube, Delia Mizwa, Shannon Daniels, Lauren Anderson, Katie McDonough, Rod Smith, Bob Ethington and Lyndsey Peterson, staff members of Harris County Improvement District No. 1 (the "District"); Ramesh Gunda of Gunda Corporation; Fred Junkin of Andrews Kurth LLP; Jesus Davila of the City of Houston (the "City"); Margarita J. Dunlap, Community Outreach Representative, Service Design and Development, for the Metropolitan Transit Authority ("METRO"); Muhammed Ali of Lockwood, Andrews & Newnam; and Jessica Holoubek and Yvonne Onak of Allen Boone Humphries Robinson LLP.

## CALL TO ORDER

Secretary Miller called the meeting to order at 3:24 p.m.

## APPROVE MINUTES

The Board considered approving the minutes of the May 28, 2014 regular meeting of the Board. Director Kaplan moved that the minutes of the meetings be approved. Director Robinson seconded the motion, which passed unanimously. A copy of the minutes of the May 28, 2014 meeting is attached.

## RECEIVE COMMENTS OR QUESTIONS FROM THE PUBLIC

There were no comments or questions from the public.

## APPROVE QUARTERLY INVESTMENT REPORT

Ms. Daniels reviewed the quarterly investment report for the quarter ending June 30, 2014, with reference to the Capital Projects Fund, Infrastructure Fund, Affordable Housing Fund and Pledged Securities. Director Kaplan moved that the report be approved by the Board. Director Simon seconded the motion, which passed unanimously.

## APPROVE INVOICES

Mr. Breeding presented to the Board a list of current invoices from May through June 2014, in the amount of \$2,883,064.99. He said that the largest payment of \$1,486,178.03 went to reimburse the District for overhead, salaries and services rendered by engineers, landscape architects and design firms, among other expenses. He said that, in the future, all District invoices will be itemized for the Board. After discussion, Director Simon moved that the Board approve payment of the invoices. Director Cunningham seconded the motion, which passed unanimously. A copy of the list of invoices is attached.

Mr. Breeding then reviewed and discussed the cumulative total of MWDBE/SBE expenditures through July 2014 and the expenditures for the current fiscal year to date. The Board then reviewed trend graphs of MWBDE/SBE Professional Services from July, 2013 through June, 2014 and Construction Services from July, 2013 through June, 2014.

## CONSIDER AUTHORIZING THE FISCAL YEAR 2014 AUDIT

Mr. Breeding said that the estimated fee for the proposed Fiscal Year 2014 audit services by Whitley Penn, LLP will be \$16,500.00. He stated that the current year is the third of a three-year commitment by Whitley Penn, LLP to perform the audit. After discussion, Director Simon moved that the Board authorize a letter agreement with Whitley Penn, LLP for the Fiscal Year 2014 audit. Director Cunningham seconded the motion, which passed unanimously.

## POST OAK BOULEVARD UPDATE

Mr. Breeding updated the Board on the award of contracts for the design and implementation of the improvements and bus lanes on Post Oak Boulevard. Director Miller discussed the committee formed to provide a greater level of

oversight for the dedicated bus lanes project on Post Oak Boulevard. He said that the committee consists of Directors Miller and Debrovner, representing the Authority, and Directors Mooz, Wolfe and Lerner, representing the District. He said that the committee will approve work orders.

Mr. Wood said that the Authority will implement a review process for the costs of acquiring right-of-way owned by an entity affiliated with a board member. He said that Stephen K. Carroll of Norton Rose Fulbright will be retained as outside counsel to provide an opinion on any transaction involving right-of-way owned by an affiliate of a board member. Mr. Wood said that the outside opinion is part of an open and transparent acquisition process to validate that Board members will not receive special treatment in the acquisition process.

#### PUBLIC IMPROVEMENT DEVELOPMENT AGREEMENT AMONG CITY, AUTHORITY AND TIRZ

Mr. Breeding discussed provisions of the proposed Public Improvement Development Agreement by and among the City, the Authority, and Reinvestment Zone Number Sixteen, City of Houston, Texas (the "TIRZ"). He said that the Authority will negotiate and acquire property necessary for the Post Oak Boulevard bus lanes project, provide the plans and specifications for the construction of the Project, solicit bids and award and manage construction contracts.

Mr. Breeding reviewed the Authority's right-of-way acquisition process, now known as the "San Felipe Process". He said that if the Authority cannot reach an agreement with the landowner to purchase the right-of-way, it will request that the City initiate the condemnation proceedings against the property needed for the completion of the project. In addition, Mr. Breeding said that the Authority will reimburse the City for all costs and expenses related to the acquisition of property for the project by the City. Mr. Breeding said that the TIRZ joins in the agreement specifically to acknowledge and agree to the withholding of tax increment funds by the City in accordance with the agreement.

After discussion, Director Simon moved that the Board approve the Public Improvement Development Agreement. Director Robinson seconded the motion, which passed unanimously. A copy of the Public Improvement Development Agreement is attached.

#### CONSIDER MEMORANDUM OF UNDERSTANDING ("MOU") AMONG THE CITY, METRO, THE DISTRICT, THE AUTHORITY AND THE TIRZ

Mr. Breeding updated the Board on the Town Hall meeting held on July 21, 2014 at the Hilton, which was attended by over 200 people. He said the Town Hall meeting

was requested by U.S. Representative John Culberson to provide an opportunity for public comment on the bus lanes project.

Mr. Breeding said that the MOU was revised as requested by Representative Culberson to provide that METRO's interest in the project be limited to bus operational matters. He said that the land will be owned by the Authority. He also said that METRO will provide resources to modify the Northwest Transit Center to accommodate the buses, and review and provide technical comments related to the dedicated bus lanes, bus stops, passenger shelters, transit terminal and other transit elements prior to construction. In addition, he said that METRO will provide technical comments regarding utilities proposed to be located within four feet of the dedicated bus lanes. He said that the City will retain control and operation of all traffic signal systems.

Mr. Breeding also said that the MOU was revised to provide that dedicated bus lanes are not a precursor to light rail transit. After discussion, Director Kaplan moved that the Board approve the MOU among the City, METRO, the District, the Authority and the TIRZ in support of the infrastructure improvement plans for the Post Oak Boulevard Corridor. Director Robinson seconded the motion, which passed unanimously. A copy of the MOU among the City, METRO, the District, the Authority and the TIRZ is attached.

#### CONSIDER MOU AMONG TEXAS DEPARTMENT OF TRANSPORTATION ("TxDOT"), METRO, THE DISTRICT, THE AUTHORITY AND THE TIRZ

Mr. Breeding reviewed the MOU with TxDOT regarding potential funding for the I-610 Dedicated Bus Lane Facility from Post Oak Boulevard to I-10. He said that the facility, as designed, will not support a rail component. After discussion, Director Robinson moved that the Board approve the MOU among TxDOT, METRO, the District, the Authority and the TIRZ. Director Cunningham seconded the motion, which passed unanimously. A copy of the MOU among TxDOT, METRO, the District, the Authority and the TIRZ is attached.

#### CONTRACT FOR POST OAK BOULEVARD TREE PROCUREMENT AND CUSTOM GROWING

Mr. Breeding discussed the contract for the procurement and custom growing of 840 live oak trees. He said that trees for Post Oak Boulevard will be (1) preserved in place, (2) initially moved from their current to their final position, (3) dug up, moved offsite and custom grown to be used as replacement trees, or (4) bought new ("retail trees"). He said that the retail trees will be transported from the tree farm in Florida in 200 gallon tubs, replanted in 42" x 65" boxes and grown for another two years before they are ready for planting as part of the dedicated bus lanes project.

He said that two bids for the trees contract were received, and he recommended to the Board award of the low bid of \$3,087,000 from Environmental Tree & Design. After discussion, Director Robinson moved that the Board approve the award of the Post Oak Boulevard tree procurement and custom growing contract for not more than \$3,087,000 to Environmental Tree & Design. Director Simon seconded the motion, which passed unanimously.

#### MEMORIAL PARK UPDATE

There was no update on Memorial Park.

#### CONSIDER AMENDING UPTOWN DEVELOPMENT AUTHORITY LIST OF APPROVED CONSULTANTS.

Mr. Breeding presented a list of new consultant firms. He said that contracts with the consultants must be approved by the City. Mr. Breeding requested addition of the firms to the list of approved consultants. After discussion, Director Simon moved to authorize the Authority Administrator to negotiate and enter into contracts with the new consultant firms. Director Cunningham seconded the motion, which passed unanimously. A copy of the consultant list is attached.

#### ADJOURNMENT

There being no further business, the meeting was adjourned.

Respectfully submitted,

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Kendall A. Miller  
Secretary, Board of Directors

#### Attachments:

Minutes of the May 28, 2014 Meeting  
List of Invoices  
Public Improvement Development Agreement  
MOU among the City, METRO, the District, the Authority, and the TIRZ  
MOU among TxDOT, METRO, the District, the Authority and the TIRZ  
List of Approved Consultants